

PARLIAMENT OF VICTORIA

Public Accounts and Estimates Committee



Inquiry into the Victorian Government's response to the COVID-19 pandemic

Interim report

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Public Accounts and Estimates Committee

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About the Committee

Functions

The Public Accounts and Estimates Committee is a joint parliamentary committee constituted under the *Parliamentary Committees Act 2003* (the Act).

The Committee comprises ten members of Parliament drawn from both Houses of Parliament.

The Committee carries out investigations and reports to Parliament on matters associated with the financial management of the State. Its functions under the Act are to inquire into, consider and report to the Parliament on:

- any proposal, matter or thing concerned with public administration or public sector finances
- the annual estimates or receipts and payments and other Budget papers and any supplementary estimates of receipts or payments presented to the Assembly and the Council
- audit priorities for the purposes of the *Audit Act 1994*.

The Committee also has a number of statutory responsibilities in relation to the Office of the Auditor-General and Parliamentary Budget Office.

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This report is available on the Committee's website.

Contents

Preliminaries

Committee membership	ii
About the Committee	iii
Terms of reference	ix
Chair’s foreword	xi
Executive summary	xiii
Recommendations	xix
Acronyms	xxiii

1 Introduction 1

1.1 Background	1
1.2 Scope of the inquiry	2
1.3 Governance arrangements	3
1.3.1 Establishment of a National Cabinet	3
1.3.2 Victorian Crisis Council of Cabinet	5
1.4 The inquiry process	7
1.5 Report structure	7

2 Health 9

2.1 Introduction	9
2.2 Pandemic preparedness	10
2.2.1 The COVID-19 pandemic plan for the Victorian health sector	11
2.2.2 Modelling	12
2.3 State of emergency and use of emergency powers	13
2.3.1 Emergency and public health risk powers	14
2.3.2 Hotel quarantine	16
2.4 Testing for COVID-19	18
2.4.1 Testing criteria	19
2.4.2 Contact tracing	20
2.4.3 Case study—Cedar Meats	20
2.5 Research into COVID-19	23
2.6 The health system	23
2.6.1 Governance of the health system	24
2.6.2 Hospitals	25
2.6.3 Innovation and telehealth	26
2.7 Healthcare workers	27
2.7.1 Personal protective equipment	27
2.7.2 Support programs for healthcare workers	29

2.8	Ageing Victorians	30
2.8.1	Responsibility for residential aged care	30
2.8.2	Regulating access to aged care facilities	32
2.8.3	Impact of the pandemic on ageing Victorians	33
2.9	Mental health	34
2.9.1	Funding for mental health	34
2.9.2	The impact of restrictions on mental health	35
3	Economy	37
3.1	The Victorian economy and impact of COVID-19	37
3.1.1	The economy overall	38
3.1.2	Employment	41
3.1.3	Industry	42
3.1.4	Trade	44
3.1.5	Population	46
3.1.6	Residential property market	48
3.2	Victorian Government’s response	49
3.2.1	Victorian Government’s fiscal position	49
3.2.2	Policies and programs	52
3.3	Responses through the National Cabinet	55
3.3.1	Direct fiscal response	56
4	Jobs and infrastructure	63
4.1	Introduction	63
4.2	Victorian workforce	63
4.2.1	Adaptability of workplaces	63
4.2.2	Local government workforce	64
4.2.3	Impact on certain categories of visa holder and casual employees	65
4.3	Gender impacts of COVID-19	67
4.4	Infrastructure investment	70
4.4.1	Education infrastructure projects	71
4.4.2	Transport infrastructure projects	72
4.4.3	Transport network—activity	74
4.4.4	Public transport cleanliness	74
4.4.5	Bicycle lanes and widened footpaths	75
5	Industry	77
5.1	Introduction	77
5.2	Industries impacted by COVID-19	78
5.2.1	Tourism	79
5.2.2	Retail	83

5.2.3	International education	86
5.2.4	Creative industries	88
5.2.5	Building and construction industry	89
6	Social impacts	95
6.1	Introduction	95
6.2	Residential tenancies	96
6.2.1	Rental tenancy legislation and regulations	96
6.2.2	Negotiating rental agreements and tenancy disputes	98
6.2.3	Expiration of legislation	101
6.3	Family violence	101
6.3.1	Government initiatives	102
6.3.2	Operation Ribbon	105
6.3.3	Gendered impacts of the COVID-19 pandemic	107
6.3.4	Children and family violence	108
6.3.5	Elder abuse	108
6.3.6	Barriers to legal assistance	110
6.4	Homelessness	110
6.4.1	Funding	111
6.4.2	Increase in demand	112
6.4.3	Social housing	113
6.5	Vulnerable Victorians	114
6.5.1	Funding	115
6.5.2	Impact on vulnerable Victorians	116
6.5.3	Volunteering	117
7	Justice	119
7.1	Introduction	119
7.2	Victoria Police	119
7.2.1	Enforcement of the Chief Health Officer's directives	119
7.2.2	Fines and infringements	123
7.3	Corrections	126
7.3.1	Case numbers and risks	127
7.3.2	Prisons	129
7.3.3	Youth justice facilities	133
7.3.4	Community correctional services	134
7.4	Courts	135
7.4.1	Impact of the COVID-19 pandemic on Victoria's court system	135
7.4.2	Community legal centres	141

8	Education	143
8.1	Introduction	143
8.1.1	Support packages	144
8.1.2	Childcare workers	146
8.2	Schools	147
8.2.1	Initial transition to remote learning	148
8.2.2	Disadvantaged students and students with disability	150
8.2.3	Positive aspects of remote learning	154
8.2.4	Health and wellbeing of students and teachers	155
8.2.5	Staggered return to onsite learning	157
8.3	Tertiary education	158
8.3.1	Universities	159
8.3.2	University students	161
8.3.3	Technical and Further Education	163
9	Environment	167
9.1	Introduction	167
9.2	<i>Environment Protection Amendment Act 2017</i>	167
9.3	Bushfire recovery projects	168
9.4	Announcements and responses to reports	169
9.5	Household waste, recycling and illegal dumping	170
	Appendices	
1	COVID-19 public sector missions	173
2	About the Inquiry	177
3	Health directions	183
	Extract of proceedings	191
	Minority report	195

Terms of reference

Inquiry into the Victorian Government's response to the COVID-19 pandemic

On Wednesday 29 April 2020, the Public Accounts and Estimates Committee agreed to:

Review and report to the Parliament on:

- a. the responses taken by the Victorian Government, including as part of the National Cabinet, to manage the COVID-19 pandemic and
- b. any other matter related to the COVID-19 pandemic

up to each reporting date of the Committee.

The Committee is to report to Parliament:

- a. on or before 31 July 2020 and 31 October 2020
- b. or such other date/s as the Committee decides.

Chair's foreword

Most Victorians have not experienced a health pandemic like COVID-19 in their lifetime. It has disrupted our everyday lives—our work, connections with family and friends, and how we learn. It is challenging our very sense of safety and wellbeing. For the most vulnerable people in our community, it has placed a completely new level of stress on everyday living. One witness to this inquiry described COVID-19 as having ‘struck us like a tsunami’, with vulnerable people ‘the most likely to get sick, the most likely to lose their jobs and the most likely to be evicted from their homes’.

In April, the Public Accounts and Estimates Committee commenced an inquiry into the Victorian Government’s response to the COVID-19 pandemic. The terms of reference are broad. They enabled the Committee to obtain evidence from the Premier and Ministers of the COVID-19 Crisis Cabinet, peak industry groups, community organisations, unions, the education sector, local government and health experts. On behalf of the Committee, I thank those people for sharing their insights on the impacts of the pandemic and the Government’s response in a constantly evolving situation and at a very challenging time.

Public hearings were held in mid-May over six days. The evidence gathered in addition to the written submissions received form the basis of this first report to Parliament.

In August, the Committee will undertake a second round of hearings. They will be publicly broadcast from Parliament’s website. A second report will be prepared by the end of October.

I would like to acknowledge the hard work and commitment of my colleagues on this inquiry—Richard Riordan MP (Deputy Chair), Sam Hibbins MP, David Limbrick MLC, Gary Maas MP, Danny O’Brien MP, Pauline Richards MP, Tim Richardson MP, Ingrid Stitt MLC and Bridget Vallenge MP.

My thanks also goes to the Committee Secretariat staff for the high quality of support and assistance they have provided throughout this inquiry.

I commend our report for your consideration.



Lizzie Blandthorn MP
Chair

Executive summary

Introduction

Following the World Health Organisation’s declaration of the COVID-19 pandemic, Australian Governments established the National Cabinet on 13 March 2020 as an intergovernmental forum that brings together the Premiers and Chief Ministers of all Australian jurisdictions, to ensure a coordinated response across the country to the many issues that relate to the management of the COVID-19 pandemic.

The Victorian Government has moved in concert with the National Cabinet on many occasions—for example in the messaging to the community on how to minimise the spread of the infection, social distancing restrictions and agreement to the three step framework. In other instances, the Victorian Government has taken an independent approach to managing the COVID-19 pandemic.

In response to a request from the Premier, the Parliament of Victoria’s Public Accounts and Estimates Committee resolved on 29 April 2020 to undertake an inquiry examining the Victorian Government’s response to the COVID-19 pandemic.

Health

Victoria’s first COVID-19 case was diagnosed on 25 January 2020. The Victorian Government undertook planning activities at the outset of the pandemic, including establishing an incident management team in the Department of Health and Human Services on 20 January 2020. The team developed a model to estimate scenarios of the likely magnitude and timescale of the COVID-19 pandemic. The Government had also previously run pandemic simulations with Emergency Management Victoria and the Department of Health and Human Services during 2019. On March 10 2020 the Government published the COVID-19 Pandemic Plan for the Victorian Health Sector, which set out response frameworks for Victorian government departments and organisations within the health sector to manage the pandemic.

The implementation of restrictions outlined in the Chief Health Officer’s Directions initially reduced the spread of COVID-19 and prevented the number of cases reaching the levels predicted in the Victorian Government’s modelling. The easing of restrictions was undertaken in line with the National Cabinet’s three step framework for easing restrictions. In the absence of a vaccine, these restrictions such as social distancing and good hand hygiene are currently the most effective and viable response.

The funding announced by the Victorian Government enabled an expansion of the number of beds available in Victorian hospitals, which was increased further as a result of an agreement with the private sector. The Government has also ensured that healthcare workers have been effectively supported throughout the pandemic.

Although the centralisation of personal protective equipment distribution by the Department of Health and Human Services was effective, the devolved nature of the Victorian health system caused some issues. The mental health impacts of the pandemic have particularly affected vulnerable Victorians.

Economy

The Victorian economy pre-COVID-19 experienced steady growth over the last two decades, with pre-COVID-19 data indicating a moderating yet broadly positive macroeconomic outlook. While the economy does have some structural issues, it was stable and was characterised by low levels of unemployment and moderate wage and price growth. Victoria's economy is led by employment in service industries. International education was its largest service export.

The initial impact of COVID-19 on the Victorian economy is expected to be significant, with early indicators showing a widespread economic downturn. The downturn is expected to be compounded by drops in international migration, Victoria's trade profile, industry composition and fiscal capacity of the Victorian Government during the pandemic.

With migration and inbound tourism collapsing in the wake of COVID-19, Victoria's visitor economy is expected to contract substantially. Visitor expenditure in Victoria is estimated to fall by \$23.3 billion in 2020, representing a 72% decrease from 2019.

Pre-COVID-19, the Government's overall fiscal position was generally sound. Victoria's budget outlook, however, has changed significantly due to the economic impact of COVID-19. Victoria's medium-term outlook is uncertain and the Committee expects a substantial change in the Government's 2020-21 Budget.

The Government's primary economic response to the pandemic has been the \$1.7 billion Economic Survival Package to Support Small Businesses and Jobs, along with a further \$534 million Business Support Package announced on 10 July 2020. The response is mainly comprised of tax exemptions and deferrals as well as grants to businesses affected by the pandemic.

The Committee also examined the impact of the Commonwealth Government's direct fiscal response through the JobKeeper and JobSeeker allowances. The Committee found that Victorian businesses are disproportionately represented in JobKeeper data, likely due to the increased impact of COVID-19 on the Victorian economy compared to other states and territories. While Victoria makes up 23.7% of the national economy, it accounted for 27.3% of all JobKeeper applications in April.

The Committee notes that the suite of measures implemented by the Victorian Government have worked in tandem with stimulus measures implemented by the Commonwealth Government.

In light of a return to Stage 3 restrictions in July 2020, the Victorian economy is expected to continue facing substantial difficulties, requiring continued Commonwealth and State Government support.

Jobs and infrastructure

The restrictions that slow the spread of COVID-19 have had a significant impact on the Victorian workforce and workplaces. The Victorian Government introduced the Working for Victoria fund which redeploys employees that have been affected by the mandatory closures.

Notably, local government casual employees who are unable to access the Commonwealth JobKeeper or JobSeeker allowances, may also access the Working for Victoria fund.

The Victorian Government also introduced an 'Industrial Relations framework for managing the coronavirus pandemic' which protects Victorian Public Sector (VPS) employees and VPS casual employees who are impacted by the restrictions enforced.

Approximately 41% of casual employees in Australia are unable to access the JobKeeper allowances due to the eligibility criteria. Employees on temporary working visas or working holiday visas whose employment has been affected are ineligible for JobKeeper or JobSeeker allowances.

The COVID-19 restrictions weighed more on the female workforce, with the number of jobs lost by women surpassing the number of jobs lost by men. Women have also reportedly experienced increased responsibilities during the COVID-19 pandemic.

As a part of COVID-19 economic recovery, the Victorian Government announced a \$2.7 billion Building Works package that is estimated to create 3,700 jobs. The Building Works package consists of \$1.2 billion investment in education infrastructure projects that will create 1,600 jobs and includes \$328 million for the transport sector.

Industry

The restrictions introduced to contain the spread of COVID-19 had an enormous impact on the economy with many businesses shutting down, affecting employment and business activity. The shut down of non-essential activities had an immediate impact on industries that require travel and customer interaction such as tourism, retail and international education in Victoria.

Victorian tourism is forecast to decline by \$23.3 billion in 2020, 72% lower compared to 2019 as a result of the COVID-19 restrictions and preceding bushfires. The retail industry recovered in May 2020 compared to April 2020 due to the easing of restrictions, however retail sectors such as clothing and footwear, as well as the food and beverages sectors, declined compared to levels last year. The Victorian Government's Economic Survival Package was positively received by the tourism and the retail sectors.

For the month of April 2020 the creative industry recorded a \$340 million decline in revenue nationally. Revenue is forecast to decline further as a result of the prolonged shut down periods. The international education sector, the largest services export

industry in Victoria, is forecast to write off billions in revenue as a result of the restrictions imposed. The declining revenue in the university sector will weigh on the research and development undertaken by the universities. The university sector is anticipated to recover in 2023.

On the contrary the building and construction industry was classified as an essential activity and therefore experienced minimal impact. However, the industry is forecast to decline in the long-term due to demand side shocks in the economy such as high levels of unemployment, lower population growth and declining consumer confidence.

Social impacts

The Committee determined that during the pandemic demand for assistance across the social services sector has grown, especially in the areas of family violence, and homelessness. At the time of the Committee's public hearings there had been no recorded outbreaks of COVID-19 among the state's homeless population, although there is growing evidence of increased demand on homelessness services including Victorians who may find themselves at risk of homelessness for the first time. While the government has implemented negotiation and dispute resolution between tenants and landlords, the end of some of the emergency measures set out in the *COVID-19 Omnibus (Emergency Measures) Act 2020* and elevated JobSeeker and JobKeeper rates in September 2020 may lead to increased numbers of tenants facing eviction and homelessness.

Evidence from stakeholders suggests the COVID-19 pandemic has highlighted areas of existing disadvantage.

Justice

The Government has taken action to ensure the continued operation of the justice system. Victoria Police has enforced health directions in the community including issuing infringements. This role has evolved and adapted over time.

Victoria's court and justice system had to immediately adapt its predominantly paper-based, face-to-face system to adhere to COVID-19 health regulations. The Government supported this through operational and procedural changes enacted through the *COVID-19 Omnibus (Emergency Measures) Act 2020*. Victoria's Courts have experienced issues transitioning to hearing matters via technology. The Committee also found community legal centres are experiencing an increase in demand in areas such as employment and tenancy law.

Victorian prisons have initiated a number of preventative measures to minimise the risk of a COVID-19 outbreak within Victoria's prison and youth justice populations.

Education

The Committee has found that the education and early childhood sector in Victoria has been significantly impacted by the restrictions associated with the pandemic. The Victorian Government kept schools open during the COVID-19 lockdown in Term 2, however, students were directed to learn remotely where possible.

The management of the transition to remote learning was mostly effective. The transition increased the workload of educators across the system. Some teachers and support staff reported positive outcomes for themselves and their students, but it should be acknowledged that some found the experience challenging including children with disability.

Victorian universities have been greatly impacted by the pandemic. Many of the international students that are resident in Victoria are facing significant hardship.

Environment

The COVID-19 pandemic has resulted in the re-prioritisation of various environmental issues by the Victorian Government.

Recommendations

2

Health

RECOMMENDATION 1: The Department of Health and Human Services evaluate the impact and effectiveness of the *COVID-19 Pandemic Plan for the Victorian Health Sector*, including the implementation of its requirements by relevant agencies, and the draft *Victorian Action Plan for COVID-19 Pandemic*, to inform the development of future pandemic planning.

12

RECOMMENDATION 2: The Government, in collaboration with the Department of Health and Human Services, consider options to amend the *Health Records Act 2001 (Vic)* to more effectively facilitate the provision of warnings and contact tracing during pandemics and other public health emergencies.

22

RECOMMENDATION 3: The Department of Health and Human Services establish better protocols to facilitate effective communication with Victorian General Practitioners in the event of a pandemic.

22

RECOMMENDATION 4: The Department of Health and Human Services develop measures that enable effective collaboration across primary health networks and the state-run public health sector.

25

RECOMMENDATION 5: The Department of Health and Human Services work with the health sector to develop a comprehensive pandemic preparedness training program for healthcare workers including proper use of personal protective equipment.

29

RECOMMENDATION 6: The Victorian Government develop a strategy to improve access to mental health support for those struggling with recent circumstances in regional and rural Victoria.

35

3 Economy

RECOMMENDATION 7: The Department of Treasury and Finance and State Revenue Office consider publishing data that gives an insight into the impact of the funding initiatives that were announced as part of the Government’s response to the COVID-19 pandemic.

54

4 Jobs and infrastructure

RECOMMENDATION 8: The Victorian Government consider collecting gender disaggregated data during the pandemic that can inform decision making and investment to reduce the gender impact of the crisis.

69

5 Industry

RECOMMENDATION 9: Business Victoria consider ways of facilitating employees and employers completing the free online course on operating a hospitality/retail business safely in a COVID-19 environment.

85

RECOMMENDATION 10: The Department of Education and Training consider maintaining a record of the Victorian university sector’s research and development expenditure, outlining the impact of the decline on research and development and its effect on the Victorian economy.

88

6 Social impacts

RECOMMENDATION 11: The Department of Health and Human Services consider publishing information on how many applications for rent relief have been made in total and how many tenants have been granted rent relief.

98

RECOMMENDATION 12: Consumer Affairs Victoria consider publishing on its website a breakdown of the type of rental agreements being lodged.

100

RECOMMENDATION 13: The Department of Health and Human Services consider undertaking an evaluation of the ‘Call It Out’ campaigns to determine their effectiveness and impact on service demand.

104

RECOMMENDATION 14: The Department of Health and Human Services, in collaboration with the Department of Education and Training, and the family violence sector, establish protocols to facilitate effective collaboration to ensure the safety of at-risk children during and after the pandemic.

108

7 Justice

RECOMMENDATION 15: Corrections Victoria confirm all Victorian prisons and youth justice centres comply with the Communicable Disease Network Australia Guidelines for the prevention, control and public health management of COVID-19 outbreaks in correctional and detention facilities in Australia and confirm an infection control program has been formalised and is being fully implemented at each site.

130

RECOMMENDATION 16: In its annual report, Court Services Victoria consider detailing how many trials proceeded as judge-alone under the Omnibus Act.

137

RECOMMENDATION 17: In its annual report, Court Services Victoria consider publishing information on how each court utilised technology during the COVID-19 pandemic.

139

RECOMMENDATION 18: Court Services Victoria consider publishing data on how many matters have been adjourned in each jurisdiction and the nature of any delays each court is experiencing due to COVID-19.

140

8 Education

RECOMMENDATION 19: The Department of Education and Training evaluate the trial at Kalianna School, Bendigo Special Development School and Echuca Specialist School, and consider how the findings can be shared and applied to support students with a disability and their families during the COVID-19 pandemic.

154

RECOMMENDATION 20: The Department of Education and Training consult with specialist educators regarding enhanced cleaning measures to ensure that there is confidence that they are tailored to the specific needs and challenges of specialist schools.

156

Recommendations

RECOMMENDATION 21: The Victorian Government support schools to deliver expanded mental health programs for students, including online support to help address the impact of the pandemic period. **157**

RECOMMENDATION 22: The Department of Education and Training provide teachers with additional guidance on how to identify and refer students who now require additional support to appropriate mental health services. **157**

RECOMMENDATION 23: The Department of Jobs, Precincts and Regions, in collaboration with Victorian universities and TAFEs, consider collecting data on the international student support fund. **163**

Acronyms

AASE	Australian Association of Special Education
ABN	Australian Business Number
ABS	Australian Bureau of Statistics
ACSA	Aged and Community Services Australia
AEU	Australian Education Union, Victorian Branch
AHPPC	Australian Health Protection Principal Committee
AIC	Arts Industry Council
AIG	Australian Industry Group
AMA	Australian Medical Association
ANMF	Australian Nursing and Midwifery Federation (Victoria branch)
ARA	Australian Retailers Association
ASU	Australian Services Union
ATO	Australian Taxation Office
CAV	Consumer Affairs Victoria
CBD	Central Business District
CCC	Crisis Council of Cabinet
CCS	Community Correctional Services
CDNA	Communicable Disease Network Australia
CEA	Coronavirus Emergency Accommodation
CGS	Commonwealth Grants Scheme
CIRF	COVID-19 Isolation and Recovery Facilities
CLC	Community Legal Centre
COAG	Council of Australian Governments
COTA	Council on the Ageing Victoria
CPI	Consumer Price Index
DELWP	Department of Environment, Land, Water and Planning
DET	Department of Education and Training
DHHS	Department of Health and Human Services
DJCS	Department of Justice and Community Safety
DJPR	Department of Jobs, Precincts and Regions
DoT	Department of Transport
DPC	Department of Premier and Cabinet
DTF	Department of Treasury and Finance
EPA	Environment Protection Authority

Acronyms

FCLC	Federation of Community Legal Centres
GDP	Gross domestic product
GFC	Global Financial Crisis
GORT	Great Ocean Road Regional Tourism
GPs	General Practitioners
GSP	Gross state product
HIA	Housing Industry Association
HPV	Health Purchasing Victoria
IPC	Infection Prevention Control
LGA	Local Government Area
LIV	Law Institute of Victoria
MBAV	Master Builders Association of Victoria
MERS	Middle East Respiratory Syndrome
MHV	Mental Health Victoria
MoU	Memorandum of Understanding
NUS	National Union of Students
PAL	Police Assistance Line
PPE	Personal protective equipment
PSO	Protective Service Officer
PSRACS	Public sector residential aged care services
R&D	Research and development
RBA	Reserve Bank of Australia
SARS	Severe Acute Respiratory Syndrome
SAT	Supporting Apprentices and Trainees
SEIFA	Socio-Economic Indexes for Areas
SPELD	Specific Learning Difficulties Victoria
TAFE	Technical and Further Education
TCV	Treasury Corporation of Victoria
VALS	Victorian Aboriginal Legal Service
VASSP	Victorian Association of State Secondary Principals
VCAL	Victorian Certificate of Applied Learning
VCAT	Victorian Civil and Administrative Tribunal
VCE	Victorian Certificate of Education
VCOSS	Victorian Council of Social Services
VEAC	Victorian Environmental Assessment Council
VECCI	Victorian Chamber of Commerce and Industry
VicSRC	Victorian Student Representative Council

VPA	Victorian Principals Association (Primary Schools)
VTIC	Victorian Tourism Industry Council
WHO	World Health Organisation
WPI	Wage Price Index

1.1 Background

On 9 January 2020, the World Health Organisation released a statement about a cluster of pneumonia cases in Wuhan, a megacity in central China.¹ A new coronavirus was identified as a possible pathogen causing the cluster. Only 9 weeks later, a State of Emergency was declared in Victoria as a result of the global spread of the new coronavirus. Mass gatherings were banned and 14-day isolation requirements were introduced for travellers returning from overseas. Since then restrictions have tightened, then eased and sometimes been reinstated to stem the rate of infection.

There are many different kinds of coronavirus. They are named after their appearance as they look like a 'crown' (corona in Spanish) under a microscope. The newly identified coronavirus has caused the worldwide pandemic of respiratory illness, called COVID-19. COVID-19 is the abbreviation for the corona-virus-disease first identified in 2019.

BOX 1.1: What is COVID-19?

COVID-19 is the disease caused by the new coronavirus that emerged in China in December 2019.

COVID-19 symptoms include cough, fever or chills, shortness of breath or difficulty breathing, muscle or body aches, sore throat, new loss of taste or smell, diarrhea, headache, fatigue, nausea or vomiting and congestion or runny nose. COVID-19 can be severe, and some cases have caused death.

The new coronavirus can be spread from person to person. It is diagnosed with a laboratory test.

There is no coronavirus vaccine yet. Prevention involves frequent hand-washing, coughing into the bend of your elbow, staying home when you are sick and wearing a cloth face covering if you can't practice physical distancing.

Source: John Hopkins Medicine, *What Is Coronavirus?: What you need to know*, 24 July 2020, <<https://www.hopkinsmedicine.org/health/conditions-and-diseases/coronavirus>> accessed 27 July 2020.

¹ World Health Organisation, *WHO Statement regarding cluster of pneumonia cases in Wuhan, China*, media release, World Health Organisation, China, 9 January 2020.

Australia has experienced many epidemics and pandemics.² Smallpox outbreaks decimated Indigenous populations during early settlement. Different types of flu, AIDS/HIV and polio have had devastating impacts over time. However, most of today's Victorians have not experienced a health pandemic that has been as disruptive as that of the corona virus. The pandemic has dislocated families, communities, education, work and the economy. It poses a significant and ongoing risk to vulnerable people and has tragically caused fatalities.

1.2 Scope of the inquiry

In response to a request from the Premier, the COVID-19 outbreak in Victoria, the Public Accounts and Estimates Committee ('the Committee') resolved on 29 April 2020 to undertake an inquiry into the Victorian Government's response to the pandemic.

The Committee has 'own motion' powers. It can undertake inquiries and report to Parliament on any document relevant to the functions of the Committee tabled in Parliament in accordance with an Act.³ The Committee has the mandate to examine any matter relating to public administration or public sector finances.

By 29 April 2020 two reports had been tabled in relation to the COVID-19 pandemic—the *Report to the Parliament on the Declaration of a State of Emergency Act* (17 March 2020) and the *Report to Parliament on the Extension of the Declaration of State of Emergency* (23 April 2020). Both reports were required under the *Public Health and Wellbeing Act* (2008). These reports form the legislative basis for the Committee's reference.

The Victorian Government's response to the COVID-19 pandemic has resulted in a restructure of the public sector and redirection and expansion of expenditure of public finances. Given the Committee's previous experience in examining public sector administration and finance the Committee is well placed to undertake this inquiry into the Victorian Government's response to the COVID-19 pandemic.

The terms of reference require the Committee to review and report to the Parliament on:

- a. the responses taken by the Victorian Government, including as part of the National Cabinet, to manage the COVID-19 pandemic and
- b. any other matter related to the COVID-19 pandemic

up to each reporting date of the Committee.

The Committee is to report to Parliament on or before 31 July 2020 and on or before 31 October 2020; or such other date/s as the Committee decides. This report is the Committee's first report to the Parliament.

² Ben Huf and Holly Mclean, *Epidemics and pandemics in Victoria: Historical perspectives* report prepared by Department of Parliamentary Services, Parliament of Victoria, Melbourne, May 2020, p. 1.

³ *Parliamentary Committees Act 2003* (Victoria) s 33(3).

The pandemic and the Victorian Government's response have rapidly evolved during the Committee's inquiry. As such, it is important to note that the report represents a snapshot in time at the early stages of the pandemic. The Committee will have the opportunity to follow up on many issues at its second round of public hearings scheduled for 11–13 and 25–27 August.

The Committee notes that since the commencement of its inquiry several other inquiries and reviews have been established including:

- state and federal inquiries into the use of hotel quarantine
- an Ombudsman Victoria review into the lockdown of public housing towers in north Melbourne suburbs
- Department of Education and Training review of remote learning
- Auditor-General audits of the management of spending measures and business continuity during the COVID-19 pandemic.

The Committee is of the view that these reviews will make a valuable contribution towards better informing the community, future decision making and expenditure.

1.3 Governance arrangements

1.3.1 Establishment of a National Cabinet

On 21 January 2020, the Australian Government declared COVID-19 a communicable disease incident of national significance. Australia's first confirmed case of COVID-19 occurred in Victoria and was reported on 25 January 2020. A month later on 27 February, the Commonwealth Government announced that Australia would treat COVID-19 as a pandemic and activated an Australian Health Sector Emergency Response Plan. On 11 March 2020, the World Health Organisation announced that COVID-19 should be characterised as a pandemic.

Following the WHO's declaration of the pandemic, Australian Governments established the National Cabinet on 13 March 2020 as an intergovernmental forum that brings together the Premiers and Chief Ministers of all Australian jurisdictions, to ensure a coordinated response across the country to the many issues that relate to the management of COVID-19.⁴ After the first meeting of the National Cabinet on 16 March, the Prime Minister noted:

There was a very strong spirit of unity and cooperation. And again, I want to thank the premiers and the chief ministers for their support in bringing together this national cabinet. It has now been established formally under the Commonwealth government's

⁴ Department of Premier and Cabinet, *11. Addendum to Cabinet Handbook - National Cabinet, 2020*, <http://www.dpac.tas.gov.au/divisions/office_of_the_secretary/cabinet_office/handbook/12_addendum_to_cabinet_handbook_-_national_cabinet> accessed 7 July 2020.

cabinet guidelines. And it has the status of a meeting of Cabinet that would exist at a federal level, as does the meetings of the AHPPC and the national coordinating mechanism, which is feeding up into those arrangements.

... The National Cabinet, yes, it's making decisions on things like I've talked about today to support with legislation, self-isolation arrangements and things of that nature. But the other thing that the National Cabinet is doing is sharing this practice information about how state governments are just practically dealing with; ...transport ... schools ... So this is a highly collaborative process and we're all learning from each other and all supporting each other.⁵

On 16 March 2020, a State of Emergency was declared in Victoria and restrictions on movement and gatherings were gradually introduced. The Victorian Premier referenced the National Cabinet in his media release that day:

We are taking these steps, after agreement from the National Cabinet that includes the Prime Minister and all Premiers and Chief Ministers, to contain the spread of coronavirus as much as we can.

Make no mistake, the next few weeks and months will be tough for everyone, but we're doing what is necessary to protect Victorians.⁶

The initial focus of the National Cabinet was on slowing the outbreak—'flattening the curve' of the infection rate to save lives. Without restrictions, the Government forecast that Victoria would have seen up to 58,000 cases per day, with 36,000 deaths.⁷ When outbreaks had been largely contained or eliminated the Cabinet's focus shifted in early May to the 3 step framework for a Covidsafe Australia, in effect a reopening of the economy. The framework sets out how States and Territories could implement changes based on their COVID-19 conditions across 10 sectors including gatherings and work, education and childcare, and retail and sales.

Unfortunately, infection rates in Victoria have since climbed again and the State is focussed once again on managing the health dimensions of the pandemic.

The Victorian Government has moved in concert with the National Cabinet on many occasions—for example in the messaging to the community on how to minimise the spread of the infection, social distancing restrictions and agreement to the 3 step framework. In other instances, the Victorian Government has taken an independent approach to managing the pandemic, for example with the introduction of remote school learning, ordering and distribution of personal protective equipment and advice to the community on wearing masks.

⁵ Hon. Scott Morrison MP, 'Transcript: Press Conference', delivered at 15 March 2020.

⁶ Hon. Daniel Andrews MP, *State Of Emergency Declared In Victoria Over COVID-19*, media release, Victorian Government, Melbourne, 16 March 2020.

⁷ Hon. Daniel Andrews MP, Premier, Department of Premier and Cabinet, *COVID-19 hearing presentation*, supplementary evidence received 12 May 2020, p. 3.

1.3.2 Victorian Crisis Council of Cabinet

On 3 April 2020, the Premier announced the establishment of the Crisis Council of Cabinet (CCC) as the core decision making body of the Victorian Government for all matters related to the COVID-19 pandemic. The Council is the primary State body responsible for implementing the decisions of the National Cabinet.⁸

The CCC replaces and undertakes the functions of existing Cabinet Committees, operating for an initial period of six months. The leaders of each core mission meet collectively as the Mission Coordinating Committee. A Mission Coordinating Unit was also established within the Department of Premier and Cabinet to oversee the entire work program. A Public Sector Administration Committee was also established as the primary decision-making forum for whole-of-government matters.

The CCC was originally supported by eight core public sector missions and two enabling programs of work, created to guide the State's response to the pandemic.⁹ Further details of the missions are set out in Appendix one. Each mission was led by the relevant departmental secretary, appointed by the Premier as Mission Leads, who are responsible for planning and delivery of the missions. Mission Leads engage with the CCC Coordinating Ministers and support the CCC as the structure's core decision-making forum.¹⁰

From June 2020, the eight missions have been consolidated into six to reflect the shift away from a public health emergency response to monitoring and recovery. The six missions have also been updated with new priorities and leadership arrangements.¹¹ Figure 1.1 sets out the CCC missions and recent changes to it.

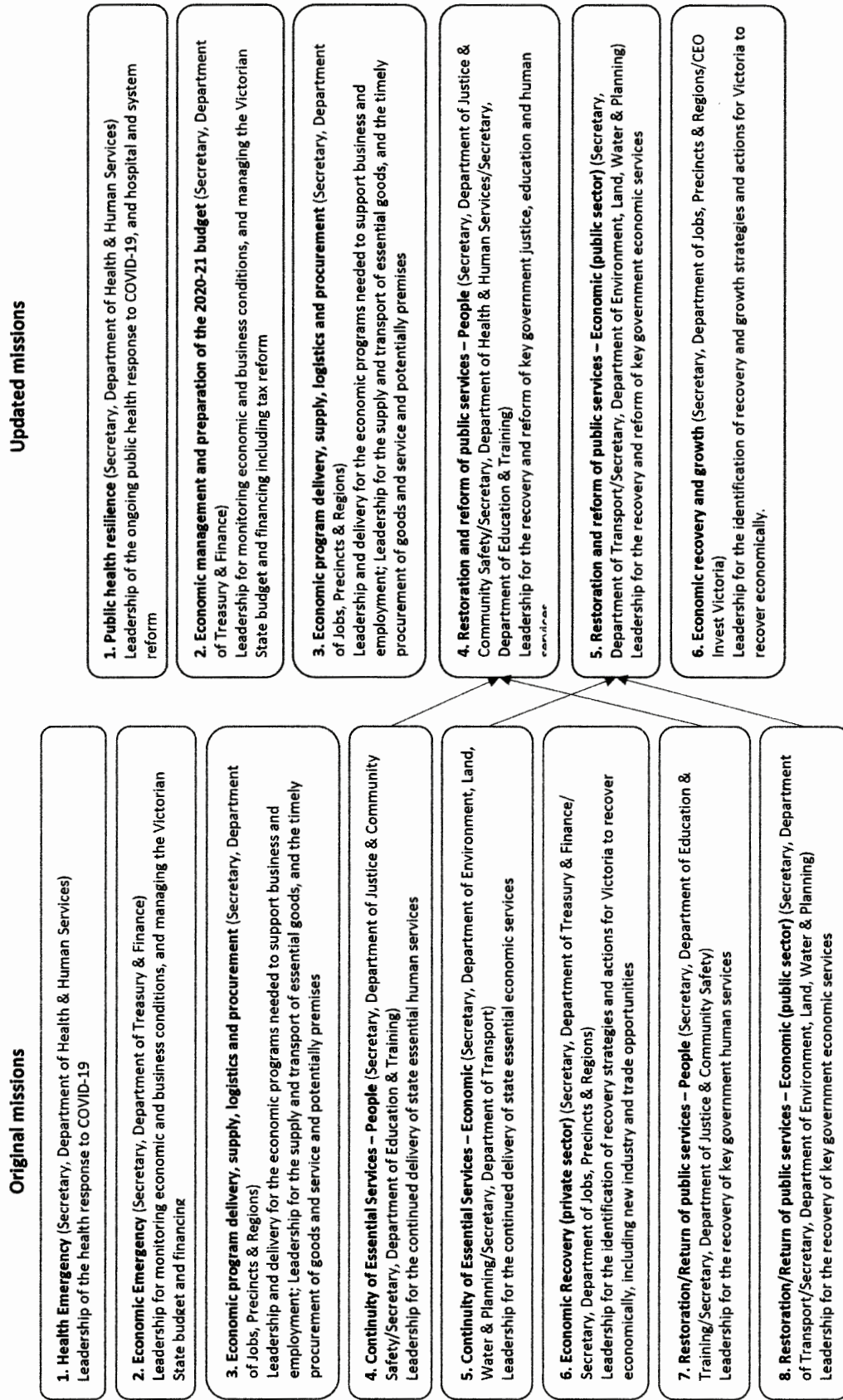
⁸ Hon. Daniel Andrews MP, Premier, Department of Premier and Cabinet, correspondence, 22 April 2020.

⁹ Hon. Daniel Andrews MP, *Crisis Council Of Cabinet Set Up To Combat Coronavirus*, media release, Victorian Government, Melbourne, 3 April 2020.

¹⁰ David Watt, *Victorian Government reorganises to focus on eight missions*, 16 April 2020, <<http://www.miaconsulting.com.au/blog/victorian-government-response-to-covid-19>> accessed 17 July 2020.

¹¹ Hon. Daniel Andrews MP, correspondence.

Figure 1.1 The Victorian Crisis Council of Cabinet
Revised missions structure June 2020



OFFICIAL

Source: Hon Daniel Andrews MP, Premier, Department of Premier and Cabinet, correspondence, 25 June 2020.

1.4 The inquiry process

As part of the inquiry, the Committee considered evidence from the Premier and seven Victorian Government Ministers that form the Crisis Council of Cabinet at public hearings held between 12 and 14 May and 18 and 20 May. Other witnesses included the Chief Health Officer of Victoria, representatives from the medical industry, peak bodies representing the aged care sector, the education sector, industries severely affected by COVID-19, and unions and employer associations representing the Victorian workforce.

Due to the health restrictions associated with the pandemic all witnesses had the option to appear in person or via remote technology to give evidence. The Committee thanks all witnesses for their contribution to the inquiry. The hearings were broadcast live on the Victorian Parliament's website with Auslan signing.

In addition, written public submissions were opened with a closing date of 31 July. As at 23 July 2020 the Committee had received and accepted 21 public submissions in response to the inquiry. A list of the submissions received and witnesses who appeared at the public hearings is set out in Appendix two.

This report is primarily based on an analysis of the evidence provided at the public hearings and public submissions. Following further public hearings, the Committee will present a second report to the Parliament by the end of October 2020.

1.5 Report structure

The Committee's inquiry into the Victorian Government's Response to the COVID-19 Pandemic examines the Government's response the challenges and key issues managed by departments and agencies, and the early outcomes delivered to the Victorian community.

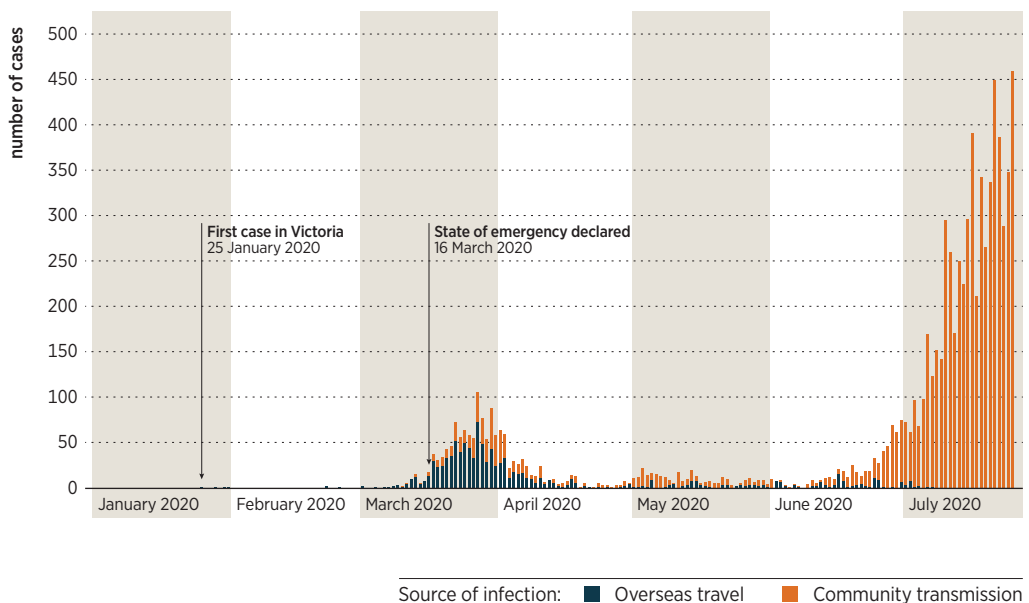
The Committee has structured this report so that its chapters align with themes that were identified as relevant to the Government's response during the course of the pandemic.

2 Health

2.1 Introduction

Victoria reported the first case of COVID-19 in Australia on 25 January 2020. The first rise in new cases occurred in late March 2020. There has been a recent and significant increase in cases since early June 2020. A state of emergency was declared in Victoria on 16 March 2020. The state of emergency has been extended five times, with the most recent extension occurring on 19 July 2020.¹² Under Section 198 of the *Public Health and Wellbeing Act 2008* (Vic) (the Act), the total period that the declaration continues in force cannot exceed six months.

Figure 2.1 Daily cases of COVID-19 in Victoria as at 27 July 2020



Source: Adapted from Department of Health and Human Services, *Coronavirus (COVID-19) daily update*, 2020, <<https://www.dhhs.vic.gov.au/coronavirus-covid-19-daily-update>>, accessed 27 July 2020.

New restrictions from the Victorian Government, including the reimposition of Stage 3 Restrictions across the Melbourne metropolitan area came into force at midnight on 8 July 2020. The fourth and fifth extensions of the state of emergency and subsequent response by the Victorian Government will be examined further as part of the Committee’s report that will be tabled on 31 October 2020.

Consistent with the terms of reference, the Committee sought to review the Victorian Government’s responses to manage the COVID-19 pandemic, as they applied to the broader health system across Victoria. This included the powers exercised by the

12 Victoria, *Victoria Government Gazette*, No. S 361, 20 July 2020.

Minister for Health and the Chief Health Officer under the the Act, as well as funding decisions made by the Victorian Government and programs implemented to support Victorian health workers and the community.

2.2 Pandemic preparedness

Australian states and territories have primary responsibility for managing communicable disease emergencies within their jurisdiction. This includes surveillance, identification of, and response to communicable disease.¹³

Victoria's State Health Emergency Plan states that effective planning is critical to the delivery of a response to an emergency.¹⁴ Professor Brett Sutton, Chief Health Officer, advised the Committee that there had been several pandemic simulations undertaken over the past 12 months. These included at the State Control Centre with Emergency Management Victoria and at Melbourne City Council. In addition, simulations had taken place in collaboration with the Office of the Chief Veterinary Officer and the Department of Environment, Land, Water and Planning of a potential disease that is transmitted from animal-to-animal initially and then jumps into human pandemic potential.¹⁵ The Department of Health and Human Services (DHHS) advised that its executive runs regular simulation exercises and it ran a simulation exercise in the last quarter of 2019.¹⁶

On 20 January 2020, DHHS formed an incident management team to coordinate a public health response to COVID-19 and started to develop a mathematical model to estimate scenarios of the likely magnitude and timescale of the COVID-19 pandemic. DHHS established a public hotline on 26 January 2020, following the diagnosis of the first case of COVID-19 in Victoria the previous day. It is staffed by registered nurses to provide support and advice to the public and operates on a 24/7 basis. The hotline was expanded to provide Mandarin and Cantonese language translators if requested.¹⁷

DHHS released a translated resource page on its website for COVID-19 on 16 March 2020. The page originally provided information in 15 languages. From 24 March 2020 the information available was expanded to 49 languages, and the site included a link to the COVID-19 hotline and an interpreting service.

¹³ Department of Health, *Emergency Response Plan for Communicable Disease, Incidents of National Significance: National Arrangements (National CD Plan)*, Canberra, May 2018, pp. 7-12.

¹⁴ Emergency Management Victoria, *State Health Emergency Response Plan: Edition 4*, Melbourne, 2017, p. 17.

¹⁵ Professor Brett Sutton, Chief Health Officer, Department of Health and Human Services, public hearing, Melbourne, 12 May 2020, *Transcript of evidence*, p. 17.

¹⁶ Ms Kym Peake, Secretary, Department of Health and Human Services, public hearing, Melbourne, 12 May 2020, *Transcript of evidence*, p. 17.

¹⁷ Hon. Jenny Mikakos MLC, Minister for the Coordination of Health and Human Services: COVID-19, Department of Health and Human Services, public hearing, Melbourne, 12 May 2020, *Transcript of evidence*, p. 4.

2.2.1 The COVID-19 pandemic plan for the Victorian health sector

The Commonwealth Government's *Australian Health Sector Emergency Response Plan for Novel Coronavirus (COVID-19)* was released on 18 February 2020. It was developed specifically to manage the national response to the outbreak of novel coronavirus and was heavily based on the Commonwealth Government's Australian Health Management Plan for Pandemic Influenza.¹⁸ The *COVID-19 Pandemic Plan for the Victorian Health Sector* (the COVID-19 pandemic plan) was released on 10 March 2020.¹⁹ The COVID-19 pandemic plan is based on the principles and proposed actions outlined in the *Victorian Health Management Plan for Pandemic Influenza*.²⁰

The objectives of the Victorian COVID-19 pandemic plan are:

- Reduce the morbidity and mortality rates associated with COVID-19.
- Slow the spread of COVID-19 in Victoria through rapid identification, isolation and cohorting of risk groups.
- Empower the Victorian community, health professionals and the community to ensure a proportionate and equitable response.
- Support containment strategies through accurate, timely and coordinated communication and community support.
- Mitigate and minimise impacts of the pandemic on the health system and broader community.²¹

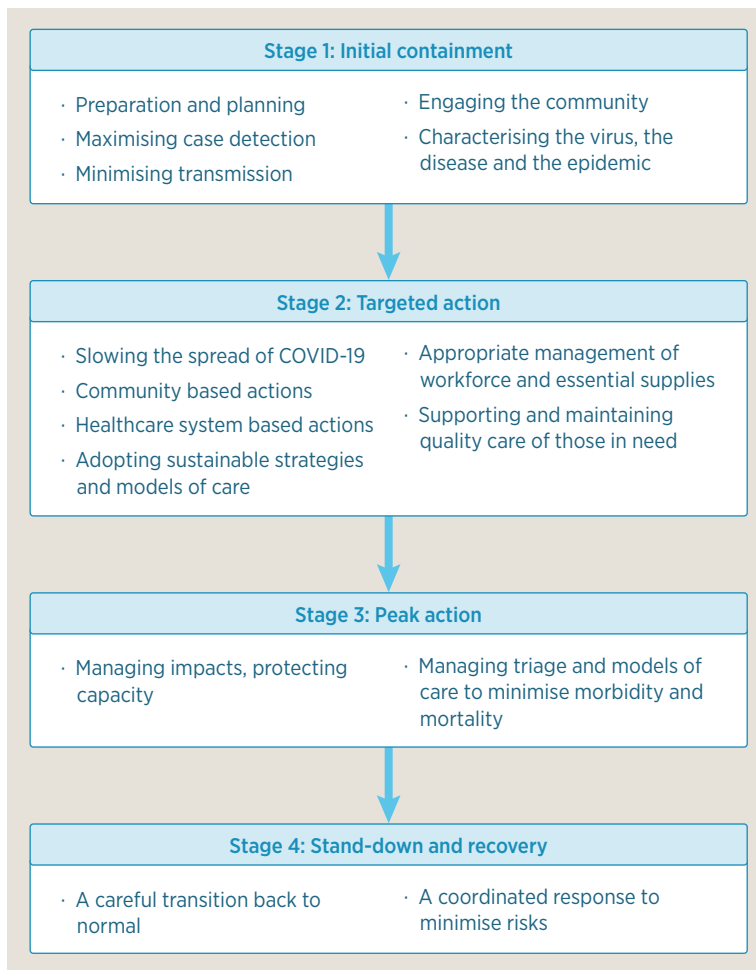
The COVID-19 pandemic plan sets out a number of activities to be undertaken by DHHS, Victorian government departments and organisations within the health sector, across four stages of the pandemic, and the minimum sets of requirements for these activities.

¹⁸ Department of Health, *Australian Health Sector Emergency Response Plan for Novel Coronavirus (COVID-19)*, Department of Health, Canberra, 2020.

¹⁹ Hon. Jenny Mikakos MLC, *Transcript of evidence*, p. 4.

²⁰ Department of Health and Human Services, *COVID-19 Pandemic Plan for the Victorian Health Sector: Version 1.0*, Melbourne, 10 March 2020, p. 29.

²¹ Ibid.

Figure 2.2 Stages of COVID-19 Pandemic Plan for the Victorian Health Sector

Source: Department of Health and Human Services, *COVID-19 Pandemic Plan for the Victorian Health Sector: Version 1.0*, Melbourne, 10 March 2020.

RECOMMENDATION 1: The Department of Health and Human Services evaluate the impact and effectiveness of the *COVID-19 Pandemic Plan for the Victorian Health Sector*, including the implementation of its requirements by relevant agencies, and the draft *Victorian Action Plan for COVID-19 Pandemic*, to inform the development of future pandemic planning.

2.2.2 Modelling

Using modelling to assess early information about an epidemic can predict its future course weeks in advance.²² Being able to anticipate the spread of an infectious disease informs government decision-making about harm reduction strategies. These may include strengthening the health system's capacity to respond or applying social distancing measures to limit spread.²³

²² The University of Melbourne, *Preparing For and Managing Pandemics Using Mathematical Modelling*, 2020, <<https://research.unimelb.edu.au/research-at-melbourne/impact/pandemic-modelling>> accessed 12 June 2020.

²³ Ibid.

The Victorian Government released the modelling it used to inform its response to the pandemic on 20 April 2020.²⁴ The modelling used by the Victorian Government is based on the same transmission model used by the Commonwealth Government, released by the Peter Doherty Institute for Infection and Immunity.²⁵ These models were a cooperative effort between DHHS, Monash University and modellers based at the University of Melbourne led by the Peter Doherty Institute for Infection and Immunity.²⁶

The assumptions inherent in the modelling were based on the spread of the virus in the original outbreak in Wuhan, China.²⁷ This presumed that five individuals arrived in Victoria, and that two and a half individuals become infected for each infectious case²⁸ (an assumed R_0 of 2.53).²⁹ The initial modelling showed that, with only having had quarantine and isolation measures in place, Victoria would have seen up to 58,000 new coronavirus cases per day at the peak of the pandemic. Under the model, if a business-as-usual approach was adopted, 10,000 intensive care beds would have been required and at least 9,200 Victorians would have presented to hospital every day.³⁰

The Chief Health Officer's office focussed solely on modelling the health impacts of the virus.³¹ The modelling has been updated since the beginning of the pandemic and is available on the DHHS website. Further work is being undertaken to model the impact of increased mobility which will be applied to future updates.³²

FINDING 1: The Victorian Government's modelling is consistent with that of the Commonwealth Government where assumptions are based on the original outbreak in Wuhan, China.

2.3 State of emergency and use of emergency powers

Under Section 198 of the Act, the Minister may, on the advice of the Chief Health Officer and after consultation with the Minister and the Emergency Management Commissioner under the *Emergency Management Act 2013 (Vic)*, declare a state of emergency arising out of any circumstances causing a serious risk to public health.

²⁴ Department of Health and Human Services, *Victoria's Coronavirus (COVID-19) Modelling Confirms Staying at Home Saves Lives*, 20 April 2020, <<https://www.dhhs.vic.gov.au/victorias-coronavirus-covid-19-modelling-confirms-staying-home-saves-lives>> accessed 12 June 2020.

²⁵ Hon. Jenny Mikakos MLC, *Transcript of evidence*, p. 5.

²⁶ Department of Health and Human Services, *Theoretical Modelling to Inform Victoria's Response to Coronavirus (COVID-19)*, 20 April 2020, <<https://www.dhhs.vic.gov.au/theoretical-modelling-inform-victorias-response-coronavirus-covid-19>> accessed 11 June 2020.

²⁷ Professor Brett Sutton, *Transcript of evidence*, p. 7.

²⁸ Ibid.

²⁹ The basic reproduction number (R_0) is the reproduction number when there is no immunity from past exposures or vaccination, nor any deliberate intervention in disease transmission. When individuals are homogeneous and mix uniformly, R is defined as the mean number of infections generated during the infectious period of a single infective.

³⁰ Hon. Jenny Mikakos MLC, *Transcript of evidence*, p. 2.

³¹ Professor Brett Sutton, *Transcript of evidence*, p. 8.

³² Professor Brett Sutton, Chief Health Officer, Inquiry into the Victorian Government's Response to the COVID-19 Pandemic hearing, response to questions on notice received 26 May 2020, p. 9.

A Government Gazette must be published on the making, revocation or variation of a declaration. In addition, the Minister for Health must report on the state of emergency and the public health risk powers and emergency powers exercised to both Houses of Parliament. The report that is tabled in the Parliament comprises of a synopsis of the state of emergency, as well as a collation of all the directions issued by the Chief Health Officer, including the declarations and extensions of the state of emergency.

A state of emergency was declared throughout Victoria on 16 March 2020. This followed the advice from the Chief Health Officer to the Health Minister that significant targeted action was required to slow the transmission of COVID-19.³³ The state of emergency has been extended five times (Table 2.1)

Table 2.1 Declarations and extensions of a state of emergency in Victoria

State of emergency	Report tabled in Parliament
16 March 2020	17 March 2020
13 April 2020 (Extension)	23 April 2020
11 May 2020 (Extension)	2 June 2020
31 May 2020 (Extension)	2 June 2020
22 June 2020 (Extension)	Report to be tabled at next meeting of the Parliament
19 July 2020 (Extension)	Report to be tabled at next meeting of the Parliament

Source: Department of Health and Human Services, *Report to Parliament on the Extension of the Declaration of a State of Emergency: Report under section 198(8) of the Public Health and Wellbeing Act 2008*, 2 June 2020.

FINDING 2: The Minister for Health has complied with the legislative requirements to publish notices through the Government Gazette on the extension and declaration of the state of emergency.

2.3.1 Emergency and public health risk powers

If a state of emergency has been declared, a series of emergency powers are granted to the Chief Health Officer under Section 200 of the Act to do whatever is necessary to eliminate or reduce a serious risk to public health. Under Section 199 of the Act, the Chief Health Officer may authorise any authorised officer³⁴ to exercise emergency powers that allow them to:

- detain any person or group for as long as reasonably necessary to eliminate or reduce a serious risk to public health
- restrict the movement of any person within Victoria

³³ Hon. Jenny Mikakos MLC, *Transcript of evidence*, p. 4.

³⁴ An authorised officer is a person appointed by the Secretary of the Department of Health and Human Services to be an authorised officer under Section 30 of the Act or appointed by a local council to be an environmental health officer under Section 29 of the Act.

- prevent any person or group from entering Victoria
- give any other direction reasonably necessary to protect public health.

In addition to the emergency powers, under Section 189 of the Act the Chief Health Officer may allow authorised officers to exercise certain public health risk powers where it is necessary to investigate, eliminate or reduce a risk to public health.

Directions issued by the Chief Health Officer

On 16 March 2020, the Chief Health Officer issued the first set of directions which prohibited mass gatherings of 500 hundred or more people in a single undivided indoor or outdoor space and excluded certain gatherings from these requirements.³⁵ The direction aligned with the decision of the National Cabinet to further introduce social distancing measures and ban on non-essential, organised public gatherings of more than 500 people.³⁶

On 30 March 2020, the Chief Health Officer issued the first Stay at Home Direction, implementing Stage 3 Restrictions. This direction required a person to stay at home unless they had to shop for food and supplies, care and caregiving, exercise, and study and work if it can't be done from home.³⁷ This direction followed the decision by the National Cabinet on 29 March 2020, to implement further social distancing measures across Australia, with states and territories agreeing to implement further measures specific to their own region, including closing categories of venues, where medical advice supported this action.³⁸

From 18 March 2020 to 15 July 2020, a further 70 sets of directions were issued or reissued to restrict the activities of businesses and other organisations; restrict people's movement and activities; restrict entry to hospitals and care facilities; and provide for mandatory quarantine and isolation on diagnosis of COVID-19. A full list of the directions issued is available in Appendix 3.

The Chief Health Officer advised the Committee that the development and implementation of restrictions in the directions was guided by the precautionary principle set out in the Act.³⁹ This principle says that if a public health risk poses a serious threat then lack of full scientific certainty should not be used as a reason for postponing measures to prevent or control the public health risk. Further to this, the Chief Health Officer stated that he has also followed the principle of the primacy of prevention, that the prevention of disease, illness, injury, disability or premature death is preferable to remedial measures.⁴⁰

³⁵ Hon. Jenny Mikakos MLC, Minister for the Coordination of Health and Human Services: COVID-19, Inquiry into the Victorian Government's Response to the COVID-19 Pandemic hearing, response to questions on notice received 26 May 2020, pp. 1-2.

³⁶ Hon. Scott Morrison MP, *Coronavirus measures endorsed by National Cabinet*, media release, Department of the Prime Minister and Cabinet, Canberra, 16 March 2020.

³⁷ Hon. Daniel Andrews MP, *Statement from the Premier*, media release, Victorian Government, Melbourne, 30 March 2020.

³⁸ Hon. Scott Morrison MP, *National Cabinet Statement*, media release, Department of the Prime Minister and Cabinet, Canberra, 29 March 2020.

³⁹ Professor Brett Sutton, *Transcript of evidence*, p. 15.

⁴⁰ Ibid.

FINDING 3: The Chief Health Officer's development and implementation of restrictions in the directions was guided by the precautionary principle set out in the *Public Health and Wellbeing Act 2008* (Vic) as well as the primacy of prevention principle.

In response to questioning from the Committee the Chief Health Officer acknowledged that there had been some arbitrariness in the directions made that had restricted particular activities in Victoria.⁴¹ The Chief Health Officer stated:

But for some there is a grey area between recreation and sporting activity. We took a view that there were a number of exercise activities that were clearly available to people and that some of those more discretionary activities—hunting, fishing and the like—were not exercise and could be deferred for a time, not cease forever, obviously deferred for a time because they were non-essential.⁴²

At the outset of the pandemic, the Australian Health Protection Principle Committee (AHPPC) advised that the wearing of face masks by the general population was not recommended, and that should significant community transmission in Australia occur, mask wearing in public is an available option.⁴³ On 19 July 2020, the Victorian Government announced that people living in metropolitan Melbourne and Mitchell Shire would be required to wear a face covering when leaving home, with the requirement coming into force on 11.59pm on Wednesday 22 July 2020.⁴⁴

2.3.2 Hotel quarantine

The second set of directions issued by the Chief Health Officer on 16 March 2020 required any person returning from overseas to travel from the airport to a premises that is suitable for the person to reside in for a period of 14 days, not to leave their premises unless there were specified reasons to do so and only permit other people to enter the premises in certain circumstances.⁴⁵ This followed the decision of the National Cabinet to impose a universal precautionary self-isolation requirement on all international arrivals.⁴⁶

The Chief Health Officer's direction was strengthened on 28 March 2020 to require returned overseas travellers arriving at a Victorian airport or port to be detained at an assigned hotel room for a period of up to 14 days subject to a 24-hour review during each day of detainment.⁴⁷ To facilitate this requirement, the Victorian Government

⁴¹ Ibid.

⁴² Ibid., p. 16.

⁴³ Hon. Scott Morrison MP, *Update on Coronavirus Measures*, media release, Department of the Prime Minister and Cabinet, 24 April 2020.

⁴⁴ Hon. Daniel Andrews MP, *Face Coverings Mandatory For Melbourne And Mitchell Shire*, media release, Victorian Government, Melbourne, 19 July 2020.

⁴⁵ Hon. Jenny Mikakos MLC, response to questions on notice, p. 2.

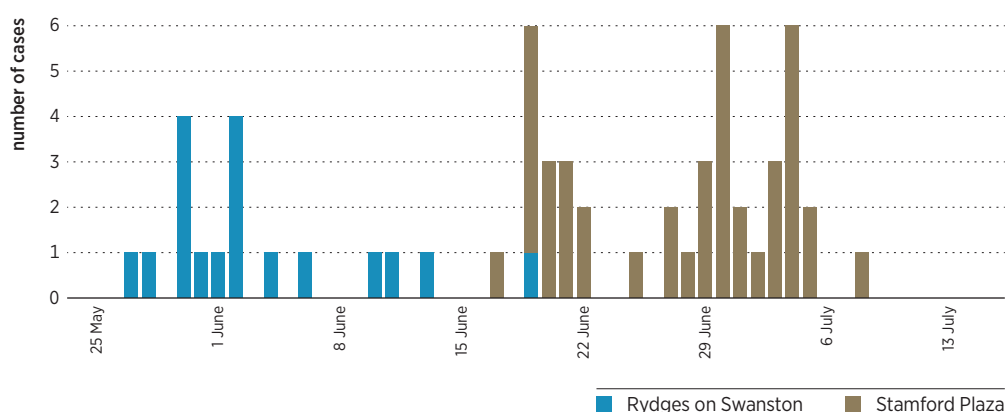
⁴⁶ Hon. Scott Morrison MP, *Coronavirus measures endorsed by National Cabinet*, media release.

⁴⁷ Hon. Jenny Mikakos MLC, response to questions on notice, p. 4; Dr Annaliese van Diemen, *Direction and Detention Notice*, Department of Health and Human Services, Melbourne.

secured 5,000 hotel rooms, covering the costs of accommodation, food and other essentials, public health and security.⁴⁸ The total costs of the hotel quarantine program and numbers of individuals involved have not been outlined by the Victorian Government.⁴⁹

On 27 May 2020, the Department of Health and Human Services reported that a staff member at the Rydges on Swanston hotel, which was being used by returned overseas travellers observing their quarantine, had tested positive to COVID-19. A second case at the same hotel was identified in another staff member on 28 May 2020. Over the course of the next six weeks, cases linked to the Rydges on Swanston outbreak increased, and a second hotel outbreak occurred at the Stamford Plaza hotel. As at 20 July 2020, 60 cases have been linked to the two quarantine hotels.

Figure 2.3 COVID-19 cases linked to quarantine hotels



Source: Department of Health and Human Services, Coronavirus updates for Victoria

Genomic sequencing has shown that a number of cases of COVID-19 across Victoria have been linked to the hotel quarantine outbreaks.⁵⁰ On 2 July 2020, the Victorian Government announced the appointment of a board of inquiry into the hotel quarantine program, led by the Honourable Jennifer Coate AO. The inquiry will report to the Governor by 25 September 2020.⁵¹ Acknowledging the work that will be undertaken by the board of inquiry, the Committee will also consider the outcomes of the hotel quarantine program as part of the report that will be tabled on 31 October 2020.

⁴⁸ Hon. Daniel Andrews MP, *Enforced Quarantine For Returned Travellers To Combat Coronavirus*, media release, Victorian Government, Melbourne, 27 March 2020.

⁴⁹ New South Wales Government, *NSW to charge returned international travellers for hotel quarantine*, media release, New South Wales Government, Sydney, 12 July 2020.

⁵⁰ Hon. Daniel Andrews MP, *Judicial Inquiry Into Hotel Quarantine Program*, media release, Victorian Government, Melbourne, 2 July 2020.

⁵¹ Victoria, *Victoria Government Gazette*, No. S 338, 2 July 2020.

Increased restrictions

On 17 May 2020, the Victorian Government announced the easing of restrictions in Victoria, to take effect from 1 June 2020. This easing was in line with Stages 1 and 2 of National Cabinet's three stage pathway for easing restrictions.⁵² The easing would allow cafes, restaurants and pubs to reopen their doors to serve meals to up to 20 customers at a time per enclosed space, increasing to up to 50 patrons from 22 June 2020, and up to 100 in the second half of July 2020.⁵³

However, following an increase in the numbers of COVID-19 cases being found in Victoria, on 20 June 2020 the Premier announced that the restrictions in place would not be eased on 22 June 2020, and would stay in place until 12 July 2020.⁵⁴ On 30 June 2020, following a further rise in the number of COVID-19 cases being reported across Victoria, the Premier announced that 10 priority postcodes would have Stage 3 restrictions reimposed.⁵⁵

On 4 July 2020, the Premier announced that an additional two postcodes would be added to the list.⁵⁶ In addition to these restrictions, the Government also announced the lockdown of the North Melbourne and Flemington public housing estates in response to the identification of 23 cases of COVID-19 at these locations.⁵⁷ The numbers of cases of COVID-19 being reported continued to rise and led to a range of new restrictions from the Victorian Government on 7 July 2020, including the reimposition of Stage 3 Restrictions across the Melbourne metropolitan area.⁵⁸

The Committee will examine the new restrictions and the events surrounding them at its hearings in August 2020.

2.4 Testing for COVID-19

The World Health Organisation has recommended that all countries with outbreaks of COVID-19 prioritise active, exhaustive case finding and immediate testing and isolation, painstaking contact tracing and rigorous quarantine of close contacts.⁵⁹

The Committee found that the Government's approach to managing testing for COVID-19 sought to increase the number of individuals tested as the pandemic progressed. The Government has expanded its contact tracing team as the pandemic has progressed, and has principally employed manual contact tracing to identify close contacts.

⁵² Australian Government, *Roadmap to a COVIDSafe Australia*, 8 May 2020, <<https://www.pm.gov.au/sites/default/files/files/covid-safe-australia-roadmap.pdf>> accessed 14 July 2020.

⁵³ Hon. Daniel Andrews MP, *Statement from the Premier*, media release, Victorian Government, Melbourne, 17 May 2020.

⁵⁴ Hon. Daniel Andrews MP, *Statement From The Premier*, media release, Victorian Government, Melbourne, 20 June 2020.

⁵⁵ Hon. Daniel Andrews MP, *Statement from the Premier*, media release, Victorian Government, Melbourne, 30 June 2020.

⁵⁶ Hon. Daniel Andrews MP, *Statement from the Premier*, media release, Victorian Government, Melbourne, 4 July 2020.

⁵⁷ Ibid.

⁵⁸ Hon. Daniel Andrews MP, *Statement from the Premier*, media release, Victorian Government, Melbourne, 7 July 2020.

⁵⁹ World Health Organization, *Report of the WHO-China Joint Mission on Coronavirus Disease 2019 (COVID-19)* February 2020, p. 21.

2.4.1 Testing criteria

Testing allows health authorities to diagnose patients with COVID-19 and helps monitor and track the spread of the disease.⁶⁰ The indications for conducting a COVID-19 test have changed through the course of the pandemic based on local needs.⁶¹ The Minister advised the Committee that at 11 May 2020, Victoria had changed its testing criteria 17 times since the initial announcement.⁶² The Government's testing criteria followed the national criteria, based on the determinations of the Communicable Diseases Network Australia and their advice to the AHPPC. Victoria's criteria were often expanded beyond the national criteria.⁶³ As at 20 July 2020, any Victorian with symptoms can be tested.⁶⁴ Symptoms can include fever, chills or sweats, cough, sore throat, shortness of breath, runny nose or loss of sense of smell.⁶⁵

The Australian Medical Association (AMA) Victoria advised the Committee that the AMA had originally raised some concerns about the level of testing being conducted in Victoria during March and early April.⁶⁶ However, Victoria's rates of testing have increased significantly since 26 April 2020 and at 19 July 2020, Victoria had conducted over 1.3 million tests.⁶⁷

On 19 July 2020, the Government announced that WorkSafe, Emergency Management Victoria and Victoria Police would undertake an inspection, testing, and enforcement program targeting settings where people are working together. The program will focus on at-risk workplaces, including distribution centres, call centres and meat processing centres.⁶⁸

FINDING 4: Although concerns had been raised about levels of testing during March and April 2020, testing in Victoria increased significantly from May 2020 and the Victorian Government had conducted over 1.3 million tests by 19 July 2020.

60 Therapeutic Goods Administration, *COVID-19 Testing in Australia - Information for Health Professionals*, 11 June 2020, <<https://www.tga.gov.au/covid-19-testing-australia-information-health-professionals>> accessed 15 June 2020.

61 Department of Health, *What You Need to Know About Coronavirus (COVID-19)*, 8 July 2020, <<https://www.health.gov.au/news/health-alerts/novel-coronavirus-2019-ncov-health-alert/what-you-need-to-know-about-coronavirus-covid-19#>> accessed 15 June 2020.

62 Hon. Jenny Mikakos MLC, *Transcript of evidence*, pp. 13-4.

63 Professor Brett Sutton, *Transcript of evidence*, p. 33.

64 Department of Health and Human Services, *Getting tested for coronavirus (COVID-19)*, 20 July 2020, <<https://www.dhhs.vic.gov.au/getting-tested-coronavirus-covid-19>> accessed 20 July 2020.

65 Hon. Jenny Mikakos MLC, *Stepping Up Targeted Testing to Track Coronavirus*, media release, Victorian Government, Melbourne, 14 June 2020.

66 Associate Professor Julian Rait OAM, President, Australian Medical Association Victoria, public hearing, Melbourne, 12 May 2020, *Transcript of evidence*, p. 7.

67 Department of Health and Human Services, *Coronavirus (COVID-19) daily update*, 19 July 2020, <<https://www.dhhs.vic.gov.au/coronavirus-covid-19-daily-update>>, accessed 20 July 2020.

68 Hon. Daniel Andrews MP, *Face Coverings Mandatory For Melbourne And Mitchell Shire*, media release.

2.4.2 Contact tracing

As COVID-19 characteristically displays a large number of asymptomatic cases and a high reproduction number, effective suppression of the spread of the virus requires between 70% and 90% of all new cases to be traced to prevent a new outbreak.⁶⁹

The Government first announced that it would expand its contact tracing capacity on 19 March 2020. This included an increase in staff numbers from 57 to 230, with an additional \$37 million in funding.⁷⁰ The team was later expanded to 1,000 individuals on 4 April 2020.⁷¹ The contact tracing team at DHHS was supported by personnel from the Australian Defence Force, who assisted with triage and notification as well as operational coordination functions.⁷² Modelling in a study led by the Julius Centre for Health Sciences and Primary Care at Utrecht University has shown that to be most effective, contact tracing must be implemented within two days of a positive case of COVID-19 occurring.⁷³ The Committee was not advised by DHHS at the hearings of the average time within which close contacts receive advice from the department about their exposure and any risk management actions required by an individual.

The contact tracing team has utilised an Australian-based system called Whispir to send daily messages to close contacts of confirmed cases and recently returned travellers. The Committee inquired about the use of the Federal Government's COVIDSafe app by the contact tracing team. Professor Sutton advised the Committee that to date the contact tracing team had not been able to identify any additional data using the COVIDSafe app.⁷⁴

FINDING 5: As at 15 July 2020, the COVIDSafe app has not provided any additional data beyond what the contact tracing team at the Department of Health and Human Services has obtained through manual contact tracing.

2.4.3 Case study—Cedar Meats

On 2 May 2020 the Chief Health Officer's daily update on COVID-19 stated that DHHS was investigating eight confirmed coronavirus cases associated with a meat facility in Melbourne. The update noted that all staff were being tested or in the process of

⁶⁹ Organisation for Economic Cooperation and Development, *Testing for COVID-19: A Way to Lift Confinement Restrictions*, 2020.

⁷⁰ Hon. Daniel Andrews MP, *Extra Funding Boost For Health System COVID-19 Response*, media release, Victorian Government, Melbourne, 19 March 2020.

⁷¹ Hon. Jenny Mikakos MLC, *More Disease Detectives To Help Fight Coronavirus*, media release, Victorian Government, Melbourne, 4 April 2020.

⁷² Hon. Daniel Andrews MP, Premier, Inquiry into the Victorian Government's Response to the COVID-19 Pandemic hearing, response to questions on notice received 21 May 2020, p. 4.

⁷³ Mirjam E Kretzschmar, et al., 'Time is of the essence: impact of delays on effectiveness of contact tracing for COVID-19, a modelling study', *COVID-19 SARS-CoV-2 preprints from medRxiv and bioRxiv*, 2020.

⁷⁴ Professor Brett Sutton, *Transcript of evidence*, p. 17.

being tested. Staff had been provided with further information on potential exposure to coronavirus in the workplace, symptoms and quarantine requirements.⁷⁵

An additional six cases were reported on 3 May 2020,⁷⁶ and 19 new cases were reported on 4 May 2020.⁷⁷

On 4 May 2020, Cedar Meats released a statement that a number of staff at their facility in Brooklyn had contracted COVID-19. The company had first become aware one of its employees had contracted COVID-19 on 27 April 2020.⁷⁸

The Committee heard that a case of COVID-19 had been identified at Cedar Meats on 2 April 2020. The Chief Health Officer informed the Committee that the individual diagnosed with COVID-19 had informed DHHS that they had not spent any time at the Cedar Meats facility as an infectious person or in a relevant period for potentially acquiring it, which was confirmed through checking the individual's flights.⁷⁹ This meant that there were no close contacts to follow up in the workplace and there was no suspicion that the individual had acquired it at the workplace.⁸⁰

The Committee was advised that the first case of COVID-19 that could be directly traced to the facility occurred on 24 April 2020. The individual that had been diagnosed had advised the department that they worked for a labour hire firm and did not declare that they worked at Cedar Meats. Consequently, DHHS followed up with the labour hire firm, who informed Cedar Meats on 24 April 2020.⁸¹ However, the individual did not identify any close contacts.

Professor Sutton stated that the *Health Records Act 2001* (Vic) placed a clear obligation on DHHS to avoid sharing medical information, even if for the purposes of contact tracing.⁸² As the individual who had tested positive did not indicate any close contacts, DHHS advised the Committee that it was unable follow up further with staff at the facility to advise them of their potential exposure to COVID-19.

FINDING 6: The *Health Records Act 2001* (Vic) prohibits the disclosure of health information about an individual, unless expressly authorised by the individual. According to the Department of Health and Human Services, this limited the Department's ability to notify staff at Cedar Meats of the potential exposure to the COVID-19 virus.

⁷⁵ Professor Brett Sutton, *Coronavirus Update for Victoria - 02 May 2020*, media release, Department of Health and Human Services, Melbourne, 2 May 2020.

⁷⁶ Professor Brett Sutton, *Coronavirus Update for Victoria - 03 May 2020*, media release, Department of Health and Human Services, Melbourne, 3 May 2020.

⁷⁷ Professor Brett Sutton, *Coronavirus Update for Victoria - 04 May 2020*, media release, Department of Health and Human Services, Melbourne, 4 May 2020.

⁷⁸ Tony Kairouz, *A Message from Cedar Meats General Manager Tony Kairouz*, media release, Cedar Meats, Melbourne, 4 May 2020.

⁷⁹ Professor Brett Sutton, *Transcript of evidence*, p. 21.

⁸⁰ *Ibid.*, p. 22.

⁸¹ Hon. Jenny Mikakos MLC, *Transcript of evidence*, p. 22.

⁸² Professor Brett Sutton, *Transcript of evidence*, p. 21.

RECOMMENDATION 2: The Government, in collaboration with the Department of Health and Human Services, consider options to amend the *Health Records Act 2001 (Vic)* to more effectively facilitate the provision of warnings and contact tracing during pandemics and other public health emergencies.

A subsequent case was identified at the facility on 26 April 2020. On 27 April 2020 DHHS contacted Cedar Meats to inform them that a connection had been made between the two workers at the facility, and that an investigation into a potential cluster was commencing. Initial contact tracing focused on high-risk individuals such as employees in the facility with close contact to the individuals diagnosed. However, information that would allow comprehensive contact tracing of all staff and visitors to the facility was not provided to DHHS until 4 May 2020.⁸³

FINDING 7: The Department of Health and Human Services did not have access to data on the total number of individuals that may have been exposed to COVID-19 at the Cedar Meats facility until nine days after the first case had been identified on 24 April 2020.

The AMA advised the Committee that a number of General Practitioners (GPs) were aware of the Cedar Meats outbreak before it had been made public, primarily because workers had presented to them seeking testing.⁸⁴ The AMA stated that better communication between DHHS and GPs would have allowed an early warning of the outbreak, and enabled GPs to more effectively protect themselves, as well as be more 'case suspicious' and test people more vigorously.⁸⁵

FINDING 8: Due to the high number of individuals presenting themselves for testing for COVID-19, General Practitioners were aware of the outbreak at Cedar Meats prior to its public announcement. Better communication between the Department of Health and Human Services and General Practitioners could have mitigated the impact of the outbreak.

RECOMMENDATION 3: The Department of Health and Human Services establish better protocols to facilitate effective communication with Victorian General Practitioners in the event of a pandemic.

⁸³ Hon. Jenny Mikakos MLC, *Transcript of evidence*, p. 9.

⁸⁴ Associate Professor Julian Rait OAM, *Transcript of evidence*, p. 6.

⁸⁵ *Ibid.*

2.5 Research into COVID-19

As of 20 July 2020, there is no vaccine against COVID-19 infections and no drug with proven clinical efficacy, although there are several candidates that might be effective in prevention or treatment.⁸⁶ As of 16 July 2020, there were 4,434 relevant registered clinical trials for the treatment of COVID-19 globally.⁸⁷ The Victorian Government has provided \$6 million in funding to the Doherty Institute to work in collaboration with the Burnet Institute to fast track treatments and a potential vaccine.⁸⁸

The AMA stated that there are a number of promising candidates for the development of a vaccine, and that it was more likely than not that a vaccine would be available in 12 to 18 months.⁸⁹ This estimated timeframe was reiterated by the Minister.⁹⁰ However the Minister also raised the possibility that a vaccine might not be developed, as had occurred in the cases of SARS and Middle East Respiratory Syndrome, and that it is important that public health policy did not operate on an assumption that a vaccine would be created.⁹¹ In addition, there is still limited scientific consensus worldwide on whether individuals who have contracted COVID-19 will develop immunity to the disease.⁹² Consistent with this, the AMA advised that in the absence of a vaccine containment of the disease was the preferred strategy, and social distancing must remain a part of everyday life for the near future.⁹³

FINDING 9: Some experts estimate that a vaccine for COVID-19 may be developed in the next 12-18 months, or might never be successfully developed. The implementation of social distancing and containment of the disease is currently the most effective and viable response.

2.6 The health system

Australia's health system may be more accurately described as various connected health systems, rather than one unified system, with responsibility shared by the Australian Government, state and territory governments and local governments.⁹⁴ Primary care is mostly provided by GPs who refer patients to specialist medical services where needed.⁹⁵ Acute care is provided in either public or private hospitals.⁹⁶

⁸⁶ COVID-19 Clinical Research Coalition, 'Global Coalition to Accelerate COVID-19 Clinical Research in Resource-Limited Settings', *The Lancet*, vol. 395, 25 April 2020.

⁸⁷ World Health Organisation, *International Clinical Trials Registry Platform (ICTRP)*, 16 July 2020, <<https://www.who.int/ictcp/en>>, accessed 20 July 2020.

⁸⁸ Hon. Jenny Mikakos MLC, *Transcript of evidence*, p. 13.

⁸⁹ Associate Professor Julian Rait OAM, *Transcript of evidence*, p. 5.

⁹⁰ Hon. Jenny Mikakos MLC, *Transcript of evidence*, p. 13.

⁹¹ *Ibid.*

⁹² Victoria, Legislative Council, 2020, *Parliamentary debates*, p. 1324.

⁹³ Associate Professor Julian Rait OAM, *Transcript of evidence*, p. 5.

⁹⁴ Australian Institute of Health and Welfare, *Australia's Health 2018*, Canberra, 20 June 2018.

⁹⁵ Parliamentary Library, *Health in Australia: A Quick Guide: Research paper Series 2018-19*, report prepared by Amanda Biggs and Lauren Cook, Canberra, 31 August 2018, p. 1.

⁹⁶ *Ibid.*

The Victorian Government's response to the pandemic resulted in an increase in the number of beds that were available within the hospital system. This was achieved through projects to increase the capacity of the public sector, along with an agreement with the private sector. More patients have also been able to access health services due to a rapid expansion in the Commonwealth Government's telehealth.

2.6.1 Governance of the health system

Healthcare services in Victoria are decentralised and accountability for healthcare services is situated at the local level. According to the Minister, Victoria has one of the most devolved health services of any state in Australia.⁹⁷ Under the *Health Services Act 1988*, DHHS is the manager and steward of the public health system and provides guidance on how to best manage key processes and comply with funding rules.⁹⁸ Independent boards appointed by the Minister for Health are responsible for the strategic management and governance of Victorian public health services.⁹⁹

The Committee heard that the Victorian public health system needs to be better integrated with Commonwealth primary health networks in Victoria. This would require ongoing representation for Victoria, along with better coordination between the Victorian state-run public health services and the primary health networks.¹⁰⁰

The AMA advised that in their opinion the relationship between the Victorian Government and GPs is difficult, stating:

We believe there has been a lack of clear, two-way dialogue and a weak relationship between the State Government and general practitioners in the past, and indeed a lack of support from the State Government over many years has contributed to difficult lines of communication with them. In a pandemic we see that this disconnect and stress plays out very clearly. GPs seem to be ignored or excluded at times from our disaster preparedness, and this was equally true during the bushfire emergency as well earlier this year.¹⁰¹

The AMA raised further concerns with the devolved health system, stating that hospitals were operating at arm's length from the Government, rather than being line managed by the Government, and needed to be more transparent in relation to their operations. The AMA stated that DHHS should play a more active role in the management of hospitals during a crisis.¹⁰²

FINDING 10: Victoria has one of the most devolved health services of any state in Australia.

⁹⁷ Hon. Jenny Mikakos MLC, *Transcript of evidence*, p. 31.

⁹⁸ Victorian Auditor-General's Office, *Managing Private Medical Practice in Public Hospitals*, Melbourne, June 2019, p. 17.

⁹⁹ *Ibid.*, p. 18.

¹⁰⁰ Hon. Jenny Mikakos MLC, *Transcript of evidence*, p. 31.

¹⁰¹ Associate Professor Julian Rait OAM, *Transcript of evidence*, p. 2.

¹⁰² *Ibid.*

RECOMMENDATION 4: The Department of Health and Human Services develop measures that enable effective collaboration across primary health networks and the state-run public health sector.

2.6.2 Hospitals

There are 57 metropolitan Melbourne hospitals and health services in the public sector in Victoria, with a further 69 rural hospitals and health services.¹⁰³ Victoria has 40 public emergency departments.¹⁰⁴ In 2017–18, Victoria had 14,820 beds within its public hospital sector, representing 2.34 beds per 1,000 population and a 0.1% decrease from 2013–14 levels.¹⁰⁵

The Victorian government has taken steps to increase the capacity of Victoria's hospitals in response to the pandemic. The total number of additional beds delivered so far represents a 2.1% increase, although the Committee was unable to determine what proportion of the additional beds that were planned have been delivered. The Government provided access to an additional 8,500 beds through an agreement with the private sector. DHHS was unable to inform the Committee of the expenditure to date under the agreement.¹⁰⁶

Hospital beds

The Government announced \$30 million to commission a new inpatient tower for Casey Hospital on 15 March 2020.¹⁰⁷ Further funding was announced on 19 March 2020 that included \$80 million for an additional 129 beds across Victoria.¹⁰⁸ The Minister advised the Committee that at 12 May 2020, the government had added an additional 305 beds across Bendigo Hospital, Baxter House, Casey Hospital and Shepparton Hospital. This increased the number of beds available by 2.1% on 2017–18 numbers.

FINDING 11: The Victorian Government has delivered an additional 305 hospital beds as part of its response to the pandemic, which increases the total number of beds available in Victorian public health system by approximately 2.1%.

¹⁰³ Department of Health and Human Services, *Public Hospitals in Victoria*, <<https://www2.health.vic.gov.au/hospitals-and-health-services/public-hospitals-victoria/#top>> accessed 25 June 2020.

¹⁰⁴ Australian Institute of Health and Welfare, Table *Emergency Department Care 2018–19: Australian Hospital Statistics* 11 December 2019, <<https://www.aihw.gov.au/getmedia/6f15c095-e669-428c-9cef-a887cb65f3b0/Emergency-department-care-2018-19.xlsx.aspx>> accessed 25 June 2020.

¹⁰⁵ Australian Institute of Health and Welfare, *Hospital Resources 2017–18: Australian Hospital Statistics*, 26 June 2019, <<https://www.aihw.gov.au/reports/hospitals/hospital-resources-2017-18-ahs/data>> accessed 25 June 2020.

¹⁰⁶ Mr Terry Symonds, Deputy Secretary, Health and Wellbeing, Department of Health and Human Services, public hearing, Melbourne, 12 May 2020, *Transcript of evidence*, p. 30.

¹⁰⁷ Hon. Daniel Andrews MP, *COVID-19 Capacity Boost As Elective Surgery Blitz Starts*, media release, Victorian Government, Melbourne, 15 March 2020.

¹⁰⁸ Hon. Daniel Andrews MP, *Extra Funding Boost For Health System COVID-19 Response*, media release.

The Minister advised the Committee that the Victorian public and private health system had approximately 500 intensive care beds available, which would be increased by 4,000. An additional 700 acute beds were to be delivered in the public sector by the middle of the year.¹⁰⁹ In addition, 1,300 beds would be delivered through converting critical care spaces in operating theatres, recovery and other ward and emergency department spaces to treat COVID-19 patients as demand increased. A further 2,000 beds were to be created through the deployment of modular buildings in hospital car parks.¹¹⁰ The Committee will consider examining this further at the public hearings in August.

Memorandum of Understanding with Victoria's private hospitals

On 2 April 2020, the Victorian government announced it had signed a Memorandum of Understanding (MoU) with Victoria's private hospitals. The MoU was designed such that public and private hospitals would work together to relieve pressure on public hospitals and ensure the entire health system is operating at full capacity.¹¹¹

The Victorian Government's MoU with private hospitals includes arrangements to provide funding for private hospitals to ensure system capacity is maintained throughout the pandemic. However, this does not include a framework for the pricing of specific services or the purchase of a specific ward.¹¹²

2.6.3 Innovation and telehealth

The pandemic has resulted in a rapid increase in demand and access to telehealth services. These services have provided greater access to patients, especially in rural and regional areas.

The Commonwealth Government amended the Medicare Benefits Scheme in March 2020 to include telehealth items. These were bulk billed, until 20 April 2020.¹¹³ The AMA told the Committee it was very supportive of the expanded use of telehealth, and that it would be a solution into the future to provide greater access and benefits for patients, particularly those in rural and regional areas.¹¹⁴ Consistent with this, the Minister advised the Committee that the expanded use of telehealth was something that the Government would like retained, moving out of the pandemic.¹¹⁵

¹⁰⁹ Hon. Jenny Mikakos MLC, *Transcript of evidence*, p. 18.

¹¹⁰ Ibid.

¹¹¹ Hon. Jenny Mikakos MLC, *Healthcare System To Work As One During Pandemic*, media release, Victorian Government, Melbourne, 2 April 2020.

¹¹² Hon. Jenny Mikakos MLC, response to questions on notice, pp. 13–4.

¹¹³ Department of Health, *MBS Changes Factsheet: COVID-19 Temporary MBS Telehealth Services*, 17 June 2020.

¹¹⁴ Associate Professor Julian Rait OAM, *Transcript of evidence*, p. 3.

¹¹⁵ Hon. Jenny Mikakos MLC, *Transcript of evidence*, p. 31.

The AMA also advised the Committee that the increased use of telehealth had been very useful in counselling for mental health issues and recommended that it be continued and deployed in mental health environments as well.¹¹⁶

FINDING 12: The expanded use of Commonwealth funded telehealth services for medical consultation and counselling for mental health issues has increased options for accessing medical care for Victorians, especially those in rural and regional areas.

2.7 Healthcare workers

Healthcare workers represent the frontline of the response to the COVID-19 pandemic and face a range of unique challenges at their work. In 2018 there were 156,647 healthcare workers across Victoria, including 24,641 medical practitioners and 91,117 nurses and midwives.¹¹⁷

The Victorian Government has provided support to healthcare workers in the early stages of the pandemic through additional training, programs and the distribution of personal protective equipment (PPE). This support was effectively facilitated through DHHS, which centralised the distribution of PPE across the sector, although there were some concerns that insufficient training was available to staff on the correct use of PPE.

2.7.1 Personal protective equipment

At the outset of the pandemic, oversight of the purchase of medical equipment was provided by Health Purchasing Victoria (HPV), which negotiates and manages common-use contracts for Victoria's public health services.¹¹⁸ Health services can then purchase the goods and services they need directly from the suppliers that are party to contracts managed by HPV.¹¹⁹ As part of their preparation for COVID-19, public health services had been ordering PPE directly from suppliers between late January and mid-February. A bulk order of PPE was negotiated by HPV on behalf of Victorian hospitals on 4 March 2020, following the establishment of centralised procurement and distribution system through HPV and Monash Health.¹²⁰

¹¹⁶ Associate Professor Julian Rait OAM, *Transcript of evidence*, p. 2.

¹¹⁷ Department of Health, *Summary Statistics: Health Workforce Summaries*, 28 January 2019, <<https://hwd.health.gov.au/summary.html#part-3>> accessed 10 June 2020.

¹¹⁸ Health Purchasing Victoria, *Our Organisation*, <<https://www.hpv.org.au/about-us/our-organisation>> accessed 10 June 2020.

¹¹⁹ Hon. Jenny Mikakos MLC, response to questions on notice, p. 11.

¹²⁰ *Ibid.*

To address concerns regarding PPE shortages,¹²¹ the Victorian Government established a central taskforce to coordinate the supply, demand and usage of PPE that was headed by the Chief Medical Officer of Safer Care Victoria.¹²² The distribution system enabled online ordering and same-day delivery for emergency orders.¹²³ The Committee was advised of the quantities of PPE being held by the Victorian Government, as well as those that had been distributed as at 12 May 2020. However, the Committee was not advised of the demand for PPE, if any localised or systemic shortages occurred, or which locations had the highest demand for PPE.

The Australian Nursing and Midwifery Federation Victorian Branch (ANMF), informed the Committee that nurses were able to access PPE in a timely fashion. The ANMF stated that nurses and the ANMF were able to make contact directly with DHHS and could access information on the levels of PPE available and when PPE was going to be delivered to facilities. The establishment of a single port of call for PPE provided assurance to healthcare workers.¹²⁴

This view was supported by Mental Health Victoria (MHV). MHV advised the Committee that although PPE access was a challenge common to the mental health system, it was pleased with how DHHS had mobilised and engaged with the sector, and across the hospitals and the community, providing an unprecedented level of engagement.¹²⁵

Although a centralised system was implemented for the distribution of PPE within the state-run public health system, the distribution of healthcare responsibilities between the State Government and the Commonwealth government hindered access to PPE for GPs and aged care workers. The AMA highlighted that GPs and primary care providers in Victoria received PPE from the national stockpile, whereas the Victorian Government had sourced its own supplies separately. This led to cases where Commonwealth PPE supplies had not been adequate, which caused some anxiety for GPs.¹²⁶

In a similar manner, although Victorian aged care providers were able to access PPE from the centralised state system,¹²⁷ the majority had to access their PPE through the Commonwealth's national stockpile. Reflecting this, Aged and Community Services Australia (ACSA) informed the Committee that aged care providers were often unable to access the national stockpile.¹²⁸

121 Aisha Dow and Melissa Cunningham, 'In '\$2 raincoats' on Virus Front Line, Medics Call for Action on PPE', *The Age*, 8 April 2020, <<https://www.theage.com.au/national/forced-to-wear-2-raincoats-nurses-doctors-demand-action-on-ppe-20200408-p54i8q.html>> accessed 10 June 2020.

122 Anastasia Tsirtsakis, 'PPE Taskforce to Address Urgent Shortage Concerns in Victoria', *NewsGP*, 14 April 2020, <<https://www1.racgp.org.au/news/gp/clinical/ppe-taskforce-to-address-urgent-shortage-concerns>> accessed 10 June 2020.

123 Mr Terry Symonds, *Transcript of evidence*, p. 25.

124 Ms Lisa Fitzpatrick, State Secretary, Australian Nursing & Midwifery Federation, Victorian Branch, public hearing, Melbourne, 12 May 2020, *Transcript of evidence*, p. 2.

125 Mr Angus Clelland, Chief Executive Officer, Mental Health Victoria, public hearing, Melbourne, 12 May 2020, *Transcript of evidence*, p. 2.

126 Associate Professor Julian Rait OAM, *Transcript of evidence*, pp. 6–7.

127 Hon. Jenny Mikakos MLC, response to questions on notice, p. 18.

128 Ms Patricia Sparrow, Chief Executive Officer, Aged and Community Services Australia, public hearing, Melbourne, 20 May 2020, *Transcript of evidence*, p. 2.

FINDING 13: There were disparate outcomes for healthcare workers in different settings trying to access personal protective equipment in Victoria from State and Commonwealth stockpiles.

The AMA expressed concerns that there may have been insufficient or inconsistent distribution of training resources for staff to effectively use PPE across hospitals in Victoria.¹²⁹ In addition, the ANMF had received complaints from nurses that felt that they did not have sufficient access to training, especially as it related to the proper use of PPE.¹³⁰

FINDING 14: Some healthcare workers lacked confidence in how to effectively use PPE during a pandemic.

RECOMMENDATION 5: The Department of Health and Human Services work with the health sector to develop a comprehensive pandemic preparedness training program for healthcare workers including proper use of personal protective equipment.

2.7.2 Support programs for healthcare workers

Healthcare workers are expected to self-quarantine for 14 days if they have come into close contact with a confirmed case of COVID-19, or if they have been diagnosed with COVID-19.¹³¹ To support these workers, the Victorian Government established the Coronavirus Emergency Accommodation (CEA) program.

Under the CEA program, if an individual is required to self-quarantine or self-isolate, DHHS organises suitable accommodation within the Melbourne CBD or other metropolitan and regional areas. Accommodation is also available to frontline hospital and paramedic workers regularly operating in an environment with consistent exposure to COVID-19 who require accommodation on compassionate grounds and who cannot safely isolate at home.¹³²

The ANMF informed the Committee that only a proportionately small number of its members had made use of the CEA program. The ANMF said that a lot of nurses lived with their families and did not want to utilise the program, but that it was valuable for those nurses living in shared accommodation.¹³³ The AMA advised the Committee

¹²⁹ Associate Professor Julian Rait OAM, *Transcript of evidence*, p. 2.

¹³⁰ Ms Lisa Fitzpatrick, *Transcript of evidence*, p. 2.

¹³¹ Department of Health and Human Services, *Health services and general practice - coronavirus disease (COVID-19)*, 2020, <<https://www.dhhs.vic.gov.au/health-services-and-general-practitioners-coronavirus-disease-covid-19#personal>> accessed 10 June 2020.

¹³² Department of Health and Human Services, *Staff Information - Coronavirus (COVID-19) Emergency Accommodation Program*, Melbourne, 6 May 2020.

¹³³ Ms Lisa Fitzpatrick, *Transcript of evidence*, p. 3.

that although there was only a small uptake of the places made available through the CEA program, its members found it a valuable offering. The AMA stated that doctors and other healthcare workers who were anxious about their particular occupational exposure welcomed the program.¹³⁴

FINDING 15: The Coronavirus Emergency Accommodation program was welcomed by healthcare workers but had a low uptake in the initial phase of the Victorian pandemic.

2.8 Ageing Victorians

Although all age groups are at risk of contracting the COVID-19 virus, older people face a significant risk of developing severe illness due to physiological changes that come with ageing and existing underlying health conditions.¹³⁵ While the median age of confirmed COVID-19 cases is 51, fatality rates for those over 80 years of age is five times the global average.¹³⁶ In Australia, aged care recipients have accounted for approximately 1.4% of all COVID-19 cases in Australia, but 29.4% of COVID-19 deaths.¹³⁷

Since the beginning of July 2020, a number of outbreaks of COVID-19 have occurred in aged care facilities in Victoria. The Committee will examine the increase in cases associated with aged care centres as part of its report that will be tabled on 31 October 2020.

The impact of the pandemic on ageing Victorians has been exacerbated by several factors. The governance of the aged care sector has caused issues in managing the interface between providers and the acute care sector. In addition, a large number of private providers implemented harsher restrictions than were necessary. The Committee was told by the Council on the Ageing Victoria (COTA) that limited digital access led to poor communication and increased isolation for aged Victorians, while the characterisation of ageing Victorians as uniformly vulnerable to the pandemic was distressing for some.

2.8.1 Responsibility for residential aged care

Whilst residential aged care services are delivered by a range of providers including not-for-profit, private and public sector organisations, it is the Commonwealth Government that is responsible for the regulation of care and funding under the *Aged Care Act 1997*.¹³⁸

¹³⁴ Associate Professor Julian Rait OAM, *Transcript of evidence*, p. 3.

¹³⁵ World Health Organization, *Health Care Considerations for Older People During COVID-19 Pandemic*, 21 May 2020, <<https://www.euro.who.int/en/health-topics/health-emergencies/coronavirus-covid-19/technical-guidance/health-care-considerations-for-older-people-during-covid-19-pandemic>> accessed 24 June 2020.

¹³⁶ World Health Organization, *COVID-19 Strategy Update*, Geneva, 14 April 2020.

¹³⁷ Australian Parliamentary Library, *COVID-19 and aged care: a quick guide*, 16 June 2020, <https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1920/Quick_Guides/COVID-19AgedCare> accessed 24 June 2020.

¹³⁸ Department of Health and Human Services, *Residential Aged Care Services*, <<https://www2.health.vic.gov.au/ageing-and-aged-care/residential-aged-care>> accessed 24 June 2020.

The Victorian Government also plays a role in residential aged care through its funding contribution and support for public sector residential aged care services (PSRACS).¹³⁹ There are over 180 PSRACS throughout the State, making the Victorian Government the largest public provider of residential aged care in Australia. Most services are operated by public health services, in rural and regional Victoria.¹⁴⁰

The Committee heard that the governance of aged care and the division of responsibilities had led to disparate outcomes for people in aged care facilities in Victoria. Different messaging contained in the Commonwealth and the Victorian directives caused confusion for aged care centres according to the ACSA.¹⁴¹ In addition, there were issues managing the interface between the state-run acute health system and aged care services. The ACSA stated:

... one of the interesting ones from an aged-care perspective is the interface between aged-care services and the acute health system in particular, particularly whether or not people are going to be transferred to hospital or not if they are tested as COVID positive. Some states have had particular department and interorganisational groups to have regular meetings and to discuss those things and have involved the aged-care peak bodies. This has not been so much the case in Victoria, and we think that is something that would probably enhance what has been a pretty good response by the Victorian State Government to date.¹⁴²

FINDING 16: The division of responsibilities for residential aged care in Victoria has led to disparate outcomes for people residing in aged care facilities during the pandemic.

The Committee was advised by the ACSA that the aged care workforce contained a large number of casual workers. The ACSA stated that there was a need to support these workers if they were required to self-isolate, as they would not be paid if they did not work.¹⁴³

On 19 July 2020 the Government announced a range of new measures to minimise the spread of COVID-19 in the aged care sector. These included a program to minimise workforce sharing across aged care sites, infection control training for aged care workers, collaboration with the private sector to increase capacity, and improved surveillance, testing, and contact tracing. In addition, a one-off \$1,500 payment will be made to Victorian aged care workers who have been instructed to self-isolate or quarantine at home because they are either diagnosed with COVID-19 or are a close contact of a confirmed case but cannot rely on sick leave while missing work.¹⁴⁴

¹³⁹ Department of Health, *Public Sector Residential Aged Care: Service Planning and Development Framework*, Melbourne, May 2010, p. 1.

¹⁴⁰ Department of Health and Human Services, *Public Sector Residential Aged Care Services*, <<https://www2.health.vic.gov.au/ageing-and-aged-care/residential-aged-care/public-sector-residential-aged-care>> accessed 24 June 2020.

¹⁴¹ Ms Patricia Sparrow, *Transcript of evidence*, p. 1.

¹⁴² *Ibid.*, p. 2.

¹⁴³ *Ibid.*, p.4.

¹⁴⁴ Hon. Jenny Mikakos MLC, *Support for aged care residents and aged care workers across Victoria*, media release, Victorian Government, Melbourne, 19 July 2020.

2.8.2 Regulating access to aged care facilities

On 17 March 2020, the AHPPC recommended that there should be a limit of two visitors, once per day, for aged care residents, and all visitors and staff should be vaccinated against influenza (from 1 May 2020).¹⁴⁵ The Victorian Government released the *Coronavirus (COVID-19) Plan for the Victorian Aged Care Sector* (the Plan) on 23 March 2020,¹⁴⁶ which was updated on 2 May 2020. The Plan states that aged care facilities should limit visits to a maximum of two immediate social supports (family members, close friends) or professional service or advocacy at one time, per day.¹⁴⁷ However, tensions developed between the recommended restrictions and those restrictions being implemented by providers.¹⁴⁸

The ACSA advised the Committee that visiting had become a flashpoint in residential care, as a number of providers totally locked down their facilities.¹⁴⁹ COTA also informed the Committee that very few providers were allowing the two visitors for two hours a day that had originally been recommended by the Government, and that the majority of the providers were only allowing a visit of half an hour once a week.¹⁵⁰

The *Industry Code for Visiting Residential Aged Care Homes during COVID-19* (the Code) was released on 12 May 2020.¹⁵¹ The primary principle of the Code was that aged care providers would continue to facilitate visits between residents and visitors consistent with state and territory COVID-19 related directives.¹⁵² A review of the Code was published on 29 May 2020, which found that it had led to an improvement in the availability of visits to residents, and protection from COVID-19 infection.¹⁵³

FINDING 17: Some aged care providers implemented harsher restrictions than had been recommended by the Victorian or Commonwealth Governments, resulting in isolation from loved ones for aged care residents. The implementation of an industry-developed code of conduct has since mitigated some of these effects.

¹⁴⁵ Australian Health Protection Principal Committee (AHPPC), *Australian Health Protection Principal Committee (AHPPC) Coronavirus (COVID-19) Statement on 17 March 2020*, media release, Department of Health, 17 March 2020.

¹⁴⁶ Hon. Jenny Mikakos MLC, *Transcript of evidence*, p. 4.

¹⁴⁷ Department of Health and Human Services, *Coronavirus (COVID-19) Plan for the Victorian Aged Care Sector: Version 2.0*, Melbourne, 4 May 2020.

¹⁴⁸ Natasha Egan, 'Govt Calls on Providers to Allow Visitors', *Ageing Agenda*, 22 April 2020, <<https://www.australianageingagenda.com.au/executive/policy/govt-calls-on-providers-to-allow-visitors>> accessed 24 June 2020.

¹⁴⁹ Ms Tina Hogarth-Clarke, Chief Executive Officer, Council on the Ageing Victoria, public hearing, Melbourne, 20 May 2020, *Transcript of evidence*, p. 5.

¹⁵⁰ Ms Patricia Sparrow, *Transcript of evidence*, p. 1.

¹⁵¹ Council on the Ageing, *Industry Code for Visiting Residential Aged Care Homes During COVID-19*, 12 May 2020, <<https://www.cota.org.au/policy/aged-care-reform/agedcarevisitors/industry-code-rach-visits-during-covid-10-final-as-at-11-may-2020>> accessed 24 June 2020.

¹⁵² *Ibid.*, p. 3.

¹⁵³ Council on the Ageing, *Industry Code on Visiting Residential Aged Care Homes First Review - 29 May 2020*, 2020, <<https://www.cota.org.au/wp-content/uploads/2020/06/Visitor-Code-Review-29-May-2020-Statement.pdf>> accessed 25 June 2020.

2.8.3 Impact of the pandemic on ageing Victorians

The Committee heard that a number of ageing Victorians had suffered mental health impacts from the loss of regular group outings and social activities.¹⁵⁴ However, the pandemic has also led to innovative responses from providers. In one example, the Committee heard of the development of ‘visiting pods’ in Geelong that were housed in refurbished shipping containers and allowed individuals to converse from either side of a glass panel and maintain a safe environment.¹⁵⁵

Some ageing Victorians have also experienced increased age-based stigmatisation and discrimination during the COVID-19 pandemic. The ageing population is an incredibly diverse group. The United Nations has recommended that policies and communications should provide a differentiated, undistorted picture of the impact of the pandemic on older persons to ensure they are not being stigmatised.¹⁵⁶

COTA advised the Committee of the negative impacts of ‘homogenisation’ being felt by ageing Victorians in COVID-19 public education messaging. In particular, the unilateral messaging around the vulnerability of ageing Victorians had caused distress and a sense of a loss of agency among those individuals that did not identify as vulnerable.¹⁵⁷

FINDING 18: Characterisation of ageing Victorians as a homogenously vulnerable group during the pandemic caused distress among some individuals who did not identify with this characterisation.

While the internet and digital technologies provide key means of communication, many older persons have limited digital access and literacy. This impacted ageing Victorians’ ability to receive information on the virus, and further increased feelings of isolation.

COTA informed the Committee that the aged care sector faced a significant challenge accessing ageing Victorians with limited access to online services to inform them of their rights during the pandemic and how these related to any restrictions associated with COVID-19.¹⁵⁸ COTA also advised the Committee that although it undertook outreach to address isolation, they were only able to contact the 50% of their members who had an email address.¹⁵⁹ The Committee was told by COTA that:

While the [Victorian] Government has handled matters relatively well, it did not seem adequately prepared to respond to a crisis of this nature and magnitude. Digital connection must be carefully factored into all future emergency planning to ensure information and vital services can be provided to all citizens in a timely manner.¹⁶⁰

¹⁵⁴ Ms Tina Hogarth-Clarke, *Transcript of evidence*, p. 7.

¹⁵⁵ Ms Patricia Sparrow, *Transcript of evidence*, p. 3.

¹⁵⁶ United Nations, *Policy Brief: The Impact of COVID-19 on Older Persons*, May 2020, p. 9.

¹⁵⁷ Ms Tina Hogarth-Clarke, *Transcript of evidence*, pp. 5–6.

¹⁵⁸ *Ibid.*, p. 3.

¹⁵⁹ *Ibid.*

¹⁶⁰ *Ibid.*, p. 2.

FINDING 19: Mixed levels of digital access and literacy exacerbated the impact of the pandemic on ageing Victorians.

2.9 Mental health

The Committee found that the pandemic has impacted the mental health of young Victorians, ageing Victorians, and Victorians living in rural and regional areas. While the Government's response has been welcomed by stakeholders in the short-term, there is a need to develop long-term strategies to improve access to appropriate levels of mental health care across the state post the pandemic.

2.9.1 Funding for mental health

In Victoria the mental health system has increasingly been unable to adequately meet its stated objectives for access and effectiveness.¹⁶¹ Successive reviews of the mental health system have consistently identified funding and infrastructure gaps.¹⁶² A Royal Commission into Victoria's Mental Health system commenced in 2019 and will deliver its final report by 5 February 2021.¹⁶³ As part of its response to the pandemic, the Victorian Government announced a \$59.4 million package on 12 April 2020 to support the mental health and wellbeing of Victorians. Approximately \$20 million of this was to support online and phone counselling services.¹⁶⁴ On 13 July 2020, the Government announced that \$6 million of the \$59.4 million package would be used to fast track the roll out and launch of an online tool which allows young people to access tailored online therapy and peer support.¹⁶⁵ In addition, on 10 July 2020 the Victorian Government announced an additional \$26 million to be invested in mental health support for small business owners.¹⁶⁶

The funding announced by the Government has been welcomed by stakeholder groups. Visit Victoria advised the Committee that they had received feedback from businesses that were supportive of the mental health packages.¹⁶⁷ COTA noted the importance of funding for phone counselling services for ageing Victorians who did not always have access to online services.¹⁶⁸

¹⁶¹ Royal Commission into Victoria's Mental Health System, *Interim Report*, Melbourne, November 2019, p. 116.

¹⁶² Victorian Auditor-General's Office, *Access to Mental Health Services*, Melbourne, March 2019, p. 40.

¹⁶³ Royal Commission into Victoria's Mental Health System, *Amended Letters Patent*, 26 May 2020, <https://s3.ap-southeast-2.amazonaws.com/hdp.au.prod.app.vic-rcvmhs.files/9115/9056/0226/Amended_Letters_Patent.pdf>, accessed 20 July 2020.

¹⁶⁴ Hon. Daniel Andrews MP, *Surge Funding Helping Our Mental Health System During Crisis*, media release, Victorian Government, Melbourne, 12 April 2020.

¹⁶⁵ Hon. Daniel Andrews MP, *Supporting The Mental Health Of Young Victorians*, media release, Victorian Government, Melbourne, 13 July 2020.

¹⁶⁶ Hon. Tim Pallas MP, *More Survival Support For Victorian Businesses*, media release, Victorian Government, Melbourne, 10 July 2020.

¹⁶⁷ Mr Brendan McClements, Interim Chief Executive Officer, Visit Victoria, public hearing, Melbourne, 14 May 2020, *Transcript of evidence*, p. 7.

¹⁶⁸ Ms Tina Hogarth-Clarke, *Transcript of evidence*, p. 1.

2.9.2 The impact of restrictions on mental health

The COVID-19 pandemic has exacerbated the mental health impact of the December 2019 and January 2020 bushfires in regional Victoria. The Hon. Lisa Neville, Minister for the Coordination of Environment, Land, Water and Planning – COVID-19 stated that the mental health impacts in rural and regional Victoria would be long-term and will need to be supported alongside the physical recovery of these regions.¹⁶⁹

The Committee also heard from the Arts Industry Council Victoria, that regional areas were vulnerable and would need additional support for mental health moving into recovery from the pandemic.

Consistent with this, the Youth Affairs Council's submission to the inquiry stated that young people from rural and regional areas were more likely to list their mental health and physical health as a concern than those from metropolitan areas. The submission stated that these numbers were particularly alarming given the already poor access to health services for young people from rural and regional areas.¹⁷⁰

FINDING 20: Rural and regional Victoria is particularly vulnerable to mental ill-health, due to the impact of the bushfires during the 2019–20 summer being exacerbated by the COVID-19 pandemic.

RECOMMENDATION 6: The Victorian Government develop a strategy to improve access to mental health support for those struggling with recent circumstances in regional and rural Victoria.

¹⁶⁹ Hon. Lisa Neville MP, Minister for the Coordination of Environment, Land, Water and Planning: COVID-19, and Minister for Police and Emergency Services, public hearing, Melbourne, 19 May 2020, *Transcript of evidence*, p. 18.

¹⁷⁰ Youth Affairs Council Victoria (YACVic), *Submission 3*, received 5 May 2020, p. 1.

3 Economy

While the onset of the COVID-19 pandemic is primarily a public health issue, it is having major impacts on the state's economy and Victorian Government finances. The economic slow-down caused by COVID-19 and related measures is forecast to be substantial and will have a long-term effect on the State's fiscal position.

The Committee has examined the early economic effects of the pandemic through Victorian, national and international data, and has taken evidence from government, unions and industry groups. Early indicators show that Victoria, along with Australia, will likely experience ongoing economic difficulties throughout 2020 and 2021. In light of the second lockdown, Victoria is expected to be hit harder than other Australian jurisdictions.

The Committee found that the Victorian Government's Economic Survival Package will primarily use tax relief and deferral policies as well as grant programs to promote business survival and continuity. The Committee notes it is too early at this stage to fully account for the effectiveness of these measures.

3.1 The Victorian economy and impact of COVID-19

This section examines the state of the Victorian economy pre-pandemic and assesses the early impacts COVID-19 and government measures have had on the economy.

The Committee found that the Victorian economy pre-COVID-19 experienced steady growth over the last two decades. The latest data pre-COVID-19 indicated a moderating, yet broadly positive macroeconomic outlook. Key economic indicators, while highlighting some structural issues, showed that Victoria's economy was stable with low levels of unemployment and moderate wage and price growth.

Victoria's economy, while diverse, continues to be led by employment in service industries. Victoria is also a large exporter of goods and services, particularly international education, its largest service export. Victoria's exposure to trade means its industries will be heavily affected by COVID-19 and related restrictions.

The initial impact of COVID-19 is difficult to measure at this stage, but early indicators are showing a widespread economic downturn in line with forecasts. The Committee found that the economic downturn is expected to be substantial, compounded by drops in international migration, Victoria's trade exposure, industry composition and fiscal capacity of the Victorian Government during the pandemic.

The Committee will be in a better position to examine the broader impact of COVID-19 on the Victorian economy in its October report in light of the second lockdown.

3.1.1 The economy overall

The Victorian economy is mid-sized, relatively diversified and a key contributor to the nation's productivity. Prior to the onset of COVID-19, the Victorian economy saw consistent growth for over two decades. Victoria has the second highest gross state product (GSP)¹⁷¹ of all Australian states and territories and accounts for just under a quarter (23.7%) of the nation's gross domestic product (GDP). Victoria is a significant exporter of goods and services and accounts for over a quarter of all Australian exports.¹⁷²

Victoria's real GSP for the period 2018-19 was \$446.1 billion, with a 2.6% average growth rate over the past decade.¹⁷³ Nominal GSP¹⁷⁴ was recorded at \$454.6 billion over the same period, with a 10-year average growth rate of 4.7%. The 2019-20 Budget Update revised down GSP growth by 0.25 percentage points from the 2.75% figure forecast in the Budget for 2019-20.¹⁷⁵ While Victorian headline GSP growth has been consistent, Australian Bureau of Statistics (ABS) data shows that per capita GSP¹⁷⁶ growth was considerably lower. Over the past decade, GSP per capita has at times dropped into negative figures, notwithstanding constant positive population growth. The chart below compares percentage changes in annual growth of GSP and GSP per capita since 2000.

Figure 3.1 GSP and GSP per capita percentage growth, 2000 to 2019



Source: Australian Bureau of Statistics, *Australian National Accounts: State Accounts*, cat. No. 5220.0, 11 November 2019.

171 GSP is a broad measurement of the state's overall economic activity. It represents the monetary value of all finished goods and services produced within the state during the financial year. It differs from GDP in that it measures the state's economic activity, compared to GDP which encompasses all economic activity in Australia.

172 Invest Victoria, *Economic Indicators: Victorian Economy at a Glance*, 30 May 2018, <<http://www.invest.vic.gov.au/resources/statistics/economic-indicators>> accessed 6 July 2020.

173 Parliamentary Budget Office, *Victorian Economic and Fiscal Indicators*, 18 June 2020, <<https://pbo.vic.gov.au/Victorian-economic-and-fiscal-indicators>> accessed 6 July 2020.

174 Nominal GSP evaluates economic activity at current market prices. It differs from real GSP in that it accounts for changes in prices due to inflation or a rise in the overall price level.

175 Department of Treasury and Finance, *Macroeconomic indicators 2019*, <<https://www.dtf.vic.gov.au/state-financial-data-sets/macroeconomic-indicators>> accessed

176 GSP per capita is the measure of total economic output (GSP) by person. GSP per capita is calculated by taking GSP and dividing it by the number of people within the state.

As GSP per capita measurements take out the effect of population growth, it exposes underlying weaknesses in productivity. A lack of productivity growth lowers potential economic growth and can undermine increases in living standards. The Reserve Bank of Australia (RBA) has previously outlined that population growth has been key to Australia's economic success over the past decade.¹⁷⁷ With immigration drastically falling in response to COVID-19, Victoria, like the rest of Australia, will face severe risks to economic growth. ABS data for April 2020 shows that overseas visitor arrivals to Australia decreased 99.3% from March 2020, the largest monthly decrease on record.¹⁷⁸

Impact on gross state product

On 13 March 2020, the National Cabinet was formed and began to make decisions on responses to COVID-19. From late March 2020, Victoria saw the progressive introduction of major social distancing and other business-related restrictions aimed to slow the spread of COVID-19.¹⁷⁹ The restrictions have had a substantial impact on economic activity in the state.

The Department of Treasury and Finance (DTF) released modelling that outlines the potential impact COVID-19 may have on the state's economy.¹⁸⁰ At the Committee's public hearing, the Treasurer outlined that the forecasts conducted by DTF were based on a scenario of stage 3 restrictions¹⁸¹ remaining in place for about six months.¹⁸²

The modelling shows that Victoria's economy is expected to contract in the June quarter of 2020. Real GSP is forecast to be about 14% lower in the June and September quarters than forecast in the Government's *2019-20 Budget Update*.¹⁸³ The forecast fall in GSP is due to the economic shock caused by COVID-19, including a drop in domestic and global demand, falling income levels, a loss of consumer confidence, disruptions to global supply chains and restrictions on movement and trade in Victoria and more broadly.

The Treasurer further explained that under the scenario, accumulated losses to GSP estimated by DTF would reach \$55 billion over an 18-month period, stating that:

The most recent data on current conditions in the Victorian economy show the impact that Treasury anticipated is in fact unfolding. Most recent data shows Victorian jobs have decreased by 8.6 per cent between 14 March and 18 April, with the national number of job advertisements dropping by a record 53 per cent in April. This is combined with

177 Philip Lowe, 'An Economic and Financial Update', delivered at Reserve Bank of Australia, Sydney, 21 April 2020.

178 Australian Bureau of Statistics, *Overseas Travel Statistics, Provisional, May 2020* cat. no. 3401.0.55.004, 16 June 2020, <<https://www.abs.gov.au/AUSSTATS/abs@.nsf/allprimarymainfeatures/00599C33B495DA9DCA2585A40026599B>> accessed 6 July 2020.

179 Australian Bureau of Statistics, *Labour Force, Australia, May 2020*, cat. no. 6202.0, June 2020, <<https://www.abs.gov.au/ausstats/abs@.nsf/mf/6202.0>> accessed 6 July 2020.

180 Department of Treasury and Finance, *Coronavirus Economic Outlook: Fact Sheet*, Melbourne, 2020.

181 Stage 3 restrictions in Victoria allow people to leave their home for only four reasons, work, care-giving or receiving, exercise and shopping for essential goods and services.

182 Hon. Tim Pallas MP, Minister for the Coordination of Treasury and Finance: COVID-19, Department of Treasury and Finance, public hearing, Melbourne, 13 May 2020, *Transcript of evidence*, P, 1

183 Department of Treasury and Finance, *Coronavirus Economic Outlook: Fact Sheet*, Melbourne, 2020.

low property sales volumes, low consumer sentiment, business confidence at its lowest levels on record and the performance and manufacturing index falling to its lowest level since February 2009.¹⁸⁴

The Committee notes that it is still too early to make a determination on the full impact of COVID-19 on Victoria's economy. However, forecasts are predicting a widespread economic downturn with the state's recovery being uncertain and difficult to project.

FINDING 21: Victoria's gross state product is estimated to be about 14% lower in the June and September quarters relative to forecasts in the 2019-20 Budget, shedding \$55 billion over an 18-month period.

Prices and wages

The Consumer Price Index (CPI)¹⁸⁵ of Melbourne has grown at an average of 2.2% over the past decade, compared with an average of 2% for Australia over the same period. In its 2019-20 Budget Estimates report, the Committee highlighted that price growth had been substantially revised down from 2018-19 to 2020-21. The 2019-20 Budget, for example, forecast CPI to be 0.5% lower in 2019-20 and 0.25% lower in 2020-21 compared to forecasts in the Pre-Election Budget Update.

The RBA has stated that household consumption is forecast to decline by about 15% in the June quarter, primarily because of reduced spending due to social distancing and a decline in international travel.¹⁸⁶

The Wage Price Index (WPI)¹⁸⁷ has seen less growth, averaging 2% over the past decade compared to 1.3% for Australia over the same period. Real wage growth, which accounts for price increases, has seen an average annual growth of 0.6% over the past 20 years in Victoria. In 2016-17, Victoria saw real wage growth of 0.1%, 0% in 2017-18 and 0.9% in 2018-19.¹⁸⁸ Wage growth in Victoria has trended broadly downwards since 2009 and remains below its pre-Global Financial Crisis (GFC) average. The Reserve Bank of Australia and the Commonwealth Treasury have cited several factors contributing to slowing wage growth, including excess capacity in the labour market, a decline in inflation and inflation expectations, and a continuing decline in the terms of trade.¹⁸⁹

Slowing wage growth also has a flow-on effect to state revenue streams. Downwards pressure on wage growth means lower tax revenue collection, decreased spending,

¹⁸⁴ Hon. Tim Pallas MP, *Transcript of evidence*, p. 2.

¹⁸⁵ CPI is a measure of the change in prices of a fixed basket of goods and services representative of household consumption expenditure. The basket covers basic commodity groups like food, housing, transportation and healthcare.

¹⁸⁶ Reserve Bank of Australia, *Statement on Monetary Policy – May 2020: 6. Economic Outlook*, May 2020, <<https://www.rba.gov.au/publications/smp/2020/may/economic-outlook.html>> accessed 6 July 2020.

¹⁸⁷ WPI is a measure of the change in wages and salaries over time, unaffected by changes in the quality or quantity of work performed.

¹⁸⁸ Department of Parliamentary Services, *Victorian Economic Snapshot 2020 No. 3*, report prepared by Meg Bosanko and Ben Huf, report for Parliament of Victoria, Melbourne, April 2020, p. 52.

¹⁸⁹ Parliament of Australia, *The Extent and Causes of the Wage Growth Slowdown in Australia*, report prepared by Geoff Gilfillan, Canberra, 9 April 2019.

lower consumer confidence and less economic activity. The effects of COVID-19, particularly job losses and a lack of demand for goods and services, will only exacerbate the slowdown in wage growth.

FINDING 22: The COVID-19 pandemic and related restrictions are likely to have negative impacts on wage growth in Victoria.

3.1.2 Employment

Figures from June 2020 show that there were around 3.28 million employed persons in the state.¹⁹⁰

Unemployment in Victoria was recorded at 7.5% in June 2020, up from 4.8% at the same time last year. In May 2020, Victoria also recorded the largest decrease in employment out of all states and territories, down 70,800 people.¹⁹¹ Victoria has maintained a relatively stable unemployment rate over the past decade, averaging 5.6%, slightly above the Australian average of 5.5%. Victoria's unemployment rate has ranged between 4.5% and 6.5% since the early 2000s and while the past couple of years has seen a positive overall employment trend, youth unemployment and underemployment remain high.¹⁹²

DTF outlined to the Committee that Victoria's labour market conditions deteriorated significantly in April 2020 and are expected to worsen further.¹⁹³

DTF estimates that Victoria's unemployment rate could rise to about 11%.¹⁹⁴ The RBA has made similar predictions, outlining that national unemployment could reach 10% by June and remain above 6% for two years.¹⁹⁵ Data released by the ABS on 16 July 2020 shows that unemployment in Australia in June 2020 was 7.4%.¹⁹⁶ DTF further forecasts that the participation rate could decline by around 2 percentage points, from 66.4% to 64.5%. Providing evidence on unemployment forecasts, the Treasurer outlined to the Committee that:

... in coming months we are likely to experience high unemployment, expected to reach a peak of 11 per cent. This is higher than at any time since the recession in the early 1990s, and you can see how long it took—more than six years—for the unemployment rate to recover back to where it was before the 1990s recession hit.¹⁹⁷

¹⁹⁰ Australian Bureau of Statistics, *Labour Force, Australia, May 2020*.

¹⁹¹ Ibid.

¹⁹² Brotherhood of St Laurence, *Generation Stalled: Young, Underemployed and Living Precariously in Australia*, Fitzroy, March 2017, p. 2.

¹⁹³ Mr David Martine, Secretary - Department of Treasury and Finance, Inquiry into the Victorian Government's Response to the COVID-19 Pandemic hearing, response to questions on notice received 22 May 2020, p. 3.

¹⁹⁴ Department of Treasury and Finance, *Coronavirus Economic Outlook: Fact Sheet*, Melbourne, 2020.

¹⁹⁵ Philip Lowe, 'An Economic and Financial Update', delivered at Reserve Bank of Australia, Sydney, 21 April 2020.

¹⁹⁶ Australian Bureau of Statistics, *Labour Force, Australia, May 2020*.

¹⁹⁷ Hon. Tim Pallas MP, *Transcript of evidence*, p. 2.

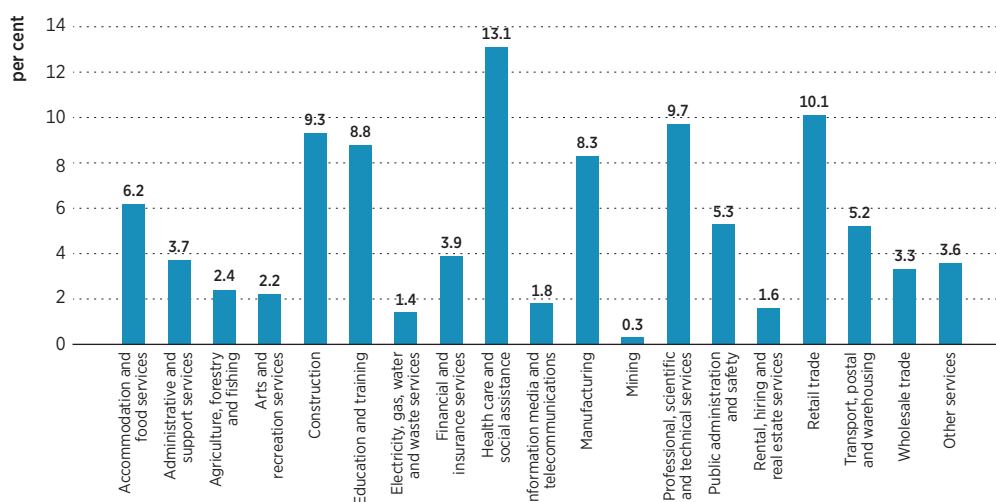
3.1.3 Industry

Victoria's economy is primarily focussed on service industries. The largest industries in Victoria include:

- Health care and social assistance services
- Retail trade
- Professional, scientific and technical services
- Construction
- Education and training.

Service industries in Victoria have also seen a higher than average growth rate over the past five years, led by health care and social assistance.¹⁹⁸ The chart below shows Victoria's employment distribution by industry as at February 2020.

Figure 3.2 Victoria's employment distribution by industry—February 2020



Source: Labour Market Information Portal, *Employment Distribution by Industry vs State*, May 2020, Australian Government <<https://l mip.gov.au/default.aspx>>

In 2018-19, health care and social assistance, construction, and financial and insurance services contributed to over half of all economic growth in Victoria.¹⁹⁹ The health care and social assistance industry exceeded national growth, primarily reflecting ongoing public spending on hospital, disability and aged-care services. Frontline expenditure on services for education and healthcare also contributed to the rise.²⁰⁰ Construction grew for a sixth consecutive year, driven by investment in renewable energy and transport infrastructure projects. Building construction also contributed to growth, spurred by

¹⁹⁸ Invest Victoria, *Growing, Low Risk, Transparent Economy*, 1 July 2020, <<http://www.invest.vic.gov.au/why-melbourne/growing-low-risk-transparent-economy>> accessed 6 July 2020.

¹⁹⁹ Australian Bureau of Statistics, *Australian National Accounts: State Accounts, 2018-19*, cat. no. 5220.0, 21 November 2019, <<https://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/5220.0Main+Features22018-19>> accessed 6 July 2020.

²⁰⁰ Ibid.

demand for office buildings. Financial and insurance services continued to expand driven by growth in managed funds and modest growth in loan and deposit balances. Victoria also saw retail trade outpace national growth, reflecting a growth in household spending on both discretionary and non-discretionary goods and services.²⁰¹

Going forward, Victorian industries are forecast to be increasingly services driven, with further drops in manufacturing, in line with Australian and global transitions.²⁰²

Victorian industries and businesses have seen a substantial hit since the onset of COVID-19²⁰³ and the Committee found that business conditions have changed substantially. Australia wide, 74% of businesses reported as operating under modified conditions due to COVID-19. Modified operating conditions refer to any changes made by businesses in response to COVID-19. The National Australia Bank's Business Survey indicates that the lockdown measures have caused a substantial decline in business conditions and confidence.²⁰⁴ The industries with the highest rate of modified operating conditions include information media and telecommunications, health care and social assistance, and accommodation and food services.

Data from the ABS for Australia further shows that 65% of businesses have reported decreased revenue as a result of the pandemic.²⁰⁵ Almost one in three businesses reported revenue decreases of 50% or more. More than half of all businesses reported that the hours worked by staff had reduced, while a quarter reported having reduced the number of employees working for the business.²⁰⁶ Three in four businesses continued to operate with modifications to their business, including 57% with limiting the number of people on site for social distancing and 46% making workforce changes, such as staff working from home.²⁰⁷

Victoria is likely to be harder hit than other states by the economic impacts of COVID-19 due to its reliance on international education and tourism, an issue confirmed by the Treasurer.²⁰⁸ This sentiment was backed by the Australian Industry Group, who explained to the Committee that:

... when we look at the evidence coming in to us through various sources from our members and from other businesses, it is looking like the impact is a little bit more

201 Ibid.

202 Deloitte, *The Current and Future State of Victoria: A Macro Perspective*, 2020, <<https://www2.deloitte.com/au/en/pages/economics/articles/infrastructure-victoria-current-future-state.html>> accessed 6 July 2020.

203 Hon. Martin Pakula MP, Minister for the Coordination of Jobs, Precincts and Regions: COVID 19, Department of Jobs, Precincts and Regions, *COVID-19 public hearing presentation*, supplementary evidence received 13 May 2020.

204 National Australia Bank, *NAB Monthly Business Survey: March 2020*, 14 April 2020, <<https://business.nab.com.au/nab-monthly-business-survey-march-2020-39344>> accessed 6 July 2020.

205 Australian Bureau of Statistics, *Business Indicators, Business Impacts of COVID-19, June 2020*, cat. no. 5676.0.55.003, 24 June 2020, <<https://www.abs.gov.au/AUSSTATS/abs@.nsf/Latestproducts/5676.0.55.003Main%20Features2June%202020>> accessed 6 July 2020.

206 Ibid.

207 Ibid.

208 Bridget Rollason and Richard Willingham, 'Coronavirus Modelling From Victorian Treasury Predicts Unemployment of 11 Per Cent, Falling Property Prices', *ABC News*, 22 April 2020, <<https://www.abc.net.au/news/2020-04-22/coronavirus-modelling-impact-victorias-unemployment-property/12169684>> accessed 6 July 2020.

in Victoria than in some other states, probably because of the industry mix that we have here.²⁰⁹

Speaking to the impact on businesses, industry and trade, the Minister for the Coordination of Jobs, Precincts and Regions: COVID-19—Hon. Martin Pakula—advised the Committee that:

In terms of aviation, both of our international airports have experienced a significant decline in passenger and aircraft movements.

There has been a severe impact on the visitor economy as a consequence of infection control measures, travel bans, mass gathering restrictions and the visitor expenditure numbers impact of both COVID-19 and the preceding bushfires over the December–January period.²¹⁰

The Minister further outlined in his presentation to the Committee that Victorian exports are forecast to fall by \$16.4 billion in 2020, while Victorian international education exports are estimated to decrease by \$5.8 billion in 2020. Visitor expenditure in Victoria is estimated to fall by \$23.3 billion in 2020, representing a 72% decrease from 2019. The lack of travel has been highlighted by travel data, which shows that Melbourne Airport has seen a decline of 98% on year-on-year international and domestic passengers.²¹¹

Overall, inbound tourism, to both Victoria and Australia, has collapsed. Tourist visa departures out-numbered arrivals by a total of 189,000 for the months of March, April and May 2020.

FINDING 23: Victoria’s visitor economy is expected to contract substantially due to a collapse in international travel to the state.

3.1.4 Trade

The state is a significant provider of international services, such as education as a service export, and accounts for \$26 billion of Australia’s \$97 billion international service exports.²¹² The state also depends quite heavily on imports and proportionally accounts for a relatively large share of Australian goods imports.²¹³

Victoria has maintained a trade deficit—meaning the state imports more than it exports—since 1998.²¹⁴ In 2018-19, Victorian imports were recorded at just over \$110 billion, compared to over \$54 billion in exports, leaving a trade deficit of around

²⁰⁹ Ms Julie Toth, Chief Economist, Australian Industry Group, public hearing, Melbourne, 13 May 2020, *Transcript of evidence*, p. 2.

²¹⁰ Hon. Martin Pakula MP, Minister for the Coordination of Jobs, Precincts and Regions: COVID-19, Department of Jobs, Precincts and Regions, public hearing, Melbourne, 13 May 2020, *Transcript of evidence*, p. 1.

²¹¹ Hon. Martin Pakula MP, *COVID-19 public hearing presentation*.

²¹² Department of Parliamentary Services, *Victorian Economic Snapshot 2020 No. 3*, p. 24.

²¹³ Parliament of Victoria, *Victorian Economic Snapshot*, report prepared by Igor Dosen and Michael Graham, Melbourne, February 2018, p. 9.

²¹⁴ Department of Parliamentary Services, *Victorian Economic Snapshot 2020 No. 3*, p. 22.

\$56 billion. For the same period, Victoria was the second jurisdiction in Australia by value of imports and fourth by value of exports.²¹⁵ Victoria's trade deficit has continued to grow since the late 1980s and is second only to NSW.

The international education sector is Victoria's largest service-based export and is a growth sector vital to the future economic prosperity of the state. The sector has been Victoria's largest services export industry for over a decade and is one of the Victorian Government's priority industries and sectors. Victoria's share of total Australian onshore tertiary enrolments in 2019 was 32.3%.²¹⁶ The international education sector generated \$12.6 billion in revenue in 2018-19, supporting close to 79,000 jobs.²¹⁷

Speaking about the education sector the National Union of Students told the Committee that:

The modelling from Victoria University projects that the university sector will lose between \$10 billion and \$19 billion between 2020 and 2023. So in the next few years we are going to see an amazing amount of money lost from the university sector, and crucially international students spent around \$8.83 billion on fees in 2018. So it is unforeseeable that such a sizeable loss in revenue to the sector will be covered by the brief spike in domestic enrolments incentivised by short courses, and this financial insecurity is further exacerbated by the fact that the Government is providing no real funding relief to the sector.²¹⁸

International education as a service export lies under the broader category of travel. Travel includes all personal, business and education related travel. In 2018-19, travel accounted for \$18.9 billion in service exports, representing over 71% of Victoria's total service exports. Over the past 5 years, travel as a broader service export has grown at an average of 13.7% per year. This is substantially higher than the average of 7.1% for all goods and services exports over the same period.²¹⁹

Victoria is the country's largest supplier of food and fibre products and exports over 80% of Australia's dairy products, 48% of Australia's horticultural exports and 39% of all prepared food exports.²²⁰

Victoria's reliance on exports of goods and services, particularly international education, means the state is highly exposed to demand shocks to the sector, which can heavily affect the economy. Exposure in terms of international trade relates not only to international markets, but to supply chains and business environment links. Victoria's strong trade ties to China have also highlighted exposure issues.

²¹⁵ Ibid.

²¹⁶ Precincts and Regions Department of Jobs, *Economic Value of Victoria's International Education*, 9 June 2020, <<https://dipr.vic.gov.au/priority-industries-sectors/international-education/economic-value-of-victorias-international-education>> accessed 6 July 2020.

²¹⁷ Ibid.

²¹⁸ Mr Lincoln Aspinall, National Education Officer, National Union of Students, public hearing, Melbourne, 18 May 2020, *Transcript of evidence*, p. 58.

²¹⁹ Department of Foreign Affairs and Trade, *Australia's Trade by State and Territory 2018-19*, Canberra, May 2020, p. 36.

²²⁰ Global Victoria, *Victoria's Economy*, 7 August 2019, <<https://global.vic.gov.au/victorias-capabilities/why-melbourne/victorias-economy>> accessed 6 July 2020.

Given that China is Victoria's largest import and export market, the pandemic has had a substantial impact on trade between the two jurisdictions. In the public hearings, the Treasurer stated that Victoria has seen a 50% growth in trade with China since the Andrews Government assumed office.²²¹

As Victoria's largest export destination and import source, China makes up 20.8% of goods exports and 25.7% of goods imports. China accounted for 26.1% or \$29.5 billion of total trade in Victoria in 2018-19.²²² This was followed by the United States (\$13.9 billion), Japan (\$7.3 billion), Germany (\$5.8 billion) and New Zealand (\$5.1 billion).²²³

During the public hearings, the Committee asked the Treasurer about trade arrangements the State has in place with China. The Treasurer contended that, 'we need to basically be balanced and measured in terms of our engagement with a valuable and long-term trading partner.'²²⁴ The Government further outlined that it believes in a balanced trade composition, with the Minister for the Coordination of Jobs, Precincts and Regions: COVID-19, advising that:

The Government will continue to do what we believe is in the best interests of the agricultural sector, Mr O'Brien, and all of the other trade-exposed parts of our economy. We believe that the relationship with China is a very important economic and cultural relationship to our economy and to our community—but not exclusively. It is also correct to say that we have a range of many other valuable and deep relationships, whether it is with Japan, the United States or many European economies.²²⁵

Within the context of COVID-19 and more broadly, Victoria has a heavy reliance on imports of goods and services, and merchandise from China. Victoria is also reliant on China as a destination market for goods and services exports. The Committee notes that while global demand for services continues to grow, particularly in China, there can be risks associated with over-exposed trade with one market.

FINDING 24: Travel, which includes education-related travel, business travel and inbound tourism, represented 71% of Victoria's total service exports in 2018-19.

3.1.5 Population

Victoria's population at the end of the September quarter 2019 was 6.6 million people, with the highest growth rate of all states and territories at 2% over the previous year.²²⁶ The majority of this growth came from overseas migration, followed by natural increase

²²¹ Hon. Tim Pallas MP, *Transcript of evidence*, p. 23.

²²² Department of Foreign Affairs and Trade, *Australia's Trade by State and Territory 2018-19*, p. 41.

²²³ Ibid.

²²⁴ Hon. Tim Pallas MP, *Transcript of evidence*, p. 23.

²²⁵ Hon. Martin Pakula MP, *Transcript of evidence*, p. 21.

²²⁶ Australian Bureau of Statistics, *Australian Demographic Statistics*, cat. no. 3101, 2020, <<https://www.abs.gov.au/AUSSTATS/abs@.nsf/allprimarymainfeatures/C41889F85E8C2BB6CA25858A002609EE>> accessed 1 June 2020.

and lastly interstate migration.²²⁷ Melbourne, which at 30 June 2019 had a population of over 5 million, registered both the largest numbers of growth and the highest growth rate of all capital cities in 2018-19. This growth has also seen Melbourne's population grow faster than any other Australian capital city over the past decade.²²⁸

Population growth has been a key driver of economic growth in Victoria. Victoria's industry and trade composition means it is largely exposed to demand side shocks, including a collapse in inbound international travel. The National Cabinet has agreed to further restrictions on international travel for the foreseeable future, meaning Victoria's economy will temporarily lose a primary source of growth.

National data from the ABS shows that through March, April and May 2020 temporary and permanent non-tourist departures outnumbered arrivals by 30,280. This represents an almost 50,000 drop on the same period in 2019, when non-tourists added more than 23,000 to Australia's population.²²⁹

April and May 2020 saw the arrival of 70 temporary student visa holders to Australia, compared to 83,290 for the same period in 2019. The ABS also recorded that 15,370 temporary student visa holders left during April and May 2020. Permanent arrival figures have also dropped drastically, with permanent skilled visa arrivals in April and May 2020 falling to 23,240 from 131,310 for the same period in 2019.²³⁰ In April 2020, 10 people arrived on international student visas to Victoria, compared to 13,190 in April 2019.²³¹

Data specific to Victoria shows that visitors arriving in Victoria for a short-term trip (less than one year) decreased 99.7% in April 2020, compared to April 2019.²³² Visitors arriving for a long-term trip (more than one year) decreased 99.5% for the same period. For those arriving in Victoria on an international student visa in April 2020, there was a decrease of almost 100% compared to April 2019.

Net overseas migration, which accounts for two-thirds of Victoria's population growth, has fallen drastically. A substantial drop in migration, and thus population growth, will have long term consequences. These include fewer young people entering the workforce, putting fiscal pressure on the tax system and forcing government support of the economy. Lower population growth will also mean less demand for goods and services in Victoria and in turn fewer new jobs created to produce goods and provide services.

227 Ibid.

228 Live in Melbourne, *Victoria's Industries*, 2017, <<https://liveinmelbourne.vic.gov.au/connect/victorian-industries#>> accessed 6 July 2020.

229 Australian Bureau of Statistics, *Overseas Arrivals and Departures, Australia, April 2020*, cat. no. 3401.0, April 2020, <<https://www.abs.gov.au/ausstats/abs@.nsf/productsbyCatalogue/568BCE24A5E5CEC5CA25774001ABE30>> accessed 6 July 2020.

230 Ibid.

231 Ibid.

232 Ibid.

FINDING 25: Net overseas migration to Victoria has fallen drastically. Short term arrivals to Victoria in April 2020 were 99.7% lower than April 2019, while long-term arrivals were 99.5% lower for the same period. International student arrivals dropped by almost 100% in April 2020, compared to April 2019.

3.1.6 Residential property market

A downturn in the property market can have wide-ranging effects on Victoria's economy and to government finances, which rely on several property-based taxes. The volatility of revenue collected from state-based taxation is another risk-factor that was evident before the pandemic. The most prolific of these revenue streams relates to the softening of the residential property market and the corresponding write-downs in state revenue collection. The State's capacity to collect revenue can be strongly impacted by a weakening property market, as was reflected in both the 2018-19 Pre-Election Budget Update and the 2019-20 Budget. The lack of property transactions during the COVID-19 lockdown and further drops in residential property prices will continue to have negative impacts of the State's land tax revenue streams.

The Committee has previously highlighted the 2019-20 Budget's downgrade of land transfer duty by \$2.8 billion, in addition to a \$2.4 billion downgrade in the 2018 Pre-election Budget Update.²³³ The decline in revenue reflected decreasing property prices and transaction volumes, which had a substantial impact on the State's finances. In 2019-20, land transfer duty made up just over 24% of all state-based taxation and was expected to raise \$5.9 billion, with land tax expected to raise another \$3.7 billion.²³⁴

The Committee notes that it is difficult to assess the impacts of COVID-19 on the state's residential property market as it has 'paused'.²³⁵ While the RBA has highlighted transactions and prices in Melbourne have deteriorated, a lack of data does not allow for an analysis of these impacts to be undertaken. Notwithstanding the uncertainties related to forecasting, the Treasurer outlined to the Committee that property prices could decline by up to 9% from March to December 2020.²³⁶ Documents released by the RBA also forecast housing prices to drop.²³⁷

In late May, the RBA noted that social distancing measures are likely to have a larger effect on property transactions than on prices. It outlined that housing turnover is expected to decline by 70% in the June quarter and remain low in the September quarter. The deterioration in the established residential market is also expected to

²³³ Public Accounts and Estimates Committee, *Report on the 2019-20 Budget Estimates*, Parliament of Victoria, 2019, p. 21.

²³⁴ Ibid.

²³⁵ Reserve Bank of Australia, *Freedom of Information Disclosure Log: Forecasting COVID-19 Confidence Effects on Housing Prices*, 17 June 2020, <<https://www.rba.gov.au/information/foi/disclosure-log/pdf/192032.pdf>> accessed 6 July 2020.

²³⁶ Hon. Tim Pallas MP, *Transcript of evidence*, p. 1.

²³⁷ Reserve Bank of Australia, *Freedom of Information Disclosure Log: Forecasting COVID-19 Confidence Effects on Housing Prices*, 17 June 2020, <<https://www.rba.gov.au/information/foi/disclosure-log/pdf/192032.pdf>> accessed 6 July 2020.

extend the ongoing decline in dwelling investment. The RBA forecasts the trough in construction activity to occur in early 2021, two quarters later than previously expected.²³⁸

Overall, the Committee notes that transaction volumes for residential property have dropped significantly since the introduction of social distancing measures. While there is a degree of uncertainty about the future of property prices, there is consensus that they will continue to decline. Falling prices and transaction volumes will have a substantial impact on the Government's property-based tax revenue streams, compounded by write-downs in the 2018-19 Budget Update and 2019-20 Budget.

FINDING 26: The decline in property values and the volume of transactions will have a substantial impact on the Government's property-based tax revenue streams.

3.2 Victorian Government's response

This section examines the Victorian Government's economic response to COVID-19. The Committee found that the Government's Economic Survival Package has so far been primarily focussed on providing support to businesses through the provision of grants and waiving or deferring state-based taxes.

The Committee notes that it is too early to assess the effectiveness of the Government's economic response through the Economic Survival Package.

3.2.1 Victorian Government's fiscal position

Prior to COVID-19, the Victorian Government's overall fiscal position was generally sound, with revenue growth outpacing expenditure growth.

General government total revenue for 2018-19 was \$69.6 billion, an increase of 7.8% from 2017-18. The 10-year average for Victorian Government revenue growth was 5.9%. The Government expected to collect \$71 billion in revenue in 2019-20.²³⁹ Revenue forecast in 2019-20 and over the forward estimates was over \$3 billion higher than outlined in the 2018-19 Pre-Election Budget Update.²⁴⁰

General government expenses for 2018-19 were \$68.2 billion, an increase of 9.5% from 2017-18. Expenses have grown at an average of 5.7% over the past decade. General government net debt at 30 June 2019 was \$22.4 billion, representing an increase of 12% over the previous year. As a percentage of nominal GSP, net debt represented 4.9% at 30 June 2019 compared to 4.6% at 30 June 2018. The general government operating balance for 2018-19 was \$1.4 billion, a decrease of over 40% from 2017-18.

²³⁸ Ibid., p. 84.

²³⁹ Public Accounts and Estimates Committee, *Report on the 2018-19 Budget Estimates*, Parliament of Victoria, 2018, p. 5.

²⁴⁰ Public Accounts and Estimates Committee, *Report on the 2019-20 Budget Estimates*, Parliament of Victoria, 2019, p. 14.

Data released in May 2020 shows that the Government's net result from transactions for the nine months to 31 March 2020 was a deficit of \$773 million.²⁴¹ Earlier data indicated that for the six months to 31 December 2019 the Government recorded a deficit of \$1.1 billion.²⁴²

Victoria's budget outlook, however, has changed significantly due to the economic impact of COVID-19. Victoria's medium-term outlook is uncertain and the Committee expects a substantial change in the Government's 2020-21 Budget.

Borrowings and debt

In April 2020, the Victorian Parliament passed the *Appropriation (Interim) Act 2020*. The Act was passed in place of the annual budget, which will be delivered in October, with the purpose of appropriating funds for government services and supplies until the end of 2020.²⁴³ The Act provides interim appropriation authority for the ongoing operations of government for the first half of 2020 and authority for an additional amount to be advanced from the Treasurer for the remainder of 2019-20, as well as for an amount advanced to the Treasurer for the second half of 2020.²⁴⁴

Given the revenue write-downs in the 2019-20 Budget, further falls in revenue due to COVID-19 and an increase in expenditure the Government was required to source debt. In order to respond to COVID-19 and bolster the State's fiscal capacity, the Government has established a debt facility. The facility, which can be drawn upon to fund the functions of government, is worth \$24.5 billion.

The Treasurer outlined to the Committee that currently it is not an incursion of debt.²⁴⁵ The Secretary of DTF further explained that the facility gives the Government the authority to spend and utilise the funds, illustrating that:

... it is effectively like if you had your own credit cards, it is like increasing your credit card limit—the capacity to draw on those funds—but there is a different question, which is the decision you make to actually spend money. So at the moment the Treasury Corporation of Victoria issued a statement to the market a couple of weeks ago which indicated to the market the Government's borrowing requirements up until June of 2021. What that statement talks about—and it is on their website—is the additional borrowing and the issuing of Government bonds between now and 2021 is in the order of about \$10 billion to \$14 billion, over and above what was previously signalled to the market last year in last year's budget.²⁴⁶

²⁴¹ Department of Treasury and Finance, *Quarterly Financial Report No.3, 2020*, p. 1.

²⁴² Department of Treasury and Finance, *2019-20 Mid-Year Financial Report (incorporating Quarterly Financial Report No.2), 2020*, p. 2.

²⁴³ *Appropriation (Interim) Act 2020* (Vic).

²⁴⁴ *Explanatory Memorandum, Appropriation (Interim) Act 2020* (Vic).

²⁴⁵ Hon. Tim Pallas MP, *Transcript of evidence*, p. 7.

²⁴⁶ Mr David Martine, Secretary, Department of Treasury and Finance, public hearing, Melbourne, 13 May 2020, *Transcript of evidence*, p. 16.

The Committee heard that the Government has not experienced any liquidity problems or other difficulties in its ability to borrow the desired amount through the issuance of bonds, commensurate with the State's AAA credit rating.²⁴⁷ The Committee notes that while the State maintains a AAA credit rating from both Standard & Poor's and Moody's, the former has indicated a negative outlook in both the State's long-term domestic rating and long-term foreign currency rating.²⁴⁸

Data from the Treasury Corporation of Victoria (TCV) indicates that as at May 2020 the total outstanding debt for domestic benchmarks bonds was around \$46.7 billion. This is an increase of over 35% on the same figure for 2019, which was recorded at \$34.4 billion.²⁴⁹

The Committee asked the Secretary of DTF about the bond issuance program and how much can be accounted for COVID-19 related spending. When asked about the increase in borrowing, the Secretary outlined that \$5.2 billion of COVID related expenditure had already been announced by the Government:

There was already a program of borrowing that would have been outlined in last year's budget, a lot of which relates to the Government's infrastructure program. In the last year's budget you would see a particular profile over the budget and forward estimates of gross debt and the Government's infrastructure program, so most of that borrowing would be related to that.²⁵⁰

The Treasurer was asked by the Committee how much money from the debt facility, in the form of Treasurer's advances, has been drawn down. The Treasurer stated that:

We will acquit our Treasurer's advance allocations within the terms of the budget and entirely in accordance with the Financial Management Act in due course, but at this stage in the process we are not capable of giving you a running commentary on how we are sourcing funds...²⁵¹

The Committee also asked the Minister for the Coordination of Education and Training: COVID-19 how much funding for education infrastructure projects would come from funds established as part of the new debt facility. The Minister stated that 'there will be a significant element that will be drawn from the additional funding. The funding that the Treasurer announced, the \$25 billion, will be reported in the usual way'.²⁵²

²⁴⁷ Hon. Tim Pallas MP, *Transcript of evidence*, p. 17.

²⁴⁸ Treasury Corporation of Victoria, *Credit Ratings*, 2020, <<https://www.tcv.vic.gov.au/tcv-bonds/credit-ratings>> accessed 6 July 2020.

²⁴⁹ Treasury Corporation of Victoria, *Total Outstandings*, 2020, <<https://www.tcv.vic.gov.au/tcv-bonds/outstanding-borrowing/total-outstandings>> accessed 6 July 2020.

²⁵⁰ Mr David Martine, *Transcript of evidence*, p. 17.

²⁵¹ Hon. Tim Pallas MP, *Transcript of evidence*, p. 8.

²⁵² Hon. James Merlino MP, Minister for the Coordination of Education and Training: COVID-19, Department of Education and Training, public hearing, Melbourne, 18 May 2020, *Transcript of evidence*, p. 15.

The Secretary confirmed to the Committee at the hearing on 13 May, however, that none of the funding would be allocated to pay for spending that was not forecast in the 2019-20 Budget in relation to existing infrastructure projects.²⁵³ In a response to a Question on Notice, the Department of Treasury and Finance did not clarify whether any of the debt will be allocated to recurrent spending, explaining that:

The application of borrowings to government activities will be recognised in the full financial year result for 2019-20. This result cannot be extrapolated from interim results as it also includes the impact of seasonal factors affecting the timing of activities and transactions across the year (for example, the timing of grant receipts from the Commonwealth).²⁵⁴

3.2.2 Policies and programs

The Treasurer explained to the Committee that the Government is aiming to build an economic bridge to help Victorians reach the other side of this crisis and be ready to recover.²⁵⁵

As at 4 June 2020, the Victorian Government has announced a total of \$8.4 billion in funding in response to COVID-19.²⁵⁶ The Government's primary response has been the \$1.7 billion Economic and Survival Package to Support Small Businesses and Jobs. The package includes:

- Providing full payroll tax refunds and waivers for the 2019-20 financial year to small and medium-sized businesses with payroll of less than \$3 million. These businesses will also be able to defer any payroll tax for the first three months of the 2020-21 financial year until 1 January 2021
- Providing \$500 million to establish a Business Support Fund that will support the hardest hit sectors. The fund will provide \$10,000 grants to eligible businesses with turnover greater than \$75,000 and payroll of less than \$650,000
- Establishing a \$500 million Working for Victoria Fund to help workers who have lost their jobs find new opportunities
- Waiving 2020 liquor licensing fees for affected venues and small businesses
- Deferring 2020 land tax payments for eligible small businesses
- Paying all outstanding supplier invoices at 21 March within five business days
- Enabling commercial tenants in government buildings to apply for rent relief.

²⁵³ Mr David Martine, *Transcript of evidence*, p. 16.

²⁵⁴ Mr David Martine, response to questions on notice, p. 2.

²⁵⁵ Hon. Tim Pallas MP, *Transcript of evidence*, p. 1.

²⁵⁶ Parliamentary Budget Office, *About the Victorian COVID-19 Policy Tracker*, 2 July 2020, <https://pbo.vic.gov.au/Victorian_COVID-19_policy_tracker> accessed 6 July 2020.

Between 20 March and 1 May 2020, 45,878 applications were submitted to the Business Support Fund.²⁵⁷ DJPR further received applications from 1,495 business seeking a Business Support Fund grant that were ineligible as they exceeded the \$650,000 payroll threshold. Eleven large businesses have sought financial assistance via other approaches to the Department.²⁵⁸ The Committee notes, however, that it is unclear at this stage how many businesses have received support under the fund.

The Committee heard evidence from the Victorian Chamber of Commerce, regarding the Business Support Fund:

Well, in some cases it has kept businesses open for longer than they would otherwise. In other cases it has kept people employed. And remember this came about before any of the JobKeeper payments became available, so in some cases it was a bridge there. In other cases it has been able to provide those businesses with enough capital to get their planning done for what their business would look like on the other side of this virus because the truth is business will look different.²⁵⁹

At the hearing, the Chapel Street Precinct Association stated that initially many businesses' applications in its location were rejected as the State Government determined the heavily impacted businesses by the Australian Business Number (ABN) classification. According to the Association:

This was a fallacy and completely ignored the reality that if you forcefully close that many businesses in a local economy, many other businesses in that local economy are equally impacted.²⁶⁰

The Chapel Street Precinct Association also stated that in its experience in its locality these businesses did not receive an official rejection letter and was only made aware of the status of the application when businesses made follow up calls. However, on 1 May 2020 the State Government changed the eligibility criteria to include all businesses that are receiving JobKeeper payments.

The Committee notes that the \$10,000 grants, provided to businesses as part of the Business Support Fund, helped employers overcome the initial reimbursement hurdle of the JobKeeper subsidy. The Victoria Tourism Industry Council (VTIC) told the Committee that the grants had been a lifeline to many small businesses within the tourism sector. Ms Mariani, Chief Executive Officer of VTIC, said that 'many of them have used that money to fund their first JobKeeper payments because, as you know, they had to pay first and be reimbursed later'.²⁶¹

²⁵⁷ Mr Simon Phemister, Secretary - Department of Jobs, Precincts and Regions, Inquiry into the Victorian Government's Response to the COVID-19 Pandemic hearing, response to questions on notice received 22 May 2020, p. 5.

²⁵⁸ Ibid., p. 6.

²⁵⁹ Mr Paul Guerra, Chief Executive Officer, Victorian Chamber of Commerce and Industry, public hearing, Melbourne, 13 May 2020, *Transcript of evidence*, p. 3.

²⁶⁰ Mr Justin O'Donnell, Executive Chairperson/President, Chapel Street Precinct Association Inc., public hearing, Melbourne, 14 May 2020, *Transcript of evidence*, p. 2.

²⁶¹ Felicia Mariani, Chief Executive, Victoria Tourism Industry Council, public hearing, Melbourne, 14 May 2020, *Transcript of evidence*, p. 2.

While the Committee acknowledges that these initiatives were positively received by the Victorian business community, it is still too early to assess the effectiveness of the initiatives announced. To measure the outcomes of the initiatives announced, it will be important that the Department of Treasury and Finance along with the State Revenue Office publish information for example on the number and proportion of businesses that received the payroll tax refund and the average dollar amount of the payroll tax refunded.

FINDING 27: Between 20 March and 1 May 2020, 45,878 applications were submitted to the Business Support Fund.²⁶² The Department of Jobs, Precincts and Regions further received applications from 1,495 business seeking a Business Support Fund grant that were ineligible as they exceeded the \$650,000 payroll threshold. Eleven large businesses have sought financial assistance via other approaches to the Department.

RECOMMENDATION 7: The Department of Treasury and Finance and State Revenue Office consider publishing data that gives an insight into the impact of the funding initiatives that were announced as part of the Government's response to the COVID-19 pandemic.

On 10 July 2020, the Government announced a further \$534 million Business Support Package. The measures include cash grants to affected businesses, mental health support for business owners, relief for tourism operators and targeted advice for businesses. Grants of \$5000 will be made available for more than 80,000 Victorian businesses located in areas under Stage 3 restrictions.²⁶³

Tax relief

As part of the Victorian Government's COVID-19 economic survival package a number of tax relief measures have become available to eligible businesses.²⁶⁴

At the public hearings the Treasurer provided the Committee with further details regarding payroll tax relief:

I suppose the payroll tax relief measures are the single largest component of the economic survival package. It provides something like \$550 million of relief to small and medium-sized businesses for payrolls of up to \$3 million. More than 30 000 businesses are expected to benefit from that payroll tax relief, whether it be a refund or waiver. Almost two-thirds of those businesses do not just benefit from a waiver of future payroll liabilities, they get a refund of tax already paid this financial year. We have already provided around about \$486 million worth of refunds to 18 300 businesses.²⁶⁵

²⁶² Mr Simon Phemister, response to questions on notice, p. 5.

²⁶³ Hon. Tim Pallas MP, *More Survival Support For Victorian Businesses*, media release, Victorian Government, Melbourne, 10 July 2020.

²⁶⁴ Australian Government, *Tax Relief Measures for Eligible Victorian Businesses Impacted by COVID-19: COVID-19 Tax Relief Measures VIC*, 6 May 2020, <<https://www.business.gov.au/Grants-and-Programs/COVID19-Tax-Relief-Measures-VIC>> accessed 6 July 2020.

²⁶⁵ Hon. Tim Pallas MP, *Transcript of evidence*, p. 2.

The Committee heard from the Australian Industry Group (AIG), a peak employer organisation about the Government's economic survival package:

... the survival package, the \$1.7 billion funding program, has been useful. The \$500 million Business Support Fund, which we were engaged in and involved with, has been very helpful—probably not taken up as much as we expected that it might have been, but there will be still opportunities for other companies to do that. We have found that the payroll return for companies with less than \$3 million was really important. Companies I have spoken to have been pleased that that has gone back into their bank account. But there has not been much given to those beyond \$3 million, and that is an area that we have spoken to the Government about and we are looking to see some more support given to those companies.²⁶⁶

There were however some issues highlighted by the AIG with inconsistencies regarding the tax relief policies:

At the moment we have a company whose payroll was between \$3 million and \$4 million who wanted to have their payroll tax delayed for a period of time, but they were told there would be a 25 per cent penalty tax on that. Now, they were literally five more employees than somebody under \$3 million and yet who was not paying payroll tax at all. But these guys are going to be penalised 25 per cent for paying late. There is an inconsistency there that the Government actually has to deal with.²⁶⁷

The Committee notes that as of 7 May 2020, more than 18,200 Victorian businesses have received payroll tax relief, totalling over \$480 million.²⁶⁸

While the Victorian Government has implemented a number of measures offering economic support, the Commonwealth Government has primary responsibility for fiscal policy. The Committee also notes the State's limited fiscal capacity to respond to the crisis due to constitutional taxation arrangements within the Commonwealth.

FINDING 28: As of 7 May 2020, more than 18,200 Victorian businesses have received payroll tax relief, totalling over \$480 million.

The Committee notes that the suite of measures implemented by the Victorian Government have worked in tandem with stimulus measures implemented by the Commonwealth Government.

3.3 Responses through the National Cabinet

In response to COVID-19 Australian Governments established the National Cabinet, which has now replaced the Council of Australian Government's (COAG). The National Cabinet is essentially an intergovernmental forum that brings together the chief

²⁶⁶ Mr Tim Piper, Head, Victoria, Australian Industry Group, public hearing, Melbourne, 13 May 2020, *Transcript of evidence*, p. 1.

²⁶⁷ *Ibid.*, p. 3.

²⁶⁸ Mr Simon Phemister, response to questions on notice, p. 5.

ministers of all Australian jurisdictions. The Department of Prime Minister and Cabinet has announced that National Cabinet will focus specifically on job creation in response to the COVID-19 pandemic. The National Cabinet includes subcommittees in select key areas, including rural and regional, skills, energy, housing, transport and infrastructure, population and migration and health.²⁶⁹

In early May, the Commonwealth Government released a 3-step framework for a COVIDSafe Australia. The framework was developed through the National Cabinet and provides a pathway for states and territories to move toward COVIDSafe communities at their own pace. The first step facilitates some business openings and allows up to ten people to gather in homes and the community. The second step allows larger gatherings and more business openings. The third step envisages the 'new normal' and provides for restrictions to be minimised, with large gatherings, interstate travel and community sport possible.²⁷⁰

The terms of reference for the Committee's inquiry require it to examine the responses taken by the Victorian Government, including as part of the National Cabinet, to manage the COVID-19 pandemic. The Committee briefly examined elements of the response through the National Cabinet and its effect on the Victorian economy.

The Committee focussed on the Commonwealth Government's response through National Cabinet, specifically direct fiscal measures that have a substantial impact on the Victorian economy. As noted earlier, it is still early to assess the full impact of the Commonwealth's fiscal response to the crisis. The Committee, however, notes that the fiscal response has been the driving factor behind supporting the economy at both a national and Victorian level.

3.3.1 Direct fiscal response

The two primary fiscal policy responses have been the JobKeeper wage subsidy and the JobSeeker program. On 24 March 2020, the Commonwealth Government announced changes to the mutual obligations of the JobSeeker program and on 30 March the temporary suspension of the requirement for people to actively look for work and the JobKeeper wage subsidy.

The JobKeeper payment is designed to help businesses significantly impacted by COVID-19 cover their employees' wages. The subsidy is paid at a rate of \$1500 per fortnight and commenced on 4 May 2020. Employers are eligible for the payment if all of the following conditions apply:

- On 1 March 2020, they carried on a business in Australia
- They employed at least one eligible employee on 1 March 2020

²⁶⁹ Department of Prime Minister and Cabinet, *COAG Becomes National Cabinet*, 2 June 2020, <<https://www.pmc.gov.au/news-centre/government/coag-becomes-national-cabinet>> accessed 6 July 2020.

²⁷⁰ Department of Health Australian Government, *3-step framework for a COVIDSafe Australia*, 2020, <<https://www.health.gov.au/resources/publications/3-step-framework-for-a-covidsafe-australia>> accessed

- Their eligible employees are employed by the business for the fortnights claimed
- Their business has faced either a 30% fall in turnover (for turnover of \$1 billion or less), a 50% fall in turnover (for turnover of more than \$1 billion) or a 15% fall in turnover (for registered charities).²⁷¹

The JobSeeker payment temporarily expands the eligibility to income support payment and establishes a new supplement to be paid at a rate of \$550 per fortnight. The payment is made to existing and new recipients of JobSeeker, Youth Allowance, Parenting Payment, Austudy, ABSTUDY Living Allowance, Farm Household Allowance and Special Benefit.²⁷²

On 2 April 2020, the Commonwealth Government announced funding for the early childhood education and care sector in response to the COVID-19 pandemic. The funding arrangements made childcare services free for families. The funding took effect on 6 April 2020 and was in place until 12 July 2020.²⁷³ This is discussed further in Chapter 8 on education.

During the public hearings, the Committee asked the Treasurer about how the Victorian Government's economic support will work with Commonwealth Government support programs. The Treasurer outlined that:

We have to acknowledge that the Commonwealth has certainly put its shoulder to the wheel and has been, through the national cabinet process, building a level of consensus and constructive engagement that I think is vital. Believe me, it will be vital not just for dealing with the health event as it is occurring—getting a level of commonality in terms of approach— but also recognising that we cannot lose this opportunity. It is a great opportunity for us to build a political consensus around the need for change and reform. Our economic survival package is designed to work in conjunction with the Commonwealth Government's support packages rather than duplicate them. For example, our payroll tax relief and our Business Support Fund are focused on businesses that employ people; sole traders are eligible for Commonwealth Government income support, including the JobKeeper payment.²⁷⁴

The Committee notes that policies from the Commonwealth and from the State Government complement each other. In this case, the State has used the levers at its disposal to offer limited economic support, while the Commonwealth has used its substantial fiscal capacity to implement a wide-scale stimulus program.

²⁷¹ Australian Government, *JobKeeper Payment for Employers and Employees*, 29 June 2020, <<https://www.business.gov.au/Risk-management/Emergency-management/Coronavirus-information-and-support-for-business/JobKeeper-Payment-for-employers-and-employees>> accessed 6 July 2020.

²⁷² Department of the Treasury, *Economic Response to the Coronavirus: Factsheet*, Canberra, 2020.

²⁷³ Michael Kladpor, Parliamentary Library, *COVID-19 Economic Response—free child care*, Parliament of Australia, May 2020 <https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/FlagPost/2020/April/Coronavirus_response-Free_child_care> accessed 3 June 2020.

²⁷⁴ Hon. Tim Pallas MP, *Transcript of evidence*, p. 4.

Impacts

The Committee notes that these two programs have had the largest supporting impact on the Victorian economy since the onset of COVID-19. JobKeeper payments have been keeping hundreds of thousands of employees connected to their employers during the pandemic.

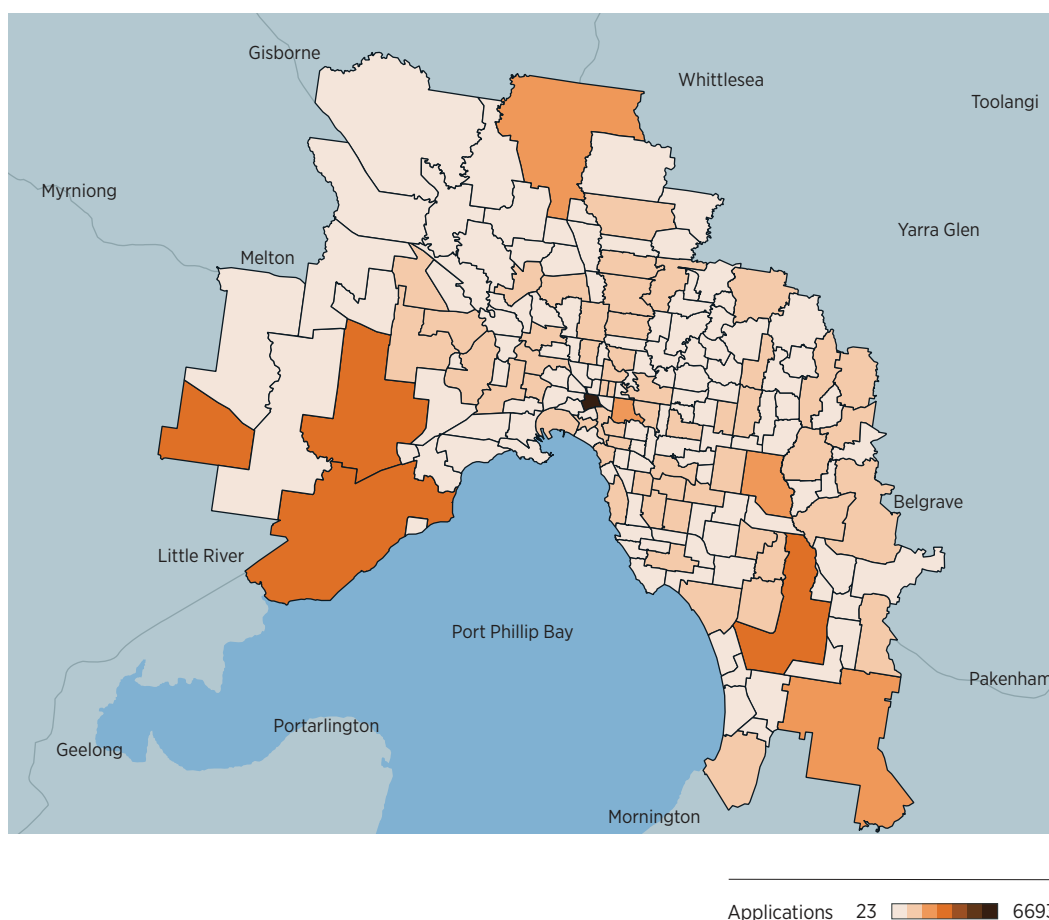
The Australian Tax Office has also highlighted that as of 20 May 2020, 910,055 businesses have enrolled in the JobKeeper program. Of these, 759,654 had eligible claims and had their applications processed, resulting in \$8.7 billion of approved payments, covering around 2.9 million employees.²⁷⁵ The Commonwealth Treasury forecasts around 3.5 million employees to be covered under the JobKeeper program. The estimated cost of the program is around \$70 billion over its lifetime.

Data from the Commonwealth Treasury and the ATO updated in June shows that 844,485 businesses had their JobKeeper application processed for April. It also shows that of those businesses, 230,715 are located in Victoria.²⁷⁶ This means around 27.3% of all JobKeeper applications for April fortnights have been lodged by Victorian businesses. The Committee notes that this is higher than Victoria's proportion of the national economy, which stands at around 23.7%.

The Committee assessed JobKeeper application data by postcode to determine which areas of the state were applying for the program. Data for the whole of Victoria shows that postcodes within regional centres represent a larger number of applications than rural Victoria, in line with expectations. Metropolitan Melbourne, however, represents the majority of applications. While the map below outlines that Melbourne's CBD has the highest proportions of applications, Melbourne's outer suburbs also have high levels of applicants.

²⁷⁵ Department of the Treasury, *JobKeeper Update: Joint Media Release with the Australian Taxation Office*, media release, Canberra, 22 May 2020.

²⁷⁶ The Treasury, *Economic Response to the Coronavirus – JobKeeper postcode data*, Australian Government, June 2020 <<https://treasury.gov.au/coronavirus/jobkeeper/data>> accessed 10 June 2020

Figure 3.3 Applications for JobKeeper by postcode—Metropolitan Melbourne, April 2020

Source: Victorian Parliamentary Library Research Service.

The Committee notes that the postcodes of 3000, 3029 (Tarneit), 3030 (Cocoroc, Derrimut and Point Cook) and 3175 (Bangholme, Dandenong and Dandenong East) have the highest proportion of business within Metropolitan Melbourne applying for JobKeeper. The Committee will continue to analyse geographical trends in JobKeeper applications and will provide a more detailed analysis in its October report.

Overall, Victorian businesses are disproportionately represented because of the likely increased impact COVID-19 is having on the Victorian economy compared to other states and territories. As discussed in section 3.1.3, due to the structure of Victoria's economy and reliance on service exports, it will likely require more fiscal support per capita than other states and territories.

FINDING 29: While Victoria makes up around 23.7% of the national economy, it accounted for 27.3% of all JobKeeper applications in April.

The Committee asked the Victorian Chamber of Commerce, about the impact of JobKeeper on Victorian businesses:

We made representations to both the Federal Treasurer and the State Treasurer around an opportunity that confronted us where we knew if nothing was done what the outcome was going to be. We had a rare point in time where any stimulus that was put in market would be measured, and without JobKeeper the loss of jobs would have been significant. We saw that in the time from the shutdown, before JobKeeper was announced. The attachment to the unemployment queue was disappointing and was un-Australian. JobKeeper fundamentally changed that. What it also did was kept employees connected to the workplace. We think that is good not only for the mental health, we think that is good not only for the skills being retained, but we think that is good in terms of the organisation's ability to bounce back at the right time.²⁷⁷

The Committee notes there was general consensus from witnesses that the JobKeeper program has been both effective and essential. JobKeeper has had a substantial impact on the Victorian economy and has undoubtedly lowered the rate of unemployment within the state. The RBA contends that the introduction of the JobKeeper wage subsidy payment has significantly reduced the number of job losses that would otherwise have occurred, although employment is still expected to fall by 8% in the June quarter (or by around 1 million workers).²⁷⁸

Although JobKeeper payments have been important in supporting the Victorian economy, the Committee notes that the program has several shortcomings. Instead of replacing the lost revenue of businesses, the fixed subsidy provides the same funding for each worker. The funding does not consider the number of hours worked or the previous wage of workers. It is therefore undercompensating some workers and businesses while overcompensating others.

The Victorian Trades Hall Council told that Committee that:

The problem that we have got with JobKeeper and casuals is for those casuals who did less than 12 months at that business and are not entitled to it, they are going to be the last people also to go back to work, because if you have got a subsidy coming into your business where I am paying Wil \$750 out of the Federal Government's money—I will take Sam as my new employee—and Sam was here for less than 12 months and he was a casual, he is the last one to come back on the books because nobody is giving me \$750 to keep him around. So there is another flaw in the system that I think needs to be addressed and looked at. It has not been discussed, but it will be the problem coming. No-one has sort of publicly raised it yet, but that is what we are thinking about. And again it will be hospitality and retail workers.²⁷⁹

²⁷⁷ Mr Paul Guerra, *Transcript of evidence*, p. 5.

²⁷⁸ Reserve Bank of Australia, *Statement on Monetary Policy – May 2020*.

²⁷⁹ Mr Luke Hilakari, Secretary, Victorian Trades Hall Council, public hearing, Melbourne, 13 May 2020, *Transcript of evidence*, p. 5.

Several gaps in the JobKeeper scheme have also exposed workers to economic hardship in a number of areas of the economy, including workers in casual, temporary, and other precarious forms of employment, in some sectors including higher education, and Australian workers engaged by companies owned by sovereign entities.

The President of the National Union of Students told the Committee that:

... the JobKeeper package does not cover casuals who have been in work for less than 12 months with a specific employer. I assume you all have worked in cafes before coming to this place; the amount of jump around young people have in their time in uni means most young people were not covered by JobKeeper and they have lost a significant amount of income.²⁸⁰

FINDING 30: In the early stages of the COVID-19 pandemic, JobKeeper payments have been important in supporting some parts of the Victorian economy.

Going forward

On 21 July, the Commonwealth Government announced proposed changes to JobKeeper, including an extension through to 28 March 2021. The JobKeeper payment will be reduced and split into two tiers, disaggregating full-time and part-time workers. The JobSeeker payment will also be reduced and extended until December. These changes do not impact JobKeeper and JobSeeker payments until after 28 September 2020.

The Governor of the RBA had warned Australia's economy could hit a critical point when the programs conclude, noting the importance of not withdrawing fiscal stimulus too early. The Committee heard similar concerns from the Victorian Chamber of Commerce.²⁸¹ The Australian Industry Group argued that JobKeeper may need to be extended in certain sectors and not others.²⁸²

The Committee highlights its concern relating to the discontinuation of JobKeeper and other Commonwealth fiscal stimulus programs. The Committee notes the substantial negative impact early termination of funding may have for the Victorian economy in particular.

The full impact of JobKeeper and JobSeeker on Victoria's economy will not be fully clear until later in 2020 when consolidated data is available. The Committee will be in a better position to discuss further impacts of fiscal stimulus on the Victorian economy in its next report.

²⁸⁰ Ms Molly Willmott, President, National Union of Students, public hearing, Melbourne, 18 May 2020, *Transcript of evidence*, p. 60.

²⁸¹ Mr Paul Guerra, *Transcript of evidence*, p. 3.

²⁸² Mr Tim Piper, *Transcript of evidence*, p. 4.

4 Jobs and infrastructure

4.1 Introduction

The restrictions that help minimise the spread of the COVID-19 have had a significant impact on the Victorian workplaces and workforce.

The Committee focused on the changes required by workplaces and examined the impact on the workforce including the Victorian Public Sector (VPS), local government workforce, certain categories of visa holder and casual employees.

It was evident that many Victorian workplaces adapted quickly to the changes required to provide a healthy work environment for employees.

The Victorian Government introduced an 'Industrial Relations framework for managing the coronavirus pandemic' for the VPS workforce which essentially protects VPS employees (including casual employees) who are impacted by the restrictions enforced.

The COVID-19 restrictions weighed more on the female workforce, with the number of jobs lost by women surpassing the number of jobs lost by men. Women have also reportedly experienced increased home responsibilities during the COVID-19 pandemic.

As a part of the COVID-19 economic recovery, the Victorian Government announced a \$2.7 billion Building Works package that is estimated to create 3,700 jobs. The Building Works package consists of \$1.2 billion investment in education infrastructure projects that will create 1,600 jobs and includes \$328 million for the transport sector.

4.2 Victorian workforce

4.2.1 Adaptability of workplaces

On 20 March 2020 the National Cabinet encouraged Australians and businesses to adapt to the COVID-19 measures in place to slow the spread of the virus. The Prime Minister stated that:

It is vital that Australians adapt so they can go about their lives, run their businesses and work under these arrangements that could run for six months or more.²⁸³

²⁸³ Hon Scott Morrison MP, *Update on Coronavirus measures*, media release, Department of the Prime Minister and Cabinet, Canberra, 20 March 2020.

Following the Victorian Government declaration of a State of Emergency the Department of Health and Human Services issued Stay at Home directions on 30 March 2020,²⁸⁴ where employers were required to support employees to work from home if they could.²⁸⁵ This helped minimise the risk of employees being exposed to COVID-19 through both reduced public transport travel, as well as reducing the risk of transmission occurring at the workplace through face to face contact.²⁸⁶ Stay at Home directions were replaced with Stay Safe directions on 31 May 2020²⁸⁷ that recommended employees continue to work from home if possible. Those employees required to attend work, or unable to work from home, could continue to go to workplaces. Employees who went to work were required to:

- Practice physical distancing by keeping at least 1.5 metres between each employee wherever possible
- Practice good hygiene.²⁸⁸

On 8 May 2020, the National Cabinet announced a three-step framework for a COVIDSafe Australia which requires workplaces to develop COVID safe plans.²⁸⁹

The Premier's statement on 20 June 2020 reiterated the work from home direction until 31 July 2020.²⁹⁰ On 8 July 2020 the Victorian Government announced that metropolitan Melbourne and Mitchell Shire will return to Stage 3 Stay at Home restrictions and remain in place until 19 August 2020.²⁹¹

4.2.2 Local government workforce

Victoria has 79 municipalities that employ more than 50,000 Victorians, including around 8,000 casuals.²⁹² The Committee sought information from the Municipal Association of Victoria (MAV) on how the sector's workforce had adapted during

²⁸⁴ Department of Health and Human Services, *Directions from Deputy Chief Health Officer (Communicable Disease) in accordance with emergency powers arising from declared state of emergency: Stay at Home Directions*, 2020, <<https://www.dhhs.vic.gov.au/sites/default/files/documents/202003/Stay%20at%20Home%20Directions%20.pdf>> accessed 8 July 2020.

²⁸⁵ Department of Health and Human Services, *Business and Industry - Coronavirus (COVID-19)*, 19 June 2020, <<https://www.dhhs.vic.gov.au/business-sector-coronavirus-disease-covid-19#what-responsibilities-do-employers-have-to-support-staff-to-work-from-home>> accessed 7 July 2020.

²⁸⁶ WorkSafe Victoria, *Minimising the Spread of Coronavirus (COVID-19): Working From Home: Information About Working From Home in Response to the Outbreak of COVID-19 in Victoria*, 23 March 2020, <<https://www.worksafe.vic.gov.au/minimising-spread-coronavirus-covid-19-working-home>> accessed 7 July 2020.

²⁸⁷ Department of Health and Human Services, *Directions from Deputy Chief Health Officer (Communicable Disease) in accordance with emergency powers arising from declared state of emergency: Stay Safe Directions*, 2020, <<https://www.dhhs.vic.gov.au/sites/default/files/documents/202005/stay-safe-directions-signed.pdf>> accessed 8 July 2020.

²⁸⁸ Department of Health and Human Services, *Work and Study*, 19 June 2020, <<https://www.dhhs.vic.gov.au/work-and-study-restrictions-covid-19#can-i-go-to-work>> accessed 7 July 2020.

²⁸⁹ Hon. Scott Morrison MP, *Update on Coronavirus measures*, media release, Department of Prime Minister and Cabinet, Canberra, 8 May 2020.

²⁹⁰ Hon. Daniel Andrews MP, *Statement From The Premier*, media release, Victorian Government, Melbourne, 20 June 2020.

²⁹¹ Victorian Government, *Coronavirus (COVID-19) Restrictions Victoria: Details on Restrictions in Victoria to Slow the Spread of Coronavirus*, 19 July 2020, <<https://www.vic.gov.au/coronavirus-covid-19-restrictions-victoria>> accessed 20 July 2020.

²⁹² Cr Coral Ross, President, Municipal Association of Victoria, public hearing, Melbourne, 19 May 2020, *Transcript of evidence*, p. 2.

the pandemic. The MAV stated that most council officers are working and providing customer services from home. Councils have ensured protective measures are in place for those employees that need to be physically present.²⁹³

At the public hearing the MAV stated that as a result of mandatory facility closures across local government, around 5,000 casuals have lost their jobs and around 700 full time and part time staff have been stood down.²⁹⁴ According to the Australian Services Union (ASU), ‘the treatment of workers has varied from council to council from this pandemic. However, it has highlighted the particular problem of casualisation.’²⁹⁵

The MAV advised that municipality employees are ineligible for assistance through the Commonwealth’s JobKeeper program and there has been no equivalent financial assistance from the Victorian Government to retain staff.²⁹⁶

The Committee asked MAV representatives about their experience of the Working for Victoria fund which is an initiative that matches up appropriately skilled unemployed Victorians with businesses looking for staff.²⁹⁷ Seventy councils have made applications to the Working for Victoria fund. The MAV stated:

... the Department [Department of Environment, Land, Water and Planning] has been terrific in working with the councils. A lot of those councils are keen, waiting for their applications to be processed.²⁹⁸

4.2.3 Impact on certain categories of visa holder and casual employees

During the public hearing, the Committee asked the Victorian Trades Hall Council (VTHC) which workers have being the most impacted by the pandemic.²⁹⁹ VTHC stated that the most affected workers included migrants, casual workers, undocumented workers and gig economy workers.³⁰⁰

Certain categories of visa holder

Before the COVID-19 pandemic unfolded, population growth was the key driver of Victoria’s economic performance.³⁰¹ Victoria’s population growth was the highest of all states, driven by high levels of net overseas and interstate migration.³⁰² In 2019

²⁹³ Ibid., p. 3.

²⁹⁴ Ibid., p. 2.

²⁹⁵ Ms Lisa Darmanin, Secretary, Victorian and Tasmanian Authorities and Services Branch, Australian Services Union, public hearing, Melbourne, 19 May 2020, *Transcript of evidence*, p. 1.

²⁹⁶ Cr Coral Ross, *Transcript of evidence*, p. 2.

²⁹⁷ Business.gov.au, *Support for Victorian Businesses Looking for Workers*, 14 April 2020, <<https://www.business.gov.au/Grants-and-Programs/Working-for-Victoria-Fund>> accessed 7 July 2020.

²⁹⁸ Ms Kerry Thompson, Chief Executive Officer, Municipal Association of Victoria, public hearing, Melbourne, 19 May 2020, *Transcript of evidence*, p. 4.

²⁹⁹ Mr Luke Hilakari, Secretary, Victorian Trades Hall Council, public hearing, Melbourne, 13 May 2020, *Transcript of evidence*, p. 2.

³⁰⁰ Ibid., pp. 2,8.

³⁰¹ Department of Treasury and Finance, *Budget Paper No. 2 Strategy and Outlook: 2019-20*, Melbourne, 2019, p. 76.

³⁰² Ibid., p. 30.

people on 'temporary work skilled', 'working holiday', and 'permanent resident skill' visas represented about 30% of the total net overseas migration in Australia.³⁰³ The latest available data from the Australian Bureau of Statistics (ABS) show that in Victoria people with a temporary work visa accounted for about 26% of Australian temporary workers while people with a working holiday visa represented 20% of Australian working holiday makers.³⁰⁴

However workers on certain categories of temporary working visas or working holiday visas whose employment has been affected due to COVID-19, are ineligible for JobKeeper or JobSeeker allowances.

At the hearing, the VTHC said:

There are over 1 million migrant workers [in Australia] who are not entitled to either JobKeeper or JobSeeker allowance. We are very worried for their welfare, and we have been advocating for some time for them to be included. They are important to our economy.³⁰⁵

FINDING 31: Some workers on temporary working visas or working holiday visas whose employment has been affected due to COVID-19 are ineligible for JobKeeper or JobSeeker allowances.

Casual workers

In August 2019 Victoria had 651,900 casual employees representing about 23.2% of total employees in Victoria.³⁰⁶ These employees could only access the JobKeeper payment if employees have been with the employer for 12 months or longer or be entitled to the JobSeeker payment.

According to the *COVID-19: Impacts on casual workers in Australia—a statistical snapshot Australia*, 40.9% of casual employees in Australia had been with their current employer for less than 12 months in August 2019.³⁰⁷ The snapshot further stated that:

In terms of the industries expected to be hardest hit by the COVID-19 virus, 46.3 per cent of casual employees in Accommodation and food services had been with their current employer for less than 12 months, along with 33.9 per cent of casual employees in Arts and recreation services.³⁰⁸

³⁰³ Australian Bureau of Statistics, *Migration, Australia, 2018-19*, cat. no. 3412.0, 28 April 2020, <<https://www.abs.gov.au/ausstats/abs@.nsf/Latestproducts/3412.0Main%20Features52018-19>> accessed 7 July 2020.(Committee calculation).

³⁰⁴ Australian Bureau of Statistics, *Insights from the Australian Census and Temporary Entrants Integrated Dataset, 2016* cat. no. 3419.0, 14 February 2019, <<https://www.abs.gov.au/AUSSTATS/abs@.nsf/Latestproducts/3419.0Main%20Features22016>> accessed 7 July 2020.(Committee calculation)

³⁰⁵ Mr Luke Hilakari, *Transcript of evidence*, p. 2.; Australian Bureau of Statistics, *Migrant Data Matrices, 2020* cat. no. 3415.0, 26 March 2020 <<https://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/3415.02020>> accessed 14 July 2020.

³⁰⁶ Parliament of Australia, *COVID-19: Impacts on Casual Workers in Australia—A Statistical Snapshot*, report prepared by Geoff Gilfillan, Canberra, 8 May 2020.

³⁰⁷ Ibid.

³⁰⁸ Ibid.

The VTHC confirmed that the retail and hospitality industries have been most affected as they have a staff turnover rate of about 60%,³⁰⁹ restricting a large portion of casual employees from accessing the JobKeeper program.³¹⁰ Under the Victorian Government's 'Industrial Relations framework for managing the coronavirus pandemic' casual public sector employees affected by closures could receive up to \$1,500 fortnightly up until the end of September if they could be redeployed.³¹¹

On 23 June 2020 the Victorian Government also announced a one off payment to financially support Victorian workers, including casual workers, who have been instructed to self isolate or quarantine at home.³¹²

The Committee notes that there has been a significant and immediate impact on casual workers in a number of industries resulting from the restrictions imposed to slow the spread of the virus. The Committee will examine this issue in more detail in its October report.

4.3 Gender impacts of COVID-19

Preliminary research and emerging data shows that women are likely to be affected in multiple ways by the COVID-19 pandemic. At the public hearing, the Australian Services Union (ASU) stated that:

... support services like aged care, early childhood, libraries and youth services, which have been historically seen as women's work and undervalued. The impact of this crisis on our community will not only mean these services are more important than ever but investment here would lead to the creation of new jobs in female-dominated and often lower paid workforces. The ABS [Australian Bureau of Statistics] data has shown that women are bearing a greater brunt of the job losses than men in this crisis, and that has to be factored into plans for recovery.³¹³

Economic impact of COVID-19 on women

Chapter 5 of this report looks at the industries that are most impacted by COVID-19 including those that require travel and interaction with customers such as tourism, hospitality and retail. Many of these industries have a predominantly female workforce and include many who are casual workers. This means that many women working insecure jobs, without access to paid leave, are particularly vulnerable during this current crisis.³¹⁴ The preliminary research and emerging data shows that the pandemic caused by COVID-19 can exacerbate existing gender inequalities.

³⁰⁹ Mr Luke Hilakari, *Transcript of evidence*, p. 2.

³¹⁰ Ibid.

³¹¹ Victorian Government, *Industrial Relations Framework for Managing the Coronavirus Pandemic*, 4 June 2020, <<https://www.vic.gov.au/victorian-public-sector-workforce-industrial-relations-framework-managing-coronavirus-pandemic#rpl-skip-link>> accessed 7 July 2020.

³¹² Department of Health and Human Services, *Coronavirus (COVID-19) Worker Support Payment*, 3 July 2020, <<https://www.dhhs.vic.gov.au/financial-support-coronavirus-covid-19>> accessed 7 July 2020.

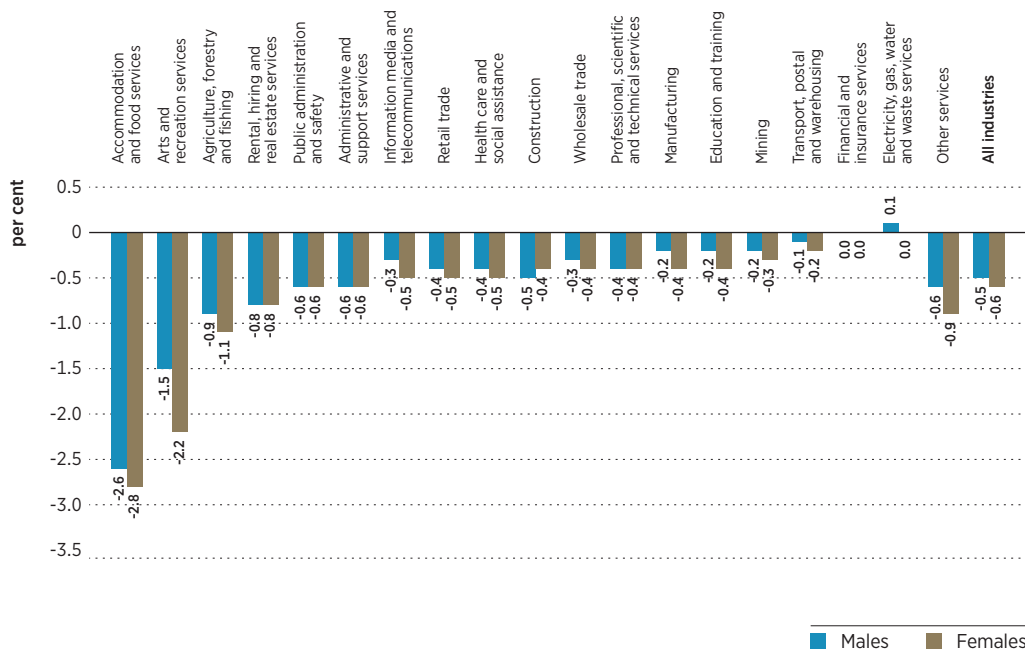
³¹³ Cr Coral Ross, *Transcript of evidence*, p. 2.

³¹⁴ Workplace Gender Equality Agency, *Gendered Impacts of COVID-19*, Sydney, May 2020, p. 4.

While the number of jobs lost by men between 14 March and 13 June 2020 was lower than women, total wages paid to men decreased more than women which partially reflects the gender pay gap and the low paid work that many women in retail, hospitality and other service sectors perform.³¹⁵

The figure below shows the Victorian industry payroll job index changes by gender in between the week ending 14 March 2020 and 13 June 2020, showing women lost more jobs than men in most sectors except for health care and social assistance sector.

Figure 4.1 Industry payroll impact by gender—Victoria



Source: Australian Bureau of Statistics, *Weekly Payroll Jobs and Wages in Australia, Week ending 13 June 2020 - Jobs and Wages By Sex*, cat. no. 6160.0.55.001, 30 June 2020 (Committee calculation).

FINDING 32: The impact of COVID-19 weighed more on the female workforce with the number of jobs lost by women higher than the number of jobs lost by men. This was a result of female dominated industries being largely affected by the restrictions imposed to slow the spread of COVID-19.

FINDING 33: Total wages paid to males decreased more than females highlighting the pre-existing gender pay gap and the low paid work that many women in retail, hospitality and other service sectors perform.

³¹⁵ Workplace Gender Equality Agency, *Gender Segregation in Australia's Workforce*, 17 April 2019, <<https://www.wgea.gov.au/data/fact-sheets/gender-segregation-in-australias-workforce>> accessed 7 July 2020.; Australian Bureau of Statistics, *Characteristics of Employment, Australia, August 2019*, cat. no. 6333.0, 9 December 2019, <<https://www.abs.gov.au/ausstats/abs@.nsf/mf/6333.0>> accessed 16 July 2020

Women bearing more responsibilities during the COVID-19 crisis

In Australia 75.4% of health professionals are women. A healthcare workforce dominated by females heightens the risk of females being exposed to the virus and potentially spreading the virus to their family members.³¹⁶

In addition to formal employment in the healthcare sector, women are also likely to care for sick members of their family. Research has shown that during health crises (such as the Zika virus), that care work continues to increase following a crisis, and women primarily take this on.³¹⁷

According to WGEA's *Unpaid Care Work And The Labour Market* insight paper, a significant contributor to the gender gap in workforce participation is the time women devote to unpaid caring work for children, family and other household members.³¹⁸

In Australia women spend 64.4% of their average working hours each week on unpaid work compared to 36.1% for men.³¹⁹ The time spent in unpaid care work can negatively affect a person's ability to participate fully in paid employment. In addition, the more time women spend in unpaid care work, the lower the female workforce participation rate.³²⁰ During the COVID-19 pandemic, many female workers have experienced both increased child care and teaching responsibilities.³²¹

FINDING 34: Women dominate the health workforce and service based industries and are therefore more exposed to COVID-19.

FINDING 35: Women are also likely to take on more unpaid work such as caring and education responsibilities during a health crisis which impacts the female workforce.

Since the COVID-19 pandemic is ongoing, the gender impacts of COVID-19 are still being assessed.

RECOMMENDATION 8: The Victorian Government consider collecting gender disaggregated data during the pandemic that can inform decision making and investment to reduce the gender impact of the crisis.

³¹⁶ Workplace Gender Equality Agency, *Gendered Impacts of COVID-19*, p. 2.

³¹⁷ Ibid.

³¹⁸ Workplace Gender Equality Agency, *Unpaid Care Work and the Labour Market: Insight Paper*, Sydney, 2016, p. 3.

³¹⁹ Ibid.

³²⁰ Ibid., p. 4.

³²¹ Workplace Gender Equality Agency, *Gendered Impacts of COVID-19*, p. 2.; Matthias Doepke Titan M. Alon, Jane Olmstead-Rumsey and Michèle Tertilt, *The Impact of COVID-19 on Gender Equality*, report for National Bureau of Economic Research, Cambridge, Massachusetts, April 2020.

4.4 Infrastructure investment

In the 2019-20 Budget update Government infrastructure investment was valued at \$15.8 billion,³²² and was expected to average \$13.9 billion a year over the budget and forward estimates.³²³ Net debt for the General Government Sector was at \$40.3 billion³²⁴ while non-financial public sector net debt was \$57.1 billion.³²⁵

On 18 May 2020 the Victorian Government announced a \$2.7 billion Building Works package that is estimated to create 3,700 direct jobs.³²⁶ The table below provides a breakdown of the funds allocated under the Building Works package.

Table 4.1 Building Works package

Building Works package	\$ million
Education infrastructure projects	1,180
Public and community housing	500
Tourism sector	382
Transport network	328
Country Fire Authority and State Emergency Service stations, disability accommodation, mental health and aged care facilities	100
Planning and acceleration fund	180
Total	2,670

Source: Hon. Daniel Andrews MP, *Building Works: More Jobs For Victorians*, media release, Victorian Government, Melbourne, 18 May 2020 (Committee calculation).

At the hearing, Infrastructure Partnerships Australia (IPA) welcomed the \$2.7 billion fund stating that:

... there was a nice blend within that of different opportunities across the infrastructure sector and the right size and scale of projects.³²⁷

The Committee asked IPA about governments' borrowing to fund the infrastructure projects. The IPA stated that Australia entered the crisis in a strong position and that Australia has a relatively healthy national balance sheet from a public sector

³²² Department of Treasury and Finance, *Budget Paper No. Budget Update: 2019-20*, Melbourne, 2019, p. 4.

³²³ *Ibid.*, p. 25.

³²⁴ *Ibid.*, p. 4.

³²⁵ *Ibid.*, p. 34.

³²⁶ Hon. Daniel Andrews MP, *Building Works: More Jobs For Victorians*, media release, Victorian Government, Melbourne, 18 May 2020.

³²⁷ Mr Adrian Dwyer, Chief Executive Officer, Infrastructure Partnerships Australia, public hearing, Melbourne, 20 May 2020, *Transcript of evidence*, p. 3.

perspective, with additional capacity to borrow.³²⁸ According to the International Monetary Fund in February 2020, Australia's gross and net public debt levels remained low by OECD standards.³²⁹

The IPA stated that borrowing debt to fund infrastructure to support the economy is an appropriate measure:

... as long as that borrowing is going into well-selected, well-considered infrastructure projects that provide productivity boosts over the longer term, and of course there is a short-term need to support the economy through things like the JobKeeper and JobSeeker supplements.³³⁰

Notably, at the public hearing, the ASU stated that recovery plans, including fiscal stimulus packages announced as part of the immediate response, as well as part of long term recovery packages, need to be designed and implemented with a gender lens. To minimise the gender impacts, the ASU advised the Committee that it is important that the State Government consider investing in female dominated industries such as healthcare, social services, hospitality and retail.

4.4.1 Education infrastructure projects

Education infrastructure projects under the Building Works package accounted to \$1.2 billion. At the hearing Hon. James Merlino, Deputy Premier and Minister for the Coordination of Education and Training: COVID-19 provided details of the education infrastructure projects and the estimated number of jobs to be created through the projects, set out in Table 4.2.

³²⁸ Ibid., p. 4.

³²⁹ International Monetary Fund, *Australia: 2019 Article IV Consultation-Press Release; Staff Report; and Statement by the Executive Director for Australia: IMF Country Report No. 20/68*, Washington D.C., March 2020, p. 77.

³³⁰ Mr Adrian Dwyer, *Transcript of evidence*, p. 4.

Table 4.2 Education infrastructure projects

Education infrastructure projects	Estimated number of jobs created	\$ million
10 new schools and four stages of new school projects	680	439
Additional capacity at 9 metropolitan schools	150	130
57 upgrade/modernisation projects at schools right across Victoria	430	389
Accessible buildings program		10
Relocatable buildings program	240 ^(a)	115
Minor capital works fund	-	20
Maintenance program across all our TAFEs in Victoria		55
Early childhood building blocks program	120	28
Total	1,620	1,185

a. A total of 240 jobs are estimated to create between the two programs, Accessible buildings program and Relocatable buildings program.

Source: Hon. James Merlino MP, Minister for the Coordination of Education and Training: COVID-19, Department of Education and Training, public hearing, Melbourne, 18 May 2020, *Transcript of evidence*, p. 3 (Committee calculation).

FINDING 36: The Victorian Government announced a \$2.7 billion Building Works package that is estimated to create 3,700 direct jobs, of which education infrastructure projects will account for \$1.2 billion, creating 1,600 jobs.

4.4.2 Transport infrastructure projects

The Building Works package included \$328 million of investment in roads, public transport, jetties and piers, with maintenance and upgrades. Procurement for these projects will comply the Local Jobs First Policy and Social Procurement Framework.³³¹

At the hearing the Hon. Jacinta Allan, Minister for the Coordination of Transport: COVID-19 discussed the Big Build program which continued since the outbreak of the COVID-19. To ensure the safety of the workers onsite, the Department of Transport has established a Big Build consultative panel with the Minister, the Director-General of the Major Transport Infrastructure Authority and with representatives of the construction companies and union.³³²

FINDING 37: A Big Build consultative panel was established to ensure COVID-19 safety measures are being implemented at construction sites.

³³¹ Department of Transport, *Building Works*, 17 May 2020, <<https://transport.vic.gov.au/coronavirus-disease-covid-19/building-works>> accessed 7 July 2020.

³³² Hon. Jacinta Allan MP, Minister for the Coordination of Transport: COVID-19, Department of Transport, public hearing, Melbourne, 20 May 2020, *Transcript of evidence*, p. 2.

At the hearing the Committee asked about the financial impact on the Big Build program of the COVID-19 pandemic. The Minister stated:

... it is a little too early to answer that question fully. I point out, as I indicated before, this coronavirus pandemic is far from over.³³³

The Committee also asked the Minister if additional funding was provided to any of the construction companies on projects as part of the Big Build program to allow workers to continue working during the pandemic. The Minister stated that there is continuous engagement with the contractors to resolve issues relating to delivery timelines, costs and workforce issues.³³⁴

The Committee sought advice from the IPA on the validity of pursuing Big Build projects amidst the impacts of COVID-19 such as a declining population, decreased economic activity, and more employees working from home, all leading to a reduced demand for transport infrastructure. IPA stated that:

... the infrastructure that we build is not for the next six months. These are 100-year-type investments, and if we fast-forward 15 or 20 years... whilst there have been temporary reductions in population, again these are 100-year investments, be they road or rail or social infrastructure or social housing. We should persist with those investments from a stimulus perspective because often they are to catch up with existing demand, not just to meet future demand.³³⁵

In a written submission to the inquiry, Bus Association Victoria recommended the following bus infrastructure investment projects that the Government could consider:

- Smart, Sheltered and Accessible bus stops—sheltered bus stops and bus stops that meet accessible transport standards as per the compliance timeframe the Disability Discrimination Act 2002. Provide “smart” real time information for passengers at these stops
- On Road Priority and Bus Lanes—install on road priority measures like Green B lights at intersections to give buses and coaches a head start ahead of the traffic and bus priority lanes on all major city bus trunk routes for use in peak commute times
- Integrated PT mode stations
- Bus Rapid Transit.³³⁶

³³³ Ibid., p. 17.

³³⁴ Ibid., p. 26.

³³⁵ Mr Adrian Dwyer, *Transcript of evidence*, p. 5.

³³⁶ Bus Association Victoria Inc., *Submission 8*, received 25 May 2020, pp. 6-7.

4.4.3 Transport network—activity

The Hon. Jacinta Allan, Minister for the Coordination of Transport: COVID-19, provided evidence on the transport activity during the pandemic restrictions stating that:

- Passenger numbers in public transport dropped from an average of 2.1 million trips a day (February) to 300,00 trips³³⁷
- Traffic volumes on roads on weekdays was 30-40% below February figures
- Number of commercial vehicles using the road network declined by 13%
- Container throughput at the Port of Melbourne down 10%
- Pedestrian crossing activations down 24%
- CBD pedestrian volumes are steadily increasing after falling 80%
- Cycling to the CBD down 80%; cycling for recreation up by 200-300%.³³⁸

4.4.4 Public transport cleanliness

The Minister and the Head of Transport Services, Department of Transport (DoT) outlined the steps taken by the Department to prevent the spread of the virus. DoT has put in place an enhanced cleaning regime across all of the public transport networks, including nightly sanitation, wiping the touch surfaces and carriages being sprayed with disinfectant.³³⁹

With the easing of the initial restrictions and commuters returning to the public transport network, the Committee asked about measures taken to ensure social distancing on public transport. DoT stated:

One of the opportunities I think that comes out of COVID is enabling our passengers and employers to start to stagger their journeys more effectively. So a lot of conversations are happening behind the scenes around how do we work with major employers to look at more agile ways of working, how do we encourage people to travel before the traditional morning peak, how do we encourage them to travel after the morning peak and how do we flex our own service pattern in terms of timetabled services that we offer to better reflect that broader demand.³⁴⁰

³³⁷ Hon. Jacinta Allan MP, *Transcript of evidence*, p. 2.

³³⁸ Ibid., pp. 2-3.; Hon. Jacinta Allan MP, Minister for the Coordination of Transport: COVID-19, Department of Transport, *COVID-19 public hearing presentation*, supplementary evidence received 20 May 2020, pp. 2-5.

³³⁹ Hon. Jacinta Allan MP, *Transcript of evidence*, p. 3.; Mr Jeroen Weimar, Head of Transport Services, Department of Transport, public hearing, Melbourne, 20 May 2020, *Transcript of evidence*, p. 4.

³⁴⁰ Mr Jeroen Weimar, *Transcript of evidence*, p. 4.

4.4.5 Bicycle lanes and widened footpaths

The Committee asked the Minister if the Victorian Government has allocated funding to enable pop up cycleways and widened footpaths to assist people in social distancing as a way of reducing congestion on other forms of transport. DoT stated that:

- 250 kilometres of cycling and walking paths in delivery/final planning
- the economic stimulus package included additional investment in cycling infrastructure in Macedon and Timboon
- currently in discussion with four or five local governments, particularly in inner Melbourne, to explore temporary cycling and walking provisions.³⁴¹

FINDING 38: The Buildings Works package included two cycling infrastructure projects in regional Victoria and the Victorian Government is in discussions with a number of metropolitan councils that are exploring temporary cycling infrastructure.

³⁴¹ Ibid., p. 12.

5 Industry

5.1 Introduction

The National Cabinet endorsed the advice of the Australian Health Protection Principal Committee and gradually introduced social distancing measures and restrictions of non-essential gatherings. On 22 March 2020 the National Cabinet agreed to move to more widespread restrictions on social gatherings and announced the closure of non-essential businesses in an attempt to reduce the spread of the virus.³⁴² The closure of non-essential businesses led to many businesses shutting down for a period of time, affecting employment, business activity and trade.

Following the National Cabinet's agreement, Victoria announced the closure of non-essential businesses on 23 March 2020. On 8 May 2020 the National Cabinet introduced a three-step plan to remove baseline restrictions as a way of reopening parts of the economy in the safest way possible. The Prime Minister's media statement outlined that the three-step plan could be adopted by jurisdictions in a way that is best suited for individual circumstances.³⁴³ On 16 May 2020 the Victorian Government announced its plan to gradually open the State's cafes and restaurants, to restore jobs and rebuild the economy. The proposed plan allowed restaurants and cafes to resume dine in services from 1 June 2020 up to 20 patrons per enclosed space and up to 50 patrons per closed space from 22 June 2020.³⁴⁴ However, on 8 July 2020 the Victorian Government announced that metropolitan Melbourne and Mitchell Shire would return to Stage 3 Stay at Home restrictions until 19 August 2020.³⁴⁵

The Committee examined the impacts of COVID-19 restrictions on the Victorian tourism industry, retail industry, international education sector, creative industries and the building and construction industry.

At the public hearing, Ministers and peak bodies representing business and industry gave evidence on the Government's response to the pandemic. They discussed strategies that could be implemented by the Victorian Government to assist in the recovery phase.

³⁴² Hon. Scott Morrison MP, *Update on Coronavirus Measures*, media release, Department of Prime Minister and Cabinet, Canberra, 22 March 2020.

³⁴³ Hon. Scott Morrison MP, *Update on Coronavirus measures*, media release, Department of Prime Minister and Cabinet, Canberra, 8 May 2020.

³⁴⁴ Victorian Government, *Coronavirus (COVID-19) Restrictions Victoria: Details on Restrictions in Victoria to Slow the Spread of Coronavirus*, 19 July 2020, <<https://www.vic.gov.au/coronavirus-covid-19-restrictions-victoria>> accessed 20 July 2020.

³⁴⁵ *Ibid.*

5.2 Industries impacted by COVID-19

On 23 March 2020 the Victorian Government announced the shutdown of non-essential venues and activities to reduce the spread of COVID-19.³⁴⁶ Non-essential venues and activities included recreational facilities, entertainment facilities, non-essential retail facilities, food and drink (takeaway and delivery permitted), open retailing (unless physical distancing was maintained) and accommodation facilities.³⁴⁷ The restrictions had a significant economic impact on Victorian jobs, trade and industry.

The Committee examined the impacts on the Victorian tourism industry, retail industry, international education sector, creative industries and the building and construction industry.

The Committee found that the Victorian tourism industry is forecast to decrease by \$23.3 billion in 2020, 72% lower compared to 2019 as a result of the COVID-19 restrictions and preceding bushfires. While the industry has benefitted from the relief packages announced by the Victorian Government, there was reportedly a lack of relief available to the tour-and-transport sector.

In May 2020 Victoria's retail sector recovered compared to April 2020 levels due to the easing of restrictions. However, clothing, footwear and accessory retailers' and cafes, restaurants, catering services and takeaway food services' turnover declined, compared to the same period last year.

While the Victorian Government's Economic Survival Package was positively received by the retail sector, the rent relief for commercial tenants excluded national retailers.

In Victoria the number of international student commencements declined by 8% in April 2020 compared to same period in the previous year. The Australian university sector is not expected to rebound until 2023.

Emergency support funding for the creative industries valued at more than \$49 million has been announced by the Victorian Government.

In Victoria, construction activities were identified as essential activities and consequently the immediate impact on the industry was minimal compared to other industries such as tourism and retail. However, the construction industry is forecast to decline due to demand side shocks such as high levels of unemployment, lower population growth and reduced consumer confidence. The Committee also noted that the industry is incurring additional costs to maintain good hygiene at large construction sites with fewer workers employed on site to enable physical distancing. The industry is also experiencing supply side disruptions.

³⁴⁶ Ibid.

³⁴⁷ Department of Health and Human Services, *Directions from Deputy Chief Health Officer (Communicable Disease) in accordance with emergency powers arising from declared state of emergency: Non-Essential Activity Directions (No 2)*, 2020, <<https://www.dhhs.vic.gov.au/sites/default/files/documents/202003/Non-Essential-Activity-Directions-No-2.pdf>> accessed 8 July 2020.

5.2.1 Tourism

‘We have to keep people dreaming’. While we are in isolation it is very important that people do continue to dream and that they do continue to think about their next holiday, whatever that might look like. We know that any recovery from a tourism point of view is going to be a domestic-led recovery. All projections are that for the next 12 to 18 months there will be no international travel, which dramatically affects our sector, but that means reawakening Australians to the beauty of travelling in their own backyard.³⁴⁸

Ms Felicia Mariani, Chief Executive, Victorian Tourism Industry Council

In the year ending December 2019 the tourism and events industry in Victoria was valued at about \$32.5 billion,³⁴⁹ of which regional tourism contributed \$8.1 billion.³⁵⁰ The industry supported 232,700 jobs³⁵¹ of which about 92,000 were from regional areas.³⁵²

Tourism was severely impacted as a consequence of COVID-19 infection control measures, travel bans and mass gathering restrictions. The number of international visitors to Victoria was 5,920 in May 2020, compared to 436,940 in the same period last year, a decline of 98.6%.³⁵³

The Department of Jobs, Precincts and Regions and Visit Victoria estimate that the visitor expenditure in Victoria will decrease by \$23.3 billion in 2020, 72% lower compared to 2019.³⁵⁴ The Victorian tourism industry was not only affected by the COVID-19 restrictions but was also severely impacted by the December 2019–January 2020 bushfires that affected north-east Victoria and East Gippsland. The visitor economy in those parts of Victoria contributes to about 20–25% of the local economy.³⁵⁵

FINDING 39: The number of international visitors to Victoria declined by 98.6% in May 2020 compared to May 2019.

³⁴⁸ Ms Felicia Mariani, Chief Executive, Victoria Tourism Industry Council, public hearing, Melbourne, 14 May 2020, *Transcript of evidence*, p. 6.

³⁴⁹ Mr Brendan McClements, Interim Chief Executive Officer, Visit Victoria, public hearing, Melbourne, 14 May 2020, *Transcript of evidence*, p. 1.

³⁵⁰ Victorian Tourism Industry Council, *\$2.7 Billion Construction Blitz Includes Boost to Build Tourism Experiences Better Than Ever*, 18 May 2020, <<https://www.vtic.com.au/2-7-billion-construction-blitz-includes-boost-to-build-tourism-experiences-better-than-ever>> accessed 6 July 2020.

³⁵¹ Mr Brendan McClements, *Transcript of evidence*, p. 1.

³⁵² Ms Felicia Mariani, *Transcript of evidence*, p. 1.

³⁵³ Australian Bureau of Statistics, *Overseas Travel Statistics, Provisional, May 2020* cat. no. 3401.0.55.004, 16 June 2020, <<https://www.abs.gov.au/AUSSTATS/abs@.nsf/allprimarymainfeatures/00599C33B495DA9DCA2585A40026599B>> accessed 6 July 2020.

³⁵⁴ Hon. Martin Pakula MP, Minister for the Coordination of Jobs, Precincts and Regions: COVID 19, Department of Jobs, Precincts and Regions, *COVID-19 public hearing presentation*, supplementary evidence received 13 May 2020, p. 3; Mr Brendan McClements, *Transcript of evidence*, p. 1.

³⁵⁵ Mr Brendan McClements, *Transcript of evidence*, p. 2.

At the Committee hearing the Victorian Tourism Industry Council (VTIC) stated the tourism industry in Victoria traditionally earns about 50–60% of its annual turnover during the summer period. According to the VTIC:

... this is an industry that has been in crisis since New Year's Eve. It started with the bushfires, and while we had two regions that were dramatically affected by the bushfires, the whole of the state was affected. As we know, the mood of the nation saw people just stop travelling, so an industry that normally would accrue 50 to 60 per cent their annual turnover in that summer season lost that summer season. Many lost 100 per cent, some lost 20, 30 or as high as 50 to 60 per cent even if they were not in the bushfire affected areas.³⁵⁶

The VTIC stated that the annual turnover earned during the summer period allows tourist operators to build sufficient reserves to operate during the off season. However, the loss of income during the bushfire season depleted the reserves of tourist operators, worsening the subsequent impact of COVID-19 on the Victorian tourism industry.³⁵⁷

A survey conducted by the VTIC to measure the impact on the industry of COVID-19 restrictions indicated that 66% of the tourism industry has ceased operating while 25% are partially operating. The median financial impact of lost revenue due to restrictions was \$90,000 and about 14% of VTIC members indicated losses in excess of \$1 million.³⁵⁸

The VTIC provided the Committee with information on the average number of staff employed by the VTIC members and the average number of staff employed after the introduction of COVID-19 restrictions (Table 5.1).

Table 5.1 Impact of the COVID-19 restrictions on Victorian Tourism Industry Council member staffing

	Prior to COVID-19 restrictions	Introduction of restrictions	Variance (%)
Full time	15	9	-40
Part time	6	3	-50
Casual	17	2	-88

Source: Ms Felicia Mariani, Chief Executive, Victoria Tourism Industry Council, public hearing, Melbourne, 14 May 2020, *Transcript of evidence*, p. 4.

FINDING 40: COVID-19 restrictions have resulted in significant reductions in the employment of staff in the Victorian tourism industry. Victorian Tourism Industry Council members reported the number of full time staff has reduced by 40% with casual workers worst affected—88% losing their jobs.

³⁵⁶ Ms Felicia Mariani, *Transcript of evidence*, p. 2.

³⁵⁷ Ibid.

³⁵⁸ Ibid., p. 1.

FINDING 41: The Department of Jobs, Precincts and Regions and Visit Victoria estimate that the Victorian tourism industry will decrease by \$23.3 billion in 2020, 72% lower compared to 2019 due to the COVID-19 restrictions and preceding bushfires over the December 2019 to January 2020 period.

According to the VTIC, the industry welcomed the Economic Survival Package announced by the Victorian Government that includes payroll tax relief, the Working for Victoria Fund that facilitates job matching and the Business Support Fund. The industry valued the:

- Removal of \$100 million of rent fees for businesses operating in government properties³⁵⁹
- The deferral of land tax on land holdings below \$1 million until March 2021.³⁶⁰

According to the VTIC:

We have a lot of operators who actually function on Crown land or are in government-owned buildings across the state. This has really helped them a great deal through this hibernation period. So I think we have done a tremendous job in making a financial investment to put relief measures in place to help the industry to survive.³⁶¹

While appreciating the Victorian Government relief packages, the VTIC highlighted that relief in relation to vehicle registration fees is required in the tour-and-transport sector. The sector lost most of its clients due to the international travel ban as 97% of its customers are international tourists. With international travel restrictions continuing in the foreseeable future, the sector is unlikely to benefit from the easing of other COVID-19 restrictions as domestic visitors are expected to utilise their own vehicles.

According to the VTIC:

... many of them [tour-and-transport companies] have multiple vehicles that they have to register, and those registration costs can be upwards of \$15 000, \$20 000, \$25 000. They cannot afford it. I know many operators are selling vehicles right now because they cannot afford to register the vehicles. So this is an issue that is bubbling up, and one piece of relief would be incredibly welcome to support a part of the sector that actually forms an enormous part of what we do within the visitor economy ...³⁶²

In a submission to the inquiry, the Bus Association of Victoria recommended that:

- The Victorian Government consider introducing a system where the registration on 'parked up' coaches is suspended for the duration of the non-operational period, but lifted when the industry restarts

³⁵⁹ Victoria Tourism Industry Council, *Tourism Industry Welcomes Unprecedented Business Lifeline in Unprecedented Times*, 21 March 2020, <<https://www.vtic.com.au/tourism-industry-welcomes-unprecedented-business-lifeline-in-unprecedented-times>> accessed 6 July 2020.

³⁶⁰ State Revenue Office Victoria, *Tax Relief for Landlords and Businesses*, 3 April 2020, <<https://www.sro.vic.gov.au/coronavirus>> accessed 6 July 2020.

³⁶¹ Ms Felicia Mariani, *Transcript of evidence*, p. 3.

³⁶² *Ibid.*, p. 4.

- Waive VicRoads registration fees, Transport Accident Commission charges, stamp duty and plate fees payable on new coach (not bus) registrations during this period for operators who purchased new coaches as they will have no income for the foreseeable future.³⁶³

FINDING 42: The Victorian tourism industry benefitted from the relief announced by the Victorian Government. However, there are no relief packages available to the tour-and-transport sector that is heavily reliant on international tourists and incurs costly vehicle registration renewal fees.

The Committee asked the VTIC about the marketing support the Victorian tourism requires to assist in the recovery phase. The VTIC stressed the importance of developing a destination master plan for Victoria:

we [Victoria] have a lot of regional destination plans, destination management plans, but what we do not have is a master plan for the state [of Victoria] that really clearly articulates what we [Victoria] want to be famous for.³⁶⁴

Victoria is currently known for its major events, business events, retail and food and wine. They are all the hallmarks of Victoria and Melbourne's tourism promotion.³⁶⁵ With physical distancing measures that are being adopted by businesses, it is necessary that the Government shifts its focus to promote other areas of tourism such as nature based tourism.³⁶⁶

As a case study the Committee also heard evidence from Great Ocean Road Regional Tourism (GORT). The Great Ocean Road is a key attraction of Victoria, representing \$1.8 billion in tourism consumption, about 7.4% of gross regional product and it employs about 18% of the regional workforce.³⁶⁷ At the hearing GORT stated the tourist attraction has lost its competitiveness before COVID-19 restrictions and the weaknesses included:

- Great Ocean Road being a seasonal industry with an over reliance on summer periods
- Heavy reliance on daytrip visitors
- Poor quality public infrastructure.³⁶⁸

³⁶³ Bus Association Victoria Inc., *Submission 8*, received 25 May 2020, p. 5.

³⁶⁴ Ms Felicia Mariani, *Transcript of evidence*, p. 5.

³⁶⁵ Ibid.

³⁶⁶ Mr Brendan McClements, *Transcript of evidence*, p. 5.; Ms Felicia Mariani, *Transcript of evidence*, p. 5.

³⁶⁷ Ms Liz Price, General Manager, Great Ocean Road Regional Tourism, public hearing, Melbourne, 14 May 2020, *Transcript of evidence*, p. 1.; Department of Jobs, Precinct and Regions, *Great Ocean Road: Regional Tourism Summary Factsheet*, Business Victoria, Melbourne, July 2020, p. 1.

³⁶⁸ Ms Liz Price, *Transcript of evidence*, p. 2.

GORT stated that there is a need to invest in a Great Ocean Road Action Plan to improve the visitor experience and enable Victorian tourism to be competitive, nationally as a domestic destination and internationally as a tourist destination.³⁶⁹

The Committee notes that the Building Works package allocated \$11.3 million to Tower Hill Wildlife Reserve, one of the attractions in the Great Ocean Road. The funding is to upgrade its visitor facilities and attractions.³⁷⁰

5.2.2 Retail

The Australian retail sector annual turnover is valued at \$325 billion and is the largest private employer, employing around 1.3 million workers.³⁷¹ In 2018-19 the retail industry was estimated to contribute about \$21.2 billion to the Victorian economy, about 4.8% of Gross State Product (GSP).³⁷² As at May 2020 it employed about 333,600 employees, representing about 10% of employment in the State. In May 2020 the number of employees in the retail industry declined by 7% compared to the same period last year.³⁷³

In 2018-19 the accommodation and food services industry was estimated to contribute about \$9 billion to the Victorian economy (about 2% of GSP)³⁷⁴ and as at May 2020 employed about 151,400 employees, representing about 5% of employment in the State. In May 2020 the number of employees in the accommodation and food services decreased by 26% compared to the same period last year.³⁷⁵

Due to social distancing restrictions many retail businesses closed their physical stores during April. According to Australian Bureau of Statistics (ABS) retail trade data, national retail turnover decreased by 17.7% in April 2020 with Victoria experiencing the steepest decline in retail turnover by 21.1%.³⁷⁶ However, with the easing of restrictions, retail trade rebounded for the month of May 2020 with Australia recording an increase of 16.9% with Victoria recording an increase of 17.2%.

Food retailing is the largest contributor to the Victorian retail industry. It represents about 44% of the total retail turnover for the State. Household goods retailing is the second largest, representing about 21% of total retail turnover.

³⁶⁹ Ibid., pp. 2, 4, 8.

³⁷⁰ Regional Development Victoria, *Building Works Package to Create Jobs and Drive Our State's Recovery*, 4 June 2020, <<https://www.rdv.vic.gov.au/resources/coronavirus/building-works>> accessed 6 July 2020.

³⁷¹ Mr Paul Zahra, Chief Executive Officer, Australian Retailers Association, public hearing, Melbourne, 14 May 2020, *Transcript of evidence*, p. 1.

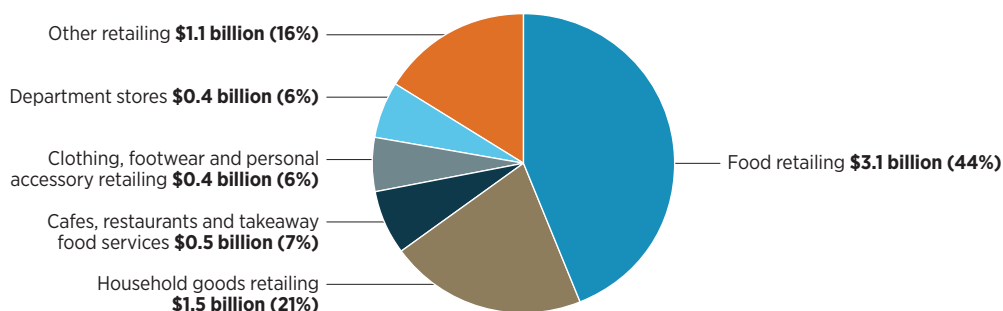
³⁷² Parliament of Victoria, *Victorian Economic Snapshot*, report prepared by Igor Dosen and Michael Graham, Melbourne, February 2018, p. 3.

³⁷³ Australian Bureau of Statistics, *Labour Force, Australia, Detailed, Quarterly, May 2020* cat. no. 6291.0.55.003, 25 June 2020, <<https://www.abs.gov.au/ausstats/abs@.nsf/mf/6291.0.55.003>> accessed 08 July 2020 (Committee calculation).

³⁷⁴ Parliament of Victoria, *Victorian Economic Snapshot*, p. 3.

³⁷⁵ Australian Bureau of Statistics, *Labour Force, Australia, Detailed, Quarterly, May 2020* (Committee calculation).

³⁷⁶ Australian Bureau of Statistics, *Retail turnover falls 17.7 per cent in April*, media release, Canberra, 4 June 2020.

Figure 5.1 Retail turnover by category—Victoria May 2020

a. Other retailing includes, newspaper and book retailing, other recreational goods retailing, pharmaceutical, cosmetic and toiletry goods retailing.

Source: Australian Bureau of Statistics, *Retail Trade, Australia, May 2020* cat. no. 8501.0, 3 July 2020 (Committee calculation).

In April 2020 Victorian clothing, footwear and accessory retailers saw a decline of 56% in their turnover compared to March 2020. However, retail turnover recovered in May 2020 with an increase of 146% compared to April levels.³⁷⁷

In April 2020 Victorian cafes, restaurants, catering services and takeaway food services saw a decline of 41% in their turnover compared to March 2020. However, this sector recovered in May 2020 with an increase of 27% compared to April levels.³⁷⁸

Notwithstanding the recovery recorded in May 2020, both sectors declined compared to the same period last year.

FINDING 43: In April 2020 Victoria saw a steep decline in retail turnover. However, the sector rebounded in May 2020 recording 17.2% growth. Victorian clothing, footwear and accessory retailers', as well as cafes, restaurants, catering services and takeaway food services' turnover declined compared to May 2019.

At the Committee hearing, the Australian Retailers Association (ARA) stated that their members welcomed the Victorian Government's Economic Survival Package. One of the relief packages announced was for small and medium sized businesses with an annual turnover under \$50 million per year to be provided with rent relief if businesses experience a 30% reduction in annual turnover.³⁷⁹ The ARA stated that most retailers are national retailers that earn an annual turnover of more than \$50 million, and as such excluded such retailers from accessing the rent relief.³⁸⁰

³⁷⁷ Australian Bureau of Statistics, *Retail Trade, Australia, Apr 2020* cat. no. 8501.0, 4 June 2020, <<https://www.abs.gov.au/ausstats/abs@.nsf/lookup/8501.0Media%20Release1Apr%202020>> accessed 6 July 2020 (Committee calculation); Australian Bureau of Statistics, *Retail Trade, Australia, May 2020* cat. no. 8501.0, 3 July 2020, <<https://www.abs.gov.au/AUSSTATS/abs@.nsf/Latestproducts/8501.0Media%20Release1May%202020>> accessed 15 July 2020 (Committee calculation)

³⁷⁸ Australian Bureau of Statistics, *Retail Trade, Australia, Apr 2020* (Committee calculation); Australian Bureau of Statistics, *Retail Trade, Australia, May 2020* (Committee calculation).

³⁷⁹ Business Victoria, *Coronavirus (COVID-19) business support: Support for Victorian businesses - Economic Survival Package factsheet*, 15 July 2020, <<https://www.business.vic.gov.au/disputes-disasters-and-succession-planning/coronavirus-covid-19/coronavirus-business-support>> accessed 15 July 2020; Hon. Daniel Andrews MP, *Supporting Tenants And Landlords Through Coronavirus*, media release, Victorian Government, Melbourne, 15 April 2020.

³⁸⁰ Mr Paul Zahra, *Transcript of evidence*, p. 1.

FINDING 44: The Victorian Government’s Economic Survival Package was positively received by the retail sector. The rent relief for commercial tenants announced in the survival package focuses on small and medium sized retailers.

At the hearing the Committee was interested in the support the State Government could provide retailers in the recovery phase. The ARA advised that it is an opportunity, particularly for small to medium retailers who currently do not have an online presence, to expand and improve their digital capabilities. However, this will require investment in training.³⁸¹

ARA further stated that the Government could provide training for retailers on how to operate safely in the post COVID-19 phase—providing education on reducing the spread of the virus. The ARA stated that:

We would like to take that to more of a full online training course. Most retailers are not in a position to pay for training, and we need to subsidise wages for that training to be delivered, albeit through an online platform to make it cost-effective.³⁸²

The Committee notes that Business Victoria offers a free online module to support hospitality businesses in a COVID-19 environment. The website states that:

It is the Government’s expectation that at least one staff member at every venue will have completed the training.

You do not have to complete the training before reopening.³⁸³

The Committee also notes that the sector specific guidelines will be updated in the future.

Business Victoria offers a free online module to support hospitality businesses on how to operate safely in a COVID-19 environment.

RECOMMENDATION 9: Business Victoria consider ways of facilitating employees and employers completing the free online course on operating a hospitality/retail business safely in a COVID-19 environment.

³⁸¹ Ibid., pp. 3-4.

³⁸² Ibid., p. 3.

³⁸³ Business Victoria, *Hospitality Industry Guidelines for Coronavirus (COVID-19): Guidelines and Resources to Assist Cafes, Restaurants and Other Food and Drink Facilities to Reopen*, 4 July 2020, <<https://www.business.vic.gov.au/disputes-disasters-and-succession-planning/coronavirus-covid-19/hospitality-industry-guidelines-for-coronavirus-covid-19>> accessed 6 July 2020.

Employees in hard hit sectors

This has been a very difficult time for workers... You will all be aware of that. This has been a very tough period for us at the hall too, working ... to make sure that people can remain well employed and to have an income coming in right now.

Mr Luke Hilakari, Secretary Victorian Trades Hall Council³⁸⁴

Given the decline in number of employees in the hospitality and retail industries, the Committee sought evidence from unions representing the employees to ensure that measures are in place to protect the welfare of these workers. The impact on different types of employees and different sectors of the workforce are discussed in detail in Chapter 4 of this report.

5.2.3 International education

According to Global Victoria, international education is the largest services export industry in Victoria,³⁸⁵ with about 250,000 international students from 170 countries studying in Victoria in 2019.³⁸⁶ In 2018-19 the sector generated \$12.6 billion in revenue, supporting 79,000 jobs in 2018.³⁸⁷ In 2019 Victoria reported a total number of international student enrolments of 308,116 for the year, second highest after New South Wales. This was evident in data collected by the Department of Education, Skills and Employment. The number of international student commencements in Victoria declined by 8% in April 2020 compared to same period last year.

At the hearing, the Committee sought information from Monash University on the impact of the COVID-19 on the university. Monash University has 87,000 students, employing 18,000 direct employees and contributed about \$2.3 billion into the export sector in Victoria.³⁸⁸ Due to COVID-19, Monash University reported 6,000 course enrolment deferrals or cancellations which is about 16% of overall course enrolments,³⁸⁹ and estimated a revenue downturn of approximately \$350 million.³⁹⁰ The Committee asked about the impact of the weakening international education sector on the Victorian economy. Monash University stated that:

... effectively for every dollar that an international student is spending inside a university there is effectively two of those dollars being spent in the broader community supporting a very wide range of sectors and jobs.³⁹¹

³⁸⁴ Mr Luke Hilakari, Secretary, Victorian Trades Hall Council, public hearing, Melbourne, 13 May 2020, *Transcript of evidence*, p. 1.

³⁸⁵ Global Victoria, *International Student Numbers Soar in Victoria*, 1 August 2019, <<https://global.vic.gov.au/news/2019/august/international-student-numbers-soar-in-victoria>> accessed 6 July 2020.

³⁸⁶ Global Victoria, *International Education*, 17 December 2019, <<https://global.vic.gov.au/victorias-capabilities/industry-sectors/international-education/overview>> accessed 6 July 2020.

³⁸⁷ Department of Jobs, Precincts and Regions, *Economic Value of Victoria's International Education*, 9 June 2020, <<https://djpr.vic.gov.au/priority-industries-sectors/international-education/economic-value-of-victorias-international-education>> accessed 6 July 2020.

³⁸⁸ Professor Margaret Gardner, President and Vice-Chancellor, Monash University, public hearing, Melbourne, 18 May 2020, *Transcript of evidence*, p. 33.

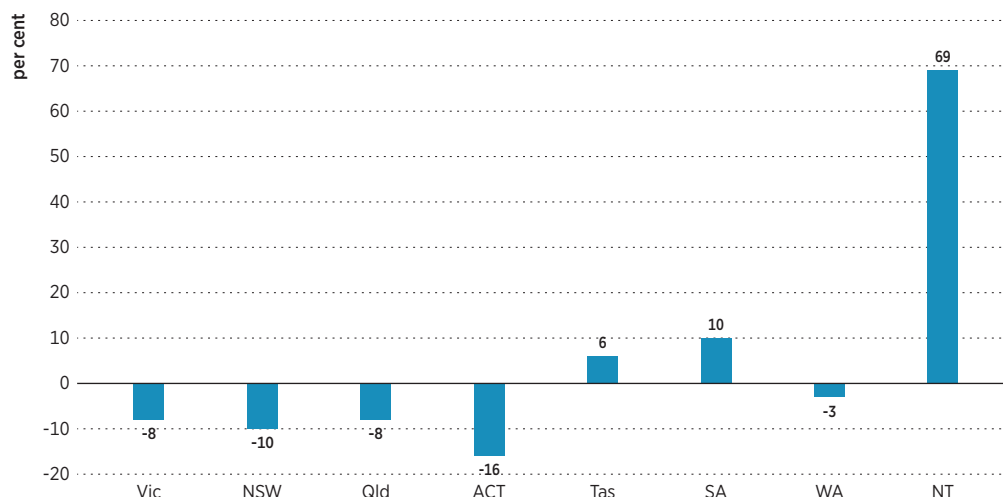
³⁸⁹ *Ibid.*, p. 38.

³⁹⁰ *Ibid.*, p. 33.

³⁹¹ *Ibid.*, p. 35.

Discussing the pipeline of new students in 2021, Monash University stated that there has been a reduced number of student enrolments in first semester 2020 and in second semester 2020.³⁹² Monash University is estimating a revenue downturn of approximately \$350 million in year 2020 alone³⁹³ and that the university is not expecting to recover until 2023.³⁹⁴

Figure 5.2 International student enrolments—change between April 2019 and April 2020



Source: Department of Education, Skills and Employment, *International Student Data 2020 Basic pivot table 2017–2020, 2020* (Committee calculation).

Similar to Monash Universities estimates, Universities Australia, the peak body of the university sector, released its findings from its latest modelling on 3 June 2020 which indicated that Australian universities could lose \$16 billion in revenue between now and 2023.³⁹⁵

The Committee notes that the decline in revenue will not only affect the employees in the university sector but will potentially impact the quality of the education provided to upskill the next generation of workers. The Committee is also concerned that declining revenue will translate to a reduction in universities' investment in research and development (R&D) which contributed about 34% in Australia's R&D in 2017-18. According to the Universities Australia 'there [is] a clear link between R&D investment and the new innovations and productivity increases that will be crucial to Australia's post-pandemic recovery.'³⁹⁶

FINDING 45: In Victoria the number of international student commencements declined by 8% in April 2020 compared to same period last year.

³⁹² Ibid., p. 37.

³⁹³ Ibid., p. 33.

³⁹⁴ Ibid., p. 37.

³⁹⁵ Universities Australia, *COVID-19 to Cost Universities \$16 Billion by 2023*, media release, 3 June 2020.

³⁹⁶ Ibid.

FINDING 46: Monash University is estimating a revenue downturn of approximately \$350 million in year 2020 and the university is not expecting to recover until 2023. Preliminary modelling of the universities sector indicates that Australian Universities could write off up to \$16 billion in revenue between 2020 and 2023.

RECOMMENDATION 10: The Department of Education and Training consider maintaining a record of the Victorian university sector's research and development expenditure, outlining the impact of the decline on research and development and its effect on the Victorian economy.

5.2.4 Creative industries

The arts can help us forget and will also be critical to helping us remember ... it will be artists that are documenting what is happening right now and when we look back on it in multiple years it will be the photos, the stories, the pieces of theatre and the music that were written about this period that help us remember what it was like to live through that period.³⁹⁷

Mr Joe Toohey, Co-Convenor, Arts Industry Council (Victoria)

Victoria's creative industries contribute about \$31 billion to the economy annually and employs around 260,000 employees, representing about 8% of the State's workforce.³⁹⁸

At the hearing, Arts Industry Council (AIC Victoria) stated the impacts of the COVID-19 restrictions on the creative industry:

Over \$340 million of lost income has been recorded by the end of April nationally, and industry bodies predicted a three-month shutdown would lead to \$540 million in lost ticket revenue.³⁹⁹

The AIC Victoria advised that most arts and cultural organisations have an operating margin of 2% which makes the sector vulnerable to economic shocks.⁴⁰⁰ It also relies on live performances to earn revenue which is challenging if not impossible during a pandemic.⁴⁰¹

³⁹⁷ Mr Joe Toohey, Co-Convenor, Arts Industry Council (Victoria), public hearing, Melbourne, 14 May 2020, *Transcript of evidence*, p. 5.

³⁹⁸ Hon. Martin Foley MP, *Survival Package To Help Save Arts Jobs*, media release, Victorian Government, Melbourne, 26 April 2020.

³⁹⁹ Mr Joe Toohey, *Transcript of evidence*, p. 1.

⁴⁰⁰ *Ibid.*

⁴⁰¹ *Ibid.*, p. 3.

On 26 April 2020 the Minister for Creative Industries announced a survival package of \$16.8 million for the sector.⁴⁰² A further \$32 million to creative agencies and initiatives and \$6 million for live music industry workers was announced by the Minister for Tourism, Sport and Major Events on 13 May 2020.⁴⁰³

Creative Victoria publishes Sustaining Creative Workers initiative grant recipients along with the amount distributed, enhancing the transparency of the initiatives announced.⁴⁰⁴

FINDING 47: The State Government has provided emergency support funding to the creative industries of more than \$49 million. Creative Victoria publishes both Sustaining Creative Workers initiative grant recipients and the dollar amounts distributed.

5.2.5 Building and construction industry

In 2018-19 the construction industry is estimated to have contributed about \$34.8 billion to the Victorian economy or about 7.8% of GSP.⁴⁰⁵ As at May 2020 the industry employed about 303,100 employees, representing about 9% of employment in the State.⁴⁰⁶ In May 2020 the number of employees in the construction industry declined by 4% compared to the same period last year. In March 2020 Victoria was the largest contributor to the total value of construction work done in Australia.

Victoria introduced restrictions on non-essential activities and venues on 25 March 2020. According to the Department of Health and Human Services, these restrictions do not prevent construction site and activities from operating.⁴⁰⁷

At the hearing, the Victorian Chamber of Commerce and Industry (VCCI) outlined the impacts of COVID-19 experienced by the VCCI members, stating:

It is tough. In a summary, some sectors are doing worse than others—certainly hospitality and tourism are amongst the worst, construction is amongst the best.⁴⁰⁸

This was evident through the ABS data released on construction work done in March 2020. While New South Wales and Queensland, the other two main states contributing to the construction industry, experienced a decline in the value of construction work in March 2020 compared to March 2019, Victoria's value of construction work undertaken remained the same.

⁴⁰² Hon. Martin Foley MP, *Survival Package To Help Save Arts Jobs*, media release.

⁴⁰³ Hon. Martin Pakula MP, *Backing Sport, Tourism And Cultural Icons To Rebound*, media release, Victorian Government, Melbourne, 13 May 2020.

⁴⁰⁴ Creative Victoria, *Creatives Work Towards Recovery*, 16 June 2020, <<https://creative.vic.gov.au/news/2020/grants-recipients-for-sustaining-creative-workers>> accessed 6 July 2020.

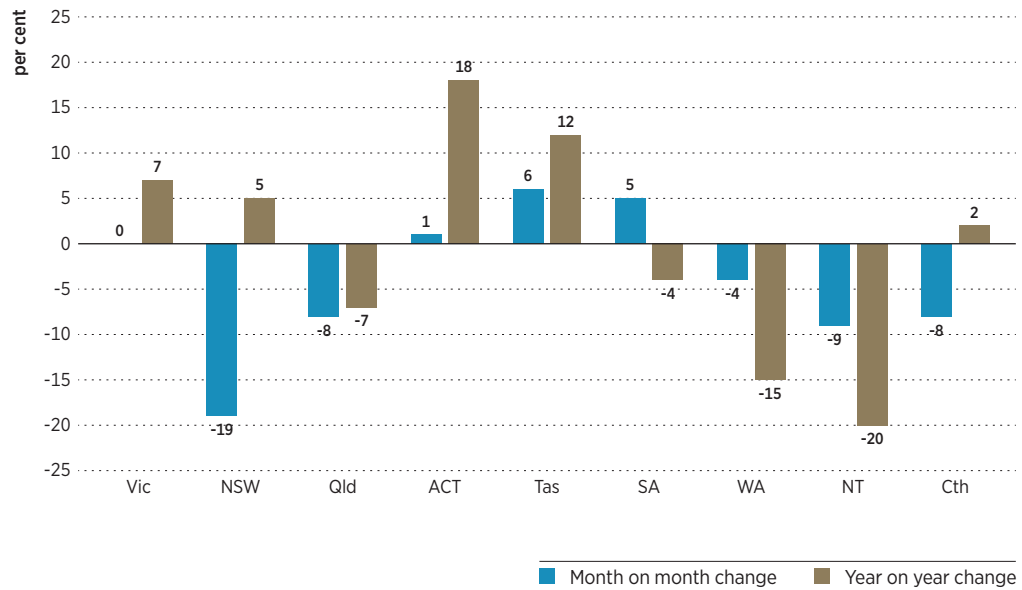
⁴⁰⁵ Parliament of Victoria, *Victorian Economic Snapshot*, p. 3.

⁴⁰⁶ Australian Bureau of Statistics, *Labour Force, Australia, Detailed, Quarterly, May 2020* (Committee calculation).

⁴⁰⁷ Department of Health and Human Services, *Best Practice for Managing Construction Sites in the COVID-19 Environment*, Melbourne, 2020.

⁴⁰⁸ Mr Paul Guerra, Chief Executive Officer, Victorian Chamber of Commerce and Industry, public hearing, Melbourne, 13 May 2020, *Transcript of evidence*, p. 3.

Figure 5.3 Value of construction work done by states and territories in March 2019 and March 2020

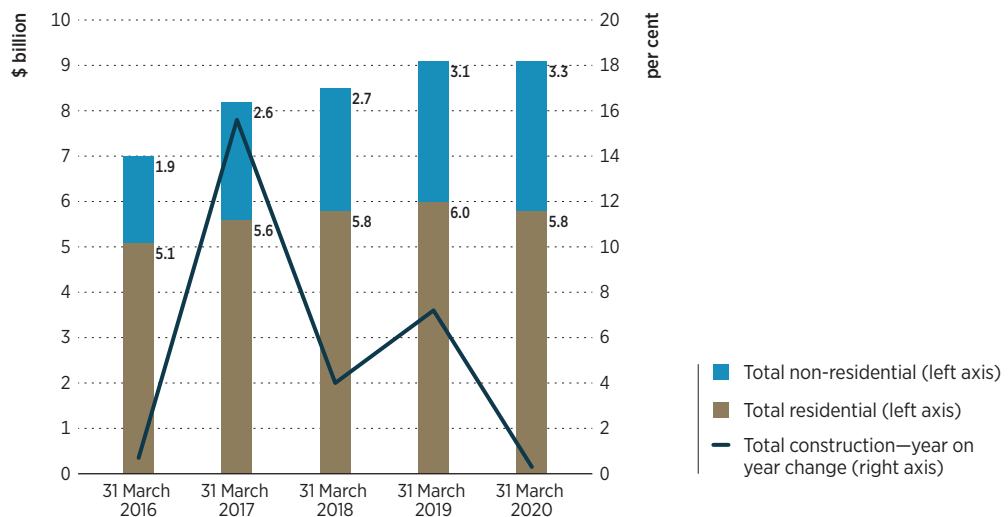


Source: Australian Bureau of Statistics, *Construction Work Done, Australia, Preliminary, Mar 2020* cat. no. 8755.0, 27 May 2020, (Committee calculation).

Residential construction in Victoria

The construction industry consists of residential and non-residential building construction. According to the ABS data, in Victoria about 64% of the construction value is residential with new residential construction representing about 88% of the total residential construction value.⁴⁰⁹

Table 5.2 Victorian construction value by type of building and by trend



Source: Australian Bureau of Statistics, *Construction Work Done, Australia, Preliminary, Mar 2020* cat. no. 8755.0, 27 May 2020, (Committee calculation).

⁴⁰⁹ Australian Bureau of Statistics, *Construction Work Done, Australia, Preliminary, Mar 2020* cat. no. 8755.0, 27 May 2020, <<https://www.abs.gov.au/ausstats/abs@.nsf/mf/8755.0>> accessed 6 July 2020 (Committee calculation).

At the hearing, the Australian Industry Group advised the Committee that:

... construction is extraordinarily important to our economy. It has maintained us so far, and we need to continue to do that. And we are concerned with residential housing as to where that is heading right now. I was talking to a leader in that just again this morning and she is worried about where they are at the end of year, that they might not have any orders.⁴¹⁰

According to the Housing Industry Association Victoria (HIA), the construction industry is forecast to decline with new home building in Victoria estimated to decline by 12.7% in 2019-20 and by 33.8% in 2020-21.⁴¹¹

While the housing industry was able to continue operating during the COVID-19 restrictions,⁴¹² new home construction is forecast to decline significantly. This is due to demand side shocks such as high levels of unemployment and disruption to migration affecting population growth which will lead to lower sales and high levels of the cancellation of new homes.⁴¹³

At the public hearing, the Committee asked the Master Builders Association of Victoria (MBAV) whether the members of MBAV have estimates similar to HIA for the construction industry. MBAV advised that the members' residential construction pipeline was drying up.⁴¹⁴ MBAV advised that consumer confidence affects the residential market as well, and that:

... the question is whether or not consumer confidence is there to enable the mum and dad builders and the residential market to actually bounce back, because otherwise the pipeline of work is absolutely challenging for many... one of our residential members had a pipeline of 18 months and that has gone down to three weeks.⁴¹⁵

FINDING 48: In Victoria about 64% of the construction value is residential buildings. New residential construction represents about 88% of the total residential construction value.

FINDING 49: The construction industry is forecast to decline, with many builders expecting a decline in upcoming building projects. New home building in Victoria is estimated to decline due to demand side shocks such as high levels of unemployment, lower population growth and reduced consumer confidence.

⁴¹⁰ Mr Tim Piper, Head, Victoria, Australian Industry Group, public hearing, Melbourne, 13 May 2020, *Transcript of evidence*, p. 5.

⁴¹¹ Housing Industry Association Limited, *New Home Building in Victoria to Fall Over 40 Per Cent*, media release, 20 May 2020.

⁴¹² Housing Industry Association Limited, *HIA Home Building Recovery Plan: COVID-19*, Melbourne, May 2020, p. 3.

⁴¹³ Housing Industry Association Limited, *New Home Building in Victoria to Fall Over 40 Per Cent*, media release.

⁴¹⁴ Ms Rebecca Casson, Chief Executive Officer, Master Builders Association of Victoria, public hearing, Melbourne, 20 May 2020, *Transcript of evidence*, p. 6.

⁴¹⁵ *Ibid.*, p. 3.

The Committee further asked the MBAV about the support the MBAV and construction industry require from the Victorian Government to assist the construction industry. MBAV provided the following measures that could be considered by the Victorian Government:

- the removal of stamp duty, for six months or longer
- the Victorian Building Authority waiving builders and trade licensing fees
- cladding rectification levy refunded and postponed
- increase of the first home buyers grant
- the recently introduced road closure charge be postponed.⁴¹⁶

The construction industry has implemented a range of new practices to ensure that health and safety requirements are maintained at construction sites. The MBAV stated that organisations have worked with WorkSafe to ensure that sites adhere to the guidelines provided and are complying with physical distancing and hygiene requirements.⁴¹⁷ However, this has come at a cost to the industry. The MBAV advised that one large vertical construction site:

... is paying \$380 000 a week just on cleaning, and that is in addition to the physical distancing requirements—so limiting the amount of workers into lifts, Alimaks and hoists in vertical construction sites.⁴¹⁸

The MBAV also mentioned that builders are facing difficulty in delivering projects on time as a result of physical distancing measures leading to reduced number of employees working on construction sites.⁴¹⁹

With fewer workers on site, MBAV is seeking permission from councils to extend work hours to keep construction sites operating.⁴²⁰ The Committee notes that the Local Government Victoria has encouraged local councils to consider extending operating hours on construction worksites in their municipality during the COVID-19 pandemic.⁴²¹

The construction industry has also experienced supply chain disruption as a result of the pandemic. The MBAV stated that:

Some of our members are experiencing supply issues obviously from Asia but also more recently European supply chains—so, for example, getting products into kitchens and those sorts of areas as well.⁴²²

⁴¹⁶ Ibid., p. 7.

⁴¹⁷ Ibid., p. 4.

⁴¹⁸ Ibid., p. 3.

⁴¹⁹ Ibid.

⁴²⁰ Ibid., p. 5.

⁴²¹ Local Government Victoria, *Supporting Local Construction Activity: Bulletin 32/2020*, report prepared by Colin Morrison, Melbourne, 23 April 2020.

⁴²² Ms Rebecca Casson, *Transcript of evidence*, p. 7.

The MBAV further mentioned that it will be important to have a diversified supply chain for the building construction industry going forward.⁴²³

In response to the questioning on the kinds of government support required by the construction industry, the MBAV stated that the Government needs to ensure that they will not be pursuing liquidated damages⁴²⁴ in supply contracts.⁴²⁵ The MBAV emphasised the effects of liquidated damages:

... the whole sector is vulnerable because there is a whole domino effect. If you have got a head contractor that does not get relief in relation to liquidated damages, that passes on to the subcontractor. We are talking about from a commercial construction project that could employ 1200 workers on one site, and then you have got the major subcontractors and everything down through to that supply chain, even as far down as timber and bricks. So it actually affects everybody and it is all interconnected.⁴²⁶

While the MBAV is having ongoing discussions with the State's Building Victoria's Recovery Taskforce, overseen by the Planning Minister and the Treasurer,⁴²⁷ the industry is still unclear on the Government's stance on pursuing liquidated damages.

FINDING 50: The Victorian construction industry is experiencing significant challenges operating during the COVID-19 pandemic. The industry is incurring additional costs to maintain good hygiene on large construction sites. The industry is also experiencing supply side disruptions.

⁴²³ Ibid.

⁴²⁴ Liquidated damages are a way of calculating what compensation a party in breach of its obligations under a contract will pay to another party to that contract. Frichot Lawyers and Notaries Public, *Liquidated Damages in Construction and Commercial Contracts*, 2020, <<https://frichot.com.au/articles/commercial/liquidated-damages-in-construction-and-commercial-contracts/>> accessed 7 July 2020.

⁴²⁵ Ms Rebecca Casson, *Transcript of evidence*, p. 5.

⁴²⁶ Ibid., p. 4.

⁴²⁷ Hon. Richard Wynne MP, *New Taskforce To Bolster Building And Development Industry*, media release, Victorian Government, Melbourne, 24 April 2020.

6 Social impacts

COVID-19 has struck us like a tsunami. Within weeks it triggered a crisis response from our health system, it tested our community's resilience and our safety net and it thrust thousands into poverty.⁴²⁸

Ms Emma King, Chief Executive Officer, Victorian Council of Social Service

6.1 Introduction

The COVID-19 pandemic has had an unprecedented impact on the lives of all Victorians, socially and economically. The Department of Treasury and Finance suggests Victoria's unemployment could rise to 11% with job losses associated with the pandemic peaking at 270,000.⁴²⁹ Preliminary research has indicated the COVID-19 pandemic has been experienced by various groups in different ways. There are disproportionate effects on women, young people, people with disabilities, among others.⁴³⁰

While health restrictions have been in place, there were a multitude of concerns for Victoria's most vulnerable populations. Self-isolation directions meant victim survivors of family violence could be isolated with a perpetrator. The homeless and those at risk of homelessness risked catching COVID-19, with nowhere to isolate or recover. The economic impacts of the pandemic meant that many were unable to pay their rent and faced eviction.

Utilising evidence given at the public hearings, Government reports and publicly available documents the Committee is seeking to assess the impact the COVID-19 pandemic had on vulnerable Victorians and the social services sector. The Committee maintained a focus on the Government's efforts to reduce and manage these impacts in the areas of residential tenancies, family violence, homelessness and vulnerable Victorians.

The Committee determined that there were several commonalities on the impact of COVID-19 on the social and community services sectors. During the pandemic demand for assistance across the sector has grown, while many stakeholders are concerned that the impacts of COVID-19 will result in growing and compounded disadvantage. The end of some of the emergency measures set out in the *COVID-19 Omnibus (Emergency Measures) Act 2020* (the Omnibus Act) and elevated JobSeeker and JobKeeper rates in September 2020 was raised as a concern.

⁴²⁸ Ms Emma King, Chief Executive Officer, Victorian Council of Social Service, public hearing, Melbourne, 20 May 2020, *Transcript of evidence*, p. 1.

⁴²⁹ Department of Treasury and Finance, *Coronavirus Economic Outlook: Fact Sheet*, Melbourne, 2020.

⁴³⁰ Workplace Gender Equality Agency, *Gendered Impacts of COVID-19*, Sydney, May 2020; Tania King, Stefanie Dimov, Marissa Shields and Anne Kavanagh, 'The Young Australians Hit Hard During COVID-19', *Pursuit - The University of Melbourne*, 25 May 2020, <<https://pursuit.unimelb.edu.au/articles/the-young-australians-hit-hard-during-covid-19>> accessed 8 July 2020; Children and Young People with Disability Australia, *Submission 2*, received 11 May 2020.

6.2 Residential tenancies

Almost 30% of occupied private dwellings in Victoria are rented.⁴³¹ Residential tenancies were greatly affected by the economic impacts of the COVID-19 pandemic. With Stage 3 restrictions announced in March 2020 and the subsequent closure of non-essential businesses, many Victorians found themselves unemployed or with reduced working hours and unable to pay their rent. This also produced a flow on effect to landlords who relied on rental income. The Victorian Government expressed concerns that due to this economic and financial pressure, tenants could be evicted in large numbers and face potential homelessness.

The Victorian Government developed a package of temporary legislative changes and funding initiatives which targeted areas of concern for residential tenancies. It also created a scheme for negotiation and dispute resolution between tenants and landlords. There are concerns from Tenants Victoria and the Council to Homeless Persons that if support does not continue past the expiration of the Omnibus Act in September, many tenants will find themselves facing eviction and homelessness.⁴³²

6.2.1 Rental tenancy legislation and regulations

Due to the economic effects of the COVID-19 pandemic, many Victorians found themselves in a situation of financial insecurity and rental stress, unable to pay rent on their residential tenancies. In response the Victorian Government developed legislation and regulations designed to both keep people in their homes and lessen the economic impact of the pandemic on both tenants and landlords.

Government response

Stage 3 restrictions in Victoria had a swift and widespread effect on many Victorians' abilities to pay rent on their residential tenancies and remain in their homes. Issues for landlords and tenants intensified in March 2020 as many tenants were terminated from their employment or had their working hours reduced. Tenants Victoria experienced a 400% increase in contacts to their organisation, many of which were tenants issued with notices to vacate after advising their landlord of job losses.⁴³³

⁴³¹ Australian Bureau of Statistics, *2016 Census QuickStats - Dwellings — Dwelling Structure*, cat. no. 2900.0, 2017, <https://quickstats.censusdata.abs.gov.au/census_services/getproduct/census/2016/quickstat/2> accessed 8 July 2020.

⁴³² Ms Jennifer Beveridge, Chief Executive Officer, Tenants Victoria, public hearing, Melbourne, 20 May 2020, *Transcript of evidence*, pp. 2-5; Ms Jenny Smith, Chief Executive Officer, Council to Homeless Persons, public hearing, Melbourne, 20 May 2020, *Transcript of evidence*, p. 2; Mr Ben Cording, Principal Solicitor, Tenants Victoria, public hearing, Melbourne, 20 May 2020, *Transcript of evidence*, p. 4.

⁴³³ Tenants Victoria, *Submission 1*, received 20 May 2020, pp. 1-2.

On 29 March 2020 National Cabinet agreed to a six-month eviction moratorium for residential tenants across the country. Further to this individual states were to determine what other supports would be provided to tenants and landlords during the pandemic.⁴³⁴

On 25 April 2020 the Victorian Government passed the Omnibus Act which outlined temporary changes to the *Residential Tenancies Act 1997* for a period of six months. The legislation was backdated to 29 March 2020 and included a ban on evictions in some circumstances, a pause in rental increases and outlined access to mediation support for tenants and landlords to negotiate changes to their rental agreements.⁴³⁵

On 12 May 2020 the *Residential Tenancies (C19 Emergency Measures) Regulations* (the Regulations) were introduced, which established the Residential Tenancies Dispute Resolution Scheme. The Regulations and the related scheme further outlined how residential disputes would be settled through mediation and binding orders made by dispute resolution officers. Much of this work has been done by Consumer Affairs Victoria (CAV), who register rent reduction agreements and provide dispute resolution services for tenants and landlords who are unable to negotiate changes to their rental agreement during the pandemic period.⁴³⁶

Under the Omnibus Act and the Regulations, tenants and landlords must apply to CAV for the settlement of all rental disputes rather than the Victorian Civil and Administrative Tribunal (VCAT) in the first instance.⁴³⁷

On 15 April 2020 the Victorian Government announced funding to support landlords and tenants. A deferral and discount on land tax was provided to landlords. Financial support was provided to tenants in some circumstances.⁴³⁸ Tenants are able to apply through the Department of Health and Human Services (DHHS) to receive rental support to a maximum value of \$2,000, but they must have registered their revised rental agreement through CAV or have gone through mediation to access support.⁴³⁹

As at 11 May 2020, the Committee was advised that no payments had been made by DHHS to tenants. Payments were expected to be made to applicants by 18 May 2020. At this time there were 3,144 applications for support already outstanding.⁴⁴⁰

⁴³⁴ Hon. Scott Morrison MP, *National Cabinet Statement*, media release, Department of Prime Minister and Cabinet, Canberra, 29 March 2020.; Hon. Jill Hennessy MP, Minister for the Coordination of Justice and Community Safety: COVID-19 and Attorney-General, public hearing, Melbourne, 19 May 2020, *Transcript of evidence*, p. 9.

⁴³⁵ Hon. Jill Hennessy MP, *Temporary Emergency Measures To Manage Coronavirus Crisis*, media release, Victorian Government, Melbourne, 21 April 2020.

⁴³⁶ Consumer Affairs Victoria, *Coronavirus (COVID-19) and Your Rights*, 8 July 2020, <<https://www.consumer.vic.gov.au/resources-and-tools/advice-in-a-disaster/coronavirus-covid19-and-your-rights>> accessed 8 July 2020.

⁴³⁷ Victorian Civil and Administrative Tribunal, *Changes to the Law About Renting a Home During COVID-19*, 29 April 2020, <<https://www.vcat.vic.gov.au/news/changes-to-the-law-about-renting-a-home-during-covid-19>> accessed 8 July 2020.

⁴³⁸ Hon. Daniel Andrews MP, *Supporting Tenants And Landlords Through Coronavirus*, media release, Victorian Government, Melbourne, 15 April 2020.

⁴³⁹ Housing Vic, *Coronavirus (COVID-19) Rent Relief Grant*, 6 July 2020, <<https://www.housing.vic.gov.au/help-renting/rentrelief>> accessed 8 July 2020.

⁴⁴⁰ Hon. Daniel Andrews MP, Premier, Inquiry into the Victorian Government's Response to the COVID-19 Pandemic hearing, response to questions on notice received 21 May 2020, p. 2.

RECOMMENDATION 11: The Department of Health and Human Services consider publishing information on how many applications for rent relief have been made in total and how many tenants have been granted rent relief.

6.2.2 Negotiating rental agreements and tenancy disputes

The Omnibus Act and the Regulations require CAV to mediate and resolve disputes between tenants and landlords, while VCAT's role has changed in relation to resolving residential tenancy disputes. It is not clear whether the role of CAV and VCAT in registering amended rental agreements and resolving tenancy disputes has been effective in supporting tenants and landlords during the pandemic. However, the sector has raised concerns about the types of agreements being made between tenants and landlords.

The Victorian Government has made clear that part of the purpose of the temporary changes to rental laws is to facilitate agreement and negotiation between landlords and tenants on rent reductions if the tenant is facing financial pressure and an inability to pay rent. Tenants are expected to communicate with landlords and if both parties agree to a rental reduction, such agreements are lodged with the CAV.⁴⁴¹

If an agreement cannot be reached CAV can provide dispute resolutions services to tenants and landlords to find an outcome that 'shares the financial burden'.⁴⁴² If this step fails to generate agreement, CAV can refer the parties to the Dispute Settlement Centre of Victoria who can offer conciliation. If this fails, the Chief Dispute Resolution Officer can make a binding order if appropriate or refer the parties to VCAT for a determination.⁴⁴³

The Omnibus Act and associated regulations mean the jurisdiction of VCAT for residential tenancy matters has changed for a six-month period. Before VCAT will hear a residential tenancy dispute of any kind, an application must be made to CAV to determine whether a referral to VCAT is appropriate. Landlords can still issue a notice to vacate under certain circumstances but must apply to CAV first, who then assesses whether the matter should be referred to VCAT. This is similar for tenants who are seeking to end their fixed-term lease early without penalty due to COVID-19 related financial hardship. Tenants must apply to CAV, who decide whether the tenant should be referred for dispute resolution or to VCAT for a reduction of the length of a fixed-term lease.⁴⁴⁴

441 Consumer Affairs Victoria, *Tenants: Register Your Agreement or Seek Our Help*, 22 May 2020, <<https://www.consumer.vic.gov.au/resources-and-tools/advice-in-a-disaster/coronavirus-covid19-and-your-rights/tenants/register-your-agreement-or-seek-our-help-tenants>> accessed 8 July 2020.

442 Consumer Affairs Victoria, *Tenants: Dispute Resolution Services*, 22 May 2020, <<https://www.consumervic.gov.au/resources-and-tools/advice-in-a-disaster/coronavirus-covid19-and-your-rights/tenants/dispute-resolution-services-tenants>> accessed 8 July 2020.

443 Ibid.

444 Victorian Civil and Administrative Tribunal, *Changes to the Law About Renting a Home During COVID-19*.

Consumer Affairs Victoria's services

Ms Rebecca Falkingham, Secretary, Department of Justice and Community Safety, advised the Committee that to deal with its new role and the expected increase in demand for its dispute resolution services, CAV had acquired 60 extra full time staff and currently had a total of 116 staff. CAV also had access to 23 panel conciliators, which at the time of the public hearings were yet to be utilised⁴⁴⁵. The Attorney-General informed the Committee that by 19 May 2020, 15,000 people had contacted CAV to enquire about residential tenancies.⁴⁴⁶

By 5 July 2020, 17,852 reduced rent agreements had been lodged through CAV since the Scheme's commencement.⁴⁴⁷ This represents almost 3% of the total number of households renting in Victoria.⁴⁴⁸ 9,063 disputes regarding rental tenancies were closed by CAV taking approximately 6 days to finalise. 610 matters were referred to the Chief Dispute Resolution Officer for mediation, taking a further 22 days on average to resolve.⁴⁴⁹ According to its *2018-19 Annual Report*, CAV resolved 6,752 disputes in total during the financial year.⁴⁵⁰

The average weekly rental decrease was 27% or \$155 per week per agreement since the Scheme's commencement.⁴⁵¹

During the public hearings Tenants Victoria stated that it was too early to determine whether the process through CAV was meeting the needs of renters as the system had only been operating for two weeks at the time of the public hearings.⁴⁵²

FINDING 51: By 5 July 2020, Consumer Affairs Victoria had registered 17,852 rent reduction agreements. This represents approximately 3% of the total number of households renting in Victoria. Disputes referred to Consumer Affairs Victoria regarding residential tenancies took 6 days to resolve while the average weekly rental decrease was 27% or \$155 per week per agreement as at 5 July. Consumer Affairs Victoria closed 9,063 disputes while 610 matters were referred to the Chief Dispute Resolution Officer for mediation.

Renegotiation of rental agreements

Tenants Victoria advised the Committee that prior to the Omnibus Act being implemented, landlords and real estate agents were frequently refusing to negotiate with tenants. Some were requesting excessive personal and financial information, or

⁴⁴⁵ Ms Rebecca Falkingham, Secretary, Department of Justice and Community Safety, public hearing, Melbourne, 19 May 2020, *Transcript of evidence*, p. 20.

⁴⁴⁶ Hon. Jill Hennessy MP, *Transcript of evidence*, p. 11.

⁴⁴⁷ Department of Premier and Cabinet, *Request for Updated Information Provided in Response to Questions on Notice*, supplementary evidence received 10 July 2020.

⁴⁴⁸ Australian Bureau of Statistics, *2016 Census QuickStats - Dwellings — Dwelling Structure*.

⁴⁴⁹ Department of Premier and Cabinet, *Request for Updated Information Provided in Response to Questions on Notice*.

⁴⁵⁰ Consumer Affairs Victoria, *Annual Report 2018-19*, Melbourne, October 2019, p. 19.

⁴⁵¹ Department of Premier and Cabinet, *Request for Updated Information Provided in Response to Questions on Notice*.

⁴⁵² Ms Jennifer Beveridge, *Transcript of evidence*, p. 2.

suggesting that tenants use their superannuation to pay for rent. In Tenants Victoria's submission the organisation reported some landlords and real estate agents agreed to defer or reduce rent only if the tenant signed a new fixed-term lease or agreed to waive their rights in relation to the 2018 amendments to the *Residential Tenancies Act 1997*.⁴⁵³

In their response to questions on notice, the Attorney-General's Office told the Committee that the *Residential Tenancies Act 1997* and the Regulations do not regulate requests for information from agents or landlords during private negotiations and the evidence necessary for a reduction in rent will depend on the situation.⁴⁵⁴

FINDING 52: The *Residential Tenancies Act 1997* and supporting regulations do not regulate the type of information agents and landlords can request during negotiations to reduce rent.

The Committee heard concerns from the sector that while agencies like CAV and VCAT were working to provide supporting information about services on their respective websites, there were issues with accessibility of information and dispute resolution services. Tenants Victoria advised the Committee that both understanding the new legislation and lodging a dispute could be a complicated and unclear process for many tenants.⁴⁵⁵

The Committee also heard that there was insufficient oversight of the processes to facilitate rental agreements to reduce rent between tenants and landlords. Tenants Victoria advised that while the laws focused on negotiation between landlords and tenants, often tenants were unable to access their landlords to discuss their situation due to real estate agents not passing on their requests.⁴⁵⁶

Tenants Victoria and Victorian Council of Social Services (VCOSS) both expressed concerns about tenants entering into agreements for rent deferrals rather than reductions. VCOSS stated there was no oversight on rental agreements that are not lodged with CAV, leading to concerns that such agreements may be unsustainable and could result in large debts on deferred rents, leading to potential eviction and homelessness in the future.⁴⁵⁷ Tenants Victoria suggested the type of agreements that are made through CAV should be monitored to provide further oversight on whether tenants were agreeing to deferrals or reductions.⁴⁵⁸

RECOMMENDATION 12: Consumer Affairs Victoria consider publishing on its website a breakdown of the type of rental agreements being lodged.

⁴⁵³ Tenants Victoria, *Submission 1*, p. 2.

⁴⁵⁴ Hon. Jill Hennessy MP, Attorney-General - Minister for the Coordination of Justice and Community Safety: COVID-19, Inquiry into the Victorian Government's Response to the COVID-19 Pandemic hearing, response to questions on notice received 3 June 2020, p. 4.

⁴⁵⁵ Mr Ben Cording, *Transcript of evidence*, p. 6.

⁴⁵⁶ Ms Jennifer Beveridge, *Transcript of evidence*, p. 5.

⁴⁵⁷ Ms Deborah Fewster, Advocacy and Engagement Manager, Victorian Council of Social Service, public hearing, Melbourne, 20 May 2020, *Transcript of evidence*, p. 8.

⁴⁵⁸ Mr Ben Cording, *Transcript of evidence*, p. 3.

6.2.3 Expiration of legislation

The legislation and regulations affecting rental tenancies in response to the COVID-19 pandemic will expire on 29 September 2020. While the Government has indicated that this will be reviewed and potentially extended, there is concern from stakeholders around the lack of clarity for both renters and landlords and what the effects could be if rental tenancy support is not extended past September.

During the public hearings the Premier informed the Committee that the legislation and regulations on rental tenancies including the eviction moratorium were put in place for a six-month period due to the economic uncertainty caused by the pandemic. The Premier added that the Government may need to consider continuing to support tenants and landlords past September.⁴⁵⁹ No further detail was provided on what type of support this may be or when a decision would be made on extending support.

Stakeholders raised concerns that many could find themselves in rental stress and unable to pay rent. Both Tenants Victoria and the Council to Homeless Persons told the Committee that the eviction moratorium and associated legislation will expire in September, along with national supports such as JobKeeper and the elevated rates of JobSeeker.⁴⁶⁰ The Council to Homeless Persons stated that this combination could create considerable problems for renters.⁴⁶¹ The Federation of Community Legal Centres (Vic) (FCLC) advised that once the moratorium on evictions was lifted the FCLC expected to see a surge in tenants facing eviction due to the accumulated rental arrears.⁴⁶²

6.3 Family violence

In the state of Victoria, family violence directly effects one in five women over the course of their lifetime and is a leading contributor to preventable death, disability and illness in Victorian women aged 14 to 55 years. Most family violence involves male perpetrators using violence against their female partners, but family violence can occur in a range of relationships including between past and current family members, and domestic or intimate relationships.⁴⁶³ Evidence suggests that during and post-natural disasters and emergency situations there are spikes in family and domestic violence.⁴⁶⁴ Preliminary international evidence suggests this is also the case for the COVID-19 pandemic.⁴⁶⁵

⁴⁵⁹ Hon. Daniel Andrews MP, Premier, Department of Premier and Cabinet, public hearing, Melbourne, 12 May 2020, *Transcript of evidence*, p. 11.

⁴⁶⁰ Ms Kate Colvin, Manager Policy and Communications, Council to Homeless Persons, public hearing, Melbourne, 20 May 2020, *Transcript of evidence*, p. 4; Ms Jennifer Beveridge, *Transcript of evidence*, p. 7.

⁴⁶¹ Ms Kate Colvin, *Transcript of evidence*, p. 4.

⁴⁶² Ms Shorna Moore, Director, Policy and Engagement, Federation of Community Legal Centres (Vic), public hearing, Melbourne, 19 May 2020, *Transcript of evidence*, p. 1.

⁴⁶³ Department of Health and Human Services, *What is Family Violence?*, 1 February 2018, <<https://services.dhhs.vic.gov.au/what-family-violence>> accessed 8 July 2020.

⁴⁶⁴ 1800Respect, *Violence in Times of Disaster*, <<https://www.1800respect.org.au/inclusive-practice/violence-in-times-of-disaster>> accessed 8 July 2020.; World Health Organization, *Violence and Disasters*, Geneva, 2005.

⁴⁶⁵ World Health Organization, *COVID-19 and Violence Against Women: What the Health Sector/System Can Do*, 26 March 2020.

During the COVID-19 pandemic the Victorian Government had concerns about a potential increase in family violence due to a number of factors including isolation at home with a perpetrator during Stage 3 lockdown and external stressors such as economic instability as a result of the response to COVID-19.⁴⁶⁶

In the early stages of the COVID-19 pandemic, the Victorian Government responded to a concern about a spike in family violence by providing funding to the sector and initiating a pro-active policing campaign, Operation Ribbon. However, data is not yet available to determine whether these activities were successful in limiting family violence. During the hearings stakeholders provided anecdotal evidence to suggest that the rate and type of violence used during the pandemic had changed and possibly escalated. In addition, the COVID-19 pandemic created real and perceived barriers to service access for victim survivors, while there have been notable gendered impacts of the pandemic.

6.3.1 Government initiatives

The Victorian Government initiated funding and advertising campaigns during the COVID-19 pandemic to counter an expected increase in family violence. However, there is concern from the sector that the expiration of a number of contracts and service agreements on 30 June 2020 will lead to increased instability in service provision.

Funding

On 10 April 2020 the Government announced \$40.2 million of funding for crisis accommodation and specialist services for people suffering or at risk of family violence. \$20 million was allocated to short term accommodation for family violence victim survivors who did not feel safe isolating from COVID-19 at home. \$20.2 million was allocated to specialist family violence services through Family Violence Crisis Brokerage to provide flexible, client-centred support in response to a potential increase in demand associated with COVID-19.⁴⁶⁷ Part of this funding was allocated to upgrade technology used by specialist family violence services in order to adapt their services.⁴⁶⁸ On 17 April 2020 a further \$3 million was announced, to be shared across 12 women's health services over two years to continue their work on the prevention of family violence.⁴⁶⁹

⁴⁶⁶ Department of Health and Human Services, *Coronavirus (COVID-19) Question and Answers for Perpetrator Services*, Melbourne, April 2020.

⁴⁶⁷ Department of Health and Human Services, *Updated: Family Violence Crisis Brokerage Guidelines*, 19 May 2020, <<https://fac.dhhs.vic.gov.au/news/updated-family-violence-crisis-brokerage-guidelines>> accessed 8 July 2020; Hon. Gabrielle Williams MP, *A Safe Place To Escape Family Violence During Coronavirus*, media release, Victorian Government, Melbourne, 10 April 2020.

⁴⁶⁸ Hon. Gabrielle Williams MP, *A Safe Place To Escape Family Violence During Coronavirus*, media release.

⁴⁶⁹ Hon. Gabrielle Williams MP, *More Funding To Keep Women And Children Safe*, media release, Victorian Government, Melbourne, 17 April 2020.

Domestic Violence Victoria advised the Committee that the funding announced on 10 April 2020 responded to the key areas of need for the sector including additional flexible brokerage, funding to meet victim survivors' needs and investment into the sector's technology and workforce.⁴⁷⁰

Domestic Violence Victoria informed the Committee that in the context of the COVID-19 crisis, the family violence sector had concerns about the expiration of contracts and service agreements on 30 June 2020 and destabilising effect this could have:

A lot of programs and a lot of service agreements are due to expire at 30 June, and I think we are still waiting for advice from the Victorian Government about the status of those contracts. I think it can be very destabilising in an already extremely unstable environment at the moment for services not to know whether they have got continuity of funding to enable their staff to have ongoing contracts, for example.⁴⁷¹

In their submissions to the Victorian state budgets of 2016–17 and 2020–21 Domestic Violence Victoria noted that uncertain short-term funding provided by the State Government had resulted in difficulties in retaining experienced staff⁴⁷² and impacted on the capacity and quality of service delivery in the sector.⁴⁷³

VCOSS provided feedback on DHHS' service agreements arising from consultation with VCOSS's members. VCOSS noted that a trend in short-term funding provided through DHHS service agreements was considered a significant barrier to organisations' 'viability, ability to innovate and forward plan', while impacting the delivery of services to vulnerable Victorians. VCOSS found this issue was often further compounded by long delays between contract renewals.⁴⁷⁴ This is a matter the Committee has reported on before.⁴⁷⁵

Advertising and communication

The Government's advertising campaigns led to an increase in awareness of family violence at the outset of the pandemic. However, the Committee heard that there was some confusion about whether family violence services could be accessed at the beginning of the pandemic.

⁴⁷⁰ Ms Alison Macdonald, Acting Chief Executive Officer, Domestic Violence Victoria, public hearing, Melbourne, 20 May 2020, *Transcript of evidence*, p. 2.

⁴⁷¹ *Ibid.*, p. 7.

⁴⁷² Domestic Violence Victoria, *Victoria State Budget Submission 2020/21*, Melbourne, December 2019, p. 6.

⁴⁷³ Domestic Violence Victoria, *State Budget Submission 2016/17*, Melbourne, 2016, p. 5.

⁴⁷⁴ Victorian Council of Social Service, *A Fairer Funding and Service Agreement: VCOSS Report to the Service Agreement Working Group (SAWG) and the Human Services and Health Partnership Implementation Committee (HSHPIC)* Melbourne, May 2019, pp. 21–22.

⁴⁷⁵ Parliament of Victoria, Public Accounts and Estimates Committee, *Report on Department of Human Services - Service Agreements for Community, Health and Welfare Services*, 2002.

The 'Call It Out' campaign was announced on 11 May 2020. It instructed Victorians to be alert to early warning signs of family violence and call out family violence when it is witnessed in the community.⁴⁷⁶ In addition the 'Respect Older People. Call It Out' campaign was launched on 12 June 2020 encouraging friends, family, neighbours and communities to take action on elder abuse, responding to concerns that the isolation and social and economic impacts of the pandemic may lead to an increase of elder abuse.⁴⁷⁷

Domestic Violence Victoria told the Committee that advertising campaigns such as 'Call It Out' are an important tool to advise people at risk that services for victim survivors are still available during the pandemic as well as to raise awareness of the drivers of family violence. Domestic Violence Victoria added that widespread advertising campaigns often led to a higher demand for services which also needed to be managed and coordinated.⁴⁷⁸

The Committee was advised there had been a significant increase in contacts to family violence services from third parties who were concerned about the wellbeing of other adults and children.⁴⁷⁹ Organisations like 1800 Respect and Victorian Legal Aid reported increased contacts regarding family violence through their webchat facilities, while the peak body for men's behaviour change programs, No to Violence, and the Men's Referral Service saw an increase of calls from men concerned about their own behaviour.⁴⁸⁰

FINDING 53: Advertising campaigns such as 'Call It Out' are a useful tool to notify those at risk that services are available during the pandemic. Advertising campaigns often lead to an increase in demand to the response service system.

RECOMMENDATION 13: The Department of Health and Human Services consider undertaking an evaluation of the 'Call It Out' campaigns to determine their effectiveness and impact on service demand.

Domestic Violence Victoria advised the Committee that during the first weeks of Stage 3 lockdown in Victoria, there was a significant decrease in the contacts from victim survivors to specialist family violence services. Safe Steps, Victoria's statewide first response service for people experiencing family violence reported a 30% reduction in calls in the first few weeks of lockdown in the state.⁴⁸¹

⁴⁷⁶ Hon. Gabrielle Williams MP, *Calling Out Family Violence During Coronavirus*, media release, Victorian Government, Melbourne, 11 May 2020.

⁴⁷⁷ Hon. Gabrielle Williams MP, *Respecting And Protecting Older Victorians*, media release, Victorian Government, Melbourne 12 June 2020.

⁴⁷⁸ Ms Alison Macdonald, *Transcript of evidence*, pp. 4-5.

⁴⁷⁹ *Ibid.*, p. 3.

⁴⁸⁰ *Ibid.*, p. 3-4.

⁴⁸¹ *Ibid.*, p. 3.

There was concern from the sector that this decrease in contact was due to victim survivors being unable or unsafe to contact services while in lockdown with a perpetrator.⁴⁸² Domestic Violence Victoria also pointed out that early in the pandemic, there were suggestions in the media that family violence services were no longer operating as usual, which may have led to a decrease in contacts.⁴⁸³ Both Domestic Violence Victoria and the Minister for Police and Emergency Services advised there had been extensive efforts to counter this message.⁴⁸⁴

The Committee was also informed that some victims felt unable to leave unsafe homes due to the pandemic. Domestic Violence Victoria told the Committee that despite the message that people could leave their homes if they felt unsafe:

We were certainly hearing that through our services, that victim survivors had been very, very fearful about whether or not they could leave the home for safety reasons.⁴⁸⁵

FINDING 54: The Committee received evidence that there was a significant reduction in contact from victim survivors to family violence services during the early stages of the first lockdown.

6.3.2 Operation Ribbon

Family violence is the biggest law and order issue for Victoria Police, who respond to family violence incidents every six or seven minutes around the state, corresponding to 40–60% of their work.⁴⁸⁶ During the COVID-19 pandemic the Victorian Government and Victoria Police initiated a proactive policing operation which saw Victoria Police contact high risk perpetrators and victim survivors of family violence. As of 19 May, approximately 3,500 checks have been made. The Government claims this operation has saved lives during the pandemic.⁴⁸⁷

In response to concerns that health restrictions and isolation at home with a perpetrator could make it harder for victim survivors to reach out for help when at risk, the Government launched Operation Ribbon. Announced on 21 April 2020 the operation saw Victoria Police's Family Violence Investigation Unit proactively contacting known victim survivors who could be at high risk during lockdown, to confirm their safety and let them know that assistance was available. The taskforce also contacted known family violence perpetrators to ensure they were complying with any conditions placed on them by the courts or by family violence management plans.⁴⁸⁸

⁴⁸² Ibid.

⁴⁸³ Ibid., p. 2.

⁴⁸⁴ Hon. Lisa Neville MP, Minister for the Coordination of Environment, Land, Water and Planning: COVID-19, and Minister for Police and Emergency Services, public hearing, Melbourne, 19 May 2020, *Transcript of evidence*, p. 4.; Ms Alison Macdonald, *Transcript of evidence*, p. 2.

⁴⁸⁵ Ms Alison Macdonald, *Transcript of evidence*, p. 5.

⁴⁸⁶ Hon. Lisa Neville MP, *Transcript of evidence*, p. 3.

⁴⁸⁷ Ibid.

⁴⁸⁸ Hon. Lisa Neville MP, *Police Focused On Family Violence During Coronavirus*, media release, Victorian Government, Melbourne, 21 April 2020.

The Minister for Police advised the Committee that at 15 May 2020, between 3,000 and 3,500 checks had been made by police to affected family members and perpetrators through Operation Ribbon. Approximately 1,900 of those checks were made in person by police, while 1,800 checks were made over the phone and via email. There had been 150 people remanded in the course of the operation.⁴⁸⁹ The Minister stated these statistics indicated high risk harm had been detected and lives had been saved during the operation.⁴⁹⁰

From the launch of Operation Ribbon on 21 April 2020 to the public hearing on 19 May 2020, 495 family violence offences including intervention order breaches and other family violence offences, had been detected.⁴⁹¹ According to the Crime Statistics Agency a total of 6,628 family violence incidences were recorded for April 2019 and 6,484 were recorded for May 2019.⁴⁹²

FINDING 55: As of 15 May 2020, Victoria Police made between 3,000 and 3,500 checks of known family violence victim survivors and perpetrators as part of Operation Ribbon. In the course of the checks, 150 were remanded and 495 family violence offences were detected.

The Committee also heard that during Operation Ribbon Victoria Police identified trends in family violence incidents. The Minister advised the Committee that police were seeing an increase in first-time incidences of family violence, more parent-child incidences and more incidences between siblings. The Minister informed the Committee that the Australian Centre to Counter Child Exploitation had reported an increase in people accessing child exploitation material and using children for sexual encounters during the pandemic period, which were key priority areas for policing in the state.⁴⁹³

FINDING 56: Through Operation Ribbon, Victoria Police identified a rise in first time family violence incidents, parent-child and sibling family violence incidents and child sexual exploitation incidences.

The Minister informed the Committee of the extensive use of the Police Assistance Line and the potential for the online reporting function to be used by victim survivors to report family violence in a safer way into the future.⁴⁹⁴

⁴⁸⁹ Hon. Lisa Neville MP, *Transcript of evidence*, pp. 2, 3.

⁴⁹⁰ *Ibid.*, p. 3.

⁴⁹¹ Hon. Lisa Neville MP, Minister for the Coordination of Environment, Land, Water and Planning: COVID-19, Minister for Police and Emergency Services, Department of Environment, Land, Water and Planning, *COVID-19 public hearing presentation*, supplementary evidence received 19 May 2020, p. 4.

⁴⁹² The Crime Statistics Agency reports family violence incidents as those incidents attended by Victoria Police where a Risk Assessment and Risk Management Report (also known as an L17 form) was completed. The L17 form is completed when family violence incidents, interfamilial-related sexual offences and child abuse are reported to the police. Crime Statistics Agency, *Victoria Police: Family Incidents and Related Offences*, 12 June 2020, <<https://www.crimestatistics.vic.gov.au/family-violence-data-portal/family-violence-data-dashboard/victoria-police>> accessed 9 July 2020.

⁴⁹³ Hon. Lisa Neville MP, *Transcript of evidence*, pp. 3-4.

⁴⁹⁴ *Ibid.*, p. 4.

6.3.3 Gendered impacts of the COVID-19 pandemic

Health crises can exacerbate gender inequality.⁴⁹⁵ There have been noted gendered impacts of the COVID-19 pandemic and ongoing concerns that the negative social and economic impacts of the pandemic could disproportionately affect women.

Work and caring responsibilities

A report released by the Workplace Gender Equality Agency on the gendered impacts of COVID-19 highlights that the economic impact of COVID-19 could have a disproportionate effect on the financial security of women. Workforces with a significant female workforce have been heavily impacted by COVID-19.⁴⁹⁶

The Committee heard that female dominated industries have been significantly affected by job losses and there were concerns from the sector that women could experience a disproportionate impact of higher rates of unemployment.⁴⁹⁷ Domestic Violence Victoria outlined how economic insecurity could be linked to family violence in the context of COVID-19:

I think we know while family violence occurs across socio-economic groups and across all aspects of the community, that unemployment, that financial stress, can certainly exacerbate the conditions that enable it to occur. That is what we are very concerned about in terms of what we think we might see if the post-COVID period means that we are going to see new levels of inequality and disadvantage open up in the Australian community.⁴⁹⁸

FINDING 57: There are concerns in the specialist family violence sector that economic insecurity caused by COVID-19 could exacerbate conditions where family violence occurs.

The specialist family violence service sector is also female dominated. Due to the highly gendered nature of the sector, Domestic Violence Victoria submitted that its workforce had been significantly impacted by remote work, school closures and caring responsibilities. This has led to pressures on organisations' ability to deliver family violence services.⁴⁹⁹

⁴⁹⁵ Workplace Gender Equality Agency, *Gendered Impacts of COVID-19*, p. 1.

⁴⁹⁶ Ibid., pp. 2, 4.

⁴⁹⁷ Ms Alison Macdonald, *Transcript of evidence*, p. 4.

⁴⁹⁸ Ibid., pp. 5-6.

⁴⁹⁹ Ibid., p. 4

6.3.4 Children and family violence

The Committee heard that school closures, coupled with the State Government's stay at home order, raised concerns from the specialist family violence sector about the safety of children at risk of family violence. Domestic Violence Victoria told the Committee:

There is much concern about the vulnerability of children at risk of family violence during this period, where we do not have eyes on kids because of school closures, for example, and other ways of staying across children's safety.⁵⁰⁰

Domestic Violence Victoria informed the Committee that if Victoria was going to go into a higher stage of lockdown in the future, effective coordination between the specialist family violence and other sectors that would retain contact with at-risk children during a lockdown would be needed.⁵⁰¹

RECOMMENDATION 14: The Department of Health and Human Services, in collaboration with the Department of Education and Training, and the family violence sector, establish protocols to facilitate effective collaboration to ensure the safety of at-risk children during and after the pandemic.

6.3.5 Elder abuse

The Committee heard concerns from stakeholders that the circumstances of the COVID-19 pandemic could lead to an increase in elder abuse. It is still unclear whether the reporting of elder abuse has increased during the pandemic period. Like other forms of family violence, the sector is concerned that time spent at home in close contact with family and economic pressures such as unemployment and housing stress could increase the incidence of elder abuse.⁵⁰²

Council on the Ageing Victoria stated that due to the risk presented to older people from COVID-19, older Victorians could be in lockdown and observing isolation and distancing measures for a longer period than the rest of the community. Council on the Ageing Victoria advised this could increase the risk of elder abuse among those who are most vulnerable, who are dependent on others for care or who are under financial strain.⁵⁰³

Council on the Ageing Victoria informed the Committee of trends and barriers to services that had been noted by the sector during the pandemic. Council on the Ageing was not seeing an increase or decrease of phone calls relating to elder abuse and said

⁵⁰⁰ Ibid., pp. 1-2.

⁵⁰¹ Ibid., p. 6.

⁵⁰² Ms Tina Hogarth-Clarke, Chief Executive Officer, Council on the Ageing Victoria, public hearing, Melbourne, 20 May 2020, *Transcript of evidence*, p. 2.

⁵⁰³ Ibid.

it was too early to tell whether the easing of COVID-19 restrictions would result in an increase of reporting.⁵⁰⁴

The Committee was advised of barriers to the reporting of elder abuse. Council on the Ageing Victoria stated that often, there was less understanding and acknowledgement of elder abuse by older Victorians and the community in general.

... it is important to note that elder abuse is a form of family violence, but older people do not relate to messaging around family violence because it tends to be a lot more about women and children and violence. So I think that the first lesson would be to recognise and acknowledge that, yes, it is a form of family violence but it needs separate messaging and needs separate education and acknowledgement from Government around that and what people can do if they are experiencing that.⁵⁰⁵

Council on the Ageing Victoria informed the Committee that during the COVID-19 pandemic, many older Victorians were no longer attending medical appointments. The health system is an avenue through which elder abuse is noted and victim survivors are referred to support services. As a consequence, Council on the Ageing Victoria stated that when older people start attending medical appointments again, there could be further referrals to elder abuse services.⁵⁰⁶

FINDING 58: Older Victorians have been attending medical appointments less during the pandemic. As the health system is an avenue through which elder abuse is often identified, some cases of elder abuse may not be picked up as a result.

The Committee may examine how, particularly vulnerable Victorians, have accessed healthcare during the pandemic and the costs associated with any diminished engagement with the healthcare system as part of its report that will be tabled on 31 October 2020.

At the hearing on 20 May Council on the Ageing Victoria expressed regret on behalf of the Council on the Ageing Victoria that specific funding had not been provided by the Government to educate the public on elder abuse and combat elder abuse as a specific form of family violence.⁵⁰⁷

On 15 June 2020 the Government announced \$1.5 million in funding to mark World Elder Abuse Awareness Day, intended to combat increased abuse or isolation older Victorians may face during the COVID-19 pandemic. \$1.1 million was allocated to the Council on the Ageing to continue their work, while \$300,000 was to be provided to 10 Elder Abuse Prevention Networks and \$120,000 was allocated to the Office of the Public Advocate.⁵⁰⁸

⁵⁰⁴ Ibid., p. 4.

⁵⁰⁵ Ibid.

⁵⁰⁶ Ibid.

⁵⁰⁷ Ibid., p. 2.

⁵⁰⁸ Hon. Luke Donnellan MP, *Funding Key Services To Protect Older Victorians*, media release, Victorian Government, Melbourne, 15 June 2020.

6.3.6 Barriers to legal assistance

In an effort to provide increased safety and protection to those at risk of family violence the Government extended the expiry of interim family violence and personal safety intervention orders from 28 days to three months through the Omnibus Act.⁵⁰⁹

The Federation of Community Legal Centres (Vic) (FCLC) informed the Committee that in general, people experiencing family violence were not receiving legal advice in relation to their family violence matters during the pandemic. FCLC advised this can increase risk as without legal advice people may not fully understand the impacts or conditions of the interim order covering them. FCLC stated:

There is increased risk that the affected family members covered by these orders do not necessarily agree with or understand all the conditions and impacts—for example, exclusion orders resulting in victim survivors being solely responsible for rent. There is an increased risk that respondents do not necessarily understand the impacts of orders and are therefore more likely to contravene an order.⁵¹⁰

FINDING 59: Although the expiry of interim family violence and personal safety intervention orders have been extended, people who are covered by these orders may not always fully understand them. This can lead to an increased likelihood of the contravention of orders.

6.4 Homelessness

During the pandemic, the homeless and those at risk of homelessness in Victoria risked catching COVID-19, with nowhere to isolate or recover. The Victorian Government acted quickly to minimise the risk to those without homes and to the wider population by providing emergency accommodation, which was facilitated through homelessness service providers.

As at 20 May there had been no recorded outbreaks of COVID-19 among the state's homeless population. However, during the Public Accounts and Estimates Committee hearings, the sector expressed ongoing concerns around whether further funding will be provided for emergency accommodation past May 2020. There is also growing evidence to suggest that as a result of the economic impacts of COVID-19, there may be increased demands for homelessness services and more homeless Victorians, some of whom may find themselves at risk of homelessness for the first time.

⁵⁰⁹ Hon. Jill Hennessy MP, *Temporary Emergency Measures To Manage Coronavirus Crisis*, media release.

⁵¹⁰ Ms Shorna Moore, *Transcript of evidence*, p. 5.

6.4.1 Funding

In early March 2020, funding was provided to the homelessness sector in order to place rough sleepers and those in insecure accommodation in emergency housing. This included the creation of pop-up facilities to enable those without homes to recover from COVID-19 and self-isolate. As at 20 May, there had been no COVID-19 outbreak among Victoria's homeless population, so the use of pop-up facilities has been limited. However, during the Committee's hearings stakeholders expressed uncertainty around whether further funding would be provided to continue to house those at risk of homelessness.

According to DHHS, on any given night in Victoria there are 25,000 people sleeping rough or living in emergency or unsafe accommodation.⁵¹¹ In their amended homelessness services guidelines, DHHS recognises that people rough sleeping and experiencing chronic homelessness may be at greater risk due to COVID-19 because of their inability to self-isolate, quarantine or access hygiene facilities.⁵¹²

In order to reduce transmission amongst the community, on 18 March 2020 the Minister of Housing announced an almost \$6 million funding boost to the homeless sector to provide temporary housing for people without homes.⁵¹³ This funding doubled the sector's Housing Establishment Fund and Private Rental Assistance Program, allowing homelessness service providers to provide temporary accommodation and private rental market assistance to their clients.⁵¹⁴ On 10 April 2020 a further \$8.8 million was announced to establish four pop-up COVID-19 Isolation and Recovery Facilities (CIRF) with 200 beds, where people experiencing homelessness could await test results, self-isolate and recover from a positive diagnosis of COVID-19.⁵¹⁵

The Committee enquired into the effectiveness of the four CIRF facilities. The Council to Homeless Persons advised that there were approximately 70 beds available across the facilities, but use had been very limited, reflecting the absence of an outbreak of COVID-19 among Victoria's homeless. The Committee was told there may have been nine people who utilised the facilities for a period of two days each while being tested for COVID-19.⁵¹⁶

⁵¹¹ Department of Health and Human Services, *Housing and Homelessness*, 14 April 2020, <<https://www.dhhs.vic.gov.au/housing-and-homelessness>> accessed 9 July 2020.

⁵¹² Department of Health and Human Services, *COVID-19 Amendment to Homelessness Services Guidelines and Conditions of Funding*, Melbourne, 10 June 2020, p. 11.

⁵¹³ Hon. Richard Wynne MP, *More Homelessness And Public Housing Support In COVID-19 Fight*, media release, Victorian Government, Melbourne, 18 March 2020.

⁵¹⁴ Ms Jenny Smith, *Transcript of evidence*, p. 2.

⁵¹⁵ Hon. Richard Wynne MP, *Safe Places For The Homeless To Recover And Isolate*, media release, Victorian Government, Melbourne, 10 April 2020; Department of Health and Human Services, *Temporary Accommodation for People Experiencing Homelessness During COVID-19*, 7 May 2020, <<https://fac.dhhs.vic.gov.au/news/temporary-accommodation-people-experiencing-homelessness-during-covid-19>> accessed 9 July 2020.

⁵¹⁶ Ms Jenny Smith, *Transcript of evidence*, p. 3.

FINDING 60: The use of the four pop-up isolation and recovery centres created by the Victorian Government has been limited, reflecting low levels of COVID-19 among Victoria's homeless population.

The Committee heard that funding provided for emergency accommodation allowed 4,500 people to be placed in hotel and motel accommodation and that rough sleeping in Melbourne's CBD had almost been eliminated.⁵¹⁷ The Council to Homeless Persons advised the Committee that the emergency accommodation the sector was able to provide

...has been an incredibly important prevention measure, and so far as we can tell it has been quite successful to date. We do not believe there has been a cluster of COVID-19 within our homeless population.⁵¹⁸

During his appearance before the Committee, the Premier stated the \$6.6 million was in place for a six month period.⁵¹⁹

FINDING 61: The funding provided by the Victorian Government allowed the homeless sector to place 4,500 people into emergency accommodation. This included a majority of rough sleepers in the Melbourne CBD.

On 13 June 2020 the Minister for Housing announced \$9.8 million of further funding for the homelessness sector in order to keep people in emergency accommodation and facilitate longer term housing options. Through the funding, nine data roles will be created to facilitate the collection of data on the needs of homeless people, and nine initial assessment and planning roles will be created to support people in emergency accommodation with their housing needs.⁵²⁰ At the time of writing, there was no further detail available on how long those in emergency accommodation would continue to be accommodated and whether the extra funding provided was new or reappropriated.

6.4.2 Increase in demand

Evidence from the homelessness sector suggests that during the period March to May, the sector experienced an increase in demand for its services in general, and from segments of the Victorian community that had not accessed these services in the past. There are concerns from the sector that the economic effects of the COVID-19 restrictions could lead to further demands on services and more homelessness.

⁵¹⁷ Ibid., pp. 3, 5.

⁵¹⁸ Ibid., p. 1.

⁵¹⁹ Hon. Daniel Andrews MP, *Transcript of evidence*, p. 13.

⁵²⁰ Hon. Richard Wynne MP, *Hearts And Homes Helping Through Coronavirus*, media release, Victorian Government, Melbourne, 13 June 2020.

The Council to Homeless Persons informed the Committee that prior to the pandemic the homeless sector was turning away 105 people a day. The Council to Homeless Persons informed the Committee that there is a lack of data on demands for services during the months of April and May but service providers advised they were seeing more clients from ‘middle Australia’ who were at risk of homelessness due to a loss of income during the pandemic.⁵²¹

FINDING 62: The homelessness services sector has observed an increase in demand for services. This increase includes people who have not used homelessness services before.

The Committee sought to determine the effects of national and state policies around social security and rental tenancies that have been enacted during the pandemic, and how a change in these policies may affect homelessness. The Council to Homeless Persons stated:

I think the doubling of the JobSeeker, the JobKeeper and the tenancy protections have meant that many people in middle Australia who have been economically affected by this crisis have been able to hang on, and should they be ended abruptly, should the JobSeeker be returned to the ridiculous level it was before where it could not even pay for rent, much less for food and utilities and life, then I believe we will see a deluge of not just the homelessness we had before but additional homelessness from middle Australia.⁵²²

FINDING 63: National and state legislation such as JobKeeper, JobSeeker and Victoria’s eviction moratorium have protected some Victorians who may have been at risk of homelessness.

6.4.3 Social housing

In response to the COVID-19 pandemic, several social service peak bodies have called for further investment in social housing by the Victorian Government, in order to both provide housing support to vulnerable Victorians and to stimulate the economy in the post-pandemic period.

There has been an historical under-investment in public housing in Victoria, which has led to an unmet demand for public housing. Victoria currently has the lowest level of public housing per capita in Australia.⁵²³ In the 2019-20 Budget Estimates report, the Committee found the Government budgeted a spend of \$209.1 million dollars in public housing across the forward estimates, resulting in 1,800 new homes being built.

⁵²¹ Ms Jenny Smith, *Transcript of evidence*, p. 6.

⁵²² *Ibid.*, p. 4.

⁵²³ Parliament of Victoria, Legislative Council Legal and Social Issues Committee, *Inquiry into the Public Housing Renewal Program*, 5 June 2018, pp. 19, 32.

This budgeted amount would allow for 2% of the applicants on the Victorian Housing Register to be housed.⁵²⁴ In the Committees Financial and Performance Outcomes Report for the years 2017-18 and 2018-19, the Committee found social housing dwellings had decreased by 1,187 from 2017-18 to 2018-19. Between 2014-15 and 2018-19 the number of dwellings had increased by 240.⁵²⁵

During the pandemic the Government announced the building of 780 new public housing residences through the Social Housing Growth Fund.⁵²⁶ On 18 May, an investment of \$500 million was announced through the Building Works package to build and upgrade the State's social housing. Upgrades are planned for 23,000 existing units. It is yet to be announced how many new social housing dwellings will be constructed.⁵²⁷ Several peak bodies made a submission to Government, calling for the building of 6,000 new social housing units every year over 10 years in order to meet the national average of 4.5% per capita of social housing stock.⁵²⁸

The Council to Homeless Persons advised the Committee that the homeless sector required short, medium and long-term solutions for housing including new social housing as clients begin to leave emergency accommodation. The Council to Homeless Persons suggested if there was no ongoing housing strategy in place, clients exiting emergency accommodation would end up back on the streets.⁵²⁹ Victorian Council of Social Services advised that social housing could both stimulate the economy during the COVID-related downturn, while creating jobs for Victorians and homes for vulnerable Victorians.⁵³⁰

FINDING 64: The social and community services sector has recommended the building of new social housing dwellings to provide homes for homeless and vulnerable Victorians during and post-pandemic and to provide an economic stimulus.

6.5 Vulnerable Victorians

The COVID-19 pandemic and the associated restrictions have had a profound impact on all Victorians. Certain groups of Victorians, including culturally and linguistically diverse and Aboriginal Victorians, those experiencing family violence, on temporary visas

⁵²⁴ Parliament of Victoria, Public Accounts and Estimates Committee, *Inquiry into the 2019-20 Budget Estimates*, 29 October 2019, p. 84.

⁵²⁵ Parliament of Victoria, Public Accounts and Estimates Committee, *2017-18 and 2018-19 Financial and Performance Outcomes*, July 2020, p. 36.

⁵²⁶ Hon. Richard Wynne MP, *Delivering New Homes For Victorians Who Need Support*, media release, Victorian Government, Melbourne, 15 May 2020.

⁵²⁷ Department of Health and Human Services, *Almost \$500 Million Social Housing Boost to Strengthen Our Economy and Provide Stability for Victorians*, media release, Melbourne, 18 May 2020.

⁵²⁸ Ms Jenny Smith, *Transcript of evidence*, p. 7 ; Ms Emma King, *Transcript of evidence*, p. 2; The Housing Peaks Alliance, *Make Social Housing Work: A Framework for Victoria's Public and Community Housing 2020–2030*, Council to Homeless Persons, 2020.

⁵²⁹ Ms Jenny Smith, *Transcript of evidence*, p. 4.

⁵³⁰ Ms Emma King, *Transcript of evidence*, p. 2.

or with insecure employment, may be disproportionately impacted by the effects of COVID-19 both now and post-pandemic.

While the government has initiated multiple funding projects targeted at specific groups, there is currently no data available to determine whether these measures have been effective. Evidence from stakeholders suggests the COVID-19 pandemic has highlighted areas of existing disadvantage, with ongoing concerns that the impacts of COVID-19 could have a continued effect on inequality and disadvantage for some groups. For organisations that support Victorians in the social and community services sector, there has been a noted decline in volunteering which is presenting a further challenge.

6.5.1 Funding

On 22 March the Government announced that emergency relief packages would be available to support people in mandatory isolation with no food or support networks. The packages were to include essential food and personal care items and would be available for a six month period.⁵³¹

On 6 May \$11.3 million funding was announced to support multicultural and multifaith communities. This included \$5 million to support vulnerable youths and families in financial hardship to buy essential items, \$2.2 million to provide basic needs assistance to asylum seekers, \$1.1 million for culturally appropriate family violence prevention and early intervention services. An additional \$1 million was allocated to Government departments to assist with translated messaging about the pandemic.⁵³²

Funding of \$820,000 to support the mental health and wellbeing of LGBTIQ Victorians and their families during the pandemic was announced in mid-May and directed towards specialised services to assist with counselling and support services.⁵³³

The Committee was unable to access further details about how the funding outlined in these announcements was to be utilised, who was eligible to receive funding or emergency relief packages and what impact the funding may have on the groups targeted. The Committee will consider examining this further as part of its report to the Parliament by the end of October.

The Committee also notes that the Refugee Council of Australia have expressed their concern about the health and wellbeing of members of the community on bridging or temporary visas during the pandemic in an open letter to the Australian Government. People on such visas often do not have access to Centrelink, Medicare or other

⁵³¹ Hon. Luke Donnellan MP, *Emergency Relief Packages For Victorians Who Need It Most*, media release, Victorian Government, Melbourne, 22 March 2020.

⁵³² Hon. Ros Spence MP, *Helping Multicultural Victorians Through Coronavirus*, media release, Victorian Government, Melbourne, 6 May 2020.

⁵³³ Hon. Martin Foley MP, *Support For LGBTIQ Victorians During Pandemic*, media release, Victorian Government, Melbourne, 17 May 2020.

Government support. Signatories included a number of Victorian stakeholders such as the Victorian Trades Hall Council, Catholic Social Services Victoria and the Victorian chapter of the Uniting Church.⁵³⁴

FINDING 65: The Victorian Government has announced several funding initiatives to assist vulnerable Victorians during the COVID-19 pandemic.

VCOSS advised a wellbeing economy is one where ‘all branches of government are responsible for improving community wellbeing through budget priorities, policy making and reporting.’⁵³⁵ In a wellbeing budget, social goals and measures as determined by the government are included alongside economic performance indicators.⁵³⁶ VCOSS stated:

Only by embracing a wellbeing economy will we have a fair, inclusive and smart recovery. Now is absolutely the time to think big, to be bold and to take the smart steps required to deliver real change.⁵³⁷

FINDING 66: The social and community service sector has recommended the State Government declare a wellbeing economy and create a wellbeing budget as a way to set goals for recovery post-pandemic and ensure recovery is equitable.

6.5.2 Impact on vulnerable Victorians

VCOSS informed the Committee that the government response to the social impact of the pandemic had been swift, but social protections for groups such as international students, casual workers and people without homes was insufficient and that:

COVID-19 has exposed some significant fragility in our system. Vulnerable people are always hit the hardest in an emergency or a disaster, and so it is in this pandemic. They are the most likely to get sick, the most likely to lose their jobs and the most likely to be evicted from their homes. And they have the least ability to absorb the income hit when their hours are cut or they go out and need to buy a new iPad when the kids are learning from home.⁵³⁸

The Youth Affairs Council of Victoria’s submission to the inquiry demonstrates that young people aged 15–19 are more likely than any other age group to lose employment during the pandemic. The young people surveyed for the submission have expressed a concern about the financial supports available and the risk of long-term unemployment

⁵³⁴ The Refugee Council of Australia, *Open Letter to Prime Minister Scott Morrison—Nobody Left Behind*, 7 May 2020, <<https://www.refugeecouncil.org.au/open-letter-covid/>> accessed 9 July 2020.

⁵³⁵ Victorian Council of Social Service, *A State of Wellbeing: Victorian Budget Submission 2020-21*, Melbourne, 2019.

⁵³⁶ Ibid.; Ms Emma King, *Transcript of evidence*, p. 2.

⁵³⁷ Victorian Council of Social Service, *A State of Wellbeing*; Ms Emma King, *Transcript of evidence*, p. 2.

⁵³⁸ Ms Emma King, *Transcript of evidence*, p. 1.

and homelessness.⁵³⁹ The submission also outlines the challenges faced by young people with disabilities during the pandemic. Almost 60% of disabled young people surveyed believe they will experience complications related to their disability during the COVID-19 pandemic⁵⁴⁰.

Children and Young People with Disability Australia submission to the inquiry demonstrates 71% of people surveyed were unable to buy essential items while 20% were unable to buy essential medications at some point during the pandemic.⁵⁴¹ The submission quotes a rural Victorian over the age of 25 speaking about their experience of the pandemic as a person with a disability:

The majority of my days are filled with volunteer work in the community and social activities which has all ceased so I will lose contact with many of my acquaintances & friends. I will need to find alternate home based - activities to fill my time. My disability will have severe impacts on ...my mental health & well being physically.⁵⁴²

FINDING 67: Vulnerable Victorians have been disproportionately impacted by the effects of the COVID-19 pandemic, which could lead to further inequality and disadvantage.

6.5.3 Volunteering

Research published in 2017 by the Ministerial Council for Volunteers showed over 1.5 million people volunteer in Victoria. It was estimated volunteers would contribute \$42 billion dollars to the Victorian economy by 2021.⁵⁴³

Government health restrictions and individual concerns for personal safety have resulted in a marked decline in volunteering across the social and community services sector. This trend has impacted fundraising and service delivery within the sector.

The Committee heard that during the COVID-19 pandemic, volunteers in the social and community services sector had declined significantly, leading to negative impacts on the sector. The Council to Homeless Persons advised the Committee that the mature age of many volunteers and their potential risk related to COVID-19 and restrictions on movement during the pandemic had affected the capacity of volunteers to assist in the homelessness sector.⁵⁴⁴

⁵³⁹ Youth Affairs Council Victoria (YACVic), *Submission 3*, received 5 May 2020, pp. 1-2.

⁵⁴⁰ *Ibid.*, p. 4.

⁵⁴¹ Children and Young People with Disability Australia, *Submission 2*, received 11 May 2020, p. 1.

⁵⁴² *Ibid.*, p. 8.

⁵⁴³ Ministerial Council for Volunteers, *Volunteers in Victoria: Trends, Challenges and Opportunities*, Melbourne, June 2017.

⁵⁴⁴ Ms Jenny Smith, *Transcript of evidence*, p. 6.

VCOSS advised that demand for services in the sector as a whole had increased but volunteering had dropped significantly.⁵⁴⁵ Organisations that rely on volunteers for fundraising activities may see a flow on effect to their income.⁵⁴⁶

FINDING 68: The COVID-19 pandemic has resulted in a decline in volunteers in the social and community services sector, which will impact on the capacity of community organisations to continue delivering services.

545 Ms Brooke McKail, Policy and Research Manager, Victorian Council of Social Service, public hearing, Melbourne, 20 May 2020, *Transcript of evidence*, p. 3.

546 Ms Deborah Fewster, *Transcript of evidence*, p. 3.

7 Justice

7.1 Introduction

COVID-19 principally represents a public health concern. However, the impact of the crisis as well as the legal and policy responses developed by governments to counter the spread of the pandemic have much wider ramifications, including the ability of people to access justice in a timely, fair, and effective manner.

In order to assess the responses taken by the Victorian Government to manage the pandemic, and its impact on justice, legal services, and the police in Victoria, the Committee examined evidence obtained from its public hearings and submissions, as well as an analysis of other publicly available documentation.

7.2 Victoria Police

During the COVID-19 pandemic Victoria Police's role, in addition to regular policing duties, has been to police and enforce public health directions made by the Chief Health Officer under the *Public Health and Wellbeing Act 2008* (the Act). Victoria Police have undertaken a range of COVID-19 related roles throughout the pandemic. This has included initiating targeted police operations, taking reports from the public, undertaking compliance checks on individuals and businesses and issuing infringements for non-compliance. In addition, following an increase in COVID-19 cases in the Flemington and North Melbourne public housing estates, police were deployed to enforce compliance with the restrictions placed on these areas.

7.2.1 Enforcement of the Chief Health Officer's directives

Following the declaration of Victoria's first state of emergency on 16 March 2020,⁵⁴⁷ the Chief Health Officer's directions progressively limited the amount of people who could gather at any one time, businesses that could operate and reasons Victorians could leave their homes in an effort to slow the spread of COVID-19.⁵⁴⁸ During a state of emergency, the Act allows for authorised officers to request the assistance of Victoria Police when exercising their emergency powers and enforcing regulations made.⁵⁴⁹

⁵⁴⁷ Hon. Daniel Andrews MP, *State Of Emergency Declared In Victoria Over COVID-19*, media release, Victorian Government, Melbourne, 16 March 2020.

⁵⁴⁸ Ibid.; Hon. Daniel Andrews MP, *Statement From The Premier*, media release, Victorian Government, Melbourne, 25 March 2020; Hon. Daniel Andrews MP, *Statement From The Premier*, media release, Victorian Government, Melbourne, 30 March 2020.

⁵⁴⁹ Justice Connect, *How the Victorian Government's Emergency Restrictions on COVID-19 (Coronavirus) Work*, 5 July 2020, <<https://justiceconnect.org.au/resources/how-the-victorian-governments-emergency-restrictions-on-coronavirus-covid-19-work>> accessed 8 July 2020; *Public Health and Wellbeing Act 2008* (Vic), s192, s202.

Police operations and the Police Assistance Line

In order to police and enforce the Chief Health Officer's COVID-19 directions Victoria Police initiated several operations. On 23 March 2020, Victoria Police established a 500 member taskforce to enforce the new COVID-19 restrictions as part of Operation Sentinel.⁵⁵⁰ On 28 March 2020, Victoria Police were also given the power to issue on-the-spot fines of \$1,652 for individuals and \$9,913 for businesses who refused or failed to comply with the Chief or Deputy Health Officer's emergency directions, public health directions or refused to comply with a direction by the Chief Health Officer to provide information.⁵⁵¹

The Committee heard that at 19 May 2020, 47,185 compliance checks had been made by Victoria Police on individuals and businesses. Victoria Police issued 5,604 fines for breaches of the Chief Health Officer's directives,⁵⁵² meaning 11.88% of compliance checks made by police resulted in a fine.⁵⁵³ A further 1,000 warnings were issued.⁵⁵⁴

FINDING 69: As of 19 May 2020, Victoria Police had made 47,185 compliance checks on individuals and businesses and had issued 5,604 fines, with 11.88% of compliance checks resulting in a fine.

The Police Assistance Line (PAL), Victoria Police's non-urgent telephone line and online portal for reporting crime and events was utilised during Operation Sentinel. It took calls from members of the public on potential breaches of COVID-19 restrictions and to inform policing and compliance checks.

The Committee heard that as of 19 May 2020, 70,000 calls had been made to the PAL regarding COVID-19 specifically.⁵⁵⁵ Of these calls, 4,907 were regarding breaches of isolation, 4,722 reporting businesses breaching regulations, 20,755 reporting prohibited gatherings, 38,902 calls relating to COVID-19 regulations and how they applied and 8,267 calls were referred to 000 as a priority one call.⁵⁵⁶ A further 7,534 reports were made using the PAL's online portal.⁵⁵⁷

⁵⁵⁰ Hon. Daniel Andrews MP, *Statement From The Premier*, media release, Victorian Government, Melbourne, 23 March 2020.

⁵⁵¹ Hon. Lisa Neville MP, *On The Spot Fines To Keep Victorians Safe*, media release, Victorian Government, Melbourne, 28 March 2020.

⁵⁵² Hon. Lisa Neville MP, Minister for the Coordination of Environment, Land, Water and Planning: COVID-19, and Minister for Police and Emergency Services, public hearing, Melbourne, 19 May 2020, *Transcript of evidence*, p. 2; Hon. Lisa Neville MP, Minister for the Coordination of Environment, Land, Water and Planning: COVID-19, Minister for Police and Emergency Services, Department of Environment, Land, Water and Planning, *COVID-19 public hearing presentation*, supplementary evidence received 19 May 2020, p. 3.

⁵⁵³ Committee calculation.

⁵⁵⁴ Hon. Lisa Neville MP, *Transcript of evidence*, p. 2.

⁵⁵⁵ Hon. Lisa Neville MP, *COVID-19 public hearing presentation*, p. 3.

⁵⁵⁶ Mr Graham Ashton, Chief Commissioner, Victoria Police, public hearing, Melbourne, 19 May 2020, *Transcript of evidence*, pp. 16-17.

⁵⁵⁷ Hon. Lisa Neville MP, *COVID-19 public hearing presentation*, p. 3.

The total number of calls received by the PAL in relation to COVID-19 represented 84.7% of the total number of calls the PAL had received during the entirety of 2018–19.⁵⁵⁸ During the pandemic wait times increased to over 17 minutes per call after triaging. In response, Victoria Police increased the number of staff working on the PAL to manage demand.⁵⁵⁹

FINDING 70: As of 19 May 2020, Victoria Police received 70,000 calls to the Police Assistance Line regarding COVID-19, while 7,534 reports were made using the online portal. The increase in calls led to higher wait times and the need to engage more staff.

The Committee found that while there were a large number of calls and compliance checks, Victoria Police did not have the ability to determine whether a compliance check had come from a PAL call or whether a PAL call resulted in a fine.⁵⁶⁰ During the public hearings the Committee requested that Victoria Police provide a breakdown of compliance checks by Local Government Area (LGA). In their response to the questions on notice, Victoria Police advised to do so would exceed their capacity to manually do the calculations at this time.⁵⁶¹

On 9 April 2020 Operation Shielding was established which saw Protective Service Officers (PSOs) assisting police in making COVID-19 compliance checks and patrolling major activity centres in metropolitan and regional Victoria.⁵⁶² With the closure of businesses, PSOs were assigned to patrol certain areas to deter commercial burglary.⁵⁶³ The Government increased the range of ‘designated places’ where PSOs could exercise their power in order to facilitate the operation.⁵⁶⁴

During the hearings the Committee heard that Operation Shielding included 160 PSOs (approximately 30% of the PSO workforce) and 80 police officers. By 19 May 2020 7,029 person checks had been made and 110 infringements for COVID-19 related breaches had been given as part of the operation. The Minister for Police and Emergency Services told the Committee that there were plans to increase the flexibility of where PSOs can be deployed in the future.⁵⁶⁵

FINDING 71: During Operation Shielding approximately one third of Protective Services Officers were redeployed to assist with policing the pandemic. By 19 May 2020, 7,029 person checks and 110 infringements had been given as part of the operation.

⁵⁵⁸ Victoria Police, *Annual Report 2018-2019*, Melbourne, October 2019, p. 22. (Committee calculation).

⁵⁵⁹ Mr Graham Ashton, *Transcript of evidence*, p. 22.

⁵⁶⁰ Hon. Lisa Neville MP, *Transcript of evidence*, p. 21.

⁵⁶¹ Hon. Lisa Neville MP, Minister for the Coordination of Environment, Land, Water and Planning: COVID-19, Minister for Police and Emergency Services, Inquiry into the Victorian Government’s Response to the COVID-19 Pandemic hearing, response to questions on notice received 2 June 2020, p. 1.

⁵⁶² Hon. Lisa Neville MP, *Deploying PSOs To Where Victorians Need Them*, media release, Victorian Government, Melbourne, 6 April 2020.

⁵⁶³ Hon. Lisa Neville MP, *Transcript of evidence*, p. 9.

⁵⁶⁴ Hon. Lisa Neville MP, *Deploying PSOs To Where Victorians Need Them*, media release.

⁵⁶⁵ Hon. Lisa Neville MP, *Transcript of evidence*, p. 12.

Personal protective equipment and support provided to Victoria Police

During the hearings the Committee heard about the risk presented to police officers due to COVID-19 and the ways in which the Government was endeavouring to ensure the safety and welling of police. The Minister for Police and Emergency Services informed the Committee that police are at a high risk of contracting and spreading COVID-19, as police members are interacting with the community as part of their role. The Minister also added that the risk for police was heightened due to threats from the public to infect police with COVID-19 in the course of their duties.⁵⁶⁶

The Minister advised the Committee that Victoria Police were supplied with additional personal protective equipment (PPE) and were using it more in the course of their work. The Minister informed the Committee that the ‘Hotels for Heroes’ program had also been extended to police members, in order for them to have somewhere to isolate to protect their family from potential infection. The number of police who have used the hotel accommodation was unclear to the Committee. The Committee also heard that 1,800 police had been tested asymptotically through priority testing.⁵⁶⁷

Other police activities

During the public hearings the Committee heard from the Minister for Police and Emergency Services that concerns about stockpiling came after permits to acquire firearms increased significantly while there were lockdowns limiting the public’s ability to undertake recreational firearm activities. The Minister also added that the ban was informed by police activity and the ability for Victoria Police to make checks on firearms during the pandemic, when police may have been redeployed to undertake other duties.⁵⁶⁸

The ban on the sale of firearms and ammunition for recreational purposes was lifted on 12 May 2020.⁵⁶⁹

FINDING 72: In the period leading up to the ban of sale of firearms and ammunition for recreational purposes on 31 March 2020, permits to acquire firearms increased significantly. The ban was informed by Victoria Police’s ability to make checks on firearms and health restrictions put in place during the COVID-19 pandemic.

⁵⁶⁶ Hon. Lisa Neville MP, *Transcript of evidence*, p. 9.

⁵⁶⁷ *Ibid.*, pp. 8–9.

⁵⁶⁸ *Ibid.*, p. 15.

⁵⁶⁹ Victoria Police, *Firearms Industry News*, 1 July 2020, <<https://www.police.vic.gov.au/firearms-industry-news>> accessed 8 July 2020.

7.2.2 Fines and infringements

In March 2020, Victoria Police was given the ability to give on the spot fines to individuals and businesses breaching the Chief Health Officers directives. The way Victoria Police have administered COVID-19 fines has changed over time, in part due to some public concerns.

Statistics

The Committee heard that during Operation Sentinel 5,604 fines were given by 17 May 2020 valued at over \$8 million dollars. In addition, 37 fines had been given to businesses breaching COVID-19 regulations.⁵⁷⁰ As at 17 May 2020 Victoria had issued the most fines Australia-wide, issuing three times more infringements than Queensland and four times more than New South Wales.⁵⁷¹

Mr Graham Ashton, Chief Commissioner, Victoria Police advised the Committee that as of 19 May 2020, 165 fines had been paid in full, 337 fines had been cancelled and 437 fines were requested for review. The Chief Commissioner added that Fines Victoria are responsible for the cancellation and review process.⁵⁷² In response to questions on notice the Attorney-General advised that the Magistrates' Court was unable to determine whether any COVID-19 specific fines had been challenged in court.⁵⁷³

FINDING 73: Of the 5,604 fines issues by Victoria Police by 17 May 2020, 165 have been paid in full, 337 fines have been cancelled and 437 have been requested for review through Fines Victoria. The Committee was unable to determine the status of the remaining 4,665 fines.

Changes to Victoria Police's compliance and infringement practices

Since beginning compliance activities Victoria Police's practices in this area have evolved. The Committee found these changes have taken place in part due to a desire by Victoria Police to ensure their policing was based around compliance and was not heavy handed or disproportionate.⁵⁷⁴

⁵⁷⁰ Mr Graham Ashton, *Transcript of evidence*, p. 5.

⁵⁷¹ Tammy Mills, 'Ahead on Penalties: Victoria Leads Nation on COVID-19 Lockdown Fines', *The Age*, 27 May 2020, <<https://www.theage.com.au/national/victoria/ahead-on-penalties-victoria-leads-nation-on-covid-19-lockdown-fines-20200527-p54x0d.html>> accessed 8 July 2020; Department of Health, *Coronavirus (COVID-19) Current Situation and Case Numbers*, 7 July 2020, <<https://www.health.gov.au/news/health-alerts/novel-coronavirus-2019-ncov-health-alert/coronavirus-covid-19-current-situation-and-case-numbers>> accessed 8 July 2020.

⁵⁷² Mr Graham Ashton, *Transcript of evidence*, p. 14.

⁵⁷³ Hon. Jill Hennessy MP, Attorney-General - Minister for the Coordination of Justice and Community Safety: COVID-19, Inquiry into the Victorian Government's Response to the COVID-19 Pandemic hearing, response to questions on notice received 3 June 2020, p. 1.

⁵⁷⁴ Hon. Jill Hennessy MP, Minister for the Coordination of Justice and Community Safety: COVID-19 and Attorney-General, public hearing, Melbourne, 19 May 2020, *Transcript of evidence*, p. 11.

The Chief Commissioner advised the Committee that there had been confusion for both the police and public around the COVID-19 regulations and that while police had to adapt to enforcing new laws, there had been a lack of clarity among members around using discretion when issuing infringements. The Chief Commissioner added that Victoria Police had to contact the Chief Health Officer multiple times to clarify the health regulations in different situations.⁵⁷⁵

The Chief Commissioner told the Committee that highly publicised instances of fines given by police had drawn media attention and public criticism, citing the case of a learner driver who was fined while undertaking a driving lesson.⁵⁷⁶ The Committee was advised that in response to community concern, the Deputy Commissioner for Regional Operations at the time was reviewing all fines given daily and as a result had withdrawn approximately nine fines.⁵⁷⁷ In addition, the Deputy Commissioner also put in place a process in which each police member must check with a supervisor before issuing a fine.⁵⁷⁸

FINDING 74: Victoria Police have adjusted their approach and processes to issuing fines for COVID-19 infringements throughout the pandemic.

During the public hearings, the Committee heard that Victoria Police had deployed drones along Victorian beaches over Easter and the week preceding Easter. The police deployed drones from a truck, within sight of an operator, with the potential to upload the visual signal to the state control centre. The Chief Commissioner advised the Committee that members of the public would be unable to visually identify the drone as a police drone, although Victoria Police had plans to mark the drones so that they could be easily identified.⁵⁷⁹

Vulnerable and disadvantaged communities

The Committee heard concerns from the Federation of Community Legal Centres of the impact of Victoria Police issuing fines to vulnerable communities in areas of Victoria with a higher proportion of disadvantage. Similarly, there were also concerns from the Victorian Aboriginal Legal Service (VALS) that infringements would disproportionately affect vulnerable communities and compound existing disadvantage.⁵⁸⁰

Ms Rebecca Falkingham, Secretary, Department of Justice and Community Safety (DJCS) told the Committee that the Department was working closely with Victoria Police to monitor fines daily to ensure there was no disproportionate impact

⁵⁷⁵ Mr Graham Ashton, *Transcript of evidence*, pp. 5–7.

⁵⁷⁶ *Ibid.*, p. 20.

⁵⁷⁷ *Ibid.*

⁵⁷⁸ Hon. Lisa Neville MP, *Transcript of evidence*, p. 8.

⁵⁷⁹ Mr Graham Ashton, *Transcript of evidence*, p. 21.

⁵⁸⁰ Ms Nerita Waight, Chief Executive Officer, Victorian Aboriginal Legal Service, public hearing, Melbourne, 19 May 2020, *Transcript of evidence*, p. 7; Ms Samantha Sowerwine, Principal Lawyer, Homeless Law, Justice Connect, public hearing, Melbourne, 19 May 2020, *Transcript of evidence*, p. 6.

on vulnerable communities.⁵⁸¹ The Secretary added that through Fines Victoria, people could make applications for internal review based on different categories such as family violence, mental illness, homelessness or drug addiction. The Secretary also told the Committee that the Department, Victoria Police and Fines Victoria were working together to ensure people in those categories knew their options in relation to their infringements.⁵⁸²

In its response outlined in the questions on notice, the Attorney-General repeated that Victoria Police and Fines Victoria can conduct internal reviews but did not answer the question as to whether specific data was being collected as part of Victoria Police's work.⁵⁸³

VALS told the Committee that fines may impact the Aboriginal Community disproportionately. VALS was already assisting clients with COVID-19 fines and added that often fines can compound existing disadvantage.⁵⁸⁴ This was highlighted through the example of a homeless Aboriginal man who received a COVID-19 fine for sleeping on a park bench.⁵⁸⁵

In response to Questions on Notice, Victoria Police provided the Committee with a list of fines issued by LGA at 17 May 2020. Analysis of the data against the Australian Bureau of Statistic's Socio-Economic Indexes for Areas (SEIFA)⁵⁸⁶ data showed that the most disadvantaged LGAs in Victoria were receiving a proportionately higher number of fines than LGAs with the highest levels of advantage, which were issued with only 10% of fines.

⁵⁸¹ Ms Rebecca Falkingham, Secretary, Department of Justice and Community Safety, public hearing, Melbourne, 19 May 2020, *Transcript of evidence*, p. 19.

⁵⁸² *Ibid.*

⁵⁸³ Hon. Jill Hennessy MP, response to questions on notice, p. 3.

⁵⁸⁴ Ms Nerita Waight, *Transcript of evidence*, p. 7.

⁵⁸⁵ *Ibid.*, p. 6.

⁵⁸⁶ Socio-Economic Indexes for Areas (SEIFA) is a product developed by the ABS that ranks areas in Australia according to relative socio-economic advantage and disadvantage. The indexes are based on information from the five-yearly Census. SEIFA 2016 is based on Census 2016 data, and consists of four indexes, each focusing on a different aspect of socio-economic advantage and disadvantage, and being a summary of a different subset of Census variables. The SEIFA index used in this report is the Index of Relative Socio-Economic Disadvantage (IRSD).

Table 7.1 Fines issued and cases of COVID-19 across Victorian Local Government Areas, ranked by socioeconomic advantage as at 17 May 2020

Local government area (LGA)	SEIFA rank	Fines	LGA population	Fines per capita (%)	Proportion of total fines (%)
Central Goldfields	1	15	13,209	0.11	0.3
Greater Dandenong	2	333	166,094	0.20	6.1
Brimbank	3	181	208,714	0.09	3.5
La Trobe	4	125	75,211	0.17	2.5
Mildura	5	55	55,515	0.10	1.1
Northern Grampians	6	24	11,431	0.21	0.5
Yarriambiack	7	15	6,658	0.23	0.3
Ararat	8	16	11,795	0.14	0.3
Loddon	9	5	7,513	0.07	0.1
Swan Hill	11	23	20,759	0.11	0.5
Total		792	576,899	1.41	15.2
Banyule	70	39	130,237	0.03	0.8
Macedon Ranges	71	41	49,388	0.03	0.9
Manningham	72	17	125,508	0.01	0.4
Port Phillip	73	114	113,200	0.10	2.4
Glen Eira	74	73	153,858	0.05	1.5
Surf Coast	76	28	32,251	0.09	0.6
Stonnington	77	82	116,207	0.07	1.7
Boroondara	78	54	181,289	0.03	1.2
Bayside	79	26	105,718	0.02	0.6
Nillumbik	80	5	64,941	0.01	0.1
Total		479	1,072,597	0.44	10.2

Source: Public Accounts and Estimates committee, compiled from Victoria Police fines data, Australia Bureau of Statistics Socio-Economic Indexes for Areas data and Population Estimates by Local Government Area, 2017 to 2018. Fines were not issued in Hindmarsh (SEIFA rank 10) nor Queenscliff (SEIFA rank 75). The ABS has 80 SEIFA–79 Councils and 1 ‘unincorporated parts of Victoria’ category.

7.3 Corrections

Correctional and detention facilities are likely to be at increased risk of significant transmission and infection with COVID-19 ... Correctional and detention facilities are higher risk environments for outbreaks because of difficulties practicing physical distancing in these facilities, where inmates are often located in close proximity.⁵⁸⁷

Communicable Diseases Network Australia

⁵⁸⁷ Communicable Diseases Network Australia, *Coronavirus Disease 2019 (COVID-19) Outbreaks in Correctional and Detention Facilities: CDNA National Guidelines for the Prevention, Control and Public Health Management of COVID-19 Outbreaks in Correctional and Detention Facilities in Australia*, 10 June 2020.

In Victoria the risk of COVID-19 outbreaks in prisons, youth detention centres and for those using community correctional services has resulted in significant changes to the way these facilities and services operate.

Multiple preventative measures are in place inside prisons and youth justice facilities to minimise the risk of COVID-19 outbreaks. These measures include the prohibition of personal visitors and use of protective quarantine. Decarceration has been used to minimise risk in other jurisdictions such as Ontario, Quebec, California, England and Wales.

The potential use of isolation in youth justice facilities under the *Children, Youth and Families Act 2005* and risk of homelessness on exiting prisons were raised as concerns with the Committee.

7.3.1 Case numbers and risks

At the time of giving evidence the Attorney-General advised the Committee that there have been no cases of COVID-19 in Victoria's corrections or youth justice facilities.⁵⁸⁸ The Attorney-General noted that it is not just the prisoners that the Government is seeking to keep safe, but also the staff and those providing key services in prisons as well.⁵⁸⁹ By 19 May 2020, two Corrections staff had tested positive. Corrections Victoria explained:

... one staff member who came back from overseas and did not actually enter the workplace and has since recovered and a head office staff member who tested positive very early and isolated and has now returned to the workplace very healthy.⁵⁹⁰

As at 23 July 2020 there are cases of COVID-19 infection in Victoria's prison and youth justice system. Several prisons are in lock down.

FINDING 75: As at 23 July 2020 there are cases of COVID-19 infection in Victoria's prison and youth justice system. Several prisons are in lock down.

The risks of COVID-19 in correctional facilities can be regarded from a number of different perspectives including using international data and actuarial assessments. Corrections Victoria advised the Committee that:

If you look globally how many people are being affected in prisons, it is around 41,000 globally and we have had globally 802 deaths. So it is really important that we do everything possible to protect the system, and quarantine has been a really effective strategy.⁵⁹¹

⁵⁸⁸ Hon. Jill Hennessy MP, *Transcript of evidence*, p. 2.

⁵⁸⁹ *Ibid.*, p. 13.

⁵⁹⁰ *Ibid.*

⁵⁹¹ Dr Emma Cassar, *Transcript of evidence*, p. 13.

In a recent legal case—*Rowson v Department of Justice and Community Safety*, DJCS questioned the relevance of the expert evidence presented on infection rates in prisons overseas. The expert acting for the plaintiff was Professor Coker, Emeritus Professor of Public Health at the London School of Hygiene and Tropical Medicine. The Judge stated:

As a specific example, the defendants (DJCS) referred to Professor Coker’s statement that ‘an increased exposure risk is occurring to prisoners and prison employees around the world because many prisoners, many prison staff, and many prisons already have documented COVID-19. They (DJCS) noted that this is not the case in Australia and his opinion does not translate to the situation in Victoria’.⁵⁹²

Another expert report provided at the hearing on 29 April 2020 advised the court that if infection rates remained stable, the cumulative risk of infection over the subsequent four weeks would range between 0.006% and 0.013%, that is, there is a 1 in 7,880–15,760 chance of contracting COVID-19. He considered it was most likely that the current risk of infection of a prison is lower than the risk of infection in the general community. But the risk would be higher than to the general population if a COVID-19 outbreak occurs in Port Phillip Prison.⁵⁹³

Not only does the nature of a closed environment such as a prison influence the risk of people becoming infected with COVID-19 virus, the vulnerability of the population in the closed environment must also be taken into account. The Communicable Disease Network Australia (CDNA) states in its guidelines in relation to COVID-19 outbreaks in correctional and detention facilities:

While all respiratory viruses can cause outbreaks and significant morbidity and mortality, COVID-19 is acknowledged as a significant health risk particularly for individuals at higher risk of developing severe illness ... Individuals known, or are likely to be at higher risk for severe illness from COVID-19 include:

- People 70 years and older
- People 65 years and older with chronic medical conditions. The conditions included as ‘chronic medical conditions’ will be refined as more evidence emerges. The current conditions are listed on the Department of Health website
- Aboriginal and Torres Strait Islander people 50 years and older with one or more chronic medical conditions
- People with compromised immune systems.⁵⁹⁴

While it is well understood that many prisoners are at higher risk of contracting COVID-19 in a closed setting, it is difficult to accurately determine how many Victorian prisoners fall into these higher risk categories. The 2018-19 Corrections Victoria Annual Prisoner Profile shows that 7.4% of the current Victorian prison population are

⁵⁹² *Mark Rowson v Department of Justice and Community Safety* (2020) 236 VSC, p. 35.

⁵⁹³ *Ibid.*, p. 43.

⁵⁹⁴ Communicable Diseases Network Australia, *Coronavirus Disease 2019 (COVID-19) Outbreaks in Correctional and Detention Facilities*, pp. 4–7.

Aboriginal or Torres Strait Islanders who are 50 years of age or older.⁵⁹⁵ The profile shows that 5.7% of all prisoners are 60 years of age or older.⁵⁹⁶ There is no category recorded for prisoners 70 years and older. The profile does not record the health of the prison population. A search of the DJCS website only shows one dated study of the status prisoner health that was based on survey data from 2002.⁵⁹⁷

7.3.2 Prisons

The Corrections Commissioner issues requirements that set out high level procedures in respect of operational matters. All staff providing correctional services in Victoria must adopt the procedures. The Commissioner's Requirement *1.4.9 Management of prisoners during the COVID-19 pandemic* is most relevant to this section of the report. The Committee understands that the requirement is consistent with the CDNA National Guidelines for the Prevention, Control and Public Health Management of COVID-19 Outbreaks in Correctional and Detention Facilities in Australia.

The CDNA states in its guidelines that facilities must ensure that they are prepared for outbreaks of COVID-19. Furthermore, the guidelines state that a well-functioning infection prevention control (IPC) program working in concert with a well-functioning occupational health program, is the basis for an effective IPC response during the COVID-19 pandemic.⁵⁹⁸

The limitations imposed by the physical infrastructure and prisoner numbers at the three general reception facilities—Melbourne Assessment Prison, Metropolitan Remand Centre and Port Phillip Prison—means these sites operate differently during the pandemic to the rest of the prison system. As Corrections Victoria explained to the Committee:

The system is operating pretty much as usual with the exception of those front-end facilities where because of the numbers within those facilities we cannot maintain the social distancing that is required. Literally we shut half of the facility down for the day and let half out to ensure that we have got enough space. They are the only restrictions. The rest of the system we have deliberately tried to keep open and operating as usual, which is not lockdown.⁵⁹⁹

The Attorney-General provided a detailed description to the Committee of the preventative measures introduced in Victorian prisons including:

- screening and temperature checks for all prisoners, staff and professional visitors entering correctional and youth justice facilities

⁵⁹⁵ Corrections Victoria, *Annual Prisoner Statistical Profile 2006-07 to 2018-19*, 3 July 2020, <<https://www.corrections.vic.gov.au/annual-prisoner-statistical-profile-2006-07-to-2018-19>> accessed 21 June 2020. (Table 4.1 Annual Prisoner Statistical Profile).

⁵⁹⁶ Ibid. (Table 1.5 Annual Prisoner Statistical Profile).

⁵⁹⁷ Corrections Victoria, *Victorian Prisoner Health Study*, 3 July 2020, <<https://www.corrections.vic.gov.au/victorian-prisoner-health-study>> accessed 21 June 2020.

⁵⁹⁸ Communicable Diseases Network Australia, *Coronavirus Disease 2019 (COVID-19) Outbreaks in Correctional and Detention Facilities*, p. 8.

⁵⁹⁹ Dr Emma Cassar, *Transcript of evidence*, p. 15.

- additional cleaning within prisons
- offender behaviour and drug and alcohol programs delivered remotely
- primary and mental health services utilising telehealth
- quarantine of suspected and confirmed COVID-19 cases and a 14 day quarantine for all prisoners entering custody
- all personal visitors have been prohibited from entering a prison from 20 March 2020 except in exceptional circumstances.⁶⁰⁰

FINDING 76: Multiple prevention measures have been introduced in Victoria’s prisons to minimise the risk of COVID-19 entering the system. All personal visitors have been prohibited from entering a prison from 20 March 2020.

The Committee gained some insight into the nature of COVID-19 infection prevention and control in Port Phillip Prison. The Attorney-General advised the Committee of an application to the Supreme Court—*Rowson v Department of Justice and Community Safety*—where a prisoner sought an order for release based on their particular health risks.⁶⁰¹ The order was not granted but the Court found that no risk assessment of the Gorgon Unit or the prison as a whole had occurred as the CDNA recommended. The court directed that such an assessment be undertaken and any recommendations implemented. The Committee was provided with a copy of the review findings.⁶⁰²

The review undertaken by Infection Prevention Australia concluded that ‘overall the findings of the inspection would indicate that the facility has a robust system in place to minimise risk to any individual, whether that be prisoner or staff member’.⁶⁰³ The main area identified for improvement was with the use of PPE in the protective quarantine units. For example, there was inconsistency in what PPE was being worn, a lack of correct sequence with little hand hygiene performed, healthcare workers entering from the ‘dirty zone’ via the clean zone already in their PPE and incorrect doffing procedure observed.⁶⁰⁴

RECOMMENDATION 15: Corrections Victoria confirm all Victorian prisons and youth justice centres comply with the Communicable Disease Network Australia Guidelines for the prevention, control and public health management of COVID-19 outbreaks in correctional and detention facilities in Australia and confirm an infection control program has been formalised and is being fully implemented at each site.

⁶⁰⁰ Hon. Jill Hennessy MP, *Transcript of evidence*, p. 2; Hon. Jill Hennessy MP, Attorney-General - Minister for the Coordination of Justice and Community Safety: COVID-19, Department of Justice and Community Safety, *COVID-19 public hearing presentation*, supplementary evidence received 19 May 2020, p. 13.

⁶⁰¹ Hon. Jill Hennessy MP, *Transcript of evidence*, p. 9.

⁶⁰² Infection Prevention Australia, *Infection Prevention and Control Review Port Phillip Prison: COVID-19 Risk Assessment and Compliance Report*, supplementary evidence received 3 June 2020.

⁶⁰³ *Ibid.*, p. 20.

⁶⁰⁴ *Ibid.*, pp. 6-7.

Under the *COVID-19 Omnibus (Emergency Measures) Act 2020* s.1120 the Secretary or the Governor can restrict the movement and placement of prisoners to prevent, detect or mitigate the risk of COVID-19 or related health risks to a prison, prisoners, prison staff, visitors or any other person. The rationale for and implementation of protective quarantine was discussed at the public hearing. As of 19 May 2020, at any one time approximately 400 prisoners in the corrections system are in protective quarantine.⁶⁰⁵ The Attorney-General explained that:

...COVID-19 has got an incubation period of about up to 14 days ... Because of the high level of risk of putting people into a corrections system in that environment, that has largely, with the Chief Health Officer's advice, really governed and driven the way in which we have developed our response here in Victoria and it is very, very similar to the responses that are being developed and that have been adopted in other states.

Protective quarantine is at four sites, as we have just discussed, and that is at the Melbourne Assessment Prison, the Metropolitan Remand Centre, Port Phillip Prison, Ravenhall and Dame Phyllis Frost. The quarantine process is obviously trying to make sure that we are reducing the risk of the virus being brought in and being very conscious of the physical and mental implications of that for a person in prison. They are usually accommodated in single cells where possible, and Corrections Victoria seeks health and medical advice from Forensicare about whether alternative accommodation options are required, particularly where you have got someone who might have some other mental health issues as well. Managing all of that in this context and doing that in a way that is safe for everyone involved is a really important part. Prisoners remain in protective custody for as long as the health and medical advice states, and getting health advice is one of the aims of the mandatory quarantine processes. If ultimately there is advice that a shorter period of quarantine is required, then a shorter period of quarantine will be applied. Professional visits are facilitated through in-cell phone or video calls. We certainly encourage prisoners to maintain some form of contact with family as well. Individual risk assessments are completed before or at the time of entry and we are very conscious of our legal obligations as well in that environment.⁶⁰⁶

A prisoner's sentence can be reduced by 14 days if they have had to spend 14 days in protective quarantine, have been well behaved and incident free.⁶⁰⁷

The Attorney-General advised that family and community connections are important to the rehabilitation of prisoners and successful reintegration back into the community.⁶⁰⁸

Video call technology was rolled out to all correctional facilities when personal visits could no longer continue. Over 4,000 virtual personal visits are facilitated each week across the prisons. The Committee notes that this equates to approximately one video call per fortnight for every prisoner.

⁶⁰⁵ Dr Emma Cassar, *Transcript of evidence*, p. 14.

⁶⁰⁶ Hon. Jill Hennessy MP, response to questions on notice, pp. 16-17.

⁶⁰⁷ Dr Emma Cassar, *Transcript of evidence*, p. 14.

⁶⁰⁸ Hon. Jill Hennessy MP, response to questions on notice, p. 2.

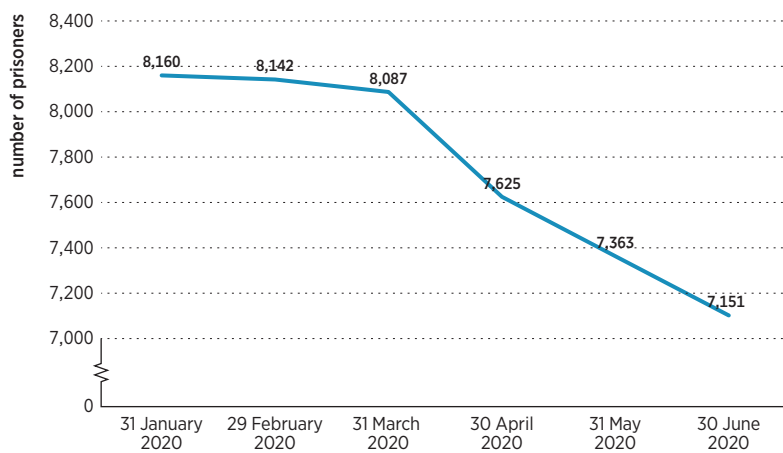
FINDING 77: As of 19 May, at any one time around 400 prisoners are in protective quarantine. Prisoners subject to protective quarantine are eligible for a reduced sentence under certain conditions.

VALS advised the Committee that despite some of the positive aspects of the government’s response to the COVID-19 pandemic, it has concerns about the way Aboriginal people have been impacted:

In particular we are concerned about the treatment of Aboriginal people in prisons, including mandatory protective quarantine for all people entering prisons and an increase in lockdowns in facilities such as Port Phillip, where clients have reported being in their cells for 20 hours a day for four weeks. If this continues, it is only a matter of time before there is another black death in custody.⁶⁰⁹

Other COVID-19 risk reduction measures in the corrections setting discussed at the public hearing included decarceration.⁶¹⁰ Some overseas jurisdictions such as Ontario, Quebec, California, England and Wales have released prisoners early. The Law Institute of Victoria (LIV) advised the Committee LIV had recommended the release of prisoners on remand.⁶¹¹ The Victorian Government’s policy position is to ‘keep the virus out of the prisons and to keep the prisoners in prison’.⁶¹² The Committee notes that since the end of March 2020, Victoria’s prison population has declined. Figure 7.1 illustrates the pre COVID pandemic and COVID pandemic total prison population in Victoria.

Figure 7.1 Victoria’s pre COVID-19 and COVID-19 pandemic prison population



Source: Corrections Victoria, *Monthly Prisoner and Offender Statistics 2019-20*, 2020, <<https://www.corrections.vic.gov.au/monthly-prisoner-and-offender-statistics-2019-20>> accessed 9 July 2020.

⁶⁰⁹ Ms Nerita Waight, *Transcript of evidence*, p. 2.

⁶¹⁰ Hon. Jill Hennessy MP, *Transcript of evidence*, p. 18.

⁶¹¹ Mr Sam Pandya, President, Law Institute of Victoria, public hearing, Melbourne, 19 May 2020, *Transcript of evidence*, p. 7.

⁶¹² Hon. Jill Hennessy MP, *Transcript of evidence*, p. 18.

The issue of housing for people leaving prisons was also raised at the public hearing. Justice Connect welcomed the government's proposal to repurpose the Maribyrnong detention facility and temporary measures to allow prisoners to exit into housing. However Justice Connect noted that:

... the issue of prisoners being released into homelessness is a really live issue. More than 54 per cent of prisoners expect to be homeless on release and we know that in Victoria 44 per cent of prisoners who are released into homelessness are likely to end up back in prison within two years, at a cost that is extreme to the state.⁶¹³

7.3.3 Youth justice facilities

Changes have also been introduced to how youth justice facilities are being operated in Victoria during the pandemic that are not dissimilar those in prisons. The Secretary advised the Committee of the following measures:

- enhanced screening with temperature checking and screening of young people for COVID-19 risk and illness on entry to facilities (screening commenced on 19 March)
- modifying admissions processes and using infrastructure to reduce the level of group contact, particularly for new admissions
- implementing temperature checking for staff and visitors with processes in place to turn people away
- arrangements for significant PPE to be made available if necessary
- implementation of hard cleaning procedures from mid March
- suspension of most temporary leave arrangements for young people except for medical and compassionate purposes on a case by case basis
- clear instructions to staff and young people on physical distancing and personal hygiene
- accelerating the commissioning of new infrastructure to provide more capacity to respond to the future impacts of COVID-19.⁶¹⁴

The delivery of mental health services, broader health services and education has continued.

FINDING 78: Many of the COVID-19 infection prevention measures used in Victoria's prisons are also being applied in youth justice facilities.

⁶¹³ Ms Samantha Sowerwine, *Transcript of evidence*, p. 5.

⁶¹⁴ Ms Rebecca Falkingham, *Transcript of evidence*, p. 15.

The Law Institute of Victoria (LIV) has two concerns regarding youth justice facilities and the amendments made to the *Children, Youth and Families Act 2005*.⁶¹⁵ The LIV is concerned under s 600M(2) permits those in youth detention to be placed in isolation ‘whether or not the person isolated is suspected of having ... COVID-19 or any other infectious disease’. The LIV is concerned that this will allow a young person to be placed in isolation without proper justification. Further, s 600M(8) allows the Secretary to extend the minimum period in isolation over the 14 day period. In the LIV’s view, this provision may be abused to keep a child in isolation without proper cause. The LIV made two possible recommendations in this regard including that the Children’s Commissioner be notified of any period of isolation, including periods where entitlements are suspended.⁶¹⁶

LIV also has concerns that the provision on ‘Requirements relating to attendance at a youth justice unit’ in the *Children, Youth and Families Act 2005* potentially provides the Secretary with the power to exclude independent visitors such as the Children’s Commissioner.⁶¹⁷ The LIV recommended changes to this provision.

7.3.4 Community correctional services

The Attorney-General advised the Committee that Community Correctional Services (CCS) delivery had changed to a ‘remote access model’ across Victoria.⁶¹⁸ A small complement of staff are on site to support the remote operations and facilitate the attendance of offenders presenting a heightened level of risk. Details of the CCS were not discussed at the public hearing.

VALS appearing with the Federation of Community Legal Centres (FCLC) at the hearing advised the Committee of its concerns about court delays and the backlog in the court system. As VALS stated:

Delays are having significant impacts for Aboriginal people in custody and those on bail and community-based orders, particularly people with strict bail and community correction order conditions. We would like further clarity on how the courts will address the backlog once restrictions are eased and ensure adequate access to legal advice and representation.⁶¹⁹

⁶¹⁵ Mr Sam Pandya, President and Mr Adam Awty, Chief Executive Officer, Law Institute of Victoria, *Letter to Attorney-General regarding Covid-19 Omnibus (Emergency Measures) Bill 2020*, supplementary evidence received 28 May 2020, pp. 3–4.

⁶¹⁶ Ibid.

⁶¹⁷ Ibid., p. 4.

⁶¹⁸ Hon. Jill Hennessy MP, *Transcript of evidence*, p. 2.

⁶¹⁹ Ms Nerita Waight, *Transcript of evidence*, p. 4.

7.4 Courts

Victoria's court system includes the Supreme, County, Magistrates', Children's and Coroners courts, while the Victorian Civil and Administrative Tribunal (VCAT) hears and decides a range of civil and administrative legal cases. In VCAT alone 85,000 cases are heard each year.⁶²⁰

Victoria's court system is one that predominantly relies on paper-based record keeping and in person hearings. Consequently, the impact of the COVID-19 pandemic has been profound at all levels of the Victorian court system. At the outset of the COVID-19 pandemic, the court and justice system had to change and adapt in order to continue operating.⁶²¹

The Victorian Parliament passed legislation to support the ongoing operations of the court and justice system. The Government has provided funding to community legal centres to assist with the continued provision of legal assistance to Victorians. While these responses have provided some assistance, the justice sector has experienced some difficulties. There are backlogs of adjourned cases and it is still unknown what impact processes such as judge-only trials will have on the delivery of justice. Community legal centres have concerns that they will not have the resources to meet the growing demand for legal services in light of the impacts of the COVID-19 pandemic. The Committee found that there is currently a lack of data on court delays, backlogs and the use of technology in Victorian courts which makes an assessment of the impact of COVID-19 on the courts and justice system difficult.

7.4.1 Impact of the COVID-19 pandemic on Victoria's court system

The Victorian Government's health regulations and social distancing requirements meant that all areas of the justice system had to immediately review and adjust their practices. Courts and the legal profession were forced to change from a predominantly face-to-face mode of delivery of justice and services to digital access and new ways of working, in a short space of time.

On 18 March 2020 VCAT suspended all of its in person hearings, prioritised its caseload and began to hear only urgent matters over the phone.⁶²² The Magistrates' Court remained open but on 24 March 2020 the court adjourned all non-urgent matters

⁶²⁰ Victorian Civil and Administrative Tribunal, *Law Week - CEO*, video, 19 May 2020, <<https://www.vcat.vic.gov.au/news/law-week-2020>> accessed 8 July 2020.

⁶²¹ Mr Adam Awty, Chief Executive Officer, Law Institute of Victoria, public hearing, Melbourne, 19 May 2020, *Transcript of evidence*, pp. 2–3; Mr Sam Pandya, *Transcript of evidence*, p. 1; Victorian Civil and Administrative Tribunal, *Law Week - CEO*, video; Hon. Jill Hennessy MP, *Transcript of evidence*, p. 1.

⁶²² Victorian Civil and Administrative Tribunal, *VCAT Planning and Environment is Going Digital!*, 28 April 2020, <<https://www.vcat.vic.gov.au/news/vcat-planning-and-environment-is-going-digital>> accessed 8 July 2020.; Victorian Civil and Administrative Tribunal, *Law Week - CEO*, video.

and contested committal hearings to an unspecified date in 2020.⁶²³ From 27 March 2020 the County Court similarly scaled down their work and focusing on high priority, essential or urgent matters.⁶²⁴ Many courts prioritised work that was possible while following COVID-19 regulations, including determining matters 'on the papers'. All courts have needed to heavily restrict access to their physical locations and the higher courts suspended jury trials.⁶²⁵

COVID-19 Omnibus (Emergency Measures) Act 2020

The *COVID-19 Omnibus (Emergency Measures) Act 2020* (the Omnibus Act) was passed by the Victorian Parliament on 24 April 2020 and included a number of provisions that made amendments to the operation of the justice system, in an effort to allow for its continued operation while complying with COVID-19 health restrictions.

The Omnibus Act amended various Acts in order to allow several procedural and process changes. This included the introduction of judge-only trials in some circumstances and the ability for the Magistrates' Court to impose electronic monitoring conditions on Community Corrections Orders. The Omnibus Act allowed for courts to hear a greater number of matters by audio visual and audio link, deal with matters without a hearing and modify their internal procedures and arrange alternatives to physically accessing court rooms.⁶²⁶

The Omnibus Act also included regulation-making powers to be exercised by the Governor in Council on recommendation of the Attorney-General. This is to allow the implementation of emergency regulations in justice system matters in areas such as issuing family violence intervention orders, issuing or transmitting court orders or warrants, among other areas.⁶²⁷ This power has been exercised a number of times since the introduction of the legislation including to facilitate the electronic signing and witnessing of some legal documents.⁶²⁸

Judge-only trials

After the suspension of all jury trials on 16 March 2020, the Omnibus Act allowed for judge-only trials to proceed for indictable offences in circumstances where the accused agreed, and the prosecution was consulted.⁶²⁹

⁶²³ Magistrates' Court of Victoria, *Your Questions Answered During COVID-19*, 16 June 2020, <<https://www.mcv.vic.gov.au/news-and-resources/news/your-questions-answered-during-covid-19>> accessed 8 July 2020.

⁶²⁴ County Court Victoria, *Major Changes to Operations*, 27 March 2020, <<https://www.countycourt.vic.gov.au/news-and-media/news-listing/2020-03-27-major-changes-operations>> accessed 8 July 2020.

⁶²⁵ Hon. Jill Hennessy MP, *COVID-19 public hearing presentation*, p. 2.

⁶²⁶ Hon. Jill Hennessy MP, *Temporary Emergency Measures To Manage Coronavirus Crisis*, media release, Victorian Government, Melbourne, 21 April 2020.

⁶²⁷ TimeBase, *New VIC COVID-19 Omnibus (Emergency Measures) Act 2020*, 28 April 2020, <<https://www.timebase.com.au/news/2020/AT05035-article.html>> accessed 8 July 2020.

⁶²⁸ Department of Justice and Community Safety, *Electronic Signing and Remote Witnessing During Coronavirus (COVID-19) Restrictions*, 12 May 2020, <<https://www.justice.vic.gov.au/electronicwitnessing>> accessed 8 July 2020.

⁶²⁹ Hon. Jill Hennessy MP, *Temporary Emergency Measures To Manage Coronavirus Crisis*, media release; County Court Victoria, *New Jury Trials Suspended from Monday 16 March*, 14 March 2020, <<https://www.countycourt.vic.gov.au/news-and-media/news-listing/2020-03-14-new-jury-trials-suspended-monday-16-march>> accessed 8 July 2020.

During the public hearings the Committee questioned whether a defendant on remand may feel pressure to choose a judge-only trial in the context of the COVID-19 pandemic, if they believed they may have a high chance of acquittal and their other option was to await the resumption of jury trials and remain in custody. The Attorney-General advised the Committee that this risk had been weighed up during the creation of the Omnibus Act. The Attorney-General advised the Committee that judge-only trials would affect only a small cohort of offenders.⁶³⁰ The Committee found that by 7 July 2020, a few criminal cases had been approved to run but had not yet been heard. A number of civil cases had proceeded judge-alone when there would have ordinarily been an option to be tried by jury.⁶³¹

Due to the limited use of judge-only trials and a lack of data, the Committee was unable to determine whether judge-only trials had been effective in progressing some matters.

FINDING 79: As of 7 July 2020 a number of criminal trials had been approved to run judge-alone, while a number of civil trials have proceeded as judge-alone.

RECOMMENDATION 16: In its annual report, Court Services Victoria consider detailing how many trials proceeded as judge-alone under the Omnibus Act.

Use of technology

On 20 March 2020 the Chief Justice of the Supreme Court of Victoria Anne Ferguson announced all Victorian courts, including VCAT, would begin managing court appearances through electronic and digital means. This was to ensure the courts were abiding by COVID-19 regulations and to ensure the continued operation of the Victorian justice system. Chief Justice Ferguson stated not all courts had technological capability, but work was being completed across the board to build this capability, with a pilot system beginning in March.⁶³² In documents published on the same day, the County Court set out their procedures during the pandemic and advised the Court would be exploring how certain cases could be conducted remotely. The Court added that:

Experience shows that the current technical capacity of the Court to conduct such multiple hearings in this manner consistently and reliably are very limited.⁶³³

The Victorian Government supported the courts in this area through the Omnibus Act, which allowed for courts to hear a larger number of matters through audio visual means and audio link and change their procedures to limit physical access to court rooms.⁶³⁴

⁶³⁰ Hon. Jill Hennessy MP, *Transcript of evidence*, p. 10.

⁶³¹ *Director of Public Prosecutions v Lionel Combo* (2020) VCC 726; Ms Louise Anderson, Chief Executive Officer, Court Services Victoria, public hearing, Melbourne, 19 May 2020, *Transcript of evidence*, p. 10.

⁶³² Supreme Court of Victoria, *Statement from the Chief Justice of Victoria*, 20 March 2020, <<https://www.supremecourt.vic.gov.au/news/statement-from-the-chief-justice-of-victoria-COVID-19-update-2>> accessed 8 July 2020.

⁶³³ County Court Victoria, *Divisional and List Responses to COVID-19*, Melbourne, 20 March 2020, p. 5.

⁶³⁴ TimeBase, *New VIC COVID-19 Omnibus (Emergency Measures) Act 2020*.

The Government also committed \$5.2 million in funding over 12 weeks to VCAT on 28 April 2020 to assist VCAT in hearing planning and other urgent matters remotely. The funding was directed towards upgrading VCAT's information technology, internal software and other upgrades to assist the tribunal in hearing matters digitally, with a focus on the Planning and Environment list.⁶³⁵

The Committee found that VCAT relies on a predominantly paper-based system and after stopping face to face hearings, VCAT was unable to support online hearings at all, only progressing hearings via telephone and on the papers. VCAT stated that the funding provided by the Government had allowed for the digitisation of the Planning and Environment list and on 18 May 2020, VCAT began to expand the matters it was hearing to matters that could reasonably proceed by either videoconference or telephone.⁶³⁶

FINDING 80: Funding provided to the Victorian Civil and Administrative Tribunal by the Victorian Government for upgrading its systems allowed the Tribunal to hear a wider variety of matters and begin using videoconferencing.

The LIV told the Committee that the legal system was able to find rapid solutions to continue work during the pandemic, including the use of different technologies. The LIV added that using technology in courts such as VCAT and the Magistrates' Court was more difficult due to their high volume and the need for self-representing litigants to interact with the technology.⁶³⁷

The Attorney-General told the Committee that in April 2020, 94% of court matters heard from prison were completed by videolink, up from just over 50% the preceding year. In April, the Supreme and County Courts heard 700 matters using audio visual link.⁶³⁸ However, the Committee also found that after reducing their work in March, the Magistrates' Court started hearing their first matters online in the week of 11 May 2020.⁶³⁹

FINDING 81: The use of audio visual link to hear matters from prison increased 44% from April 2019 to April 2020. In April 2020 the Supreme and County Courts heard 700 matters using audio visual link.

⁶³⁵ Hon. Jill Hennessy MP, *Getting VCAT Moving Remotely During Coronavirus*, media release, Victorian Government, Melbourne, 28 April 2020.

⁶³⁶ Victorian Civil and Administrative Tribunal, *VCAT Hearings During Coronavirus Restrictions*, 28 April 2020, <<https://www.vcat.vic.gov.au/news/vcat-hearings-during-coronavirus-restrictions>> accessed 8 July 2020; Victorian Civil and Administrative Tribunal, *Law Week - CEO*, video.

⁶³⁷ Mr Adam Awty, *Transcript of evidence*, pp. 2–3.

⁶³⁸ Hon. Jill Hennessy MP, *Transcript of evidence*, p. 3.

⁶³⁹ Magistrates' Court of Victoria (@MagCourtVic), 'MCV will hear its first matters online next week. Parties appear via WebEx with the Magistrate and clerk in court at Melbourne. The pilot commences with bail hearings, with plans for more matters and court locations. Chief Magistrate Judge Hannan presided over the final test.', tweet, 8 May 2020, 2:41 pm, <<https://twitter.com/MagCourtVic/status/1258617993526796288>> accessed 8 July 2020.

In its response to questions on notice, the LIV told the Committee that some regional areas were unable to accommodate audio visual link.⁶⁴⁰ FCLC concurred with this, stating:

... due to the lack of consistent statewide technology, remote hearings are not occurring. In this context there should be flexibility and interim measures put in place, such as telephone and use of Teams, while the statewide solution is implemented. This would reduce adjournments and increase the effectiveness of orders, ensuring they contain all relevant considerations specific to the situation. This is for community legal centres across the board but also in regional areas.⁶⁴¹

In its response to questions on notice, DJCS advised the Committee that to 30 May 2020, VCAT and the Victorian courts aimed to hear all cases via videoconferencing, telephone conferencing or on the papers without recourse to in-person hearings. DJCS advised that reliance on videoconferencing differed across the courts, ranging from 40–100%.⁶⁴²

There is currently no available data to demonstrate how many hearings or matters have progressed with the use of audio-visual link and the use of technology across the entire Victorian court system. The Committee was unable to determine the extent to which the courts work program continued to operate with available technologies.

RECOMMENDATION 17: In its annual report, Court Services Victoria consider publishing information on how each court utilised technology during the COVID-19 pandemic.

Backlogs

There are continued concerns that, while the courts have made efforts to continue their work and legislation has been created to support this, the COVID-19 pandemic and the restrictions placed on the operations of the justice system has created large delays and backlogs in dealing with cases and matters.

The LIV told the Committee that VCAT and the Magistrates' Court were the most acutely impacted by the pandemic due to the high volume of matters that they hear.⁶⁴³ The Committee found that for the first six weeks of the COVID-19 emergency, VCAT dealt with 5,000 urgent matters by phone. VCAT usually hears 85,000 matters a year and approximately 1,600 per week. A plan to manage its backlog is in development.⁶⁴⁴

⁶⁴⁰ Law Institute of Victoria, *Inquiry into the Victorian Government's Response to the COVID-19 Pandemic hearing*, response to questions on notice received 28 May 2020, p. 1.

⁶⁴¹ Ms Shorna Moore, Director, Policy and Engagement, Federation of Community Legal Centres (Vic), public hearing, Melbourne, 19 May 2020, *Transcript of evidence*, p. 8.

⁶⁴² Hon. Jill Hennessy MP, response to questions on notice, p. 7.

⁶⁴³ Mr Adam Awty, *Transcript of evidence*, p. 8.

⁶⁴⁴ Victorian Civil and Administrative Tribunal, *VCAT Hearings During Coronavirus Restrictions*; Victorian Civil and Administrative Tribunal, *Law Week - CEO*, video.

The Committee was informed that the Magistrates' Court and the Children's Court were averaging 120 hearings a day combined in mid-May 2020, while it was reported on 20 May 2020 the Magistrates' Court was hearing 244 matters a day relating to the most urgent applications.⁶⁴⁵ In their 2018–19 Annual Report, the Magistrates' Court reported the Court finalised over 270,000 cases across Victoria or an average of over 5,000 a week.⁶⁴⁶ Data from the Australian Productivity Commission from 2018 demonstrates there are existing and varying levels of backlog through almost all levels of Victoria's courts compared to national benchmarks.⁶⁴⁷

Research undertaken by the Australian Institute of Criminology suggests delays in the criminal justice system have unintended consequences such as hardship for victims and their families and undermining public confidence in the system's ability to deliver justice.⁶⁴⁸

VALS told the Committee that delays in sentencing had impacts on those on bail and on remand, and that VALS had already heard from clients whose time in custody had been extended due to delays in sentencing. VALS added that it had clients who had court dates pushed back to 2021. Many of those clients were not in custody, but VALS told the Committee that delayed sentencing while on bail could impact a client's economic stability and ability to find work.⁶⁴⁹ VALS also stated:

there is a lot of uncertainty around what will happen when courts reopen, because we do not have the answers. We do not know exactly how they are going to phase those matters out, and that could mean they then have matters protracted for a very lengthy period of time. Due to the complexity that our clients suffer, they will most likely be pushed back to allow for longer times to hear, so that will then again extend their period of time in custody.⁶⁵⁰

Most courts publish the data on their activities during the financial year in their annual reports. There is currently no accurate data to quantify how many matters and hearings have been adjourned and for how long.

RECOMMENDATION 18: Court Services Victoria consider publishing data on how many matters have been adjourned in each jurisdiction and the nature of any delays each court is experiencing due to COVID-19.

⁶⁴⁵ Hon. Jill Hennessy MP, *Transcript of evidence*, p. 3; Karen Percy, 'Justice Hasn't Changed, Just the Mode of Delivery': How Victorian Courts are Adapting to Coronavirus', *ABC News*, 20 May 2020, <<https://www.abc.net.au/news/2020-05-20/coronavirus-pandemic-for-victorian-courts-judges-justice-system/12258858>> accessed 8 July 2020.

⁶⁴⁶ Magistrates' Court of Victoria, *Annual Report 2018-19*, Melbourne, 2019, p. 44.

⁶⁴⁷ Productivity Commission, *Report on Government Services 2019: 7 Courts*, 2019, <<https://www.pc.gov.au/research/ongoing/report-on-government-services/2019/justice/courts>> accessed 8 July 2020.

⁶⁴⁸ Jason Payne, *Criminal Trial Delays in Australia: Trial Listing Outcomes: Research and Public Policy Series No. 74*, report for Australian Institute of Criminology, Canberra, 2007, p. iii.

⁶⁴⁹ Ms Nerita Waight, *Transcript of evidence*, p. 2.

⁶⁵⁰ *Ibid.*, p. 7.

7.4.2 Community legal centres

Community legal centres (CLCs) are local, independent, community-based organisations who provide free legal assistance to Victorians from 48 centres across the state. CLCs work alongside other agencies and providers in the health and social services sector to ensure Victorians can access justice, often filling the gap between eligibility for Legal Aid and access to private legal advice.⁶⁵¹

Demand

Due primarily to the economic impacts of the COVID-19 pandemic, CLCs have seen an increased demand for community legal assistance and predict growing demand will continue as long as the pandemic continues to affect the lives of Victorians.

In their document tabled at the Committee's public hearings, FCLC told the Committee CLCs were already experiencing a significant increase in demand for their services.⁶⁵²

FCLC advised the Committee that some CLCs had seen an increase of up to 50% in enquiries for assistance in family violence and family law. Tenants Victoria had experienced a 150% increase in requests for legal assistance since March 2020. JobWatch, an employment CLC had registered 83% more calls to their advice line and 928% more hits on their website in March and April 2020 compared to the same period in the previous year.⁶⁵³

FCLC advised the Committee that the increased demand experienced by Tenants Victoria and JobWatch already exceeded the ability of the two CLCs to meet demand and assist all clients who contacted them.⁶⁵⁴ FCLC predicts demands for legal assistance will continue to grow in the post-pandemic period and when Government supports such as the legislation on rental tenancies, JobKeeper and JobSeeker are altered, adding,

With some CLCs already struggling to meet the increase in demand caused by the crisis so far—especially those assisting bushfire-affected communities—the Federation is concerned that many Victorians will miss out on crucial legal assistance if CLCs are not adequately resourced and prepared to meet future need.⁶⁵⁵

In the Department of Justice and Regulation's Access to Justice Review of 2016, the Department notes unresolved legal issues can lead to other detrimental effects on an individual, the cost of which is passed on to publicly funded systems.⁶⁵⁶

⁶⁵¹ Federation of Community Legal Centres Victoria, *Legal Need and the COVID-19 Crisis*, supplementary evidence received 20 May 2020, p. 4; Ms Shorna Moore, *Transcript of evidence*, p. 1.

⁶⁵² Ms Shorna Moore, *Transcript of evidence*, p. 1; Federation of Community Legal Centres Victoria, *Legal Need and the COVID-19 Crisis*, p. 7.

⁶⁵³ Federation of Community Legal Centres Victoria, *Legal Need and the COVID-19 Crisis*, pp. 8–9.

⁶⁵⁴ *Ibid.*, p. 12.

⁶⁵⁵ *Ibid.*

⁶⁵⁶ Department of Justice and Regulation, *Access to Justice Review: Summary Report*, Melbourne, August 2016, p. 4.

FINDING 82: There is a significant demand on Community Legal Centres as a result of the pandemic.

Funding

On 9 May 2020 the Victorian Government announced \$17.5 million in additional funding to Victoria Legal Aid and all Victorian community legal centres to support the continued provision of legal services during the COVID-19 pandemic. The funding was also provided to assist CLCs to upgrade their technology to provide remote and digital support.⁶⁵⁷ The Government also announced a \$575,000 funding boost to support homeless women and children, recent arrivals, refugees and asylum seekers through projects run by Justice Connect, WEstJustice and Refugee Legal.⁶⁵⁸ On May 6 2020, the Commonwealth Government announced that it would provide a total of \$63.3 million in funding to frontline legal services Australia-wide.⁶⁵⁹

By late June 2020 there were reports and media releases suggesting this funding was being received, with Victorian CLCs receiving \$321,500 each.⁶⁶⁰ VALS welcomed the extra funding but added their service continues to face ‘immense difficulty’ in addressing legal needs due to resource constraints.⁶⁶¹

⁶⁵⁷ Hon. Jill Hennessy MP, *Delivering Access To Justice For More Victorians*, media release, Victorian Government, Melbourne, 9 May 2020.

⁶⁵⁸ Ibid.

⁶⁵⁹ Hon. Christian Porter MP, *Funding Boost to Ensure Struggling Australians Can Get Legal Assistance*, media release, Attorney-General's Department, Canberra, 6 May 2020.

⁶⁶⁰ Sunraysia Daily, ‘MFC Wins \$321,500 Funding for Community Legal Service’, *Sunraysia Daily*, 26 June 2020, <<https://www.sunraysiadaily.com.au/news/1249667/mfc-wins-321500-funding-for-legal-services>> accessed 8 July 2020; Hon. Ros Spence MP, *Funding Boost for Northern Community Legal Centre to Aid Coronavirus Response*, media release, Melbourne, 25 June 2020.

⁶⁶¹ Victorian Aboriginal Legal Service, *VALS Expresses Gratitude for COVID Response Funding and Hopes That Support Signals an Intent to Address Unmet Needs*, media release, Melbourne, 26 June 2020.

8 Education

8.1 Introduction

The protection of children, students, and educational facilities is an important element in seeking to reduce the impact and spread of COVID-19.⁶⁶² Restricting access to educational facilities has played a large part in the global response to the pandemic. One hundred and eighty-eight countries have implemented closures of education facilities, affecting more than 1.5 billion children and young people.⁶⁶³

Consistent with the terms of reference, the Committee considered the impact of the COVID-19 pandemic on education in Victoria. Considerations have extended to the ramifications of restrictions announced under the *Public Health and Wellbeing Act 2008* (Vic), and policies and programs implemented to assist students, teachers and support workers across the sector. The Committee considered evidence provided through public hearings and submissions, as well as publicly available datasets from institutions such as the Australian Bureau of Statistics.

The Committee has found that the education and early childhood sector in Victoria has been significantly impacted by the restrictions associated with the pandemic.

The Victorian Government kept government schools open, however students were directed to learn remotely where possible. The management of the transition to remote learning was mostly effective, however a peak body representing Victorian students felt that there was limited consultation on the impact of the changes. The transition increased the workload of educators across the system. Some teachers and support staff reported positive outcomes for themselves and their students but it should be acknowledged that some found the experience challenging.

Victorian universities have been greatly impacted by the pandemic. Many of the international students that are resident in Victoria are facing significant hardship.

Early childhood education

Early childhood education and care services in Victoria primarily comprise of childcare and preschool services. Governance arrangements for early childhood education are complex, with responsibilities shared by the Commonwealth Government, Victorian Government and local governments.⁶⁶⁴

⁶⁶² United Nations Children's Fund, *Key Messages and Actions for COVID-19 Prevention and Control in Schools*, report prepared by Lisa Bender, New York, March 2020, p. 1.

⁶⁶³ United Nations Educational Scientific and Cultural Organization, *Education: From Disruption to Recovery*, 7 July 2020, <<https://en.unesco.org/covid19/educationresponse>> accessed 29 June 2020.

⁶⁶⁴ Department of Education and Training, *Children's Services Regulated Under State Law*, 1 July 2020, <<https://www.education.vic.gov.au/childhood/providers/regulation/Pages/vcs.aspx>> accessed 7 July 2020.

There are over 3,000 childcare centres in Victoria, providing Centre-based Day Care, Family Day Care, and Outside School Hours Care.⁶⁶⁵ The sector employs over 45,600 individuals,⁶⁶⁶ and provides care for 330,460 children.⁶⁶⁷

On 18 March 2020, the Australian Health Protection Principle Committee (AHPPC) advised the National Cabinet that the pre-emptive closure of childcare centres was not proportionate or effective as a public health intervention to prevent community transmission of COVID-19. The AHPPC stated that it considered childcare centres as essential services that should continue, but with risk mitigation measures in place.⁶⁶⁸ Consequently, early childhood education and care services in Victoria have remained open with risk-mitigation measures in place.⁶⁶⁹

The Victorian Government has provided \$45 million to the childcare sector to support sessional kindergartens in Victoria, distributed directly to providers. This funding has been welcomed by the sector.

It should also be noted that the early childhood workforce has been particularly impacted by the pandemic. The Australian Services Union (ASU) has advised the Committee that there is a need to invest strategically to improve the workforce over the long-term, in collaboration with the Commonwealth Government.

8.1.1 Support packages

At the outset of the pandemic, a large number of parents across Australia began to withdraw their children from childcare. This principally occurred due to health concerns, or because they were providing care to their children at home because of being stood down, losing employment, or working from home.⁶⁷⁰ This led to a significant loss of earnings for childcare centres.⁶⁷¹ On 2 April 2020, the Commonwealth Government announced that it would pay half of the operating costs of Australia's 13,000 childcare centres, provided they did not charge parents for childcare services.⁶⁷² Subsequently, the Commonwealth Government announced that free childcare would end on 12 July 2020, with access to JobKeeper for childcare services ceasing on

665 Department of Education Skills and Employment, *Child Care Data for September Quarter 2019*, 18 December 2019, <<https://docs.education.gov.au/node/53204>> accessed 30 June 2020.

666 The Social Research Centre, *2016 Early Childhood Education and Care National Workforce Census*, report for Department of Education and Training, Melbourne, September 2017.

667 Department of Education Skills and Employment, *Child Care Data for September Quarter 2019*.

668 Australian Health Protection Principal Committee (AHPPC), *Australian Health Protection Principal Committee (AHPPC) Coronavirus (COVID-19) Statement on 18 March 2020*, media release, Department of Health, 19 March 2020.

669 Hon James Merlino MP, Minister for the Coordination of Education and Training: COVID-19, Department of Education and Training, public hearing, Melbourne, 18 May 2020, *Transcript of evidence*, p. 2.

670 Parliament of Australia, *COVID-19 Economic response—free child care*, 6 April 2020, <https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/FlagPost/2020/April/Coronavirus_response-Free_child_care>, accessed 13 July 2020.

671 Hon Scott Morrison MP, *Early Childhood Education and Care Relief Package*, media release, Department of Prime Minister and Cabinet, Canberra, 2 April 2020.

672 Hon Scott Morrison MP, *Early Childhood Education and Care Relief Package*, media release.; Conor Duffy, Lucy Kent and Brad Ryan, 'Childcare Centres to Be Free for Parents During Coronavirus Pandemic, Scott Morrison Announces', *ABC News*, 2 April 2020, <<https://www.abc.net.au/news/2020-04-02/coronavirus-child-care-free-scott-morrison-announcement/12114110>> accessed 30 June 2020.

20 July 2020.⁶⁷³ Childcare centres Australia-wide are allowed to reinstate fees from 13 July 2020. The Commonwealth Government announced on 7 July 2020 that it will allow all services located in areas subject to Stage 3 COVID-19 restrictions, including metropolitan Melbourne and Mitchell Shire, to waive parent gap fees if children are not attending child care for COVID-related reasons from Monday 13 July 2020.⁶⁷⁴

On 5 April 2020, the Victorian Government announced that it would provide up to \$45 million to fund free sessional kindergarten for Victorian children. This program provided \$485 per child to providers for Term 2, and was available for community-based, local government and school providers offering sessional programs. To be eligible for the additional funding, these services could not charge families and had to allow children to attend 15 hours a week of kindergarten free.⁶⁷⁵ The program was extended on 24 June 2020, to provide \$230 per child for Term 3.⁶⁷⁶

This funding is available for services that are not eligible for the Commonwealth's JobKeeper program.⁶⁷⁷ Services have not been not required to apply for the funding. The Department of Education and Training (DET) advised it would calculate funding entitlements for each eligible service based on enrolments entered in the 2020 Annual Confirmation.⁶⁷⁸

On 17 May 2020, the Victorian Government announced that it would redirect \$2.6 million of its \$45 million sessional kindergarten program to deliver cleaning grants for early childhood services. This comprised of \$900 grants for kindergarten services with less than 50 enrolments and \$1,500 for those with 50 or more enrolments.⁶⁷⁹

This program was rolled over into Term 3, with a second round of grants announced on 24 June 2020.⁶⁸⁰ Payments were made directly to all service providers, with no application required.⁶⁸¹

The Victorian Principals Association (Primary Schools) (VPA) advised the Committee that the additional funding that had been provided to kindergartens was well received by the sector.⁶⁸²

⁶⁷³ The Australia Institute, *Participating in Growth: Free Childcare and Increased Participation*, report prepared by Matt Grudnoff and Richard Denniss, Canberra, June 2020.

⁶⁷⁴ Hon Dan Tehan MP, *Statement on fee relief for Victorian parents*, media release, Department of Education, Skills and Employment, Canberra, 7 July 2020.

⁶⁷⁵ Hon James Merlino MP, *Free Sessional Kinder For Victorian Kids*, media release, Victorian Government, Melbourne, 5 April 2020.

⁶⁷⁶ Hon James Merlino MP, *Keeping Sessional Kinder Fees Low For Term 3*, media release, Victorian Government, Melbourne, 24 June 2020.

⁶⁷⁷ Hon James Merlino MP, *Transcript of evidence*, p. 2.

⁶⁷⁸ Department of Education and Training, *COVID-19 Funding for Sessional Kindergarten Services: Factsheet for Victorian Kindergarten Service Providers*, 7 April 2020.

⁶⁷⁹ Hon James Merlino MP, *Free Cleaning Grants For Kinders*, media release, Victorian Government, Melbourne, 17 May 2020.

⁶⁸⁰ Hon James Merlino MP, *Keeping Sessional Kinder Fees Low For Term 3*, media release.

⁶⁸¹ Early Learning Association Australia, *Coronavirus (COVID 19) FAQs*, 25 June 2020, <<https://elaa.org.au/resources/coronavirus-updates-2/#1593050157063-f4fb5b43-5d4a>> accessed 30 June 2020.

⁶⁸² Ms Anne-Maree Kliman, President, Victorian Principals Association—primary schools, public hearing, Melbourne, 18 May 2020, *Transcript of evidence*, p. 25.

FINDING 83: The Victorian Government's primary COVID-19 pandemic response to early childhood education was the provision of \$45 million in funding to sessional kindergartens. Of this, \$2.6 million was subsequently redirected to provide cleaning grants to childcare providers. These measures were supported by the sector.

8.1.2 Childcare workers

To support the delivery of remote learning by early childhood educators, the Victorian Government announced the Learning from Home online portal. This provided age-appropriate, curriculum-based learning resources for early childhood services.⁶⁸³ This was expanded on 8 May 2020, to provide access to the Goodstart@home online platform, and funding for staff to develop and deliver learning from home programs.⁶⁸⁴

The Hon James Merlino, Minister for the Coordination of Education and Training: COVID-19 advised the Committee that attendance levels at sessional kindergarten in Victoria were reported at 30 to 50% of their normal levels, and long day care attendance rates were at 40 to 70%.⁶⁸⁵ Consequently, early childhood educators have had to deliver remote programs in addition to onsite learning. The Australian Education Union, Victorian Branch (AEU) explained:

... in early childhood where our early childhood teachers and educators are providing learning programs for families where they are keeping their kids at home, as well as delivering onsite programs. It does not necessarily double their workload, but it is certainly more than they would normally carry, and it is particularly challenging with some of the younger age groups around the use of technology because they might be familiar with technology, but they are not used to using it in the same way as some of our older students in terms of learning programs.⁶⁸⁶

The AEU stated that although early childhood educators continue to work, they were concerned about the fact that the childcare centres were kept open.⁶⁸⁷ For example, the social distancing measures recommended by governments were impossible for staff to observe while working with children.⁶⁸⁸ At 30 June 2020, five different early childhood centres in Victoria have been closed for contact tracing and hygienic cleaning, following a confirmed case of COVID-19.⁶⁸⁹

⁶⁸³ Hon James Merlino MP, *New Website To Help Closed Schools Continue Teaching*, media release, Victorian Government, Melbourne, 18 March 2020.

⁶⁸⁴ Hon James Merlino MP, *Helping Kinder Kids To Learn From Home*, media release, Victorian Government, Melbourne, 8 May 2020.

⁶⁸⁵ Hon James Merlino MP, *Transcript of evidence*, p. 3.

⁶⁸⁶ Ms Meredith Peace, Branch President, Australian Education Union, Victorian Branch, public hearing, Melbourne, 18 May 2020, *Transcript of evidence*, p. 53.

⁶⁸⁷ *Ibid.*, p. 54.

⁶⁸⁸ Be You, *Coronavirus (COVID-19): Supporting Early Learning Communities*, 24 March 2020, <<https://beyou.edu.au/resources/news/covid-19-supporting-early-learning-communities>> accessed 30 June 2020.

⁶⁸⁹ Hon James Merlino MP, *Transcript of evidence*, p. 9.

Local governments provide a large number of early childhood services. The ASU advised the Committee that there needed to be ongoing funding at a local government level to ensure the viability of early childhood services. The ASU stated:

... business as usual needs to continue. Whether it is provision of early childhood or in-home support in aged care, which local government plays a big role in, it is those kinds of things and making sure that councils are supported to continue to deliver those things.⁶⁹⁰

FINDING 84: The early childcare workforce has had to adapt to deliver both on-site and remote learning programs for young preschool children whilst managing the health risks of continuing to operate.

8.2 Schools

On 7 April 2020, the Premier issued a statement following advice from the Chief Health Officer that all Victorian government primary, secondary and special schools would move to remote and flexible learning and teaching. The Catholic Education Commission of Victoria and Independent Schools Victoria followed, ensuring there was consistency across all Victorian schools.⁶⁹¹ Students were expected to learn from home, with only limited exceptions available.⁶⁹²

On 7 July 2020, the Premier announced that Stage 3 Restrictions would be reinstated across metropolitan Melbourne and Mitchell Shire at 11:59pm on 8 July 2020. All government and non-government students in Year 11 and Year 12, and Year 10 students undertaking Victorian Certificate of Education (VCE) subjects in these areas were expected to return to onsite schooling on 13 July 2020, along with all specialist school students. For students in Prep to Year 10, school holidays were extended for one week, with a return to remote and flexible learning from the 20 July 2020.⁶⁹³ The Committee will consider the outcomes of this at its public hearings in August.

The Committee found that the Victorian Government's advice on remote learning was clear and facilitated an effective transition. However, it was clear that many vulnerable students including students with a disability were at risk of exclusion during the remote learning period. Although this risk was mitigated through support provided by DET and teacher innovation, inequality in education continues to be a concern.

⁶⁹⁰ Ms Lisa Darmanin, Secretary, Victorian and Tasmanian Authorities and Services Branch, Australian Services Union, public hearing, Melbourne, 19 May 2020, *Transcript of evidence*, p. 6.

⁶⁹¹ Hon James Merlino MP, *Transcript of evidence*, p. 8.

⁶⁹² Hon Daniel Andrews MP, *Victorian Students To Learn From Home, As VCE Timelines Revised*, media release, Victorian Government, Melbourne, 7 April 2020.

⁶⁹³ Hon Daniel Andrews MP, *Statement from the Premier*, media release, Victorian Government, Melbourne, 7 July 2020.

The transition to remote learning increased workloads and demands on principals, teachers, support staff and students. To facilitate the transition the resources available on DET's websites, such as the FUSE portal and literacy and numeracy portals, were adapted to support remote teaching and learning.⁶⁹⁴ In addition, staff were provided with access to online professional learning to support them in working remotely.⁶⁹⁵

8.2.1 Initial transition to remote learning

On 16 April 2020, the National Cabinet agreed to the *National Principles for School Education during COVID-19*. The principles stated that professional teachers best deliver education to students in the classroom on a school campus. However, they also noted that during the COVID-19 crisis, alternative flexible, remote delivery of education services may be needed, and that state and territory governments and non-government sector authorities are responsible for managing and making operational decisions for their school systems respectively.⁶⁹⁶

Although most students in Victoria were required to learn from home, there were still some students attending schools onsite. DET advised the Committee that the average level of onsite attendance at government schools was 5.8%. Special schools had a range of 0%-50.7%. Primary schools averaged of 4.7% on-site attendance, with a range of 0%-56.8%. Secondary schools averaged 0.6% on-site attendance, with a range of 0%-21.1%.⁶⁹⁷

FINDING 85: Although schools in Victoria remained open, students were expected to learn from home, with limited exceptions. On average, 5.8% of students enrolled at Victorian government schools continued to access education on-site.

On 2 May 2020, the Victorian Government announced that students at government schools would begin a phased return to school and the non-government sector followed suit.⁶⁹⁸ The first group of students returned on 26 May, with the cohort composed of students in Prep, Grade 1, Grade 2, VCE and Victorian Certificate of Applied Learning (VCAL), and specialist schools.⁶⁹⁹ On 9 June 2020, all remaining students from Years 3 to 10 returned to school.⁷⁰⁰

⁶⁹⁴ Ms Sue Bell, President, Victorian Association of State Secondary Principals, public hearing, Melbourne, 18 May 2020, *Transcript of evidence*, p. 41.

⁶⁹⁵ Ms Anne-Maree Kliman, *Transcript of evidence*, p. 25.

⁶⁹⁶ Department of Education, Skills and Employment, *COVID-19 National Principles for School Education*, 16 April 2020, <<https://www.dese.gov.au/covid-19/schools/national-principles-for-school-education>> accessed 29 June 2020.

⁶⁹⁷ Hon James Merlino MP, Minister for the Coordination of Education and Training: COVID-19, Inquiry into the Victorian Government's Response to the COVID-19 Pandemic hearing, response to questions on notice received 29 May 2020, p. 2.

⁶⁹⁸ Hon Daniel Andrews MP, *Getting Our Kids Back Into The Classroom*, media release, Victorian Government, Melbourne, 12 May 2020.

⁶⁹⁹ Hon James Merlino MP, *First Wave Of Students Back In The Classroom*, media release, Victorian Government, Melbourne, 26 May 2020.

⁷⁰⁰ Hon James Merlino MP, *All Students Back In The Classroom*, media release, Victorian Government, Melbourne, 9 June 2020.

The Victorian Association of State Secondary Principals (VASSP) advised the Committee that principals and teachers appreciated the clear and consistent advice from DET during the transition to remote learning. VASSP stated that the certainty of the communication and reliance on the advice of the Chief Health Officer increased confidence in the sector and built trust between teachers and DET. Consequently, principals could make evidence-based decisions for their school community and communicate these decisions to parents, students and school staff.⁷⁰¹

The Committee was informed that the level of support for schools through the transition period varied. VASSP noted that the transition to remote learning was easier for schools that already used online learning management systems.⁷⁰² Regardless of their experience with online platforms, all schools needed time to prepare for the school-wide transition to remote learning. Teachers were provided with four pupil-free days in the last week of Term 1 and a pupil-free day on the first day of Term 2.

The VPA told the Committee that these days were instrumental, in enabling school staff to develop tailored plans for remote and flexible learning based in their local context.⁷⁰³

DET also published further guidance and resources to support the transition to remote learning, including the Learning from Home website launched on 18 March 2020.⁷⁰⁴ The VPA advised the Committee that DET's websites provided 'a comprehensive range of targeted materials' and were used to supplement teachers' planning.⁷⁰⁵

Peak bodies representing teachers and principals from primary and secondary schools advised that the level of support and advice they received from the Department of Education on the transition to remote learning was appropriate. The extra pupil-free days were particularly vital to a smooth transition to remote learning.

The Victorian Student Representative Council (VicSRC)—told the Committee that Government communication had been 'solely focused on teachers and school leadership', leaving students confused and anxious. The VicSRC said that there had been a 'clear gap in providing accessible, easy to find, practical information for students' on remote learning and the impacts of COVID on their schooling.⁷⁰⁶ Further:

In particular, we have heard that VCE students have had a large amount of anxiety about the impact of the crisis on their final years of schooling simply because there is very little information coming from the Victorian Curriculum and Assessment Authority. The gaps were also filled with rumours on line, which also increased student anxiety even more.

⁷⁰¹ Mr Colin Axup, Deputy President and Principal, Suzanne Cory High School, Victorian Association of State Secondary Principals, public hearing, Melbourne, 18 May 2020, *Transcript of evidence*, p. 43.

⁷⁰² Ms Sue Bell, *Transcript of evidence*, p. 41.

⁷⁰³ Ms Anne-Maree Kliman, *Transcript of evidence*, p. 24.

⁷⁰⁴ Hon James Merlino MP, *New Website To Help Closed Schools Continue Teaching*, media release.

⁷⁰⁵ Ms Anne-Maree Kliman, *Transcript of evidence*, p. 24.

⁷⁰⁶ Mr Wai Yan Moe, Student Executive Advisory Committee member, Victorian Student Representative Council, public hearing, Melbourne, 18 May 2020, *Transcript of evidence*, p. 74.

Most students reported to us that they understood that it is a difficult time for all and that things are still uncertain, but they wanted just some sort of messaging and assurance from authorities, even if that messaging was, 'We are working on a solution'.⁷⁰⁷

The VicSRC also noted that there was a lack of consultation and direct communication with students at the planning stage. This had increased anxiety and uncertainty, particularly for VCE students. The VicSRC argued that as young people 'will be most impacted by these decisions', they should have a part in decision-making. The VicSRC noted that DET was now engaging with its review of the remote learning period, and expressed hope that, in future, the Council would be consulted earlier.⁷⁰⁸

FINDING 86: Clear and consistent communication from the Department of Education and Training assisted teachers and principals in the first transition to remote learning and allowed principals to make evidence-based decisions for their schools.

FINDING 87: The Victorian Student Representative Council reported that whilst there was a lack of consultation with students by the Department of Education and Training during the initial transition to remote learning, the Department was engaging in relation to the review of the initial period of remote and flexible learning.

8.2.2 Disadvantaged students and students with disability

Although students were expected to learn from home, in the initial move to flexible and remote learning DET advised that students could still attend school onsite if required. For example, students identified by schools as vulnerable were able to attend school onsite. This included students who had been referred from a family violence agency, homelessness or youth justice service or mental health or other health service. Notably this is slightly different in the subsequent lockdown and will be considered again in the following Committee deliberations. Staff members supervised these students as they connected with their regular classroom teacher online.⁷⁰⁹

Disadvantaged students

The reliance on online resources during the remote learning period highlighted technological inequalities between Victorian students across the State. In particular, students from low socio-economic backgrounds as well as students from regional and rural schools, are often less likely to have reliable information technology.⁷¹⁰ To increase

⁷⁰⁷ Ibid.

⁷⁰⁸ Ms Nina Laitala, Executive Officer, Victorian Student Representative Council, public hearing, Melbourne, 18 May 2020, *Transcript of evidence*, p. 78.

⁷⁰⁹ Hon James Merlino MP, *Transcript of evidence*, p. 8.

⁷¹⁰ Centre for International Research on Education Systems and the Mitchell Institute, *Impact of Learning From Home on Educational Outcomes for Disadvantaged Children: Brief Assessment to the Australian Government, Department of Education, Skills and Employment*, Victoria University, Melbourne, 2020, p. 5.

access for all students, 57,000 laptops, representing 9% of the student cohort attending government schools, were distributed across Victoria. A further 26,000 dongles, representing 3.3% of the student cohort attending government schools, were made available for internet access.⁷¹¹ At 18 May 2020, approximately one month into remote learning, 15,790 dongles and 56,160 laptops had been distributed.⁷¹²

DET also allowed government and non-government schools to direct grants from the Camps, Sports and Excursions Fund towards purchasing devices and dongles for disadvantaged students. VASSP explained that extending the fund's purpose had allowed schools to purchase devices and dongles for students without internet access.⁷¹³

Increasing computer and internet access had a positive effect on student engagement. Some schools saw re-engagement of students who were previously disengaged from learning or 'school-refusing'. For example, VASSP reported that Wodonga Secondary College had seen up to 15% of their disengaged students re-engaging with learning due to their increased access to technology.⁷¹⁴

The Committee also heard that some students remained offline during the initial move to remote and flexible learning despite increased resources. This was largely due to a lack of reliable internet connectivity.⁷¹⁵ VASSP noted that some students struggled to connect to the internet, even with a dongle, and schools had sent out hardcopy packs to students.⁷¹⁶ For students unable to access reliable internet, DET liaised with school bus providers to arrange for hard-copy work to be dropped off to students.⁷¹⁷

FINDING 88: The Victorian Government measures to increase access to information technology for school communities during the initial lockdown improved engagement in learning for disadvantaged students.

Students with a disability

Under the *Disability Discrimination Act 1992*, education providers must comply with the *Disability Standards for Education 2005* by making 'reasonable adjustments to accommodate students with a disability, additional needs and/or learning difficulty.'⁷¹⁸

711 Hon James Merlino MP, Minister for the Coordination of Education and Training: COVID-19, Department of Education and Training, *COVID-19 public hearing presentation*, supplementary evidence received 18 May 2020. Committee calculation using 2019 DET student figures.

712 Hon James Merlino MP, *Extra Devices and Internet Delivered for Students*, media release, Victorian Government, Melbourne, 23 April 2020.; Hon James Merlino MP, *COVID-19 public hearing presentation*.

713 Ms Sue Bell, *Transcript of evidence*, p. 44.

714 *Ibid.*, p. 42.

715 Ms Anne-Maree Kliman, *Transcript of evidence*, p. 30.

716 Ms Sue Bell, *Transcript of evidence*, p. 42.

717 Hon James Merlino MP, *Transcript of evidence*, p. 2.

718 Department of Education, Skills and Employment, *The Disability Standards for Education 2005*, 27 May 2020, <<https://www.education.gov.au/disability-standards-education-2005>> accessed 10 July 2020.

The Minister told the Committee that the Victorian Government had identified specific areas of concern for students with a disability and their carers during the transition to remote and flexible learning. These included:

- Health risks for medically vulnerable students should they contract COVID-19
- Difficulty for some students to access additional supports
- Additional stress and harm caused to students and family members without established and familiar structures and supports.⁷¹⁹

Research from the Youth Affairs Council Victoria found that disabled young people feel they are more likely to be impacted by the pandemic than non-disabled young people:

There is a particular concern among disabled young people that they will not be able to access education during the shutdown as a result of inaccessible technology and insufficient consideration of their access requirements.⁷²⁰

The Australian Association of Special Education (AASE) agreed that there had been insufficient consideration of students with a disability and their access needs. The AASE told the Committee that Victorian members of the AASE had been ‘disappointed’ by the lack of targeted guidance from DET on implementing remote learning for their students.⁷²¹ Many students with a disability thrive with hands-on learning and experience-based activities, and it was challenging to move these activities into the remote learning environment. The AASE also emphasised that students with disability require greater levels of supervision, which was particularly challenging for parents and carers during the remote learning period particularly if they were working from home or caring for other children.⁷²²

On 12 July 2020 the Victorian Government announced that students in Victorian schools in areas under Stage 3 restrictions would return to flexible and remote learning for the start of Term 3. Acknowledging the challenges faced by parents of children with special needs undertaking remote learning, all government specialist schools resumed face to face learning on Monday, 13 July 2020.⁷²³

Continued onsite learning produced particular staffing challenges for specialist schools. As these schools require higher teacher-to-student ratios, many staff-members had to supervise students onsite while simultaneously engaging with students online.⁷²⁴ These volunteer teachers were not necessarily the onsite student’s regular classroom teacher, and may not have been familiar with the students’ specific needs.⁷²⁵

⁷¹⁹ Hon James Merlino MP, *Transcript of evidence*, p. 18.

⁷²⁰ Youth Affairs Council Victoria (YACVic), *Submission 3*, received 5 May 2020, p. 4.

⁷²¹ Ms Felicity Bellingham, President, Australian Association of Special Education, Victorian Chapter, public hearing, Melbourne, 18 May 2020, *Transcript of evidence*, p. 66.

⁷²² Ibid.; Ms Helen Hatherly, Vice-President, Australian Association of Special Education, Victorian Chapter, public hearing, Melbourne, 18 May 2020, *Transcript of evidence*, p. 66.

⁷²³ Hon Daniel Andrews, *Return To Flexible And Remote Learning*, media release, Victorian Government, Melbourne, 12 July 2020.

⁷²⁴ Ms Felicity Bellingham, *Transcript of evidence*, p. 67.; Ms Helen Hatherly, *Transcript of evidence*, p. 67.

⁷²⁵ Ms Helen Hatherly, *Transcript of evidence*, p. 72.

FINDING 89: Students with a disability are at greater risk of academic neglect or exclusion during periods of remote learning. These risks were mitigated for some students through the efforts of the Victorian Government but also through the individual efforts of volunteer teachers as well as some access to onsite learning.

There was also a view that support was limited for students with a disability who do attend a mainstream school. In their submission to the inquiry, the Association for Children with a Disability stated that support was left to the discretion of individual schools, which meant that it was inconsistent and often lacking. For example, some schools denied requests that students with a disability attend onsite.⁷²⁶ The submission further stated:

In aged care and disability services, essential care continued throughout the COVID-19 restrictions, with protective measures in place. Education support for students with disability did not continue... Consequently, a young person who finished school in 2019 and who receives disability services received far greater support during the restrictions than a student with a disability currently in year 12.⁷²⁷

Consistent with this view, Specific Learning Difficulties Victoria's (SPELD) submission to the inquiry also stated that students with learning difficulties received inconsistent support. The submission outlined surveys of parents with children diagnosed with dyslexia, dyscalculia and dysgraphia, which found that 25% did not feel supported by their child's school, and 41% did not receive adjustments to their learning.⁷²⁸ Other parents of students with learning difficulties reported in the survey that, when given adequate support from schools, remote learning allowed them to foster an environment tailored to their child's needs, and that this enabled better concentration and learning.⁷²⁹

AASE also expressed concern about the impact of the remote learning period on families of students with a disability. AASE emphasised that many experience intergenerational disability or health challenges, and that reduced access to school resources and support has negatively affected parents, siblings and other relatives.⁷³⁰ As part of their submission to the inquiry, SPELD reported that many parents of students with learning difficulties felt overwhelmed with the pressures of supporting remote learning and managing their own workloads.⁷³¹ Children and Young People with Disability Australia also included quotes from their members, outlining the issues they were facing:

Have withdrawn my daughter from school as the extra hype of Social Distancing has been very difficult for her. Change of routines causing challenges under already

⁷²⁶ Association for Children with Disability, *Submission 4*, received 2 June 2020, p. 2.

⁷²⁷ Ibid.

⁷²⁸ SPELD Victoria, *Submission 16*, received 3 July 2020, pp. 2-3.

⁷²⁹ Ibid., p. 2.

⁷³⁰ Ms Felicity Bellingham, *Transcript of evidence*, p. 66.

⁷³¹ SPELD Victoria, *Submission 16*, p. 3.

challenging circumstances... Lots of input required by me and school not yet set up to go online.⁷³²

And

My child needs 1:1 attention to control behaviour, engage and keep on task...can definitely not engage in remote learning without my contact supervision. I feel forced into a position of being unable to complete my last year of my masters (studying part time).⁷³³

To alleviate the pressure of online learning requirements on families DET ran a trial program which involved Kalianna School, Bendigo Special Development School and Echuca Specialist School whereby families, specialist schools, local schools and DET's area office worked to ensure greater respite and support for some students with a disability and their families.⁷³⁴ This was well received.

FINDING 90: Many families of students with a disability were put under additional stress through the first remote learning period and were negatively impacted by being unable to access the usual resources and support at their child's school.

RECOMMENDATION 19: The Department of Education and Training evaluate the trial at Kalianna School, Bendigo Special Development School and Echuca Specialist School, and consider how the findings can be shared and applied to support students with a disability and their families during the COVID-19 pandemic.

The Committee notes that special schools will reopen with onsite learning during the next remote learning phase, along with Year 11 and 12 VCE students, and Year 10 students undertaking VCE subjects. The Committee further notes that the Premier and Minister made clear that students with a disability who attend mainstream school will have the option to attend school during the second remote learning period.⁷³⁵ The Committee commends this change in approach.

8.2.3 Positive aspects of remote learning

A number of benefits of remote learning were identified by witnesses and stakeholders including:

- The absence rate throughout the remote learning period ranged from 5.4% to 6%. This was a significant decrease from the same period in 2019 (8.6%).⁷³⁶

⁷³² Children and Young People with Disability Australia, *Submission 2*, received 11 May 2020, p. 14.

⁷³³ *Ibid.*, p. 15.

⁷³⁴ Hon James Merlino MP, *Transcript of evidence*, p. 18.

⁷³⁵ Hon Daniel Andrews, Return To Flexible And Remote Learning, media release, Victorian Government, Melbourne, 12 July 2020.

⁷³⁶ Dr David Howes, Deputy Secretary, Schools and Regional Services, Department of Education and Training, public hearing, Melbourne, 18 May 2020, *Transcript of evidence*, p. 21.

The Committee was advised that some students flourished enjoying the flexible, self-directed nature of remote learning.⁷³⁷

- Remote learning provided the opportunity for parents to engage more directly with their child's education and support their learning.⁷³⁸
- The Committee heard examples of how schools have held virtual assemblies, concerts and celebrations, as well as how individual teachers have worked to provide online cooking and music classes.⁷³⁹

Educators have embraced new skills and developed current skills, and that professional development was supported by access to DET resources and online professional learning.⁷⁴⁰ The Committee also heard that there has been increased collaboration between teachers across Victoria and that a sense of camaraderie and community emerged during the remote learning period.⁷⁴¹

8.2.4 Health and wellbeing of students and teachers

The Committee heard that teachers and students felt vulnerable to the impact of COVID-19. The AEU explained that at the beginning of the COVID-19 outbreak but prior to the transition to remote learning, many teachers had felt that attending school was putting their health and safety at risk.⁷⁴² Enhanced cleaning measures have been vital to ensure teachers, support staff and students feel safe. The VPA noted that these measures have instilled a sense of calm during the return to onsite learning.⁷⁴³

Specialist schools have unique challenges when it comes to hygiene and physical distancing. The Minister explained that DET had been working closely with the DHHS to support specialist schools as they implement physical distancing and increased hygiene.⁷⁴⁴ However, the AASE was not convinced that this would be effective:

I think there has been concern that people (do not) realise the unique risks that children with disabilities, students with disabilities, face because they would find social distancing practices, even if we teach them to them, which we do, much more challenging to follow. I will give you a really plain example. You have got some children who cannot help but want to put their hands in their mouth a lot... and they will just go and put that hand somewhere else without really thinking about it.⁷⁴⁵

⁷³⁷ Ms Anne-Maree Kliman, *Transcript of evidence*, p. 28.; Mr Andrew Dalglish, Deputy President and Principal of Montpellier Primary School, Victorian Principals Association—primary schools, public hearing, Melbourne, 18 May 2020, *Transcript of evidence*, p. 28.

⁷³⁸ Mr Andrew Dalglish, *Transcript of evidence*, p. 32.; Mr Justin Mullaly, Deputy President, Australian Education Union, Victorian Branch., public hearing, Melbourne, 18 May 2020, *Transcript of evidence*, p. 52.

⁷³⁹ Mr Colin Axup, *Transcript of evidence*, p. 41.; Ms Sue Bell, *Transcript of evidence*, p. 42.

⁷⁴⁰ Ms Anne-Maree Kliman, *Transcript of evidence*, p. 25.

⁷⁴¹ Victorian Principals Association (Primary), Victorian Association of State Secondary Principals, Australian Education Union and Principals' Association of Specialist Schools were vital in disseminating information to principals and teachers. These organisations also became a valuable liaison point between principals, teachers and DET.

⁷⁴² Ms Meredith Peace, *Transcript of evidence*, p. 50.

⁷⁴³ Ms Anne-Maree Kliman, *Transcript of evidence*, p. 25.

⁷⁴⁴ Hon James Merlino MP, *Transcript of evidence*, p. 18.

⁷⁴⁵ Ms Felicity Bellingham, *Transcript of evidence*, p. 70.

RECOMMENDATION 20: The Department of Education and Training consult with specialist educators regarding enhanced cleaning measures to ensure that there is confidence that they are tailored to the specific needs and challenges of specialist schools.

Mental health outcomes from remote and flexible learning

The mental health of some students has been impacted by the transition to remote and flexible learning. The AEU noted that teachers were concerned about the emotional and mental wellbeing of their students.⁷⁴⁶ Research from the Youth Affairs Council Victoria found that the loss of social interaction was the primary reported cause of mental-ill health for students during the COVID-19 pandemic. One student reported:

I am concerned about my mental health because I can no longer see people in my support network. Having a phone call is not the same as seeing people face to face.⁷⁴⁷

This research found that students with a disability are particularly anxious about becoming socially isolated, with some students reporting that reduced access to support services had left them unable to leave their home.⁷⁴⁸ Young people from rural and regional areas are also vulnerable to the impacts of COVID-19 on their mental health, and there are concerns that the COVID-19 crisis may have compounded the trauma experienced by regional communities during the bushfire crisis of December 2019 and January 2020.⁷⁴⁹

Students are also facing increasing pressures at home from factors such as family job loss, illness in the family and lack of respite from siblings or family members with a disability or complex needs. These are pressures that may have increased due to COVID-19. Some students have reported that their school workloads had increased and that schools were not taking into account their potential work, caring or extracurricular activities.⁷⁵⁰ The Committee heard that some teenagers in part-time or casual work had become the sole source of income for their family, putting them under extra pressure and leaving them little time to engage meaningfully with remote learning.⁷⁵¹

DET has continued to invest in counselling and mental health services for students throughout the remote learning period. This was delivered through counselling via voice call or videoconferencing through the Headspace counselling partnership, or via their school-based mental health practitioner during remote and flexible learning. The Minister advised the Committee that 83 of Victoria's secondary schools had recruited a mental health practitioner.⁷⁵² This represented 25.5% of Victoria's 325 secondary

⁷⁴⁶ Ms Meredith Peace, *Transcript of evidence*, p. 54.

⁷⁴⁷ Youth Affairs Council Victoria (YACVic), *Submission 3*, p. 1.

⁷⁴⁸ *Ibid.*, p. 4.

⁷⁴⁹ *Ibid.*, p. 1.; Ms Anne-Maree Kliman, *Transcript of evidence*, p. 26.

⁷⁵⁰ Ms Nina Laitala, *Transcript of evidence*, p. 75.

⁷⁵¹ Ms Sue Bell, *Transcript of evidence*, p. 43.

⁷⁵² Hon James Merlino MP, *Transcript of evidence*, p. 22.

schools.⁷⁵³ However, VicSRC felt that mental health support continues to be inconsistent across Victorian schools. VicSRC stated that during the pandemic the Victorian Government focused on the academic needs of students above their mental wellbeing and that students were suffering as a result.⁷⁵⁴

FINDING 91: Some teachers and students are worried about the impact of COVID-19 and the remote learning period on student wellbeing and mental health.

FINDING 92: Students at higher risk of experiencing negative mental health impacts during the remote learning period include students experiencing additional home pressures, and students from rural and regional areas.

RECOMMENDATION 21: The Victorian Government support schools to deliver expanded mental health programs for students, including online support to help address the impact of the pandemic period.

RECOMMENDATION 22: The Department of Education and Training provide teachers with additional guidance on how to identify and refer students who now require additional support to appropriate mental health services.

8.2.5 Staggered return to onsite learning

On 12 May 2020, the Victorian Government announced that government school students would begin a staggered return to onsite learning.⁷⁵⁵ The staggered return allowed the Victorian Chief Health Officer and Government to monitor the effects of the return on community transmission of COVID-19. It took place across two weeks from 26 May 2020.

This approach was designed to slowly increase the number of students, teachers and families moving throughout the community.⁷⁵⁶ The Committee heard that the staggered return was also essential to ensuring student wellbeing. VASSP stated that:

I think (teachers) are very keen to bring them back in a staggered fashion so that the schools' wellbeing teams—schools have social workers or psychologists, youth workers—can work with them in a staggered way to make sure that they can settle back in... They are very, very young people, so they will have different needs, so they will need to be settled back in quite carefully.⁷⁵⁷

⁷⁵³ Department of Education and Training, *Summary Statistics for Victorian Schools*, Melbourne, April 2020, p. 1.

⁷⁵⁴ Ms Nina Laitala, *Transcript of evidence*, pp. 77-8.

⁷⁵⁵ Hon Daniel Andrews MP, *Getting Our Kids Back Into The Classroom*, media release.

⁷⁵⁶ Hon James Merlino MP, *Transcript of evidence*, p. 20.

⁷⁵⁷ Ms Sue Bell, *Transcript of evidence*, p. 43.

Specialist schools did not undergo a staggered return. All students returned to onsite learning on 26 May. The AASE said that this had placed enormous pressure on specialist schools to implement whole-school return plans at short notice. Students with a disability, like other children, had displayed increased anxiety around germs and safety during their return to school and a staggered approach might have allowed for more careful monitoring of student wellbeing during their return to onsite learning.⁷⁵⁸

FINDING 93: Many specialist educators felt their schools should have undergone a staggered return.

8.3 Tertiary education

The COVID-19 pandemic is having a significant impact on tertiary education. In many countries around the world campuses are closed and teaching has moved online. Movement of international students around the globe has slowed considerably. As of April 6, 2020, universities and other tertiary education institutions are closed in 170 countries and communities, and over 220 million postsecondary students have already had their studies ended or significantly disrupted due to COVID-19.⁷⁵⁹

The Australian tertiary education sector can be divided into two main areas—universities and vocational schools, or Technical and Further Education (TAFE) institutes. Universities are governed by Commonwealth legislation and are primarily funded by the Commonwealth Government. TAFE is governed by State legislation and are primarily funded by the governments of the state or territory in which they are located.

In the most recent data for the university sector in Victoria, there were 196,516 domestic undergraduate students and 64,859 domestic postgraduate students. In 2020 there were 125,775 international students enrolled in Victorian universities.⁷⁶⁰ In the first half of 2019 in Victoria, there were 120,520 individuals enrolled across the TAFE network (64,340), adult community education providers (30,880) and private providers (25,300).⁷⁶¹

⁷⁵⁸ Ms Felicity Bellingham, *Transcript of evidence*, p. 72.

⁷⁵⁹ Roberta Malee Bassett, 'Sustaining the Values of Tertiary Education during the COVID-19 Crisis', *International Higher Education*, 2020, <<https://www.internationalhighereducation.net/api-v1/article/!action/getPdfOfArticle/articleID/2907/productID/29/filename/article-id-2907.pdf>> accessed 7 July 2020.

⁷⁶⁰ Department of Education, *Skills and Employment, International Student Data 2020*, April 2020, <<https://internationaleducation.gov.au/layouts/download.aspx>> accessed 13 July 2020.

⁷⁶¹ Department of Education and Training, *Training Market Highlights: Half-Year 2019*, Melbourne, 2019, p. 1.

8.3.1 Universities

University students were not subject to the declaration that they must learn from home. All universities were encouraged to deliver training remotely or online, where possible, and could offer face-to-face learning where necessary.⁷⁶² This was consistent with the guidance provided by the AHPCC. However, most universities had commenced preparations for lockdown, and on 18 March 2020, Universities Australia announced that their members were restricting face-to-face teaching and working to ensure lectures and tutorials were available online.⁷⁶³

All universities in Australia had transitioned to online learning by 8 May 2020.⁷⁶⁴ On 10 June 2020 Universities Australia published a list of principles to enable universities to reduce the risk of COVID-19 transmission in university environments during the pandemic. It did not outline a timeline to reopen universities or recommence face-to-face teaching.⁷⁶⁵

FINDING 94: All universities have restricted face-to-face teaching and moved to online classes. There is no timeline for a resumption of face-to-face teaching at Victorian universities.

The Commonwealth Government is responsible for investment in higher education as well as regulating the sector.⁷⁶⁶ Since the introduction of demand-driven funding for universities in 2012, total Commonwealth Government assistance to the sector has only marginally increased.⁷⁶⁷ As a result, universities have sought to increase their revenue by attracting fee paying international students. This has been facilitated by policy reforms enacted by the Commonwealth that have reduced the amount of savings required to apply for a visa and created more opportunities for graduates to work in Australia after their studies.⁷⁶⁸

Over the decade 2009 to 2018, the revenue of Australian universities increased by more than one third. This was driven by significant growth in international student numbers. In 2018, international students accounted for 30% of all enrolled students, and their fees amounted to \$8.8 billion; or 26% of total revenue.⁷⁶⁹

⁷⁶² Health Direct, *COVID-19 Restriction Checker: Education, Schools and Childcare – Victoria*, 1 July 2020, <<https://www.healthdirect.gov.au/covid19-restriction-checker/education-and-childcare/vic>> accessed 29 June 2020.

⁷⁶³ Universities Australia, *Unis Continue Implementing Measures to Slow Spread of COVID-19*, media release, Universities Australia, Canberra, 18 March 2020.

⁷⁶⁴ Universities Australia, *Careful Steps to Reactivate Campuses*, media release, Universities Australia, Canberra, 8 May 2020.

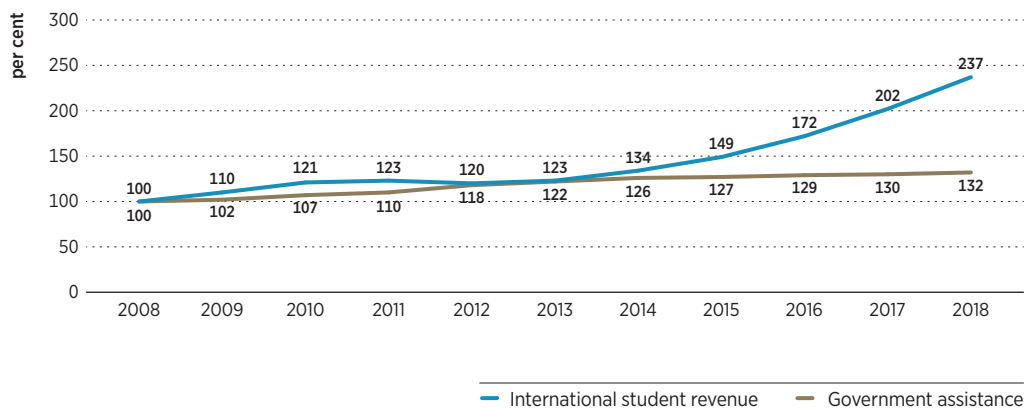
⁷⁶⁵ Universities Australia, *Principles and Protocols for Reducing the Risk of Potential COVID-19 Transmission at Universities*, Canberra, June 2020, p. 4.

⁷⁶⁶ Mitchell Institute, *Australian Investment in Education: Higher Education*, report prepared by Peter Hurley and Nina Van Dyke, Victoria University, Melbourne, 2020, p. 5.

⁷⁶⁷ *Ibid.*, p. 7.

⁷⁶⁸ *Ibid.*, p. 5.

⁷⁶⁹ Centre for the Study of Higher Education, *Modelling Individual Australian Universities Resilience in Managing Overseas Student Revenue Losses from the COVID-19 Pandemic*, report prepared by Ian Marshman and Frank Larkins, The University of Melbourne, Melbourne, 2020, p. 1.

Figure 8.1 Percentage change in real higher education revenue by source (proportion of 2008 funding)

Source: Adapted from Peter Hurley, Nina van Dyke, *Australian investment in education: Higher education*, Mitchell Institute, Melbourne, 2020.

Victoria's universities are amongst some of the most exposed in Australia in terms of the proportion of total revenue derived from overseas fee revenue. In 2018, six of Victoria's nine major universities' proportion of revenue derived from international student fees was higher than the national average of 26.2%, with Federation University reliant on international student fees for 38.6% of its total revenue.⁷⁷⁰

FINDING 95: Two thirds of Victoria's major universities are reliant on international students for over a quarter of their revenue.

FINDING 96: Universities use the revenue derived from the education of international students to support activities for which there are limited alternate sources of funding, such as capital infrastructure for world-class education and research.

The Commonwealth announced a higher education relief package for universities on 11 April 2020. The package guarantees funding through the Commonwealth Grants Scheme (CGS), and provides additional funding for new short courses to support upskilling and retraining of workers that lost their job due to the pandemic.⁷⁷¹ Most universities are not eligible for the Commonwealth's JobKeeper payments. Those institutions that do qualify for JobKeeper and utilise it are unable to access the CGS funding guarantee.⁷⁷²

⁷⁷⁰ Ibid., p. 7.

⁷⁷¹ Department of Education, Skills and Employment, *Higher Education Relief Package - Frequently Asked Questions*, 1 July 2020, <<https://www.dese.gov.au/covid-19/higher-education/higher-education-faq>> accessed 2 July 2020.

⁷⁷² National Tertiary Education Union, *How Badly Have Australian Universities Been Affected by COVID-19?: Factsheet*, Melbourne, 22 April 2020, p. 2.

In response to the pandemic, the Victorian Government has provided a \$350 million fund to universities to support capital works, applied research and research partnerships. The Victorian Government has also provided payroll tax deferrals for Victorian Universities estimated to be worth \$110 million.⁷⁷³

The Committee heard that, despite the support provided by the Commonwealth and Victorian governments, universities will still be facing significant funding shortfalls. Monash University advised that it was forecasting a revenue downturn of \$350 million in 2020.⁷⁷⁴ The National Union of Students advised the Committee that the funding for the university sector that had been announced by the Commonwealth had been committed prior to the pandemic and had already been budgeted by universities.⁷⁷⁵

Universities are expecting overall student intakes to drop because of the pandemic, further compounding the financial pressures they face. Monash University is not expecting its level of student intake to recover until at least 2023.⁷⁷⁶ In Semester 1 of 2020, there were 6,000 deferrals or cancellations at Monash University, representing 16 per cent of the total number of enrolments. The university was unable to provide a prediction of how many cancellations or deferrals are expected to occur in Semester 2 of 2020.⁷⁷⁷

FINDING 97: Enrolments in Victorian universities have declined because of the pandemic. It is anticipated that student enrolments may take up to three years to return to pre-pandemic levels. As a result, Victorian universities will be facing significant reductions in revenue.

8.3.2 University students

The impact of COVID-19 on students in higher education has been significant. The widespread closure of campus facilities has forced residential students out of their homes in some instances, while the support services provided on campuses have also been shut down.⁷⁷⁸ Students have also lost their jobs, which has limited their ability to support themselves financially during the pandemic.

All higher education students have been impacted by the pandemic, however international students in Victoria have been particularly affected. While the Victorian Government has started to provide some funding to support students, the Committee was advised that its distribution has been limited to date.

⁷⁷³ Hon Gayle Tierney MP, *Supporting Victorian Universities*, media release, Victorian Government, Melbourne, 19 May 2020.

⁷⁷⁴ Professor Margaret Gardner, President and Vice-Chancellor, Monash University, public hearing, Melbourne, 18 May 2020, *Transcript of evidence*, p. 33.

⁷⁷⁵ Mr Lincoln Aspinall, National Education Officer, National Union of Students, public hearing, Melbourne, 18 May 2020, *Transcript of evidence*, p. 58.

⁷⁷⁶ Professor Margaret Gardner, *Transcript of evidence*, p. 37.

⁷⁷⁷ *Ibid.*, p. 38.

⁷⁷⁸ Roberta Malee Bassett and Nina Arnhold, World Bank, *COVID-19's Immense Impact on Equity in Tertiary Education*, 30 April 2020, <<https://blogs.worldbank.org/education/covid-19s-immense-impact-equity-tertiary-education>> accessed 2 July 2020.

Financial support for international students

In a survey of international students conducted by the National Union of Students in April 2020, 75% of respondents advised that they were under financial strain.⁷⁷⁹ There were 226,866 international students in Victoria at 1 April 2020.⁷⁸⁰ These students did not have access to Centrelink services such as JobKeeper or JobSeeker, due to their visa status.⁷⁸¹

In order to support their students, a number of universities in Victoria established hardship funds. The Committee was advised that Monash University had established a \$15 million financial and compassionate hardship fund for all Monash students—domestic and international—that provided up to \$7,500 per individual. Monash received 16,000 applications to the fund, 13,000 of which were from international students. Applications were for an average value of approximately \$3,000 each, totalling over \$49 million.⁷⁸²

The Victorian Government announced a \$45 million fund for international students on 29 April 2020. Payments were managed by universities and required co-contributions from university hardship funds.⁷⁸³ Applications for the fund opened on 21 May 2020. The fund is delivered in two streams, one for university and TAFE students, and the other for those attending private education courses. Applications for funding are made through the education providers.⁷⁸⁴ To be eligible for the fund, individuals must have been employed in March 2020, and experienced significant hardship based on a significant reduction in hours of employment or loss of employment due to a business shutdown.⁷⁸⁵

The Victorian Government has advised that students may be eligible for up to \$1,100 through the fund.⁷⁸⁶ At 5 June 2020, the Department of Jobs, Precincts and Regions stated that \$3.6 million had been paid to over 3,300 students.⁷⁸⁷

779 Ms Molly Willmott, President, National Union of Students, public hearing, Melbourne, 18 May 2020, *Transcript of evidence*, p. 60.

780 Department of Education, Skills and Employment, International Student Data 2020, April 2020, <https://internationaleducation.gov.au/_layouts/download.aspx>, accessed 13 July 2020.

781 Ms Molly Willmott, *Transcript of evidence*, p. 57.

782 Professor Margaret Gardner, *Transcript of evidence*, pp. 34-5.

783 Hon Martin Pakula MP, *Emergency Support For Victoria's International Students*, media release, Victorian Government, Melbourne, 29 April 2020.

784 Study Melbourne, *International Student Emergency Relief Fund*, 21 May 2020, <<https://www.studymelbourne.vic.gov.au/news-updates/international-student-emergency-relief-fund#>> accessed 2 July 2020.

785 Study Melbourne, *Frequently Asked Questions (Stream One): For University and TAFE Students*, 2 June 2020, <<https://www.studymelbourne.vic.gov.au/news-updates/international-student-emergency-relief-fund/university-and-tafe/stream-1-faqs#>> accessed 2 July 2020.

786 Hon Martin Pakula MP, *Emergency Support For Victoria's International Students*, media release.

787 Will Nott, 'Aus: Victoria's Int'l Students Face Delays in Accessing \$45m Fund', *The Pie News*, 5 June 2020, <<https://thepienews.com/news/aus-victoria-intl-students-face-delays-in-accessing-45m-fund>> accessed 2 July 2020.

The Victorian Government has established a \$45 million fund to support international students, in collaboration with Victorian Universities' hardship funds. To assess the effectiveness of the support fund, it is important that universities and TAFEs collect data that is specifically related to the program, including:

- the total allocation of funds received by the university/TAFE from the Victorian Government to distribute
- the number of applications received
- the number of applications approved
- the amount of grants distributed from the Victorian Government against the total from the university/TAFE pool of funds.

RECOMMENDATION 23: The Department of Jobs, Precincts and Regions, in collaboration with Victorian universities and TAFEs, consider collecting data on the international student support fund.

Impacts on domestic students

A large proportion of domestic students have been unable to access JobKeeper, due to the often transitory and sporadic nature of the work they undertake while studying. The National Union of Students (NUS) stated that one of the main concerns for domestic students was their inability to support themselves financially because of the restrictions put in place during the pandemic.⁷⁸⁸

Mental ill health represents a significant issue for a large number of domestic students, which has been exacerbated by the pandemic with the NUS stating that there will be a need to provide increased support for students' mental health at universities moving forward.⁷⁸⁹

FINDING 98: Domestic tertiary students are facing financial strain because of the pandemic, which is exacerbating mental health concerns for some.

8.3.3 Technical and Further Education

The Free TAFE initiative has seen almost 40,000 students enrolling in courses by the end of 2019, with a quarter of commencements in regional Victoria.⁷⁹⁰ This marks an 88% increase in commencements compared with the same courses at the end of 2018.⁷⁹¹

⁷⁸⁸ Ms Molly Willmott, *Transcript of evidence*, p. 62.

⁷⁸⁹ *Ibid.*, p. 60.

⁷⁹⁰ Hon Gayle Tierney MP, *Early Childhood Free TAFE Courses Get Underway In Colac*, media release, Victorian Government, Melbourne, 13 March 2020.

⁷⁹¹ Hon Gayle Tierney MP, *Free TAFE Supporting Coronavirus Response And Recovery*, media release, Victorian Government, Melbourne, 26 May 2020.

The State of Emergency declared on 16 March 2020 by the Victorian Government cancelled mass gatherings of more than 500 people.⁷⁹² TAFE and training providers remained open to offer face-to-face training where necessary and ensure that the provision of hands-on skills-based learning could be provided in line with health advice.⁷⁹³

On April 17 2020, the Victorian Government announced a \$260.8 million support package for the vocational education system to facilitate skill attainment through the pandemic due to an expected drop in student numbers.⁷⁹⁴ This included \$191.9 million in grants to support business continuity until 30 June 2020, and \$68.9 million in crisis funding to support the transition to online and remote learning and maintain staff employment.⁷⁹⁵ The funding also supports a further 11 Free TAFE qualifications.⁷⁹⁶ TAFEs have also been a key partner in the Working for Victoria program, providing free online training courses to reskill jobseekers and short courses in food hygiene, cleaning, and infection control.⁷⁹⁷

TAFE and economic recovery

The Victorian Government is focused on using the TAFE system to keep construction and other industries operating during the pandemic, in order to drive the economic recovery of the State.⁷⁹⁸ The Committee heard that TAFE would be fundamental to the recovery effort, by providing access to public education and employment, whilst producing the pipeline of skills Victorian workplaces and industries require.⁷⁹⁹

On 7 July 2020, the Victorian Government announced an expansion of the Free TAFE program. Under the expansion, \$163 million will be used to provide targeted investments allowing individuals to retrain, creating 10,000 more Free TAFE places.⁸⁰⁰

The Master Builders Association of Victoria informed the Committee that the construction sector provides 45% of the state's tax revenue and could cost the economy up to \$25.5 billion if shutdown completely in response to the pandemic.⁸⁰¹

⁷⁹² Hon Daniel Andrews MP, *State Of Emergency Declared In Victoria Over COVID-19*, media release, Victorian Government, Melbourne, 16 March 2020.

⁷⁹³ Department of Education and Training, *Coronavirus (COVID-19) Advice for Registered Training Providers (Including TAFEs) and Training Operations, Apprentices and Trainees*, 2020, <<https://www.education.vic.gov.au/training/Pages/coronavirus-advice-tafe.aspx>> accessed 2 July 2020.

⁷⁹⁴ Hon Daniel Andrews MP, *Skilling Up Victorians To Get Through The Coronavirus Crisis*, media release, Victorian Government, Melbourne, 17 April 2020.

⁷⁹⁵ Ibid.

⁷⁹⁶ Ibid.

⁷⁹⁷ Hon James Merlino MP, *COVID-19 public hearing presentation*, p. 12.

⁷⁹⁸ Skills for Victoria Independent Review, *Skills for Victoria's Growing Economy: Issues Paper*, Melbourne, March 2020.

⁷⁹⁹ Ms Meredith Peace, *Transcript of evidence*, p. 52.; Mr Tim Piper, Head, Victoria, Australian Industry Group, public hearing, Melbourne, 13 May 2020, *Transcript of evidence*, p. 6.

⁸⁰⁰ Hon Gayle Tierney MP, *Free TAFE Supporting Coronavirus Response And Recovery*, media release.

⁸⁰¹ Ms Rebecca Casson, Chief Executive Officer, Master Builders Association of Victoria, public hearing, Melbourne, 20 May 2020, *Transcript of evidence*, p. 2.

The construction and other industries are reliant on access to new apprentices and cadets to maintain operations.⁸⁰² On 12 March 2020 the Commonwealth Government announced the Supporting Apprentices and Trainees (SAT) stimulus package, offering a wage subsidy of 50% of an apprentice's or trainee's wage for 9 months from 1 January 2020 to 30 September 2020.⁸⁰³ The subsidy is for small businesses employing fewer than 20 employees who retain an apprentice or trainee, and employers of any size or Group Training Organisations that re-engage an out-of-trade apprentice or trainee.⁸⁰⁴

Although the SAT and the JobKeeper stimulus package have been effective in maintaining the stock of apprentices and trainees in training after State of Emergency restrictions were announced,⁸⁰⁵ modelling shows that nationally 100,000 apprentices and trainees will lose their jobs this year as a result of the pandemic.⁸⁰⁶ The Victorian chapter of the Australian Industry Group informed the Committee that there had been a 58% drop in apprenticeship completions in 2020, which would lead to significant skills shortages in the next two to three years.⁸⁰⁷

The TAFE sector will be considered further in subsequent deliberations of the Committee.

⁸⁰² Hon Daniel Andrews MP, *Skilling Up Victorians To Get Through The Coronavirus Crisis*, media release.

⁸⁰³ Department of Education, Skills and Employment, *Supporting Apprentices and Trainees*, 12 March 2020, <<https://www.australianapprenticeships.gov.au/node/3939>> accessed 2 July 2020.

⁸⁰⁴ Ibid.

⁸⁰⁵ National Australian Apprenticeship Association, *Apprenticeships and the Recovery: Briefing Paper*, May 2020, p. 2.

⁸⁰⁶ Ibid.

⁸⁰⁷ Mr Tim Piper, *Transcript of evidence*, p. 6.

9 Environment

9.1 Introduction

The Victorian Government and the Department of Environment, Land, Water and Planning (DELWP) has several environmental policy priorities. DELWP's key initiatives include reducing greenhouse gas emissions, improving Victoria's recycling industry and facilitating productive and effective land management as set out in its Annual Report of 2018-19. These activities are guided by legislation including the *Climate Change Act 2017*, *Environment Protection Act 2017* (the Environment Protection Act) and the *Marine and Coastal Act 2018*, among others.

Prior to the COVID-19 pandemic, Victoria experienced a significant fire season that claimed lives, homes and millions of hectares of land in various parts of the state. At the time of writing, bushfire affected areas are continuing their recovery efforts. Victoria's bushfire emergency and the subsequent recovery have coincided with the COVID-19 state of emergency and associated health restrictions and economic and social impacts.

The COVID-19 pandemic has resulted in the re-prioritisation of various environmental issues by the Victorian Government. The implementation of the new *Environment Protection Act 2017* has been delayed due to the pandemic and the Government has delayed some environmental reporting obligations. However, bushfire recovery has continued, and new agreements and legislation have been implemented for onshore gas drilling and logging around the state.

9.2 *Environment Protection Amendment Act 2017*

On 31 March 2016, the Independent Inquiry into the Environmental Protection Agency (EPA) handed down its final report.⁸⁰⁸ In response to some of the inquiry's recommendations, the *Environment Protection Amendment Act 2017* was passed on 22 August 2018. The Environment Protection Act was set to come into effect on 1 July 2020 and would repeal the *Environment Protection Act 1970*.⁸⁰⁹

The Environment Protection Act introduces an enforceable general environmental duty, which requires those who conduct activities that pose a risk to human health and the environment from pollution and waste to take steps to eliminate or reduce those risks.

⁸⁰⁸ Independent Inquiry into the EPA, *EPA Inquiry Report*, 2017, <<http://epa-inquiry.vic.gov.au/epa-inquiry-report>> accessed 9 July 2020.

⁸⁰⁹ Hon. Lily D'Ambrosio MP, *World Leading Environment Protection For Victoria*, media release, Victorian Government, Melbourne, 22 August 2018; Environment Protection Authority Victoria, *New Laws to Better Protect the Environment*, 24 April 2020, <<https://www.epa.vic.gov.au/about-epa/laws/new-laws>> accessed 9 July 2020.

The Environment Protection Act increases maximum penalties for those who do not follow the legislation and strengthens the powers of the EPA's Authorised Officers.⁸¹⁰

The *COVID-19 Omnibus (Emergency Measures) Act 2020* (the Omnibus Act) made changes to the introduction of the Environment Protection Act. Instead of beginning operation on 1 July 2020, the Omnibus Act outlined the Environment Protection Act would commence on 1 July 2021 or earlier by proclamation. The Government has stated that this decision was made to allow business and industry to focus on the immediate impacts of coronavirus.⁸¹¹

During the public hearings the Hon. Lisa Neville, Minister for the Coordination of Environment, Land, Water and Planning: COVID-19, advised the Committee that the decision to delay the legislation was due to feedback and representations from business and industry. Business and industry did not believe they would be able to implement the changes included in the Environment Protection Act while also confronting business and economic changes because of the pandemic. The Minister told the Committee that this decision was not made because the EPA was unable or not ready to implement the Environment Protection Act.⁸¹²

FINDING 99: The Victorian Government delayed the implementation of the *Environment Protection Act 2018* following feedback from industry and business that they could not implement its requirements in the context of the COVID-19 pandemic.

9.3 Bushfire recovery projects

Extensive bushfires lasted from September 2019 to March 2020 in Australia. Victoria experienced losses to life, property and wildlife, with over 1 million hectares of land being burnt.⁸¹³ The Government response to the COVID-19 pandemic and the associated health and social distancing restrictions coincided with recovery and clean-up efforts in bushfire affected regions in Victoria. Many fire affected regions were also impacted by the COVID-19 pandemic, in particular those also reliant on tourism.⁸¹⁴

The Minister advised the Committee that 213 properties had been cleaned and cleared, while the outstanding 519 properties would be completed by August 2020. Eight community hubs had been established to provide access to services and support for affected communities. \$316 million in funding had been committed by the Government, while \$73 million was paid out in grants to assist affected individuals and communities.

⁸¹⁰ Hon. Lily D'Ambrosio MP, *World Leading Environment Protection For Victoria*, media release.

⁸¹¹ Hon. Jill Hennessy MP, *Temporary Emergency Measures To Manage Coronavirus Crisis*, media release, Victorian Government, Melbourne, 21 April 2020.

⁸¹² Hon. Lisa Neville MP, Minister for the Coordination of Environment, Land, Water and Planning: COVID-19, and Minister for Police and Emergency Services, public hearing, Melbourne, 19 May 2020, *Transcript of evidence*, pp. 9–10.

⁸¹³ Parliament of Victoria, *2019-20 Bushfires: Quick Guide*, report prepared by Ben Huf and Holly Mclean, Melbourne, February 2020, pp. 1–3.

⁸¹⁴ Hon. Lisa Neville MP, *Transcript of evidence*, pp. 23–24.

On 18 May 2020, the Government also announced 80 jobs in bushfire recovery as part of the Working for Victoria scheme, in an effort to confront both the bushfire and COVID-19 emergencies.⁸¹⁵

9.4 Announcements and responses to reports

Government responses to the 2018 Victorian State of the Environment Report and the Victorian Environmental Assessment Council's (VEAC) Central West Investigation are overdue. The 2018 Victorian State of the Environment Report required a response within 12 months of tabling the report in Parliament, which fell on 23 April 2020.⁸¹⁶ This response time is outlined in the *Environmental Sustainability Act 2003*.⁸¹⁷ Similarly the Government's response to recommendations of the VEAC Central West Investigation were due by late February 2020.⁸¹⁸

When asked about the delay in these responses, the Minister told the Committee that the COVID-19 pandemic, the ongoing issue of bushfire recovery and work being completed by DELWP in running the State Control Centre had impacted 'business as usual'. The Minister stated:

Are people focused on other issues? Yes, I think that is right, but that does not mean those issues you are raising are not important. I think it probably means that there are delays in those rather than them not coming. It is about just making sure that other things that are really important around pandemics, royal commissions, bushfires are priorities at this particular time.⁸¹⁹

In its response to the questions on notice, DELWP advised the Committee that the response to the 2018 Victorian State of the Environment Report would be tabled in Parliament at the earliest opportunity.⁸²⁰ At the time of writing the response had not been tabled.

Regarding the VEAC Central West Investigation, DELWP stated the Government's response was delayed and the timeframe for finalising the response would be confirmed. At the time of writing the Government's response had not been tabled.

FINDING 100: Whilst the Victorian Government noted their importance, responses to the 2018 Victorian State of the Environment Report and the Victorian Environmental Assessment Council's Central West Investigation have been delayed because of reprioritisation of resources due to the bushfire and COVID-19 emergencies.

⁸¹⁵ Hon. Martin Pakula MP, *Working For Victoria And Backing Fire-Hit Regions*, media release, Victorian Government, Melbourne, 18 May 2020.

⁸¹⁶ Commissioner for Environmental Sustainability Victoria, *Victorian State of the Environment 2018 Report: Summary Report*, Melbourne, 2018, p. 8; Department of Environment, Land, Water and Planning, *Inquiry into the Victorian Government's Response to the COVID-19 Pandemic* hearing, response to questions on notice received 3 June 2020, p. 1.

⁸¹⁷ *Commissioner for Environmental Sustainability Act 2003 (Vic)*.

⁸¹⁸ Victorian Environmental Assessment Council, *Central West Investigation*, 2019, <<http://www.veac.vic.gov.au/investigation/central-west-investigation>> accessed 9 July 2020.

⁸¹⁹ Hon. Lisa Neville MP, *Transcript of evidence*, p. 10.

⁸²⁰ Department of Environment, Land, Water and Planning, response to questions on notice, p. 1.

The Committee also found that under the *Climate Change Act 2017*, the Government was obliged to agree to carbon emissions reductions for 2025 and 2030 by 31 March 2020 and to table the targets within 10 sitting days, falling on 6 August 2020.⁸²¹ The legislation also requires the development of five-yearly sector pledges that must describe the actions the Government will take to reduce Victoria's greenhouse gas emissions, finalised for the period to 2025 by 1 August 2020.⁸²² At the time of the public hearing it was uncertain when these targets would be announced.⁸²³

On 26 June 2020 the *Petroleum Legislation Amendment Act 2020* was passed, lifting the moratorium on onshore gas exploration and allowing onshore drilling to commence from 1 July 2021.⁸²⁴ In late March 2020 the Government also extended the Victorian Regional Forest Agreements until 30 June 2030. These agreements are made between the State and Commonwealth Governments to facilitate forest logging in Victoria.⁸²⁵ The Committee asked why these decisions had been made by Government while other environmental agreements and legislation had been delayed or postponed. The Minister responded:

This is always a constant balancing act in these times—what takes up how much resources, who is engaged in the State Control Centre. Part of those decisions are also with the primary industry or agriculture Minister. So, you know, I cannot prejudge why certain ones are made or not, but I imagine it is a constant balancing act about what is possible and what is not possible in unprecedented circumstances.⁸²⁶

9.5 Household waste, recycling and illegal dumping

Public communications from the EPA informed Victorians that despite health restrictions and social distancing regulations, waste should be disposed of as normal and waste disposal and recycling services were operating as normal.⁸²⁷ This was consistent with the advice given to other states and territories around Australia.⁸²⁸

⁸²¹ Department of Environment, Land, Water and Planning, *Emissions Reduction Targets*, 30 August 2019, <<https://www.climatechange.vic.gov.au/reducing-emissions/emissions-targets>> accessed 9 July 2020; Parliament of Victoria, *Sitting Dates 2020, 2020*, <<https://www.parliament.vic.gov.au/about/daily-calendar/yearly-sitting-dates/yearly-sitting-dates-2020>> accessed 9 July 2020.

⁸²² Department of Environment, Land, Water and Planning, *Actions to Reduce Emissions*, 30 August 2019, <<https://www.climatechange.vic.gov.au/reducing-emissions/actions-to-reduce-emissions>> accessed 9 July 2020.

⁸²³ Hon. Lisa Neville MP, *Transcript of evidence*, p. 10.

⁸²⁴ Hon. Daniel Andrews MP, *Backing The Science, Protecting Farmers And Boosting Jobs*, media release, Victorian Government, Melbourne, 17 March 2020.

⁸²⁵ Department of Environment, Land, Water and Planning, *Victorian Regional Forest Agreements*, 6 April 2020, <<https://www2.delwp.vic.gov.au/futureforests/what-were-doing/victorian-regional-forest-agreements>> accessed 9 July 2020.

⁸²⁶ Hon. Lisa Neville MP, *Transcript of evidence*, p. 11.

⁸²⁷ EPA Victoria (@EPA_Victoria), 'Find out about waste disposal and recycling services.', tweet, 15 June 2020, 12:02 pm, <https://twitter.com/EPA_Victoria/status/1272348767342092288> accessed 9 July 2020.

⁸²⁸ EPA New South Wales, *Information for the waste and recycling industry*, 9 April 2020, <https://www.epa.nsw.gov.au/-/media/epa/corporate-site/resources/licensing/covid19/20p2231-infomation-for-the-waste-and-recycling-industry.pdf> accessed 20 July 2020.

DELWP also gave directions to local councils through bulletins issued on 16 April 2020 and 15 May 2020, informing councils that waste and recycling services and transfer stations were not required to close due to Stage 3 health restrictions. They were advised that such services should continue to operate and that local councils should consider extending their operating hours for waste collection to ensure physical distancing for employees and the public.⁸²⁹

During the COVID-19 pandemic the EPA published information on their website about waste services and how Victorians could dispose of waste including hard rubbish during the pandemic.⁸³⁰

During the public hearings, the Committee heard that while some tips and transfer stations decided to close in the initial stages of the pandemic because of concerns about health restrictions, DELWP had provided support to the sector to understand their obligations in terms of the restrictions. At the time of the public hearings DELWP advised that there was no disruption to kerbside recycling in relation to waste and recycling services.⁸³¹

This report was adopted by the Public Accounts and Estimates Committee at its meeting held on 23 July 2020 via videoconference.

⁸²⁹ Local Government Victoria, *Coronavirus (COVID-19) Information*, 29 June 2020, <<https://www.localgovernment.vic.gov.au/resilience-and-emergency-management/coronavirus-covid-19-information>> accessed 9 July 2020.

⁸³⁰ Environment Protection Authority Victoria, *Waste and recycling during coronavirus*, 1 July 2020, <<https://www.epa.vic.gov.au/about-epa/news-media-and-updates/coronavirus/handling-waste-during-coronavirus>> accessed 16 July 2020.

⁸³¹ Mr John Bradley, Secretary, Department of Environment, Land, Water and Planning, public hearing, Melbourne, 19 May 2020, *Transcript of evidence*, p. 23.

Appendix 1

COVID-19 public sector missions

Health Emergency

The Health Emergency Mission was led by the Secretary of the Department of Health and Human Services (DHHS) and covered the portfolios of health, ambulance services, mental health and ageing. The Mission was linked to the Minister for Coordination of Health and Human Services – COVID-19 and primarily covered the public health response to the pandemic, including case treatment, testing, isolation and contact tracing. It also encompassed health data and analysis, and the management of healthcare supply chain requirements. The Mission was also responsible for collaboration and direction of private sector health resources in the state.

Economic Emergency

The Economic Emergency Mission was led by the Secretary of the Department of Treasury and Finance (DTF) and covered the portfolios of treasury, economic development and industrial relations. The Mission was linked to the Minister for Coordination of Treasury and Finance – COVID-19 and primarily covered management of the State's finances, including the Budget and public borrowing. The Mission managed changes to business support during the pandemic, including regulatory policy, tax concessions and changes to fees and charges. It was also responsible for monitoring economic and business conditions and assessing the impact of COVID-19 by sector.

Economic Program Delivery, Supply, Logistics and Procurements

The Economic Program Delivery, Supply, Logistics and Procurement Mission was led by the Secretary of the Department of Jobs, Precincts and Regions and covered the portfolios of jobs, innovation and trade, priority precincts, regional development and small business. The Mission was linked to the Minister for the Coordination of Jobs, Precincts and Regions – COVID-19 and was primarily responsible for implementing measures that would ensure critical businesses continue running. It also covered streamlining public procurements rules to support industry as part of the Government's response and safeguarding the Government's supply chain.

Continuity of Essential Services—People

The Continuity of Essential Services – People Mission was led by the Secretaries of the Department of Justice and Community Safety (DJCS) and the Department of Education (DET). The Mission covered a number of portfolios, including education, training and

skills, higher education, Attorney-General, workplace safety, crime prevention, youth justice, corrections, victim support, consumer affairs, gaming and liquor regulation, police and emergency services, housing, child protection, and disability and carers.

Given the large scope of the Mission, it was linked to the Minister for Coordination of Education and Training COVID-19, the Minister for Coordination of Justice and Community Safety COVID-19 and the Minister for Coordination of Environment, Land, Water and Planning – COVID-19. The Mission covered a large range of services, including police and emergency services, mental health services and family violence services. It also included education related services, such as the whole-of-government response to education, partnerships with the private education sector and partnerships with the Aboriginal community sector. Lastly, it covered several essential services, including food delivery to isolated people and management of the blood bank.

Continuity of Essential Services—Economic

The Continuity of Essential Services—Economic Mission was led by the Secretaries of the Department of Environment, Land, Water and Planning (DELWP) and the Department of Transport. It was linked to the Minister for Coordination of Transport – COVID-19 and the Minister for Coordination of Environment, Land, Water and Planning – COVID-19. The Mission covered several portfolios, including transport infrastructure, public transport, ports and freight, agriculture, resources, energy, environment and climate change, solar homes, water, creative industries, suburban development, local government, roads, road safety and the Transport Accident Commission (TAC), and planning.

With a wide range of portfolios, the Mission covers a substantial portion of the Government’s response, including all transport and transport infrastructure responses. It also encompasses water and wastewater infrastructure, telecommunications and associated infrastructure, energy and fuel supplies, and other services like waste collection and administration of public spaces.

Economic Recovery (Private Sector)

The Economic Recovery (Private Sector) Mission was led by the Secretaries of DTF and DJPR and was linked with the Minister for Coordination of Treasury and Finance – COVID-19 and the Minister for Coordination of Jobs, Precincts and Regions – COVID-19. The Mission covered several portfolios, including treasury and finance, economic development, jobs, innovation and trade, tourism, sport and major events, racing, regional development, small business, fishing and boating, and priority precincts.

The mission covered a wide range of areas which support the economic recovery of the private sector, including:

- Detailed economic modelling for the Victorian economy
- Development of an economic recovery framework to help with diversification and resilience of the Victorian Economy

- Assessment of options of tax and regulatory reform and financial assistance
- Analysis of the State's industrial and trade policies
- Support programs for the regional economy
- A debt management strategy for public finances.

Restoration of Public Services—People

The Restoration of Public Services – People Mission was led by the Secretaries of DJCS and DET. This Mission incorporates a wide range of portfolios from across government, including education, training and skills, higher education, Attorney-General, workplace safety, crime preventions, youth justice, correction, victim support, consumer affairs, gaming and liquor regulation, police and emergency services, housing, child protection and disability and carers. The Mission covers areas such as education, housing, sport, family violence, police, justice and the aboriginal sector.

Restoration of Public Services—Economic (Public Sector)

The Restoration of Public Services – Economic (Public Sector) Mission was led by the Secretaries of DELWP and DoT. The related Ministers were the Minister for Coordination of Transport – COVID-19 and the Minister for Coordination of Environment, Land, Water and Planning – COVID-19. Like the previous Mission, this Mission is broad and covers the portfolios of transport infrastructure, public transport, ports and freight, agriculture, resources, energy, environment and climate change, solar homes, water, creative industries, suburban development, local government, roads, road safety and the TAC, and planning.

The essential areas this Mission covers includes:

- Transport, particularly transport infrastructure and transport projects
- Water, including infrastructure and irrigation
- Telecommunications, focussing on infrastructure
- Energy supply networks
- Other services like waste collection and cleaning.

Appendix 2

About the Inquiry

A2.1 Submissions

As at 23 July 2020, the Committee has received and accepted 21 submissions from both individuals and organisations. Submissions were received from the following:

1	Tenants Victoria
2	Children and Young People with Disability Australia
3	Youth Affairs Council Victoria
4	Association for Children with Disability
5	Name withheld
6	Benjamin Cronshaw
7	Name withheld
8	Bus Association Victoria Inc.
9	Shop, Distributive and Allied Employees' Association Victoria
10	Rungkarn Ratanaporn
11	Behind Closed Doors
12	Paz Bempekli
13	Name withheld
14	Brianna Melville
15	Evgenia Lega
16	SPELD Victoria
17	Aged Care Crisis Inc.
18	Volunteering Victoria
19	James Groombridge
20	Jacqueline Wright
21	Christine Cocks

A2.2 Public hearings

Tuesday 12 May 2020

55 St Andrew's Place, East Melbourne and video conference

Name	Position	Organisation
Hon. Daniel Andrews MP	Premier	Department of Premier and Cabinet
Chris Eccles	Secretary	
Hon. Jenny Mikakos MLC	Minister for the Coordination of Health and Human Services: COVID-19	Department of Health and Human Services
Professor Brett Sutton	Chief Health Officer	
Kym Peake	Secretary	
Terry Symonds	Deputy Secretary, Health and Wellbeing	
Associate Professor Julian Rait OAM	President (Victorian Branch)	Australian Medical Association
Angus Clelland	Chief Executive Officer	Mental Health Victoria
Lisa Fitzpatrick	State Secretary (Victoria)	Australian Nursing and Midwifery Federation

Wednesday 13 May 2020

55 St Andrew's Place, East Melbourne and video conference

Name	Position	Organisation
Hon. Tim Pallas MP	Treasurer and Minister for the Coordination of Treasury and Finance: COVID-19	Department of Treasury and Finance
David Martine	Secretary	
Hon. Martin Pakula MP	Minister for the Coordination of Jobs, Precincts and Regions: COVID 19	Department of Jobs, Precincts and Regions
Simon Phemister	Secretary	
Paul Guerra	Chief Executive Officer	Victorian Chamber of Commerce and Industry
Luke Hilakari	Secretary	Victorian Trades Hall Council
Wil Stracke	Assistant Secretary	Australian Industry Group (AIG)
Tim Piper	Head Vic Branch	
Julie Toth	Chief Economist	
David Jochinke	President	Victorian Farmers Federation

Thursday 14 May 2020

55 St Andrew's Place, East Melbourne and video conference

Name	Position	Organisation
Brendan McClements	Chief Executive Officer	Visit Victoria
Holly Little	Head of Corporate Affairs	
Felicia Mariani	Chief Executive	Victoria Tourism Industry Council
Susie Filleti	Head of Memberships and Partnerships	
Liz Price	Chief Executive Officer	Great Ocean Road Tourism
Gil King	Chief Executive Officer	Real Estate Institute of Victoria
Paul Zahra	Chief Executive Officer	Australian Retailers Association
Fleur Brown	Head of Communications	
Justin O'Donnell	Executive Chairperson/President	Chapel Street Precinct Association Inc.
Judy O'Connell	Victorian Small Business Commissioner	Victorian Small Business Commission
Joe Toohey	Co-Convenor	Arts Industry Council Victoria
Wes Lambert	Chief Executive Officer	Restaurant and Catering Victoria

Monday 18 May 2020

55 St Andrew's Place, East Melbourne and video conference

Name	Position	Organisation
Hon. James Merlino MP	Deputy Premier and Minister for the Coordination of Education and Training: COVID-19	Department of Education and Training
Jenny Atta	Secretary	
David Howes	Deputy Secretary, Schools and Regional Services	
Anne-Maree Kliman	President	Victorian Principals Association (primary schools)
Andrew Dalglish	Deputy President and Principal of Montpellier Primary School	
Prof Margaret Gardner AC	President and Vice-Chancellor	Monash University
Sue Bell	President	Victorian Association of State Secondary Principals
Colin Axup	Deputy President and Principal of Suzanne Cory High School	
Meredith Peace	Branch President	Australian Education Union Victoria
Justin Mullay	Deputy President	
Molly Willmott	President	National Union of Students
Lincoln Aspinall	National Education Officer	

Name	Position	Organisation
Felicity Bellingham	President (Victorian Chapter)	Australian Association of Special Education
Helen Hatherly	Vice-President (Victorian Chapter)	
Nina Laitala	Executive Officer	Victorian Student Representative Council with members of the VicSRC's student executive
Wai Yan Moe	Student, Cheltenham Secondary College	

Tuesday 19 May 2020

55 St Andrew's Place, East Melbourne and video conference

Name	Position	Organisation
Hon. Jill Hennessy MP	Attorney-General and Minister for the Coordination of Justice and Community Safety: COVID-19	Department of Justice and Community Safety
Rebecca Falkingham	Secretary	
Colin Radford	Chief Executive	Worksafe Victoria
Emma Cassar	Commissioner	Corrections Victoria
Louise Anderson	Chief Executive Officer	Court Services Victoria
Hon. Lisa Neville MP	Minister for the Coordination of Environment, Land, Water and Planning: COVID-19 Minister for Police and Emergency Services	Department of Environment, Land, Water and Planning
John Bradley	Secretary	
Graham Ashton	Chief Commissioner	Victoria Police
Andrew Crisp	Emergency Management Commissioner	Emergency Management Victoria
Rebecca Falkingham	Secretary	Department of Justice and Community Safety
Shorna Moore	Director of Policy and Engagement	Federation of Community Legal Centres
Nerita Waight	Chief Executive Officer, Victorian Aboriginal Legal Service	
Samantha Sowerwine	Principal Lawyer, Justice Connect Homeless Law	
Sam Pandya	President	Law Institute Victoria
Adam Awty	Chief Executive Officer	
Kerry Thompson	Chief Executive Officer	Municipal Association of Victoria
Cr Coral Ross	President	
Lisa Darmanin	Victorian Branch Secretary	Australian Services Union
Michelle Jackson	Victorian Deputy Secretary	

Wednesday 20 May 2020

55 St Andrew's Place, East Melbourne and video conference

Name	Position	Organisation
Hon. Jacinta Allan MP	Minister for the Coordination of Transport: COVID-19	Department of Transport
Paul Younis	Secretary	
Jeroen Weimar	Head of Transport Services	
Corey Hannett	Director-General	Major Transport Infrastructure Authority
Adrian Dwyer	Chief Executive Officer	Infrastructure Partnerships Australia
Rebecca Casson	Chief Executive Officer	Master Builders Association Victoria
Emma King	Chief Executive Officer	Victorian Council of Social Services
Brooke McKail	Manager, Policy and Research	
Deborah Fewster	Manager, Advocacy and Engagement	
Alison Macdonald	Acting Chief Executive Officer	Domestic Violence Victoria
Alison Birchall	Acting Policy Unit Manager	
Jennifer Beveridge	Chief Executive Officer	Tenants Victoria
Ben Cording	Principal Solicitor	
Jenny Smith	Chief Executive Officer	Council to Homeless Persons
Kate Colvin	Manager Policy and Communications	
Tina Hogarth-Clarke	Chief Executive Officer	Council on the Ageing Victoria
Patricia Sparrow	Chief Executive Officer	Aged and Community Services Australia

Appendix 3

Health directions

Date	Direction	Description
16 March	Mass Gatherings Directions	Prohibited mass gatherings of 500 or more people in a single undivided indoor or outdoor space. There were exceptions and some gatherings were excluded from these requirements.
	Airport Arrival Direction	Required a person to travel from the airport to a premises that was suitable for the person to reside in for a period of 14 days. During the 14 days the person was not permitted to leave the premises unless there were specified reasons to do so and others were only permitted to enter the premises in certain circumstances.
18 March	Mass Gatherings Direction	Prohibited non-essential mass gatherings of 100 persons or more in a single undivided indoor space in addition to the mass gathering direction of 16 March. Some exceptions applied.
	Airport Arrival Direction	Made minor technical revisions to the Airport Arrival Directions of 16 March to facilitate its operation.
19 March	Cruise Ship Direction	Required any person arriving at a port in Victoria to travel to a premises that was suitable for the person to reside in for a period of 14 days. During the 14 days the person was not permitted to leave the premises unless there were specified reasons to do so and others were only permitted to enter the premises in certain circumstances.
21 March	Mass Gathering Directions (No.2)	Continued the previous directions on mass gatherings and introduced a requirement that indoor gatherings could only occur if the number of people in that space did not exceed the size of that space in square metres divided by 4. There were some exemptions.
	Aged Care Facilities Directions	Limited the people who could enter or remain on a residential aged care facility to residents and certain specified people. Certain persons were prohibited from visiting residential aged care facilities, while limits were placed on the number of visitors a resident could have and the duration of visits.
23 March	Hospital Visitors Directions	Limited the people who could enter or remain in a hospital to patients and specified people. Limits were placed on the number of visitors a patient could have and the duration of visits. Certain people were prohibited from visiting in certain circumstances.
	Non-essential Business Closure Directions	Prohibited the operation of non-essential businesses and undertakings with certain exclusions. This direction included pubs, bars, hotels, casinos, cinemas, restaurants, places of worship, among others.
25 March	Prohibited Gatherings Directions	Included new prohibitions on social sport gatherings and weddings and funerals, limiting 5 attendees to weddings and 10 attendees to funerals. Prohibitions under Mass Gathering Directions (No. 2) continued.
	Non-essential Activity Directions	Continued the prohibition of certain business operations under the direction of 23 March while expanding the list of prohibited activities to include some recreational facilities, certain non-essential retail facilities, camp grounds and caravans, among others. Open retail facilities were required to have certain signage, cleaning and density in stores.
	Isolation (Diagnosis) Directions	Required a person with a confirmed case of COVID-19 to travel directly to, and stay at a suitable premises or to attend a medical facility. A person with a confirmed case could not allow non-residents into the premises unless the person was already self-isolating or the person had to attend for medical or emergency purposes. This requirement remained in place until the person was cleared of COVID-19.

Date	Direction	Description
26 March	Non-essential Activity Directions (No.2)	Continued to prohibit the same non-essential activities as previous non-essential activity directions with some adjustments.
28 March	Revocation of Airport Arrivals Direction and Cruise Ship Docking Direction	This direction revoked the prior Airport Arrivals Direction and Cruise Ship Docking Direction.
	Direction and Detention Notice	This notice was served to returned overseas travellers arriving at a Victorian airport or port, requiring them to be detained to an assigned hotel room for a period of up to 14 days. During detainment the person could not leave their hotel room without permission and could only do so in specific circumstances. A detained person could not let others in the room unless they were authorised or already detained with them. This direction revoked the Airport Arrival Direction and Cruise Ship Direction of 18 and 19 March.
30 March	Stay at Home Directions	This direction required a person to stay at home unless leaving to obtain goods or services, for care or compassionate reasons, to attend work and education and for exercise and other specified reasons. Indoor gatherings were prohibited unless for specified reasons and outdoor gatherings with more than one person were also prohibited. There were some exemptions. The direction prohibited a person from granting access to their place or residence unless for specified reasons. There were some exclusions to these directions to protect vulnerable people.
	Restricted Activity Direction	Added additional prohibitions, provided that outdoor tennis and basketball centres may operate in specified circumstances and made an exemption to the permitted operations of campsites and caravan parks for workers responding to the state of emergency.
2 April	Stay at Home Directions (No.2)	Made changes to allow for a person to visit another person if they are in an intimate personal relationship with that person.
7 April	Restricted Activity Directions (No.2)	Continued to prohibit many of the same non-essential activities as Restricted Activity Direction but made some modifications.
	Stay at Home Directions (No.3)	Continued the restrictions of Stay at Home Directions (No. 2) with some modifications, including to allow child minding arrangements.
	Care Facilities Direction	Limited the people who could enter or remain at a care facility to residents and certain specified people. Certain persons were prohibited from visiting care facilities, while limits were placed on the number of visitors a resident could have and the duration of visits. Care facilities included alcohol and drug residential services, homeless residential services, secure welfare services.

Date	Direction	Description
13 April	Restricted Activity Directions (No.3)	Extended the prohibitions in Restricted Activity Direction (No.2) to the period of the extended declaration of a state of emergency with minor revisions.
	Stay at Home Directions (No.4)	Extended the prohibitions in Stay at Home Directions (No.3) to the period of the extended declaration of a state of emergency with minor revisions.
	Care Facilities Direction (No.2)	Extended the prohibitions in Care Facilities Direction to the period of the extended declaration. A change was made to specify that a person who was diagnosed with COVID-19 must be cleared before visiting a care facility.
	Isolation (Diagnosis) Directions (No.2)	Extended restrictions in the Isolation (Diagnosis) Directions but refined the basis on which a person can leave the premises where they are isolating if they have been diagnosed with COVID-19.
	Direction and Detention Notice	The Direction and Detention Notice was updated to refer to the extended declaration of a state of emergency.
	Hospital Visitors Directions (No.2)	Extended the prohibitions in Hospital Visitors Directions to the period of the extended declaration of a state of emergency with minor revisions.
17 April	Restricted Activity Directions (No.4)	Continued the restrictions of the Restricted Activities Directions (No. 3) and prohibited certain recreational facilities.
24 April	Restricted Activity Directions (No.5)	Continued the restrictions of Restricted Activity Directions (No. 4) while making changes to prohibit certain entertainment facilities and permit food and drink facilities in some controlled work premises.
11 May	Stay at Home Directions (No.5)	Extended the prohibitions in Stay at Home Directions (No.4) to the period of the extended declaration of a state of emergency with minor revisions.
	Restricted Activity Directions (No.6)	Extended the prohibitions in Restricted Activity Directions (No.5) to the period of the extended declaration of a state of emergency with minor revisions.
	Care Facilities Directions (No.3)	Extended the prohibitions in Care Facilities Directions (No. 2) to the period of the extended declaration of a state of emergency with minor revisions.
	Hospital Visitors Directions (No.3)	Extended the prohibitions in Hospital Visitors Directions (No. 2) to the period of the extended declaration of a state of emergency with minor revisions.
	Diagnosed Persons and Close Contacts Directions	Revoked Isolation (Diagnosis) Directions (No. 2) and expanded the restrictions on close contacts of a person diagnosed with COVID-19.
	Direction and Detention Notice	Was updated to refer to the extended declaration of a state of emergency.
	Restricted Activity Directions (No.7)	Put in place to gradually ease the restrictions on activities outlined in Restricted Activity Directions (No. 6) to take effect from 12 May.
Stay at Home Directions (No.6)	Extended the restrictions in Stay at Home Directions (No. 5) of 11 May to the period of the extended state of emergency with minor revisions. Restrictions were eased in relation to public and private gatherings.	

Date	Direction	Description
24 May	Stay at Home Directions (No.7)	Put in place to gradually ease the restrictions outlined in Stay at Home Directions (No. 6) in relation to public and private gatherings.
	Restricted Activity Directions (No.8)	Continued the restrictions of Restricted Activity Directions (No. 7) but eased restrictions on some recreational facilities.
31 May	Stay Safe Directions	Revoked the Stay at Home Directions (No. 7) to gradually ease restrictions. Permitted Victorians to leave their premises but not gather in groups of more than 20 or for work and education outside of the home. Limits on funeral and wedding attendance were lifted to 50 and 20 persons respectively.
	Restricted Activity Directions (No.9)	Revoked Restricted Activities Directions (No. 8). It also eased restrictions on a number of premises including retail facilities, places of worship, entertainment venues and food and drink facilities. While some restrictions were eased on these premises, other restrictions remained in place.
	Diagnosed Persons and Close Contacts Directions (No.2)	Continued the same restrictions in the Diagnosed Persons and Close Contacts Directions (No.1) of 11 May into the extended state of emergency.
	Hospital Visitors Direction (No.4)	Continued the same restrictions in the Hospital Visitors Directions (No. 3) into the extended state of emergency. Some changes were made to allow more visitors in hospitals in limited circumstances.
	Care Facilities Directions (No.4)	Continued the same restrictions in the Care Facilities Directions (No. 3) of 11 May into the extended state of emergency. Some changes were made to allow more visitors to care facilities in limited circumstances.
	Direction and Detention Notice (No. 4)	Continued the restrictions of the Direction and Detention Notice with changes to reflect the references to the state of emergency.
17 June	Hospital Visitors Directions (No. 5)	Continued the restrictions of Hospital Visitors Directions (No. 4). Specific and limited circumstances were outlined in which people diagnosed with COVID-19 but not cleared could visit hospitals.
21 June	Restricted Activity Directions (No. 10)	Replaced the Restricted Activity Directions (No. 9). Restricted the operation of certain businesses and undertakings while permitting the limited operation of certain recreational facilities, licensed premises, cinemas and other entertainment venues.
	Diagnosed Persons and Close Contacts Directions (No. 3)	Replaced Diagnosed Persons and Close Contacts Directions (No. 2) and provided directions to persons diagnosed with COVID-19 and their close contacts, outlining requirements for those diagnosed to self-isolate and close contacts to self-quarantine in specified circumstances.
	Hospital Visitors Directions (No. 6)	Replaced Hospital Visitor Directions (No. 5) and specified who could enter and remain in a hospital and prohibited persons from visiting a hospital in some circumstances.
	Care Facilities Directions (No. 5)	Replaced the Care Facilities Directions (No. 4). The directions limited who could visit and remain in care facilities and clarified entry of certain services in specified circumstances.

Date	Direction	Description
21 June	Stay Safe Directions (No. 2)	Replaced the Stay Safe Directions. Restrictions were amended in multiple areas, including to limit private gatherings to a maximum of 5 people visiting another person's home and limit public gatherings to up to 10 people in a public place.
	Direction and Detention Notice (No. 5)	Replaced Direction and Detention Notice (No. 4) and was issued to people arriving in Victoria from overseas, advising them that they must go into compulsory quarantine for 14 days.
1 July	Area Directions	Identified specific areas in Victoria which had a higher prevalence or risk of exposure to COVID-19 and were subject to specific directions. Applied to the following postcodes: <ul style="list-style-type: none"> • 3012—Brooklyn, Kingsville, Maidstone, Tottenham, West Footscray • 3021—Albanvale, Kealba, Kings Park, St Albans • 3032—Ascot Vale, Highpoint City, Maribyrnong, Travancore • 3038—Keilor Downs, Keilor Lodge, Taylors Lakes, Watergardens • 3042—Airport West, Keilor Park, Niddrie, Niddrie North • 3046—Glenroy, Hadfield, Oak Park • 3047—Broadmeadows, Dallas, Jacana • 3055—Brunswick South, Brunswick West, Moonee Vale, Moreland West • 3060—Fawkner • 3064—Craigieburn, Donnybrook, Kalkallo, Mickelham, Roxburgh Park.
	Stay at Home Restrictions (Restricted Postcodes)	Required all who ordinarily reside in the listed restricted postcodes to limit their interactions with others by limiting the circumstances in which they could leave home. The circumstances in which people could leave their premises were outlined in the directions. Restrictions were also placed on gatherings in these identified postcodes.
	Restricted Activity Directions (Restricted Postcodes)	Limited the operations of certain businesses in the identified restricted postcodes. Licensed premises and physical recreation facilities were not permitted to operate while other identified businesses could operate in specified circumstances.
	Stay Safe Directions (No.3)	Replaced Stay Safe Directions (No. 2) and placed restrictions on gatherings and return to the workplace to limit interactions between Victorians. Also outlined in what circumstances people could enter restricted postcodes.
	Restricted Activity Directions (No. 11)	Replaced Restricted Activity Directions (No. 10) and restricted the operation of certain businesses and undertakings in Victoria outside of restricted postcodes, imposing a density quotient on markets and retail shopping centres.
	Hospital Visitors Directions (No.7)	Replaced Hospital Visitor Directions (No. 6). Prohibited non-essential visits to hospitals in order to limit the spread of Novel Coronavirus 2019 (2019-nCoV).
	Diagnosed Persons and Close Contacts Directions (No.4)	Replaced Diagnosed Persons and Close Contacts Directions (No.3). Require persons diagnosed with Novel Coronavirus 2019 (2019-nCoV) to self-isolate, and those who are living with a diagnosed person, or who have been in close contact with a diagnosed person to self-quarantine, in order to limit the spread of 2019-nCoV.
	Direction and Detention Notice (No. 6)	Requires travellers to Victoria from overseas to be detained at a hotel for a period of 14 days. Under the direction, the detention will be extended for a further 10 days if the individual refuses to be tested for COVID-19.

Date	Direction	Description
1 July	Care Facilities Directions (No. 6)	Replaced Care Facilities Directions (No. 5). The purpose of these directions is to make provision for restricted access to care facilities in order to limit the spread of Novel Coronavirus 2019 (2019-nCoV) within a particularly vulnerable population. Access to such facilities was further restricted through these directions.
4 July	Area Directions (No. 2)	Identified specific areas in Victoria that had a higher prevalence or risk of exposure to COVID-19 and were subject to specific directions. Two postcode areas were added to the previous list of identified areas: <ul style="list-style-type: none"> • 3031—Flemington, Kensington • 3051—Hotham Hill, North Melbourne
	Detention Directions	Required all persons who usually resided at the specified detention location to limit their interactions with others. Restrictions were placed on circumstances in which residents could leave their premises at the follow locations: <ul style="list-style-type: none"> • Detention Directions—12 Sutton Street North Melbourne • Detention Directions—33 Alfred Street North Melbourne • Detention Directions—76 Canning Street North Melbourne • Detention Directions—12 Holland Court Flemington • Detention Directions—120 Racecourse Road Flemington • Detention Directions—126 Racecourse Road Flemington • Detention Directions—130 Racecourse Road Flemington • Detention Directions—159 Melrose Street North Melbourne • Detention Directions—9 Pampas Street North Melbourne
8 July	Restricted Activity Directions (No. 12)	Restrict the operation of certain businesses and undertakings in Victoria other than in the Restricted Areas, in order to limit the spread of Novel Coronavirus 2019 (2019-nCoV).
	Restricted Activity (Restricted Areas)	Restrict the operation of certain businesses and undertakings in Restricted Areas. These directions replaced Restricted Activity Directions (Restricted Postcodes).
	Area Directions (No. 3)	Replaced Area Directions (No. 2). Identify areas within Victoria which have a higher prevalence of, or risk of exposure to, 2019-nCoV and which are subject to specific directions which are reasonably necessary to protect public health. The Restricted Areas refers to the aggregate area consisting of the municipal districts, suburbs, localities and addresses within greater Melbourne and the Shire of Mitchell.
	Stay at Home Directions (Restricted Areas)	Limited the circumstances in which those who live in an identified restricted area could leave their homes. Those in restricted areas were permitted to leave their premises to obtain necessary goods and services, to care for others, for work and education, for exercise and outdoor recreation and other specified reasons. Placed restrictions on gatherings.
	Stay Safe Directions (No. 4)	Replaced Stay Safe Directions (No. 3) and placed limits on gatherings and return to workplaces for everyone who ordinarily resides in Victoria outside of the specified Restricted Areas. These directions also restricted travel to and from the Restricted Areas.

Date	Direction	Description
9 July 2020	Revocation of Detention Directions	<p>Revoked the detention directions that came into force on 4 July 2020. These directions applied to the following:</p> <ul style="list-style-type: none"> • Detention Directions—12 Sutton Street North Melbourne • Detention Directions—33 Alfred Street North Melbourne • Detention Directions—76 Canning Street North Melbourne • Detention Directions—12 Holland Court Flemington • Detention Directions—120 Racecourse Road Flemington • Detention Directions—126 Racecourse Road Flemington • Detention Directions—130 Racecourse Road Flemington • Detention Directions—159 Melrose Street North Melbourne • Detention Directions—9 Pampas Street North Melbourne
10 July	Stay at Home Directions (Restricted Areas) (No. 2)	Replaced Stay at Home Directions (Restricted Areas). Require everyone who normally resides in the Restricted Areas to limit their interactions with others by restricting the circumstances in which they may leave the premises they normally reside, and placing restrictions on gatherings, including prohibiting private gatherings.
	Stay Safe Directions (No. 5)	Address the serious public health risk posed to Victoria by Novel Coronavirus 2019 (2019-nCoV). These directions require everyone who ordinarily resides in Victoria, other than in the Restricted Areas, to limit their interactions with others by placing restrictions on gatherings and the return to workplaces.
15 July 2020	Diagnosed Persons and Close Contacts Directions (No.5)	Replaced Diagnosed Persons and Close Contacts Directions (No.4). Require persons diagnosed with Novel Coronavirus 2019 (2019-nCoV) to self-isolate, and those who are living with a diagnosed person, or who have been in close contact with a diagnosed person to self-quarantine, in order to limit the spread of 2019-nCoV.
19 July 2020	Area Directions (No. 4)	Replaced Area Directions (No. 3). Identify areas within Victoria which have a higher prevalence of, or risk of exposure to, 2019-nCoV and which are subject to specific directions which are reasonably necessary to protect public health. The Restricted Areas refers to the aggregate area consisting of the municipal districts, suburbs, localities and addresses within greater Melbourne and the Shire of Mitchell. Restrictions extended until the end of the extended declaration of a state of emergency.
	Stay at Home Directions (Restricted Areas) (No. 3)	Replaced Stay at Home Directions (Restricted Areas 2). Require everyone who normally resides in the Restricted Areas to limit their interactions with others by restricting the circumstances in which they may leave the premises they normally reside, and placing restrictions on gatherings, including prohibiting private gatherings. Restrictions extended until the end of the extended declaration of a state of emergency.
	Restricted Activity Directions (Restricted Areas) (No. 2)	Replaced Restricted Activity Directions (Restricted Areas). Restricted the operation of certain businesses and undertakings in the Restricted Areas to limit the spread of 2019-nCoV. Restrictions extended until the end of the extended declaration of a state of emergency.
	Restricted Activity Directions (No. 13)	Replaced Restricted Activity Directions (No. 12). Restricted the operation of certain businesses and other organisations, and limited recreational, cultural and entertainment activities in areas other than Restricted Areas in Victoria. Restrictions extended until the end of the extended declaration of a state of emergency.
	Stay Safe Directions (No. 6)	Replaced Stay Safe Directions (No. 5). Address the serious public health risk posed to Victoria by Novel Coronavirus 2019 (2019-nCoV). These directions require everyone who ordinarily resides in Victoria, other than in the Restricted Areas, to limit their interactions with others by placing restrictions on gatherings and the return to workplaces. Restrictions extended until the end of the extended declaration of a state of emergency.

Date	Direction	Description
19 July	Care Facility Directions (No. 7)	Replaced Care Facilities Directions (No. 6). These directions restricted access to care facilities in order to limit the spread of Novel Coronavirus 2019 (2019-nCoV). Restrictions extended until the end of the extended declaration of a state of emergency.
	Direction and Detention Notice (No. 7)	Replaced Direction and Detention Notice (No. 6) and was issued to people arriving in Victoria from overseas, advising them that they must go into compulsory quarantine for 14 days.
	Diagnosed Persons and Close Contacts Directions (No. 6)	Replaced Diagnosed Persons and Close Contacts Directions (No.5). Require persons diagnosed with Novel Coronavirus 2019 (2019-nCoV) to self-isolate, and those who are living with a diagnosed person, or who have been in close contact with a diagnosed person to self-quarantine, in order to limit the spread of 2019-nCoV. Restrictions extended until the end of the extended declaration of a state of emergency.
	Hospital Visitor Direction (No. 8)	Replaced Hospital Visitor Directions (No. 7). Prohibited non-essential visits to hospitals in order to limit the spread of Novel Coronavirus 2019 (2019-nCoV). Restrictions extended until the end of the extended declaration of a state of emergency.

Extract of proceedings

The Committee divided on the following questions during consideration of this report. Questions agreed to without division are not recorded in these extracts.

Committee Meeting—23 July 2020

1. Motion: That the following text be added to Chapter One: Introduction:
'The Committee notes that it is the only Parliamentary Committee in Australasia inquiring into the Government's response to COVID-19 with an effective Government majority and Government Chair'.

Moved: Danny O'Brien MP

The Committee divided.

Ayes (4)	Noes (5)
Sam Hibbins MP	Lizzie Blandthorn MP
David Limbrick MLC	Gary Maas MP
Danny O'Brien MP	Pauline Richards MP
Bridget Vallence MP	Tim Richardson MP
	Ingrid Stitt MLC

Resolved in the negative.

2. Motion: That the following text be added to section 1.3.1 in Chapter 1:
'The Chief Health Officer has stated it is conceivable that most, if not all, COVID-19 cases in the current second wave came from an outbreak in hotel quarantine. This is a matter that will be examined as part of the Committee's second report.'

Moved: Danny O'Brien MP

The Committee divided.

Ayes (5)	Noes (5)
Sam Hibbins MP	Lizzie Blandthorn MP
David Limbrick MLC	Gary Maas MP
Danny O'Brien MP	Pauline Richards MP
Richard Riordan MP	Tim Richardson MP
Bridget Vallence MP	Ingrid Stitt MLC

The Chair used her casting vote.

Resolved in the negative.

3. Motion: That chapter 1, as amended, be adopted and stand part of the Report.

Moved: Gary Maas MP

The Committee divided.

Ayes (7)	Noes (2)
Lizzie Blandthorn MP	Danny O'Brien MP
Sam Hibbins MP	Bridget Vallence MP
David Limbrick MLC	
Gary Maas MP	
Pauline Richards MP	
Tim Richardson MP	
Ingrid Stitt MLC	

Resolved in the affirmative.

4. Motion: That the following text 'The Chief Health Officer stated' be added to the start of finding 5 in Chapter 2: 'That as of 15 July 2020, the COVIDSafe app has not provided any additional data beyond what the contact tracing team at the Department of Health and Human Services has obtained through manual contact tracing.'

Moved: Bridget Vallence MP

The Committee divided.

Ayes (2)	Noes (7)
Danny O'Brien MP	Lizzie Blandthorn MP
Bridget Vallence MP	Sam Hibbins MP
	David Limbrick MLC
	Gary Maas MP
	Pauline Richards MP
	Tim Richardson MP
	Ingrid Stitt MLC

Resolved in the negative.

5. Motion: That Recommendation 1 in Chapter 9 be deleted: 'The Department of Environment, Land, Water and Planning table the response to the 2018 Victorian State of the Environment Report in Parliament and finalise the response to the Victorian Environmental Assessment Council's Central West Investigation as soon as possible'.

Moved: Mr Danny O'Brien MP

The Committee divided.

Ayes (8)	Noes (1)
Lizzie Blandthorn MP	Sam Hibbins MP
David Limbrick MLC	
Gary Maas MP	
Danny O'Brien MP	
Pauline Richards MP	
Tim Richardson MP	
Ingrid Stitt MLC	
Bridget Vallence MP	

Resolved in the affirmative.

6. Motion: The draft final report, as amended, together with the correction of any typographical errors be the report, subject to resolution of section 8.4.5, of the Committee and tabled on Friday 31 July 2020.

Moved: Gary Maas MP

The Committee divided.

Ayes (7)	Noes (2)
Lizzie Blandthorn MP	Danny O'Brien MP
Sam Hibbins MP	Bridget Vallence MP
David Limbrick MLC	
Gary Maas MP	
Pauline Richards MP	
Tim Richardson MP	
Ingrid Stitt MLC	

Resolved in the affirmative.

Minority report

THE INTERIM MINORITY REPORT

Inquiry into the Government's response to the COVID-19 pandemic.

Introduction

Despite the unprecedented actions taken by the Andrews Labor Government in response to the COVID-19 pandemic, Victoria is the only state in Australia suffering a second wave of the pandemic. The Andrews Government has reimposed Stage 3 restrictions, the only State in the country to do so. Victoria's borders have been closed. Public housing towers have been locked down for weeks. People were not allowed to leave their local suburb. Businesses have been forced to shut. Thousands of jobs have been lost. Currently, the majority of Victorians have been ordered to remain in their homes and may only leave their home for exceptional reasons and may only do so if they are wearing a mask.

On 12 May 2020, when this Inquiry began its hearings, the position in Victoria was:

- 17 new cases had been recorded that day.
- 114 active cases.
- A total of 1509 cases had been recorded.
- 18 people had tragically died from coronavirus, the last recorded death being on 28 April.
- 164 cases were likely acquired through community transmission.
- 8 people were in hospital.
- 4 people were in ICU.¹

As at 23 July 2020, Victoria's position is, regrettably, substantially worse in all respects. There are:

- 403 new cases recorded on 23 July.
- 484 new cases recorded the prior day, 22 July, being the largest single day recorded in Australia.
- 3630 active cases.
- A total of 7125 cases have been recorded.
- 49 people have tragically died from coronavirus, five new deaths recorded on 23 July.
- 1154 cases are likely to have been acquired through community transmission.
- 201 people are in hospital.
- 40 people in ICU.²

The current position in Victoria is nothing short of disastrous. Australia's growth factor is 1.05,³ which means infections are increasing as a direct result of the second wave outbreak in Victoria.

During evidence on the first day of hearing, a member of PAEC asked the following question of the Premier:

¹ <https://www.dhhs.vic.gov.au/coronavirus-update-victoria-12-may-2020>

² <https://www.dhhs.vic.gov.au/coronavirus-update-victoria-23-july-2020>

³ <https://www.abc.net.au/news/2020-04-10/coronavirus-data-australia-growth-factor-covid-19/12132478?nw=0>

Ms STITT: Thank you, Premier. Can you talk a little bit about the support for the hotel industry as a bit of a good news story around quarantining returning travellers?⁴

Hotel Quarantining is not a “good news story”. Hotel Quarantining has been an absolute disaster.

According to Counsel assisting the Inquiry into Hotel Quarantine, Mr Neal QC, referring to comments made by the Chief Health Officer (CHO), Professor Brett Sutton, he observed that:

... it may even be that every case of COVID-19 in Victoria in recent weeks could be sourced to the Hotel Quarantine Program.⁵

The second wave outbreak in Victoria is the direct result of failures of the Andrews Government’s inadequate hotel quarantine arrangements. Yet PAEC has not been recalled to urgently resume its hearings and inquiry in order to find out how the Andrews Government’s response to COVID-19 resulted in a second wave outbreak.

We consider that PAEC is failing to fully and thoroughly probe the Andrews Government’s handling of the pandemic. Issues that could be potentially embarrassing or difficult for the Andrews Government are not being allowed to be given appropriate or due consideration. By way of example, Chapter 1 of the Report provides only fleeting reference to the second wave outbreak, noting:

“Unfortunately, infection rates in Victoria have since climbed again and the state is focused once again on managing the health dimensions of the pandemic”.

“Unfortunately” is an understatement, but worse than that, no context is given in the Report in relation to the existence of the second wave at all. We note the Chief Health Officer has publicly stated and Counsel Assisting the Hotel Quarantine Inquiry has observed that it is ‘conceivable’ that most, if not ‘every case’, has resulted from the hotel quarantine fiasco. We consider that not to include such additional information and context in the Report denies the Parliament and Victorians a full account of the state of the pandemic which is currently occurring in Victoria. It presents a very selective one sided view.

Given the events which have transpired since the first round of PAEC hearings, there are a number of specific groups and organisations which have suffered dramatic impacts as a result of the hotel quarantine fiasco. They include the Victorians who were locked down in public housing towers, and security guards and companies contracted by the Government to conduct hotel quarantine who were at the forefront of the outbreak. Our hope is that PAEC will resist its political partisan temptations and ensure those persons and organisations are called to appear before PAEC to answer questions about the Andrews Government’s response. We remain concerned that PAEC will not do so, given its conduct of the inquiry thus far.

We consider that PAEC has failed in its duty to the Parliament and the people of Victoria in failing to have responded to the escalating rates of infections and deaths in Victoria. We fear that public confidence in the Parliament will be, and has been, drastically undermined by PAEC’s failures in resuming its hearings into the Victorian crisis. If Parliamentary institutions, such as PAEC, are prevented from carrying out their statutory duties without fear or favour in

⁴ Ms Ingrid Stitt MLC, public hearing, Melbourne, 12 May 2020, *Transcript of Evidence*, p. 22.

⁵ Mr A Neal QC, Counsel assisting the Inquiry into Hotel Quarantine, public hearing, Melbourne, 20 July 2020, *Transcript of Evidence*, p. 4, lines 40-43.

responding to such a catastrophe, such as COVID-19, Victorians will be the ones that suffer the most.

1. Minority Members' position

- 1.1 Pursuant to standing order 223 of the Standing Orders and Joint Standing Orders and Joint Rules of Practice of the Parliament of Victoria, the Minority members of the Public Accounts and Estimates Committee (PAEC) respectfully submit this interim minority report.⁶
- 1.2 For the reasons set out below, the Minority members are unable to support PAEC's interim final report in its entirety.
- 1.3 We wish to thank and acknowledge each and every person and organisation that took the opportunity to lodge a submission to the inquiry and made themselves available to appear before PAEC. We were greatly assisted in our deliberations in hearing from a breadth of representative organisations and key stakeholders in relation to their experiences as to how the Government's response to the COVID-19 pandemic impacted on them and those they represent.

2. Composition of PAEC

- 2.1 Regrettably, the PAEC report does not reflect or represent a full and frank assessment of the Andrews Government's response to the COVID-19 pandemic. Rather, the majority report glosses over many of the Andrew Government's key failures during the pandemic, some of which Victorians are still suffering from today. Unless, the Government is willing to learn from the mistakes it has made, it will be condemned to make them again.
- 2.2 The PAEC report is severely compromised as a result of its political partisanship. Unlike many other Western jurisdictions which have set up independent inquiries to report on their respective government responses during the pandemic, the Andrews Government refused to do so. The Andrews Government would only permit an inquiry which was dominated by Labor members, was chaired by a Labor member and gave the Labor chair a casting vote in all deliberations. In fact, the Andrews Government **twice** voted against and prevented a truly independent committee from being formed to undertake an inquiry into the pandemic.⁷ In stark contrast:
 - the Commonwealth Parliament's inquiry into the pandemic is chaired by an Opposition Labor Senator and only has two Liberal/National Government members out of the 7 members who sit on the Committee.⁸
 - the New South Wales Parliament's inquiry into the pandemic is chaired by a Greens member.⁹
 - the New Zealand Parliament's inquiry into the pandemic was chaired by an Opposition National member.
- 2.3 This resulted in a significant deficiency when it came to public hearings. For each witness that appeared, half of the questioning time was allocated to Labor

⁶ Pursuant to s 4 of the *Parliamentary Committees Act 2003* the standing orders, joint standing orders and the practices of the Council and the Assembly apply to the committees referred to in the Act.

⁷ Victoria, *Parliamentary Debates*, Legislative Council, 23 April 2020, 1312-1317 and 1417-1419.

⁸ https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/COVID-19/Committee_Membership

⁹ <https://www.parliament.nsw.gov.au/committees/inquiries/Pages/inquiry-details.aspx?pk=2593>

Government members, whilst non-government members were then left to divide the time amongst each other on a pro-rata basis. It meant hours of Labor Government members asking obvious ‘Dorothy Dixers’ of Ministers who answered with prepared responses. So obvious was this arrangement between Government members, that some Ministers expressly read their prepared responses to the questions asked.

- 2.4 By reason of the political partisanship of the membership of PAEC, the report is severely lacking in a number of significant respects and does not adequately address the failures of the Andrews Government in its response to the pandemic. In some respects, the report is overtly political, in that it unduly favours Government actions and shies away from any constructive criticism of the Andrews Government. As a consequence of the politicisation of PAEC, the report does not countenance anything that is remotely critical of the Andrews Government. In order to achieve some sense of balance in relation to the evidence heard, we will seek to address those matters in our report.

FINDING 1: PAEC’s interim report is compromised and undermined by its partisan political membership.

RECOMMENDATION 1:

There should be serious consideration given, that where a State of Emergency is declared in the State of Victoria, a Joint House Committee be established to inquire into and report to the Parliament on the Government’s actions in relation to that State of Emergency, which should not be comprised of a majority of members of the political party forming the government, and the chairperson of the committee should not be a member of the political party forming the government.

3. Appearance by Witnesses

- 3.1 It was unfortunate that all Ministers, including the Premier, chose not to appear in person, but rather appeared remotely by video link. This was even so in circumstances where physical distancing requirements and protocols were strictly observed and enforced. Apart from one Minister, no explanation or reason was provided as to why the Premier or other Ministers chose not to appear in person. This was despite the Premier and Ministers regularly appearing in person at daily press conferences to make announcements and answer questions.
- 3.2 The video links during the inquiry hearings were plagued by failures in connectivity and made it extremely difficult for PAEC members to adequately question Ministers and senior public servants. On one occasion, the Premier was forced to move to a different location in order for his video connection to be restored. On another occasion, the Health Minister and Chief Health Officer were unable to hear PAEC members at all. PAEC members were regularly asked to repeat their questions because Ministers indicated they were unable to hear questions through the video conferencing facilities, which resulted in valuable time being wasted and inhibiting the ability of members of PAEC to adequately question Ministers about their decisions and actions.
- 3.3 It was also very disappointing that PAEC was not allowed to hear from the Chief Health Officer independently of the Minister for Health. It has been asserted time and time again by the Premier and Ministers that they rely on the Chief Health Officer’s

advice in order to make decisions and implement policy measures.¹⁰ Given the independence of the Chief Health Officer's position and the extraordinary powers made available to him and his Deputy during the pandemic, the fact that he did not appear by himself to answer questions, made it impossible for PAEC to hear from the Chief Health Officer without the risk of political interference.

- 3.4 Experience has consistently shown over many years in PAEC inquiries that Ministers, whether intentionally or unintentionally, have sought to cut across senior public servants from answering questions in order to protect their own political interests. In a pandemic, such as the one that Victoria is currently suffering, there is no room for political interests.
- 3.5 Both the Premier and the Minister for Health should have ensured the Chief Health Officer was allowed to appear before PAEC by himself. Alternatively, PAEC should have insisted that the Chief Health Officer do so.
- 3.6 There is no reason, and no explanation was provided, as to why the Chief Health Officer could not have appeared by himself. Indeed, and in stark contrast, the Commonwealth's Chief Medical Officer, Professor Brendan Murphy, appeared by himself before the Commonwealth's COVID-19 inquiry and answered questions for almost 2 hours.¹¹

FINDING 2: No explanation was provided by the Premier and Ministers as to why they did not appear in person before PAEC. The poor quality of the video conferencing facilities significantly hampered the ability of the PAEC members to question the Premier, Ministers and senior public servants.

FINDING 3: No explanation was provided why the Chief Health Officer or his Deputy could not appear before PAEC independent of the Minister.

RECOMMENDATION 2:

That during a declared State of Emergency, the Chief Health Officer and his Deputy appear before the Committee independently of any Government Minister to avoid the perceived or real risk of political interference.

4. Terms of Reference

- 4.1 The Terms of Reference agreed by PAEC on 29 April 2020 were as follows:

Review and report to the Parliament on:

- a. *the responses taken by the Victorian Government, including as part of the National Cabinet, to manage the COVID-19 pandemic and*
- b. *any other matter related to the COVID-19 pandemic up to each reporting date of the Committee.*

- 4.2 In the view of the Minority, item (b) of the Terms of Reference being, "any other matter related to the COVID-19 pandemic" has taken precedence over item (a) and

¹⁰ The Hon Daniel Andrews MP, Premier, public hearing, Melbourne, 12 May 2020, *Transcript of Evidence*, p. 24.

¹¹ https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/COVID-19/COVID19/Public_Hearings

been used to deflect PAEC's attention away from its primary task: to review and report on the Andrews Government's response to the pandemic. Indeed the Premier himself said:

I think [PAEC] is uniquely placed and best placed to review the conduct of the government, its agencies and the public sector...¹²

- 4.3 However, much of PAEC's time was taken up by hearing from some witnesses that at best had only a slight tangential connection to the Andrews Government's response to the pandemic. The agenda of PAEC was far too focused on hearing from particular sectional interest groups about how the pandemic had impacted on them, as opposed to what the Andrews Government had or hadn't done in relation to these sectors or industries during the pandemic. It would have been far preferable if additional time had been provided to questioning Ministers and public sector agencies as to what they did and didn't do during the early stages of the pandemic.

FINDING 4: The report placed too much focus on considering 'any other matter' related to the pandemic as opposed to the primary function of the inquiry, namely to review and report on the Andrews Government's response to the pandemic.

RECOMMENDATION 3:

That item (b) of the Terms of Reference be amended to remove any ambiguity about the primary purpose of the Inquiry to read:

any ~~other~~ matter specifically related to the Victorian Government's management of the COVID-19 pandemic.

5. Evidence of the Premier and the Department of Premier and Cabinet

- 5.1 In many respects the Premier's evidence to PAEC was marked by how "proud" Victoria could be of its response to the COVID-19 pandemic. By way of illustration, the Premier said:

"... a really unprecedented event, a very challenging event, and it has indeed transpired exactly as we had predicted".

"We then moved to progressive stages of the restrictions that have given us the results that every Victorian can be very proud of".

"... where we have not only flattened the curve but in fact brought stability to these numbers".

"the flatness to those lines and the very favourable comparisons that can be drawn with so many other parts of the world where tragedy is something that they are still dealing with every day, and beyond that the very significant economic cost, because the pandemic got away from them. That Victorian line and indeed the Australian curve more broadly should be a point of pride for everybody who has done the right thing..."¹³

¹² Victoria, *Parliamentary Debates*, Legislative Assembly, 23 April 2020, 1319 (The Hon. Daniel Andrews MP, Premier)

¹³ The Hon Daniel Andrews MP, Premier, public hearing, Melbourne, 12 May 2020, *Transcript of Evidence*, p. 2-3.

(emphasis added)

5.2 In light of the figures referred to earlier in this report, the Premier's evidence can no longer be relied on as an accurate measure of the Andrews Government's response to the pandemic. Rather, and in contrast to the Premier's evidence, the Andrews Government has allowed 'the pandemic to get away from them'.

5.3 In relation to the real risk of community transmissions, the Premier said:

*... that level of community transmission is a very real concern for us – but we believe that it is such a low level that that can be managed. We believe that we can keep control of the situation and ease off some of these rules...*¹⁴

5.4 In the time since it was presented, the Premier's evidence has in fact been proven wrong. Victoria does not have control of community transmission and Stage 3 restrictions have been reimposed, rather than 'eased off'. As at 23 July 2020, Victoria has 3630 active cases, which is nearly 32 times more than when the Premier gave his evidence.

5.5 The Premier did foreshadow that Victoria may see more outbreaks and observed:

*“... it is critically important that we have the very, very best, strong and well-resourced team to be able to respond to those outbreaks as quickly as possible so that they can be managed and controlled for the benefit of everybody”*¹⁵

5.6 The Premier also gave evidence that:

*“... an army of people who are working in our accommodation hotels under a plan put forward by Victoria at the national cabinet to move to a compulsory hotel quarantine model, which was very quickly adopted around the national cabinet table by all states and territories. I think it has served us really well.”*¹⁶

5.7 Two questions must be immediately asked and answered:

- Why did the Premier refuse to allow Australian Defence Force (ADF) personnel to be put in charge of and manage hotel quarantine?
- If this 'Victorian model' was rolled out across the country, why is Victoria the only State in the country to suffer a hotel quarantine outbreak?

If the Premier was to be true to his word, then Victorians could expect to have the “very, very best, strong and well-resourced team” to respond to any such outbreaks. However, the Premier did not implement the “very best” option available to him when the hotel quarantine fiasco became apparent. As at the date of this report, ADF personnel are still not responsible for hotel quarantine.

FINDING 5: The Premier has failed to use the “very best” personnel to manage and protect outbreaks from occurring from travellers returning to hotel quarantine.

¹⁴ The Hon Daniel Andrews MP, Premier, public hearing, Melbourne, 12 May 2020, *Transcript of Evidence*, p. 3.

¹⁵ The Hon Daniel Andrews MP, Premier, public hearing, Melbourne, 12 May 2020, *Transcript of Evidence*, p. 4.

¹⁶ The Hon Daniel Andrews MP, Premier, public hearing, Melbourne, 12 May 2020, *Transcript of Evidence*, p. 10.

RECOMMENDATION 4:

The Premier should immediately request Commonwealth Government assistance and deploy ADF personnel to take over and manage hotel quarantine in Victoria.

6. Cedar Meats Outbreak

6.1 The Cedar Meats outbreak was described by the Minister for Health as being handled “absolutely perfectly”.¹⁷ The Minister was wrong. The Cedar Meats outbreak resulted in 111 ‘known’ cases, made up of 67 staff and 44 people external to the facility.¹⁸ The Andrews Government response to the Cedar Meats outbreak was appalling and the Government should have learnt the lessons from this debacle. It has proven not to have done so.

6.2 Some extraordinary evidence emerged in relation to how the Department of Health and Human Services (DHHS) proceeded to manage the first confirmed cases that were linked to the Cedar Meats facility.

6.3 The CHO gave the following evidence:

*“So the first case that was identified in the boning room did not identify any close contacts and therefore that would not have prompted - ”*¹⁹

6.4 Before the CHO finished his answer, the Deputy Chair indicated to the CHO that, from personal experience, a person “cannot be in a boning room by yourself”. The CHO’s evidence confirmed that no contact tracing was undertaken in relation to this confirmed case, despite the worker performing work in a meat processing facility. By that stage, meat processing facilities had been known internationally to be very susceptible to coronavirus outbreaks.²⁰

6.5 The CHO gave further evidence in relation to this case that:

*“Just to finish, that individual was spoken to. He identified working separately from others in the boning room on a machine that was separate to his colleagues.”*²¹

6.6 In the view of the Minority members, it was naïve in the extreme for DHHS to accept the worker’s account at ‘face value’²² without any further due diligence undertaken or any corroboration sought with the management of Cedar Meats to verify the worker’s information. When this was put to the CHO, the following response was provided:

*“You cannot give information – private medical information – about a confirmed case with a disease that, as you know – ”*²³

¹⁷ <https://www.abc.net.au/news/2020-05-07/coronavirus-cases-increase-at-melbourne-meatworks-cedar-meats/12219472>

¹⁸ <https://www.dhhs.vic.gov.au/coronavirus-update-victoria-23-may-2020>

¹⁹ Professor Sutton, Chief Health Officer, public hearing, Melbourne, 12 May 2020, *Transcript of Evidence*, p. 10.

²⁰ <https://www.abc.net.au/news/rural/2020-05-06/united-states-meat-industry-has-been-crippled-by-coronavirus/12216726>

²¹ Professor Sutton, Chief Health Officer, public hearing, Melbourne, 12 May 2020, *Transcript of Evidence*, p. 11.

²² A point well made by the Deputy Chair, see public hearing, Melbourne, 12 May 2020, *Transcript of Evidence*, p. 11.

²³ Professor Sutton, Chief Health Officer, public hearing, Melbourne, 12 May 2020, *Transcript of Evidence*, p. 11.

- 6.7 On this point of making all necessary inquiries in order to trace contacts of infected persons, the CHO was asked about a confirmed case on 2 April that had contact with Cedar Meats. The CHO was asked directly if DHHS had contacted Cedar Meats as to whether the person had any contact with workers at the facility. The following exchange with the CHO took place:

Prof. SUTTON: *No, the Health Records Act clearly places a very strong obligation on us not to share private medical information with anyone else other than for a [inaudible] in terms of a secondary purpose, so for the purposes of the contact tracing, if that information has not been made available to us. But by all accounts we had no information from that individual that would require us to contact his workplace.*

.....

Mr D O'BRIEN: *I appreciate the privacy issues, but this is a global pandemic and the spread is a particular issue.*

Ms MIKAKOS: *It is set out in legislation is the key point.*

Mr D O'BRIEN: *Well, there is a lot set out in legislation that the state of emergency has overridden, Minister, with respect. But Professor Sutton, can I ask then—*

Ms MIKAKOS: *Essentially you are saying that the public health team should breach the Health Records Act.*

Mr D O'BRIEN: *I am seeking to have the assurance, Minister, that the Government has done everything in its power to ensure that this did not expand, this particular outbreak. So my next question, I guess, Professor Sutton is: is it your view that the 2 April case was completely unrelated to the later cases at Cedar Meats on 24 April and onwards?*

Prof. SUTTON: *No. I am agnostic to the relationship with the 2 April case. What I do understand is that that individual provided information that meant that there were no close contacts to follow up in the workplace and that there was no suspicion that that individual had acquired it at the workplace. But in terms of the hypothesis of how that case might be related to later cases in the cluster, I am meant to be agnostic. We need to be open minded about the networks of friends or family or more broadly in the community that might have meant that that individual is related to someone who also, through some chain of transmission that we have not identified, relates to other workers who later introduced it into the facility, so we will consider that, and that is a possibility.*

- 6.8 In the view of the Minority members, it was unbecoming of the Minister to suggest that anyone was seeking to break the law. Rather, it was clear the questioning was directly concerned as to whether best practice and all available measures had been used to protect Victorians and stop the threat of further infection at the Cedar Meats facility.
- 6.9 As the exchange suggests, it seems extraordinary that in a time where a State of Emergency had been declared and Victoria was facing the worst pandemic it had

seen in a century, that the CHO and DHHS suggested they were unable to disclose such information to help track the spread of the virus.

- 6.10 By this stage of the pandemic, many of the basic freedoms and rights that Victorians had traditionally enjoyed had been severely curtailed or removed, such as the right to leave one's home for any reason, to have a trial by jury, or to farewell loved ones at a funeral. This evidence was also in complete contrast to earlier evidence given by both the Minister and the CHO in relation to the powers available during the State of Emergency. The Minister said:

*“So these extensions, these declarations of a state of emergency, have enabled the Chief Health Officer and his delegate, the Deputy Chief Officer, to have the emergency powers needed to take action to contain the spread of the virus and reduce the risk to the health of Victorians.”*²⁴

- 6.11 The CHO later gave evidence:

The precautionary principle is important; it is part of the Public Health and Wellbeing Act. I am bound to consider it in decision-making, and it states that:

If a public health risk poses a serious threat, lack of full scientific certainty should not be used as a reason for postponing measures to prevent or control the public health risk.

So I have borne that in mind, and obviously the principle of the primacy of prevention:

The prevention of disease, illness, injury, disability or premature death is preferable to remedial measures.

*So although the bundle of restrictions might be seen as very significant, the consequences of having this pandemic get away from us are really so grave that on the ledger the restrictions are really seen as proportionate to the potentially catastrophic risk.*²⁵

- 6.12 Given the evidence of both the Minister and the CHO on how the restrictions were 'proportionate to the potentially catastrophic risk', it is unsatisfactory that detailed inquiries of Cedar Meats were not made at the first available opportunity in order to prevent the outbreak occurring. If the Health Records Act did in fact create an impediment to contact tracing, why did the CHO not make specific directions to exempt contact tracing from its operation or why did the Andrews Government fail to allow contact tracers to use such information during the State of Emergency?
- 6.13 Indeed, much of the blame must be borne by the Andrews Government for this outbreak. The *COVID-19 Omnibus (Emergency Measures) Bill*, which was passed by the Parliament in a single day, amended many pieces of legislation to either stop, curtail or change their operation. Why was the Health Records Act not included in the Omnibus Bill as part of these measures? In a State of Emergency it makes no logical sense that a person must remain in isolation because they have tested positive to coronavirus, but their workplace cannot be informed of the reason in order to protect

²⁴ The Hon Jenny Mikakos MLC, Minister for Health, public hearing, Melbourne, 12 May 2020, *Transcript of Evidence*, p. 6.

²⁵ Professor Sutton, Chief Health Officer, public hearing, Melbourne, 12 May 2020, *Transcript of Evidence*, p. 15.

other workers and their families. The Cedar Meats outbreak was preventable had the Andrews Government allowed contact tracers to do their job without restriction.

- 6.14 It is also noted that despite earlier advice from the Minister that the first confirmed case at Cedar Meats could not have been the source of the outbreak “Unless the virus got into a car itself and went to Cedar Meats”,²⁶ that the CHO expressly contradicted the Minister and stated he was “agnostic” and “open-minded” that the individual may have transmitted it to another person at the facility. The Minister was wrong to suggest otherwise.
- 6.15 From the evidence given to PAEC it became apparent that management of Cedar Meats weren’t advised until 27 April 2020, 3 days after a worker had tested positive to coronavirus on 24 April 2020.²⁷ The Minister gave evidence that because the worker in question was employed by a labour hire company, DHHS had informed the labour hire company, but not Cedar Meats.²⁸
- 6.16 In response to this admission by the Minister, the following exchange took place:

Mr D O’BRIEN: *Minister and Professor Sutton, is there a gap in the system then if the department notified the employer but the employer was not actually the site of where the worker actually worked?*

Prof. SUTTON: *If we had been informed of the site where the worker had worked by that employee, we would have followed up directly with that site.*

Mr D O’BRIEN: *Surely he said, ‘I work at Cedar Meats, the abattoir in Brooklyn’.*

Prof. SUTTON: *He gave the name of the labour hire firm as his employer and did not declare that he worked at Cedar Meats.*

Mr D O’BRIEN: *But wouldn’t the first question be, ‘Okay, it is a labour hire firm, where do you actually work?’*

Prof. SUTTON: *No. We were given the name of his employer, that we followed up with.*

- 6.17 This exchange with the CHO demonstrates there were major failings in the due diligence performed by DHHS in the contact tracing in relation to Cedar Meats. It is obvious that labour hire workers can work at a number of different workplaces at any given time. This fact should have been identified in the Cedar Meats case. DHHS failed to make all reasonable inquiries of the infected worker to identify the sites at which he worked and the people he/she had come into contact with. To suggest it was somehow the worker’s fault for not letting DHHS know that he worked at Cedar Meats is completely unacceptable. The Cedar Meats example demonstrates there were systemic failures in contact tracing, and this proved to be completely inadequate.

²⁶ <https://www.theaustralian.com.au/nation/infected-nurse-not-told-of-abattoir-risk/news-story/e850941b50ff9ad6548006ad5c97100e>

²⁷ The Hon Jenny Mikakos MLC, Minister for Health, public hearing, Melbourne, 12 May 2020, *Transcript of Evidence*, p. 22

²⁸ The Hon Jenny Mikakos MLC, Minister for Health, public hearing, Melbourne, 12 May 2020, *Transcript of Evidence*, p. 22.

- 6.18 This point was confirmed by evidence given by Associate Professor Julian Rait OAM, President of the Australian Medical Association, Victoria (AMA). It is unfortunate that very little evidence of Professor Rait was included in PAEC's report. Associate Professor Rait gave evidence that:

"We have expressed concerns about the lack of personal protective equipment for frontline workers, and a continuing issue remains with fair distribution of these across the state. We believe this has been one of the most important issue for our members and a significant source of stress for them. ... We believe there has been a lack of clear, two way dialogue and a weak relationship between the State Government and general practitioners in the past, and indeed a lack of support from the State Government over many years has contributed to difficult lines of communication with them. ... GPs seem to be ignored or excluded at times from our disaster preparedness, and this was equally true during the bushfire emergency as well earlier this year."²⁹

- 6.19 The concerns raised by Associate Professor Rait were also found to have contributed to the debacle of the Cedar Meats outbreak. Associate Professor Rait gave evidence in the following exchange:

Ms VALLENCE: *Thank you very much, Associate Professor, for your appearance today and your presentation. I will first up ask, Associate Professor: has the AMA at all made any representations to the Andrews Government which have so far been unaddressed?*

Assoc. Prof. RAIT: *Let me think of all the representations we have made. I suppose we have had a response to everything that we have queried. We have had some issues about transparency about some outbreaks, including the Cedar Meats and of course the Albert Road outbreaks. So we have had some concerns about whether medical staff were adequately briefed about those particular instances at the earliest opportunity. We have made our feelings felt to the Government about that and we have received I think adequate responses.*

Ms VALLENCE: *...given these concerns that you have outlined on PPE and health workers being exposed to cases from Cedar Meats and other outbreaks, I am interested in the AMA membership. Has the membership at all expressed any concerns to you or anyone in the AMA office regarding the department's preparedness to deal with clusters and such outbreaks?*

Assoc. Prof. RAIT: *The two examples I have just provided. We have had feedback from members both about Albert Road—which, remember, is a private facility not necessarily run by the government, but obviously public health teams were engaged with it—and also just about the fact that with Cedar Meats many practitioners were aware of the outbreak before that was made public, largely because many workers were presenting seeking testing. We have made the point to the Government that again, allied to our issue about general practice more generally, it would be helpful to have better lines of communication with GPs to be able to give them an early warning of potential outbreaks that the health department becomes aware of and give*

²⁹ Associate Professor Rait, President, AMA Victoria, public hearing, Melbourne, 12 May 2020, *Transcript of Evidence*, p. 1-2.

them some intelligence so that they are aware to be more vigilant both with PPE but also to be more case suspicious and test people more vigorously.³⁰

(emphasis added)

- 6.20 This evidence revealed that General Practitioners were treating patients suffering coronavirus symptoms and were connected to the Cedar Meats facility, but had no warning from DHHS about the potential outbreak. General Practitioners were not only themselves put at great risk, but so too were their patients, and members of the local community. As Associate Professor Rait alluded, had DHHS undertaken more robust contact tracing inquiries, it may have been able to alert local medical practitioners to a potential outbreak, allowing General Practitioners to then take all necessary precautions and provide any intelligence they had obtained to DHHS in relation to patients who were presenting with symptoms who had links to Cedar Meats. Communication by DHHS with local General Practitioners was poor.
- 6.21 In comments made subsequent to the PAEC hearings, the CHO conceded that DHHS should have acted earlier in relation to the Cedar Meats outbreak. The CHO said:

*“Maybe we shouldn’t have waited for a third linked case. Maybe for these settings, we should shut an entire place down; not just the boning room where it all started, but an entire facility”.*³¹

FINDING 6: DHHS did not perform adequate contact tracing inquiries of the first confirmed case at Cedar Meats.

RECOMMENDATION 5:

That DHHS improve its due diligence in respect to contact tracing in relation to known susceptible outbreak centres, such as meat processing facilities, to ensure all information is accurately verified and not taken at ‘face value’.

FINDING 7: The Andrews Government failed to take adequate measures to ensure the Health Records Act did not prevent contact tracers from contacting or communicating with relevant persons (such as employers or workplace management) to verify whether persons who had contracted coronavirus had been in contact with other persons at their workplace.

RECOMMENDATION 6:

That legislation be introduced, or directions given, which provides that during a declared State of Emergency, the Health Records Act will not prevent the disclosure of certain information in order to maintain public safety.

FINDING 8: DHHS did not advise or communicate with local medical practitioners or professionals about the potential outbreak related to Cedar Meats.

³⁰ Associate Professor Rait, President, AMA Victoria, public hearing, Melbourne, 12 May 2020, *Transcript of Evidence*, p. 6.

³¹ <https://7news.com.au/lifestyle/health-wellbeing/victorian-cho-admits-authorities-were-too-slow-in-addressing-cedar-meats-cluster-c-1038752>

RECOMMENDATION 7:

That communication with local government and medical authorities be prioritised, and that DHHS communicate and collaborate with general practitioners and medical professionals as immediately as possible in relation to patients presenting for treatment from potential outbreaks.

7. Conclusion

- 7.1 Whilst there are many more issues which also deserve further interrogation and discussion in this inquiry, we are conscious this is an interim report and there will be opportunities to make additional comments, findings and recommendations after further evidence has been heard.
- 7.2 Very sadly, the coronavirus pandemic is far from over. It is clear the Andrews Government is facing significant challenges in managing the pandemic in Victoria, and, by any measure, its suppression strategy has failed. Currently, three key failures stand out, namely:
- Hotel quarantine
 - Contact tracing
 - DHHS communication
- 7.3 We should note, lest there be any doubt, we make no criticism of the many dedicated health and medical professionals and workers, as well as public servants, who have effectively put their lives on hold to stop the spread of the virus. We applaud their efforts and are eternally grateful for their dedication and hard work.
- 7.4 Our criticism is directed solely at the Andrews Government in its management of the pandemic. The fact no other state in Australia has suffered a second wave outbreak speaks volumes as to the failures this Government has presided over during the pandemic.
- 7.5 As PAEC moves to a second round of hearings it will be incumbent on the Andrews Government to cease obfuscating, answer questions about the hotel quarantine debacle and show real leadership by taking responsibility for its failures during this pandemic instead of seeking to lay the blame on everyone else. Victorians deserve better.

Mr Richard Riordan MP

Deputy Chair, Member for Polwarth

Mr Danny O'Brien MP

Member for Gippsland South

Ms Bridget Vallenge MP

Member for Evelyn

