ECONOMICS AND GOVERNANCE COMMITTEE

Members present:

Mr LP Power MP (Chair)
Mr RA Stevens MP (via teleconference)
Mr ST O'Connor MP
Mr TR Watts MP
Ms KE Richards MP (via videoconference)
Mr LR McCallum MP

Staff present:

Ms L Manderson (Committee Secretary)
Mr J Gilchrist (Assistant Committee Secretary)

PUBLIC BRIEFING—INQUIRY INTO THE QUEENSLAND GOVERNMENT'S ECONOMIC RESPONSE TO COVID-19

TRANSCRIPT OF PROCEEDINGS

MONDAY, 22 JUNE 2020

Brisbane

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The committee met at 10.46 am.

CHAIR: Good morning. I declare this public briefing open. Today's proceedings are being conducted using videoconference and teleconference facilities. I ask all of our participants and anyone watching the live broadcast to please bear with us if we encounter any technical difficulties. I would like to begin today's proceeding by acknowledging the traditional owners of the land on which we participate today and pay my respects to elders past and present.

My name is Linus Power, the member for Logan and chair of the committee. The other members of the committee are: Ray Stevens, the member for Mermaid Beach and deputy chair, who is joining us via teleconference; Lance McCallum, the member for Bundamba; Sam O'Connor, the member for Bonney; Kim Richards, the member for Redlands, who is joining us via teleconference; and Trevor Watts, the member for Toowoomba North.

The purpose of today's briefing is to assist the committee with its inquiry into the Queensland government's economic response to COVID-19. Key areas of focus for this briefing include the consideration of the state's economic outlook and any associated modelling or forecasts, the health of the Queensland government's investments and strategic investment approach, the management of the COVID-19 Jobs Support Loans scheme and plans and initiatives for economic recovery more broadly.

This briefing is a proceeding of the Queensland parliament and is subject to the standing rules and orders of the parliament. It is being recorded and broadcast live on the parliament's website. I remind committee members that officers appearing here today are to provide factual or technical information. Any questions about government or opposition policy should be directed to the responsible minister or shadow minister or left to debate on the floor of the House. If you are joining us this morning via a videoconference connection not on your mobile phone, I ask you to turn your mobile phone off or switch it to silent. I also ask you to please place microphones on mute unless you are taking the opportunity to speak and that will prevent any audio interference and background noise.

ALLEN, Mr Leon, Deputy Under Treasurer, Economics, Policy and Commercial, Queensland Treasury (via videoconference)

CANNON, Mr Wayne, State Actuary, Queensland Treasury (via videoconference)

EGAN, Mr Brendan, General Manager, Business Development and Engagement, Queensland Rural and Industry Development Authority (via videoconference)

FRAWLEY, Mr Damien, Chief Executive Officer, Queensland Investment Corporation (via videoconference)

HUNTER, Ms Rachel, Under Treasurer, Queensland Treasury (via videoconference)

MacMILLAN, Mr Cameron, Chief Executive Officer, Queensland Rural and Industry Development Authority (via videoconference)

MILLER, Mr Glenn, Acting Head, Budget and Financial Management, Queensland Treasury (via videoconference)

O'DEA, Mr Tony, General Manager, Program Strategy and Delivery, Queensland Rural and Industry Development Authority (via videoconference)

CHAIR: Good morning. Thank you for the written briefings that you have provided to the committee ahead of the briefing. Those materials will shortly be published on the committee's webpage. In view of the briefing today being broadcast via videoconference and given the absence of name plates and more limited visual cues, at the beginning of when you speak I ask that you please identify yourself, particularly when speaking for the first time or when speaking other than to a direct question or response. The committee members will also be endeavouring to ensure they clearly identify themselves when asking questions to minimise any confusion for yourselves and for members of the public watching the broadcast, as well, of course, as assisting Hansard with the transcription of the proceedings. I would now invite you all to make an opening statement, after which committee members will have some questions for you. We might start, if that is okay, with the Under Treasurer and, Mr Cannon, if you have anything to add at this point you are more than welcome to do so, before inviting statements from representatives from the QIC and QRIDA. Under Treasurer, would you like to make an opening statement?

Ms Hunter: Thank you. Good morning, Chair and members of the committee. Thank you again for the opportunity to provide this briefing on the latest economic impacts of the coronavirus and the actions of the government to mitigate these impacts. I, too, would like to begin by acknowledging the traditional owners of the land on which we meet and pay my respects to elders past, present and emerging. I have with me today Deputy Under Treasurer Leon Allen; Head of Budget and Financial Management, Glenn Miller; and the State Actuary, Wayne Cannon. Our submission to the committee outlines the latest economic outlook, the economic recovery announcements made during May and the uptake in targeted relief measures provided by the government. I would like to quickly provide updates on these matters to assist the committee with its deliberations.

Today marks 145 days since Queensland declared a public health emergency in response to the outbreak of COVID-19. During this time the Queensland government has acted swiftly and decisively to combat the economic threat posed by the coronavirus, including taking complementary actions with the Commonwealth and targeting key areas most affected in the state. Nothing illustrates the impact of COVID-19 on the global economy more starkly than the recent forecasts by the OECD. The OECD expects world GDP to fall by six per cent in 2020, reaching 7.6 per cent if there is a second global wave this year. As a result, major economies around the world are likely to experience once-in-a-century economic downturns in 2020. The US economy is forecast to fall 7.3 per cent, the UK down 11.5 per cent, the Euro area 9.1 per cent and Japan six per cent.

In Australia, the OECD and the RBA have both forecast the national economy will contract five per cent in 2020. The RBA has also forecast the national unemployment rate to reach 10 per cent in the June quarter, noting that a recent statement from the Commonwealth Treasury Secretary indicated this peak may be more around eight per cent. Closer to home, recent data from the ABS has highlighted the negative economic impacts on Queensland, with the state's domestic spending falling 0.3 per cent in the March quarter. However, Queensland's economy is well placed to recover. Importantly, recent data have highlighted that, in line with the Queensland government's road map to easing health restrictions, there are positive signs underway in key areas of the economy. While retail turnover fell sharply in April, recent banking data on household expenditure shows that the gradual easing of restrictions has seen a rebound in consumer spending through May and early June. In some cases consumer spend has rebounded to be now near levels observed in the same period in 2019.

Employment remains a key area of focus. Last week's ABS labour force data showed that, as expected, after the job losses in April Queensland employment remained subdued in May. Other recently released ABS weekly payroll data reinforced this, with the number of employee jobs in Queensland falling 6.7 per cent over the 11 weeks to 30 May. However, I also note that the majority of this happened in the first half of the 11-week period. The number of employee jobs in Queensland has improved since the week beginning 18 April, up 2.3 per cent over the six weeks until 30 May compared with a 1.6 per cent increase nationally. Combined with recent rebounds in job advertisements data, this suggests signs of improvement in the Queensland labour market. These results are also consistent with data showing an improvement in business and consumer confidence in the state.

All of that said, we certainly do not underestimate the challenge ahead. That is why the level of support announced by the government as part of the unite and recover economic recovery strategy has totalled more than $6 billion. This strategy is already delivering through ongoing job creation and economic growth as we work through the crisis. Direct assistance to Queensland businesses includes approving more than $940 million in jobs support loans to over 6,500 businesses, protecting more than 83,000 Queensland jobs. Payroll tax relief is also being provided to more than 14,500 businesses, with over $450 million paid directly into the bank accounts of Queensland businesses.

The second stage of the strategy was announced by the Premier and Treasurer last Tuesday. The economic recovery strategy recognises the importance of building vital infrastructure, strengthening Queensland's industries and enabling future growth. The first stage included a set of immediate initiatives to get Queenslanders back to work and kickstart our economy. The second stage includes a number of initiatives primarily around supporting Queensland's cornerstone industries. Queensland is a diversified economy. Our great strengths are the regionally based businesses and industries of tourism, resources, construction and agriculture that will continue to be the foundation of the state's economy well into the future. Some, like tourism, will need support for a long recovery. Others, such as agriculture, are positioned to take advantage of new opportunities. The second stage includes support for agriculture, construction, tourism, resources, arts and culture, and small business. All up, these stage 2 initiatives provide around $477 million and are designed to support around 6,000 jobs across Queensland. I would be pleased to talk in more detail on each of these programs and the overall economic recovery strategy. Perhaps we can do that through the committee's questions. Thank you.

CHAIR: Thank you very much. I now invite statements from the Queensland Investment Corporation. Mr Frawley?

Mr Frawley: Thank you, Chair. Thank you very much for inviting QIC to participate in today's proceedings. As we all know, COVID-19 has had a very significant impact on the global, national and state economies. Whilst this has impacted the funds that the QIC manages on behalf of the state, the funds entered the crisis in a strong surplus position and remain in a strong surplus position today. This is the result of nearly 30 years of prudent investment management. QIC has delivered an average return of 8.1 per cent per annum since inception and is the only fully funded public sector defined benefit scheme in Australia. I wanted to briefly provide some comments on financial markets, the movements and how this impacted the defined benefit fund before touching on portfolio positioning for future market opportunities.

The evolution of COVID-19 over the past quarter of 2020 into a global pandemic has seen the sharpest fall in global economic activity since World War II. Global equity markets moved from highs in mid February to a bear market in just 22 days. The 1987 equity market crash took 55 days and the GFC had 280 days between peak and trough. While equity markets have clawed back a significant proportion of losses, the volatility and sharp fall driven by COVID-19 should not be underestimated. Other asset classes are still feeling the impact of precautionary measures taken to manage the pandemic. Unlisted assets such as infrastructure and real estate have been significantly impacted by the shutdown, with assets such as shopping centres, airports and sea ports notably impacted.

The defined benefit fund was not immune to these market movements. While the financial year performance will not be known until 30 June valuations are finalised, the estimated return at this point is somewhere in the vicinity of negative 6.5 per cent. This is significant but it is worth noting that the impact so far has been less severe than the drawdown experienced during the global financial crisis and the early 2000s tech wreck. Notwithstanding this negative performance, as I said at the outset, the fund had a strong surplus heading into the pandemic and has remained in surplus throughout. The fund invests with a longer time horizon, and investing through volatility allows the assets to benefit from subsequent recoveries as economies and markets renormalise. This investment approach has delivered strong investment returns through market cycles, including the 1994 bond market crash, the 2002 stock market crash and the GFC. The long-term investment horizon of the defined benefit fund allows it to allocate to a diverse portfolio of higher risk-seeking opportunities to enhance returns while still maintaining the benefit of diversification and not taking on excessive or unrewarded risk.

QIC has been working with the State Investment Advisory Board, chaired by the Under Treasurer, to position the fund as a 70-30 growth-defensive asset allocation mix. The portfolio position will allow us to benefit from opportunities arising in the market as a result of this unusual market environment and dislocation. In terms of return outlook, given the ongoing low interest rate environment, we anticipate forward-looking returns to be on average around CPI plus 3 per annum. We continue to actively monitor risk and portfolio positioning in order to ensure the state meets its fiscal objective of an ongoing, fully funded defined benefit scheme.

Briefly on one other matter, I know the committee has expressed an interest in the state’s bid for Virgin Australia. QIC has been mandated to provide the state with commercial advice in relation to this potential transaction. We have had strong engagement from the administrators and all bidding parties in recent weeks, including the final two bidders, Bain and Cyrus Capital. The final bids were lodged this morning and the process is subject to detailed confidentiality arrangements and is highly commercially sensitive, so we are not in a position to provide a hell of a lot more detail than that. All I can say is that we have been pleased with the engagement so far and will continue to actively pursue the state’s objectives. Thank you.

CHAIR: Thank you, Mr Frawley. I now turn to QRIDA to give us a briefing.

Mr MacMillan: Good morning and thank you to the committee for the opportunity to provide opening remarks in relation to the Queensland Rural and Industry Development Authority, QRIDA, and its role in delivering the Queensland government’s $1 billion COVID-19 Jobs Support Loans scheme. By way of background, QRIDA is a statutory authority established under the Rural and Regional Adjustment Act 1994 and is a specialist administrator of government financial assistance schemes, including concessional loans, grants and rebates. We understand it was QRIDA's track record of successfully delivering a wide range of government financial assistance schemes that saw Queensland Treasury approach QRIDA in mid-March to administer the new COVID-19 Jobs Support Loans scheme.

On 17 March 2020 the Queensland government announced the $500 million loan facility to support businesses to keep Queenslanders in work. From that date QRIDA worked with the program owners, Queensland Treasury and the Department of Agriculture and Fisheries, DAF, to establish the scheme, including developing the necessary regulations, scheme guidelines, online application portal, loan administration processes and staffing resources, to deliver the scheme in an efficient and timely manner. Over the subsequent 10 days, QRIDA received more than 12,000 expressions of interest in the loan scheme, which at the time was prior to any other substantial state or indeed federal government financial assistance schemes for businesses impacted by COVID-19.

On 26 March 2020 the COVID-19 Jobs Support Loans scheme was opened to applications via an online portal on the QRIDA website. The loan scheme provides working capital finance to assist businesses and not-for-profit organisations financially impacted by COVID-19 to retain employees and maintain their operations. The loans are available for up to 50 per cent of an eligible entity's annual wage expense up to a maximum of $250,000, so the size of the loan is directly linked to the number of employees impacted and supported.

Within the first 48 hours of the scheme opening, QRIDA had received almost 2,000 loan applications and had approved the first loan, which was for $100,000 for a professional services firm in Bundaberg employing 10 people. By 8 April, 10 business days after the scheme opened, QRIDA had received over 7,000 applications and was approving loans to over 100 businesses per day—or around $15 million to $20 million in financial assistance per day—and supporting thousands of jobs. QRIDA has approved and paid an average of between 500 and 600 loans and $100 million to $120 million per week to Queensland businesses over the last 12 weeks.

The unprecedented demand for the COVID-19 jobs support loans exceeded available funding and the Queensland government announced the closure of the scheme to new applicants on 18 April. In accordance with the scheme guidelines, QRIDA continued to assess applications in the date order they were received complete. On 9 May the Queensland government announced an additional $500 million in funding, taking the total scheme funding to $1 billion. At that time, based on the average approved loan size of $150,000 and an approval rate of 90 per cent, QRIDA estimated that the available scheme funding of $1 billion would fund a total of approximately 6,700 approved loan applications. The additional funding meant that approximately two-thirds of all applications submitted as at the closing date would be funded.

At the commencement of the scheme, QRIDA moved quickly to establish qualified teams and resources across our key areas of loan and registration, assessment and decision-making, and securities management. At its peak, QRIDA had a total of 155 FTEs assigned to administering the scheme. The portfolio approach adopted included: redeploying existing QRIDA staff, 35 per cent; employing new temporary QRIDA staff, 25 per cent; utilising other Queensland government staff on a temporary basis from Queensland Treasury, Queensland Treasury Corporation and the Queensland Investment Corporation, 10 per cent; and, finally, contracting specialist service providers to supplement our own staffing across registrations, assessment and securities management functions, 30 per cent. These contracted staff included support from specialist accounting firms BDO and RSM on registrations and assessments and specialist legal firm McCullough Robertson to support our securities management and processing.

In addition, QRIDA leveraged services from the Queensland government call centre to help manage the more than 10,000 phone inquiries received and has utilised additional loan administration tools including the illion business credit check and Equifax identification verification services. All external parties were engaged in accordance with the requirements of the state procurement policy. The total cost of delivering the $1 billion loan scheme up to 30 June 2020 is estimated to be $7.9 million, which represents just short of 0.8 per cent of the total value of the loan portfolio.

As of close of business last Friday, 19 June, QRIDA has approved loans to 6,520 Queensland businesses totalling $942 million supporting 83,360 Queensland jobs, and $830 million has already been paid into applicants' bank accounts. The balance of the $1 billion funding will be finalised over the coming weeks as appeals are finalised. The average loan size approved is approximately $144,500, though this has varied between $140,000 and $160,000 over the past three months. The overwhelming majority of recipients of this loan scheme have been small businesses, with approximately 87 per cent of all approvals to businesses with 20 employees or fewer and payrolls of less than $1.3 million. Businesses and not-for-profit organisations from across Queensland have been approved loans representing 53 local government areas, stretching from Cape York to the Southern Downs and west from Mount Isa to the Murweh shire and beyond. Loans have been approved for businesses across a very diverse range of industries and sectors, including cafes and restaurants, real estate, accounting, electrical, dental, accommodation, construction, hairdressing and beauty, legal, travel and tourism to name a few.

I am immensely proud of the QRIDA team and our valued partners in delivering this $1 billion loan scheme to thousands of Queensland businesses and not-for-profit organisations over the past three months in the depths of the COVID-19 pandemic. I would also like to acknowledge Queensland Treasury and DAF for their support. Again, thank you for the opportunity to address the committee and I welcome any questions.

CHAIR: We now turn to questions from the committee. We will do Treasury questions as a first category, but if members of the committee have questions of any of the submitters here today they should feel free to ask.

Mr STEVENS: Chair, I have a delay with my sound. I cannot hear anything on the phone so I have been watching the live broadcast, which is delayed. I have a couple of questions but I will lead off with the first question to Ms Hunter, the Under Treasurer. The current Treasurer made a commitment for Queenslanders to expend $200 million to buy into the Virgin ownership, which is a company in $7.1 billion worth of debt. That was conditional, obviously, on a federal government commitment as well. Obviously, the Treasurer would have taken advice from the Treasury officials on the matter. Was that $200 million by way of exemptions in relation to payroll tax and stamp duty or was it a cash offer, if you like, of taxpayers' money to buy into Virgin?

CHAIR: This question may have different aspects, but I remind officers and committee members that questions are to be addressed to their role, not to the formulation of policy. Under Treasurer, do you have a response to that?

Ms Hunter: I thank the member for the question. As committee members would be aware, Virgin Australia is a very strategically important business in Queensland. It employs a significant number of Queenslanders. It has contributed substantially to the state's supply chain by supporting even more indirect jobs. The company also provided a broad range of services throughout regional Queensland, helping to connect families and communities as well as playing a key role in the provision of essential services. Furthermore, Virgin Australia as an airline company is a key enabler for other core Queensland industries. Having a second airline is critical for the competition that is required to support our tourism industry as an example.

Although the short-term new Virgin Australia may look different from the pre-administration Virgin Australia, we are certainly very keen to keep Virgin headquartered here, supporting Queensland jobs and supporting regional services. By making a strategic investment in Virgin Australia, Queensland is best placed to ensure its objectives are met. As Mr Frawley said earlier, the terms and conditions in relation to our involvement with the bidders remain commercial-in-confidence.

CHAIR: I will give the member for Mermaid Beach time to catch up. I also want to let participants know that the camera—this might be for the person watching on a technical level—may not be following the speakers as QRIDA is still being displayed. You are looking good there so there is no problem with that.

Mr STEVENS: The reception is very blurred and I will have to read *Hansard* for Ms Hunter's advice on the matter. My second question is on a very important matter to the good folk of the Gold Coast, Mermaid Beach and right across Queensland as it affects its tourism industry. It has been said down here that the cost of the borders being shut is $20 million a day. I am sure that Treasury have done their own modelling. Do they have an economic figure they are advising the government that the ongoing closure of the state border is going to cost businesses in Queensland? Have they done modelling?

Ms Hunter: I think there are three things that need to be taken into account in relation to the response to COVID-19 and the border restrictions. The first is that this is a matter of policy and it is on advice of public health officers that we have, as you know, a road map out of the restrictions. I think the Premier has been on record as saying that she will be taking the advice of public health officers and that, in terms of raising restrictions in July, there will be a review at the end of the month.

Secondly, the Commonwealth's own analysis indicates that a significant proportion of the remaining benefits in terms of economic activity and jobs is derived from the benefits of increased domestic activity such as easing restrictions on restaurants, cafes, pubs, clubs, entertainment venues, health and fitness gyms. We know that Queensland, unlike Victoria, is not at risk of a second wave at this point; however, I am advised that Commonwealth modelling says that the Queensland economy could suffer an $800 million hit each week if social distancing measures are ignored and officials are forced to wind back the easing of restrictions. A second wave would be a $25 billion blow to the Australian economy, according to the federal Treasurer. Again, we are responding to unprecedented circumstances. The easing of restrictions provides economic uplift. In terms of level 3 restrictions, consideration will be given at the end of the month.

The other critical issue is that Tourism Research Australia indicates that Queenslanders spent around $6.8 billion on interstate overnight tourism activity in 2019, which equates to around $570 million per month. Given the current border restrictions, it is likely that a proportion of this expenditure could be spent on additional tourism within Queensland, which would to some extent help cushion any adverse impact of the current level of restrictions on the Queensland tourism sector. Again, I think it is important to understand that this policy is based on public health advice and it will be reviewed, as the Premier has said, at the end of the month.

CHAIR: To put that last piece of advice in more homely terms, my family and I are looking at travelling to Stanthorpe and Warwick for tourism purposes. It could be that families like my own may have considered going into New South Wales, but we will be making the choice to stay in Queensland during that time and adding to the Queensland economy. Is that the sort of example of what you were talking about in that last section?

Ms Hunter: Yes. Queenslanders do travel interstate for holidays. However, what we are hoping—and you would have seen there is a significant campaign to get Queenslanders to holiday in Queensland. That will have significant economic uplift for the tourism sector.

CHAIR: The Power family will be doing their bit.

Ms RICHARDS: Queensland is definitely open for Queenslanders. If anybody has not been to the Redlands, make sure you come and check it out. In terms of total hours worked, Queensland seems to have fared the best out of all of the states in the statistics around decline. I was wondering if the Under Treasurer could provide us with any information in terms of whether they are looking at a strategy to deal with the possibility of the federal government's JobKeeper repayments being reduced and possibly ceased earlier than September. I know that will have a large impact on those big numbers that are recorded.

Ms Hunter: As the member for Redlands said, certainly the hours worked measure provides the best overall indicator of the full impact of COVID-19 social distancing measures on labour market activity. Total hours worked in Queensland fell 7.6 per cent in April 2020. However, Queensland recorded the smallest decline in total hours worked of all states in April. The ABS weekly payroll jobs and wages data showed that the number of employee jobs in Queensland fell 6.1 per cent over the seven weeks to the week ending 2 May. Again, this was lower than the national fall of 7.3 per cent over the same period.

I understand that the Commonwealth is currently reviewing arrangements in relation to JobKeeper. I also understand that a number of industries within Queensland have argued strongly that the Commonwealth should have transition arrangements in relation to JobKeeper to avoid a steep fall in terms of the number of persons employed and hours worked.

CHAIR: If the program is abruptly pulled, would that lead to a real lack of confidence, especially in certain sectors of the Queensland economy?

Ms Hunter: The key aim of JobKeeper, as you know, is to ensure that, after restrictions are removed, impacted individuals and businesses are able to quickly resume normal activities, facilitating a more rapid recovery. Business confidence is key to that. Therefore, JobKeeper is expected to lower the unemployment rate and keep businesses and employees connected.

Initial Commonwealth Treasury forecasts estimated that the national employment rate, would reach 10 per cent in the June quarter, but would have been around 15 per cent in the absence of JobKeeper. Queensland Treasury's initial estimates of the impact of JobKeeper are broadly consistent with the national outlook, although it now appears that the unemployment rate in Queensland and Australia will not get as high as initially feared, and that has to be a good thing.

Mr O'CONNOR: Just to be clear, has Treasury undertaken any economic modelling on the impact of the interstate border closure?

Ms Hunter: As I said, we have taken advice from the Commonwealth in relation to modelling they have done about the lifting of restrictions. Certainly the Commonwealth's data suggests that the most significant impact in terms of lifting social distancing restrictions relates to opportunities for people to participate in normal recreational activities like going to a restaurant, going to a cafe, going to gyms. It is lifting activity in the hospitality sector and the retail sector.

CHAIR: Apologies, Under Treasurer. I did not interrupt before, but the standing orders, which apply to committees, do have a provision regarding repetitive questioning. The question had been put and answered. I have allowed some leeway, but I remind members that we are not to engage in continual repetitive questioning.

Mr O'CONNOR: Did taking advice from the Commonwealth include the advice on the Commonwealth's modelling of the impact of the border closure, which I think you said is costing $600 million a month and stopping 66,000 people from going back to work?

Ms Hunter: The Commonwealth Treasury's analysis shows that around half the estimated economic impact, so $324 million, and around one-third of the jobs, 20,631 jobs, result from increased demand due to retail activity and normalising school as these were initially proposed as part of stage 3 relaxations. The Commonwealth's own analysis indicates—and again I think I have shared this with you—that a significant proportion of the remaining benefits in terms of economic activity and jobs is derived from the benefits of increasing domestic activities such as easing the restrictions on cafes, restaurants, pubs and clubs, entertainment venues, health and fitness gyms. The Commonwealth's own analysis suggests that the direct benefits of easing restrictions on domestic and international travel are estimated to generate $79 million per month in additional economic activity and support 7,460 jobs; however, as I said earlier, if we can encourage Queenslanders to holiday in Queensland we can potentially generate up to $6.8 billion over a 12-month period, which equates to around $570 million per month. If we can convert the travel that Queenslanders typically undertake interstate for holidays and recreation into intrastate travel, we can generate a significant benefit and economic uplift.

CHAIR: Not to be critical, but again the question put by the member for Bonney—and the answer reflected this—was repetitive; it was essentially the same question as has already been put forward. The Under Treasurer had already made commentary on the federal government's modelling and also made commentary on the federal government's modelling of intrastate tourism from Queensland so had gone to some lengths to answer this question. I do ask that you respect the process and not put repetitive questions. Member for Bonney, do you have any novel questions to ask?

Mr O'CONNOR: Yes. Thank you. I would like to shift to QRIDA, if that is all right.

CHAIR: We might deal with Treasury first. If you do not have a question for them, we will go to the member for Bundamba.

Mr McCALLUM: As restrictions are gradually being lifted, which industries are expected to make a faster economic recovery and which are anticipated to face more significant challenges?

Ms Hunter: The industries that were most impacted immediately were of course tourism and the seafood industry, likewise, was significantly impacted. What we did see were some of our other cornerstone industries continuing to work and trade effectively, and that included agriculture more generally and the resources sector.

What we do know is that the construction industry has experienced a strong pipeline of work which nationally they estimate will take the industry through till September and then they will be looking for some form of stimulus. As a result, in the second tranche of economic recovery stimulus the Queensland government provided for strong investment in housing construction to support the residential housing sector to move forward. There have been other subsidies, of course, in the form of additional payments for regions—there is an additional $5,000 for regions—to support housing construction. The Commonwealth, likewise, has introduced stimulus payments to support that sector.

Nationally, seasonally adjusted employment certainly indicates that sectors that are experiencing the most impact have clearly been tourism and the retail sectors. While we have seen strong performance in the health sector, the community and student services sector and, as I said earlier, agriculture, construction and the resources sector, we expect that as level 3 restrictions lift, as the next wave of restrictions lifts, we will see an uplift in terms of the retail, hospitality and tourism sectors. Stimulus to support economic activity is important, but the lifting of restrictions provides significant stimulus as well.

Mr WATTS: Under Treasurer, can you state clearly for us what the debt level in Queensland was prior to COVID, what it was forecast to become over the forwards, and what interest would have been paid on that debt? Can you then state clearly for us how that is going to change because of the COVID crisis, based on your modelling?

Ms Hunter: We are obviously aware that, just as the Commonwealth and other states had to defer their budget processes, modelling is extremely unpredictable. This is a very volatile environment in terms of both revenue modelling and the impact that will then have on the state's fiscal position.

The Treasurer has indicated his intention to provide all members with clarity around the state's financial or fiscal position in the COVID-19 Fiscal and Economic Review, which he plans to deliver in September.

If you go to the figures in relation to your question, the figure in relation to borrowings with QTC in the MYFER statement in 2018-19 was $67,576,000,000, projected through the forwards to 2022-23 at $83,294,000,000. Further clarity around the state's fiscal position will be provided in the September C-FER statement.

CHAIR: Member for Mermaid Beach, do you have any further questions?

Mr STEVENS: Yes. It is difficult, because I am trying to get my answer on the screen and the only way I can hear anybody on this phone is for me to talk through. I take it the Under Treasurer will have advice in relation to other matters that went through parliament last week.

As we know, the attrition rate in the Public Service is approximately three per cent per annum. At over 200,000 members, that would be about 6,000 people a year. In relation to the wage freeze that was passed through parliament—which will be a catch-up, if you like, of five per cent the year after in 2021—will those public servants retiring this year be afforded a catch-up to the five per cent or will they miss out on their 2.5 per cent increment in the defined benefit scheme?

CHAIR: There might be an assumption on the rate of retirees. It may be different with COVID-19 and their ability to get other job prospects.

Mr STEVENS: I understand, Chair, that may not be the case, but the normal case has been three per cent attrition over many years. Perhaps Treasury would have different advice on what the attrition rate may well be. We can guarantee there will be some attrition rate.

CHAIR: On that basis, the question is that there will be those retiring during this period. Under Treasurer, if you could give us some information about that.

Ms Hunter: As you have said, legislation was passed through the House to give effect to the wages freeze. For those members who may be retiring in 2020-21 there has been an in-principle agreement that there will be no disadvantage in terms of their defined benefit scheme, and the details of that are being worked through.

CHAIR: Member for Mermaid Beach, you may not have heard that, but—

Mr STEVENS: I am sorry, Chair, I am trying to get the answer on the screen, which is a little tricky, I can assure you. I did not hear the answer.

CHAIR: Broadly, the answer was that there is an undertaking for those people not to be worse off and the details are being concluded. I may have paraphrased that slightly incorrectly. Are there any further questions on that?

Mr STEVENS: Not on that, thank you.

CHAIR: Member for Mermaid Beach, are there any other questions of the Under Treasurer?

Mr STEVENS: It is probably a question for QSuper, which is not Treasury really. QSuper are coming, are they not, Chair?

CHAIR: We could do that there. I just thought you may have had a continuing question. Member for Redlands, do you have any questions?

Ms RICHARDS: Thank you, Chair. We know that the arts and culture and entertainment sectors have been significantly impacted. Can the Under Treasurer speak a little bit more about the support that is being given to that sector at the moment?

Ms Hunter: Certainly. You would have been aware that in the second tranche of economic recovery stimulus—

CHAIR: I am sorry, Under Treasurer, would you be able to speak more loudly? There is an automatic microphone that picks up the loudest speaker, and it does not seem to be jumping towards you if there is a louder noise in your room. We can hear you clearly, but if you could just speak a bit more loudly.

Ms Hunter: As all members of the committee would be aware, last week the second tranche of economic recovery initiatives was announced under the economic recovery strategy. That did include a significant package to support the arts and culture sector. It included, for example, assistance for galleries, museums and performance venues along with artists, arts workers and musicians. By way of detail this includes: $11.3 million to offset revenue losses in our music and performing arts venues and organisations; $4.2 million to provide a pipeline of performing arts and live music to support our cultural and tourism recovery; $2.9 million to form partnerships with local councils, venues, artists, festivals and organisations to continue employment and provide ongoing unique experiences; $4.15 million to support temporary outdoor infrastructure capital grant funding and to fund a virtual venue for performances; and the development of an online Indigenous arts and crafts sales platform. That goes to a significant extent to demonstrate the government's support for the arts and cultural sector and institutions.

CHAIR: We know that performance art is still a significant part of the economy. Is there also support for people who back them up in a technical sense such as audio—which we are very aware of through this broadcast—lighting and other technical areas of staging? Obviously JobKeeper is part of that, but those who are non-artistic but provide backup obviously have real strains on their income as well.

Ms Hunter: In terms of offsetting revenue losses and encouraging the development of performing arts experiences, staging, events staging and musical events all rely on supply chains. This benefits not only performers but also those people who are in the supply chain who provide venues with technical services to support these experiences. The aim is to get our performing arts sector up and running. Clearly, there will be downstream or supply chain benefits in that process.

CHAIR: Member for Bonney, do you have any further questions? I also want to make it clear that, although we generally wanted to have Treasury first, we will open it up to any of the submitters here today.

Mr O'CONNOR: Yes, I will go to QRIDA, if that is all right. From your briefing earlier we saw that the program was open for 15 business days. I think we have heard in a previous hearing of this committee that it closed over a weekend, on 18 April I believe. Why was it closed without notice over a weekend?

Mr MacMillan: As you would understand, we had unprecedented demand for this program. It was actually one of the first significant state or federal government schemes that was out in the marketplace. We took time to understand exactly what the average size loan was going to be. We took time to work out what the approval rate was going to be. We worked with our program owner, and then on 18 April the government's decision was to close the scheme to new applicants.

Mr O'CONNOR: It has essentially been everyone. There has been no-one since then who has been able to apply?

Mr MacMillan: There were applicants in draft, and we enabled the applicants who were in draft to move to the next stage so no-one was disadvantaged.

Mr O'CONNOR: Based on the numbers that you know applied, how many businesses would have missed out?

Mr MacMillan: On our calculations, on the averages that we are working with now, we believe that two-thirds of all applicants will actually be successful in receiving a loan.

Mr O'CONNOR: I note that the guidelines are fairly broad. Were there any grants approved for businesses that were not adversely impacted by COVID?

Mr MacMillan: They are loans, so we tried to make it as low-document as we possibly could because a number of these businesses were really quite distressed and it was early stages. As I mentioned, it was one of the first schemes out. We asked the businesses for their impacts and we tried to gauge that impact. We would like to think there were not any businesses impacted. They had to sign an affidavit on the bottom of the application to the effect that they were severely impacted. We would like to think that was absolutely the case. We had assessors working with them. They were all phoned to try and understand their circumstances. We also asked them whether their circumstances had changed during the process so we could take that money and potentially give it to someone whose situation was worse.

Mr O'CONNOR: Can you run us through those assessors you were talking about who would go through and have a look at some of the applicants?

Mr MacMillan: I might hand over to my colleague Tony O'Dea to walk you through that process.

Mr O'Dea: The process we went through in assessing applications was based on trying to determine whether a business was viable given normal circumstances. That is one of the key criteria. We required information in the application form which gave us some information going back two years so we could look at what their trading position was over the 2017-18 and 2018-19 financial years. We tried to look at what their current position is in terms of assets and liabilities, their creditor situation, their situation with the Australian Taxation Office and so on to determine their viability given normal circumstances. We worked with those applications. We rang them and spoke to every applicant to try to determine the level of impact that they were experiencing, bearing in mind that these applications were put in in late March and early April when there was a lot of uncertainty about how long the closures were going to be in place and exactly what the impact of COVID-19 was going to be.

CHAIR: Mr MacMillan, you spoke about the balance between extensive documentation and getting funds to those businesses that were really in need. If there had been a longer, more bureaucratic process, is it possible that some of those businesses would have gone under from pressure from their banks or from bills that they needed to pay?

Mr MacMillan: The program owner was looking for a balance between getting the money out in an efficient and timely manner and making sure that it was going out to the right parties who had the ability to repay those funds. That was why a number of criteria were brought to force. That included the fact that the business had to be in operation since 1 July 2017. We really worked hard to make sure that we got the balance right. We worked with program owners in that delivery process.

Ms RICHARDS: Mr Frawley, in regard to the virtual round table that was held with superannuation industry representatives, are there any outcomes from that, particularly in relation to the contribution of the superannuation system to the Australian economy and the Queensland economy?

Mr Frawley: I think the out turn of that initiative with some of the key superannuation clients in Australia was that, interestingly, with the early release data that came after the implementation of that policy, when I think a lot in the industry thought there was going to be a fairly substantial amount of money exit the superannuation industry—I do not have the numbers off the top of my head—all of those CEOs and CIOs who attended were encouraged, if you like, that there was not as much access as they had initially thought and modelled. That is a good thing in terms of keeping that money in the system and being able to benefit people over the long term with their retirement income. That said, the hardship cases that came as a result of that early release were all funded.

The other challenging thing for many of the superannuation funds was the valuation processes that apply to the unlisted real assets in their portfolios—things like real estate and infrastructure. Those assets are valued throughout the year by independent valuers. Clearly, when there is a strain on switches within the system from growth categories back to cash, as an example, or even people wishing to redeem from a particular super fund and move to another one, it puts strain on the system, particularly for certain superannuation funds who were carrying a large allocation to unlisted real assets.

It was prudent for the industry and for many of the super funds to implement what they call a director's valuation in between formal independent valuations to enable a unit price to be struck that would be a little closer to the mark than it would be if you had to wait until an independent valuation took place some months later. They were the two big things that came out.

There was still a strong willingness on the part of many of those superannuation funds to remain the course—that is, to continue to build wealth for the superannuants of this country over many, many years. That does mean that you need to have a good mix of growth and defensive assets in those portfolios. Infrastructure and real estate will always remain a part of building that wealth in the system.

Ms RICHARDS: Do you have any idea how far off the modelling was in terms of that drawdown on super that was expected?

Mr Frawley: I have not. I will take that on notice. It was fairly substantial. I will endeavour to get that through the course of the next half an hour and I will come back to you, if that is okay.

CHAIR: We might informally place that on notice until you get back to us, Mr Frawley.

Mr WATTS: Under Treasurer, in reference to the deferral or wage freeze that was passed through the parliament, you said there will be no disadvantage to people on defined benefits. I am trying to work out how much we are actually going to save and if in fact we are only going to save interest on borrowings because it is now just a deferral.

Ms Hunter: The saving will be as previously advised—in the order of $500 million. That is a saving that will give effect in the 2020-21 financial year. My comment about the no-disadvantage principle is that, for those people who choose to retire in that year where there are mandatory retirement age provisions, the commitment is that they will not be disadvantaged. As I said, the detail of that will be worked through.

Mr WATTS: Just to clarify, the $500 million is the interest on the borrowings because of the deferment? Where does the $500 million come from?

Ms Hunter: The saving is with respect to the 2.5 per cent forgone—not paid—in that financial year.

Mr WATTS: Across the two periods there is actually no $500 million saving. Is that what you are saying? You are saying that there is a saving in the first period because of the forgone 2.5 per cent, but then when the catch-up comes there is actually no saving; is that correct?

CHAIR: I think it has to be the time period, member for Toowoomba North. I think that has been answered. Under Treasurer, do you wish to add to that?

Ms Hunter: The payment of 2.5 per cent in the following financial year has already been provisioned.

Mr McCALLUM: My question is nominally to the representatives from Treasury, but if any of the other witnesses would like to make a contribution please feel free to do so. With regard to how infrastructure spend can underpin strong recovery from COVID with particular reference to the state's $50 billion infrastructure guarantee and the $200 million Works for Queensland COVID recovery package, how is that assisting local businesses and job creation as we recover from COVID-19?

Ms Hunter: You are right: it is universally recognised that strategic investment in catalytic infrastructure certainly creates economic uplift not only in the form of jobs but also in terms of productivity. In terms of the commitment to the $51.8 billion in infrastructure pipeline, that commitment has clearly been given, so we will see over the forwards significant investment in catalytic infrastructure.

In terms of the construction sector, again, we saw in the tranche of initiatives announced last week a $100 million housing construction package, Works for Tradies, which again will stimulate housing supply and support construction workers across Queensland. We also saw the $50 million SEQ community stimulus program—again, further funding to local government to support minor works and projects that create local jobs in some of our most impacted areas. In terms of stimulating the construction and infrastructure sectors, obviously it is important to ensure that the stimulus package is in target areas of need in terms of both social housing and infrastructure that catalyses further productivity. That is obviously the work of Treasury through both its infrastructure division and the Treasury group more broadly.

CHAIR: I have a question of Damien Frawley and the QIC. On page 4 of your submission we saw that the drawdown during the tech crash and during the 2008 financial crisis so far was more significant. We also see from the Treasury's information and from international information that the effect on unemployment has been much more dramatic now than during those periods. Is there a different risk and portfolio balance that you need to take in these circumstances in order to ensure stability?

Mr Frawley: I think the circumstances around the three or four historical comparatives are quite different in their nature. This pandemic was far-reaching right across the economy, particularly in terms of the actions that needed to be taken in order to attempt to solve the problem. That was shutting industries down and isolating people. I think it is very different from the impact that was experienced during the GFC and also the share market crash of 1987. I would for context provide the difference insofar as that.

To your question around positioning portfolios going forward, clearly with bond markets and yields on bonds and even the cash rate at very low levels—at historic and unprecedented levels—that gives pause for managers like ourselves to think about where the opportunities are to provide good, consistent long-term growth into a portfolio but also to try to find alternative sources of income. That gives rise to infrastructure. With long-dated concessions attached to many of those infrastructure assets, they provide good long-term income in a normal world. Clearly we are not living in a normal world at the moment, as I referenced in my presentation earlier. Airports, as an example, have suffered immensely through this crisis. The reality is that those assets in a normal environment are very strong assets with good long-term growth prospects as well as income.

We are working with the State Investment Advisory Board to reposition the portfolio and take a little more risk, to take opportunities and capture opportunities as they come our way to be able to build the portfolio for the future. The defined benefit plan still has a long term to run. We do not turn all the risk off now. When you have a 25-year time horizon left in the defined benefit plan, we need to continue to take risks. The times that we are living through at the moment present those opportunities to build that portfolio and continue to provide good long-term returns for the members of that fund.

CHAIR: Member for Mermaid Beach and Deputy Chair, do you have a question?

Mr STEVENS: Thank you, Chair. It is very difficult down here, I repeat, with the delay in the viewing and the talking. I wish I had this at the races on Saturday; I would have made a fortune! My question is to Mr Cannon, the State Actuary. The former treasurer announced pre coronavirus that she would be transferring approximately $3 billion from the excess value in the defined benefit scheme across for the budget in April. Obviously coronavirus hit town and a lot of matters have changed since then. Can you advise what is the balance of the defined benefit scheme, positive or negative, obviously, and where you see that defined benefit scheme going, which—I do not want to go into the policy matters on it—would require, as previously happened under Mr Mackenroth, an upgrade of funding to that scheme?

CHAIR: The member for Mermaid Beach reminds me of some of those old stories about intercepting telegram lines of betting results, but I do recommend all members of the committee not engage in this if they somehow have a delayed Zoom broadcast of the races.

Mr Cannon: We have been monitoring the funding position of the scheme. We have an interim model that I maintain during the year, although you probably know that the actual funding position of the scheme, of course, is only decided once the year is through, and that is particularly the case in situations such as this where the markets are moving very markedly from week to week and even day to day in some of the earlier times in March and April.

I am pleased to report that the latest projection that I have, which is using returns up until last week—so notwithstanding the issues that Mr Frawley has quite rightly pointed out this morning with regard to the difficulty in calculating interim returns in environments such as this, particularly with reasonable exposures to liquid assets—has us with still a surplus position, so not quite as bright as it was in the valuation that I published last year but nevertheless still in a surplus position with the so-called vested benefits index. I would be happy to talk further about that if the committee wishes, but that is the basic index that we use to decide, in the current funding framework, the level of the funding position and that is, I am estimating, at around 110 per cent. At around 110 per cent means that assets are 10 per cent higher than the level of vested benefits that would be payable to members. So it is still in a surplus position would be my answer to that question. I hope that answers it.

CHAIR: How many other states or the Commonwealth have a funded defined benefit superannuation scheme run by the states or the Commonwealth?

Mr Cannon: That is an easy question to answer: nil. We are the only state, as again I think Mr Frawley might have mentioned earlier in his introduction. Only Queensland, to the best of my knowledge, has a funded public sector scheme. New South Wales and Victoria have announced plans moving towards that and, of course, the Commonwealth has the Future Fund moving towards full funding but my understanding is they are still well short of it. The committee would be well aware that the Queensland government has had a fully funded superannuation plan for its public servants for, I am going to say, at least 30 years and much longer than that.

CHAIR: I think committee members are aware of it, but some of them seem to forget it in their questioning.

Mr O'CONNOR: I go back to QRIDA, if I may. I just want to get a bit more clarity on the loan assessments. You were talking about the balance before. How much did the merit of the application factor in compared to the date that it was lodged? You were talking about getting the balance right between when the application came in and what was actually in it. I was just wondering if you could run us through a little bit of how you process those.

CHAIR: I note that we actually did get this answer before. Is there anything that is particularly different from the way that it was phrased before?

Mr O'CONNOR: It is getting some more clarity on the particulars of it.

CHAIR: It seems like there are more particulars. I do not want to harangue the participants in that we have asked twice about how this was constructed. Do you have anything to add?

Mr O'Dea: I do not have a lot to add. As I said earlier, we did talk to two of the clients to get as much information as we could about the impact it was having on them, bearing in mind at that stage it was still early on in the process. The impacts are so widespread right across all industries so it is very difficult to say that one industry is more impacted than another. The impact was right across. As time progressed and more government programs became available, both federally and state, we spoke to the clients and made sure that they were aware of these other programs that were available. There were quite a number of clients who advised us that, in the light of these new programs coming on, they did not require the original amount of loan that they thought they would. As we said earlier on, the average loan size has moved around, but in the early stages the average was around $160,000 per loan and the average at the moment is, I think, $144,000. If you looked at the average probably over the last month or so that would be even lower. Obviously to get it down to $144,000 from $160,000 means that the average loan size at the moment is less than when we started.

Mr O'CONNOR: Would the committee be able to have a breakdown of the industries that received loans and the locations of those businesses across the state?

Mr McMillan: We are very happy to provide that information.

Mr O'CONNOR: On notice or do you have that with you?

Mr McMillan: It is quite an extensive list so I think we would take it on notice and provide it to the chair.

CHAIR: We note that that question is taken on notice. If it can be provided at the end, otherwise I will note that the question has been taken on notice at the end of the session.

Ms RICHARDS: Under Treasurer, could you update us on the First Home Owners' Grant and the regional home building boost grant—how that interacts with the federal government's HomeBuilder grant and what that application process might look like?

Ms Hunter: In terms of the support for the construction sector, as I said earlier, we have a number of stimulus programs. We certainly see stimulus from the $100 million housing construction Works for Tradies program. In terms of the specific question on the First Home Owners' Grant and the regional home building boost, which was announced on 16 June, the government reaffirmed its commitment to the $15,000 First Home Owners' Grant with payments estimated at $96 million in 2020-21. The program offers support for first home buyers who purchase or build a new home valued at less than $750,000. The principal objectives of the grant are to improve housing affordability and help Queenslanders move into their first home sooner, and to stimulate growth in the housing and construction sector. In the four years to May 2020, Queensland first home buyers have received almost 28,000 payments, valued at more than $500 million, from the Queensland First Home Owners' Grant.

A further $10 million regional home building boost package was announced as part of the stimulus measures to support Queensland's recovery from COVID-19. The regional boost provides a $5,000 grant for buyers to put towards the purchase or construction of a new owner occupied home valued at less than $750,000 in a regional location. The new home does not need to be the buyer's first home. Eligible contracts must be entered into between 15 June 2020 and 31 December 2020. Treasury estimates the grant will assist with around 2,000 new private home constructions in regional Queensland during this period. Eligible first home buyers will be able to access both the $15,000 grant and the $5,000 regional home building boost, meaning a potential $20,000 could be provided to Queensland first home buyers in regional Queensland.

Certainly this is a strong assistance for homebuyers and in some cases, together with the Commonwealth's grant program, will provide a sizeable boost for Queenslanders looking to either build or purchase a first home or build or purchase a home in regional Queensland.

Mr WATTS: Under Treasurer, I am trying to understand why the Service Priority Review Office was shut down. In addition to that, what was the total external consultant spend from that office whilst it was operating?

Ms Hunter: The work of the Service Priority Review Office is certainly continuing, and that work will continue in the core budget group within Treasury under the leadership of Deputy Under Treasurer Leon Allen. The work was effectively analytical in terms of review of savings opportunities across government. We are now moving to an operational phase to implement the outcomes of that work. In terms of the consultancies, that is probably a matter that we will have to come back to you on. I will take on notice the cost of consultancies.

CHAIR: That is not something that you could report during the session; it is something you would report to us later via correspondence?

Ms Hunter: We will endeavour to get it through this session.

CHAIR: I will return to it in this session if the member for Toowoomba North could remind me.

Mr STEVENS: The current unemployment numbers are very grim at 7.1 per cent. Has the Under Treasurer had any discussion with her federal counterpart at the national cabinet meetings advising what percentage of Queenslanders are kept employed by the JobKeeper payments?

Ms Hunter: As I said earlier, Queensland's unemployment rate was 6.8 per cent in April 2020, and that was an increase on 5.7 per cent in March 2020. That is clearly the largest monthly rise in the history of the unemployment series. What we did see, though, was that we recorded the smallest decline in total hours worked of all states in April and the number of employee jobs in Queensland fell by 6.1 per cent against a national fall of 7.3 per cent. In terms of the seasonally adjusted employment, we have seen a fall nationally of 835,100 persons, or 6.4 per cent, over the two months to May 2020 and the national unemployment rate has increased from 5.2 per cent in March 2020 to 7.1 per cent in May 2020. With respect to your question about the number of people in Queensland in receipt of JobKeeper, I will need to get advice from Treasury officers as to that number. I hope to get back to you within this session.

CHAIR: I just note that we are due to finish at 12.15, for those who have taken questions on notice. Under Treasurer, one of the things that concerns all of us here is the potential for, as we are seeing in some states of the United States, a second wave of cases. In the analysis of Treasury, is there a differential impact on the businesses that would be affected if there was a second wave of cases? Would that have a different impact than the first wave on Queensland businesses and the economy?

Ms Hunter: The businesses that were most impacted were those that were clearly subject to restrictions in relation to social distancing, and they include tourism, hospitality and retail. If there was a second wave, it is likely that those industries would be most impacted again. As I referenced earlier, the modelling that has been done, as I am advised by the Commonwealth, indicates that the cost of a second wave to Queensland could be as high as $800 million a week.

CHAIR: Thank you very much. I thank all of the participants here for the information you have provided today. I especially thank our Hansard reporters. It is now 12.15 and the time allocated for the proceedings has expired, so that will now conclude our briefing. A transcript of these proceedings will be available on the committee's webpage in due course. Some questions have been taken on notice. I might give an opportunity now for witnesses to follow up on them. Firstly, there was a question to QIC regarding superannuation. Were you able to get that information in time or do you want to take it on notice?

Mr Frawley: I have that to hand, and this is APRA data. As at the end of May, there were $14 billion worth of applications made for the early release initiative and $13 billion was paid. With regard to the forecast, while it is not a formal forecast, the read that we had was that the industry was expecting somewhere in the vicinity of $30 billion. The other interesting statistic is that the applications made were turned around in 3.3 days for those hardship cases, which I think was also a very strong statistic from the industry. I think the initial modelling was probably worse case, but there is more to come obviously. This remains open and it could get higher. As at the end of May, that is $14 billion out of an industry total of funds under management in the entire superannuation industry, just to remind everyone, of somewhere close to $3 trillion—about $2.7 trillion or $2.8 trillion. Hopefully that answers the question.

CHAIR: Thank you very much, Mr Frawley. We also had a question to QRIDA about the breakdown of those receiving the loans. Is this something that you would be able to provide in this session?

Mr MacMillan: Thank you, Chair. We have extensive details. It is actually about seven or eight pages, so we are emailing that through to the secretariat now.

CHAIR: Thank you very much for giving us that detail. There were two questions on notice for Treasury. One was a question regarding consultancy and the other one was on the JobKeeper breakdown by region. You may have better notes than I do on the detail of that question. Under Treasurer, is this something you can give us now or something that could be done later?

Ms Hunter: I can advise that, with regard to the SPRO consultancy spend, the spend was within the allocation of funds for SPRO in 2019-20. With respect to JobKeeper, clearly this is federal data. Thank you.

Mr WATTS: I am just after the figure.

CHAIR: The answer is that the JobKeeper figures are held by the federal government; is that correct?

Ms Hunter: The answer is that it is federal data.

CHAIR: Right.

Mr WATTS: No, the SPRO figure.

CHAIR: On that, the question has been put and answered. The only other question that has been taken on notice will soon be emailed through, although I just wanted to let you know that there is the deadline of 12 pm on Friday, 26 June 2020. With that, I declare this public briefing closed.

The committee adjourned at 12.20 pm.