



Whatever it takes
COVID-19 policy
responses in Australia

Current as at 5pm, 26 March 2020

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This changes everything...

Global economies are in a deep dive. It's occurring with a severity and speed that is literally taking our breath away. Even those who would normally hesitate at the thought of government intervention are calling for action.

The question is, what type of action?

There is an urgent need – the health crisis that must be fought and the cushioning required to manage the economic consequences. And there is also a view to recovery – of our economy and the further health implications which flow from a better economy. But it all starts with the strongest health response possible. Pandemics, with their geometric progression, demand nothing less.

The substantial increase in scale and scope of government action needed to tackle the COVID-19 pandemic is essentially a form of short-term, unparalleled, economic insurance.

This insurance is both to protect public health and support people's immediate cost of living and livelihood.

To manage this effectively requires not only extraordinary policy solutions and government spending, but also a government-led reorganisation of the entire economy.

As at publication, states and territory governments are doing their best – and so are the feds.

With the speed of infection now visible, the main aim is managing the public health crisis. With the number of identified cases doubling every three to four days, any action taken today is four times less effective taken a week from now. Speed and aggressive action cannot be overstated.

The longer-term economic response and shift to recovery will only be as good as the public health measures we take today. With unemployment poised to rise dramatically and with interest rates already at record lows, monetary policy has little left in the tank – a classic liquidity trap is emerging. For its part, the RBA has fired what is left in the locker and has committed to ensuring markets remain liquid to support the supply of credit to business and households.

To solve this crisis, fiscal policy is nearly everything. What governments can do with fiscal policy and budgets will be crucial in the coming months.

The focus cannot be on deficit, debts and credit ratings – that time will come again, but not today. Governments can wield budgets and balance sheets as powerful fiscal tools to support standards of living, the wellbeing of communities and the delivery of long-term sustainable growth.

In economic recovery there is the chance to finally do what has been needed for decades. That is, solve declining productivity, increase wages and share the dividends of growth evenly – to build a new sustainability in our economy, in our environment, and in our society.

Our current economic trajectory is sharp and brutal – just like COVID-19. And while many things are uncertain, at Deloitte Access Economics we are confident about one thing: Australia will solve this health and economic crises collectively. We have the smarts and the will. And a coordinated effort from every single one of us will save the day.

Dr Pradeep Philip
Partner, Head of Deloitte Access Economics

...and we should do whatever it takes

With any crisis, there are aspects that are truly unprecedented. The beginning of the current COVID-19 health crisis had this sense of unpredictability and uncertainty.

This hammered financial markets, delayed business decisions and put pressure on governments trying to calmly manage complex and coordinated responses.

The assumption COVID-19 was unpredictable and difficult to comprehend delayed action, as decision makers weighed up their options and trade-offs, and tried to find balanced and proportionate measures to take.

It now seems clear that there is no such thing as striking the right policy balance between the management of a global health pandemic and addressing the resulting economic crisis.

There is only a **menu of imperfect choices**, all with differing consequences.

But one thing is clear to us, the coming weeks, the management of the health crisis supersedes the management of the economic fallout. Solve the health and wellbeing of the general population first, and the rest will come.

A decision made today to address the public health crisis will be exponentially more valuable as the exact same decision made in a week – or even a day.

The data and evidence now suggest there is predictability to the unforgiving spread of the virus and point to the health and civic measures required to control the pandemic.

Since time immemorial, of all the challenges humans have faced, disease has always been an unforgiving and resourceful adversary.

The silver lining of the current situation is that the economic impact can ultimately be managed and overcome.

In the current situation, **monetary policy** won't do much to stimulate economic activity. Nor should it: more economic activity now would exacerbate the public health crisis.

Fiscal measures for the present, during what is only the beginning of this crisis, need to serve three main purposes:

1. **Assist businesses** to overcome immediate cash flow issues and financial stress
2. **Support workers** to immediately manage their loss of income and associated cost of living pressures
3. **Support those who are having difficulty** managing for themselves, who are unemployed, or have reached the age in life where work is a thing of the past.

The building blocks for these measures are largely in place under the current packages across the federal and state and territory governments. However, they largely require both businesses and individuals to take on or defer some type of debt – and therefore don't ultimately solve the fundamental issues over time, namely, the broken relationships between consumption and production, and spending and income.

So, while current measures are designed to **support businesses and workers in an economic holding pattern until the pandemic is controlled**, this needs to be done without producing perverse economic impacts overtime and with a view to recovery.

Fiscal measures designed to support recovery will need to wait until the pandemic is controlled, though planning for them must begin now. What is needed is reassurance for Australians that they can, and should, stay at home and not worry about lost incomes, because there will be policies to make up for the losses once the public health crisis is brought under control.

This is a 'whatever it takes' moment for large scale, new, and unconventional fiscal and monetary policies.

For business this all means...

There are hard times ahead, no doubt about it. The question for businesses of all sizes will quickly shift from what to do in the interim to manage cash flow, to what to do in the long term to stay operational.

This will create **hard choices for businesses** and some may not come out the other side of it – and by no fault of their own.

Specifically, it all means:

- Significant short-term financial and personal losses as social distancing and forced closures commence
- Difficult trade-offs on operational decisions and staffing
- Recognition that these closures are likely to stand for several months, not weeks
- Reconfiguring business models and operations where possible to support some income stream
- Immediate cash flow issues and longer-term decisions on sustainability, and provisional measures through government and the financial sector.

The response from businesses on the measures provided by government of all levels will play a significant part in the success of economic recovery. In particular, tax incentives have been offered for plant and equipment purchases, both ahead of 30 June and in the following 12 month period. But, with ongoing uncertainty around demand and disruption in global supply chains making sourcing assets more challenging, these incentives may fall short of their objective in the short term.

Government funding has also been provided and is designed to **encourage organisations to keep their workers employed** – whether it's at reduced hours or reduced pay. The key is keeping employees connected to the employer and maintaining organisational culture in place for an economic recovery. While this is an implied obligation, businesses that comply and retain staff will be better off in the long run, bouncing back quicker and more efficiently in a recovering economy.

We are also seeing businesses exercising their social licence with greater responsibility and community focus.

Financial services, supermarkets, logistics organisations, manufacturers and businesses offering essential services are coordinating with governments at all levels to support small business and the community at large. The crisis is driving a fresh look at the role of business in our community, which will help support a post-crisis recovery.

For government this all means...

Leadership, clarity and unconventional policy responses are key. As governments urgently juggle the public health and economic crisis to the best of their abilities, the other business of government must also be maintained.

This is a **big ask and will require extensive coordination and scenario planning**. It also requires an open mind to new and unconventional ways to solve the long and growing list of public policy issues requiring government intervention. This goes for all levels of government.

Specifically, it all means:

- Prioritising the immediate management and containment of the public health crisis
- Ensuring the capacity of the health system is managed and prepared for the immediate demand pressures
- Supporting the broadening and deepening of the welfare system to offset, where possible, the immediate shock and extensive job losses the economy is facing
- Keeping a view to the recovery and how to forge pathways for sustainable and shared economic growth
- Closely modelling and estimating the consequences to all aspects of government, such as: social housing demand, social and community services demand, shifting education cost bases and broader revenue bases.

In addition, the Australian Taxation Office (ATO) has been quick and public in communicating support for business and the community. The Commissioner has committed to giving “pragmatic, practical advice” and the ATO has demonstrated an accommodating approach to taxpayers having trouble meeting lodgement or payment obligations.

For communities this all means...

People need to band together, remain calm, but take it all very seriously. As a country made up of different regions, geographies, and communities there will be varying degrees of public health impact, and equally localised economic impacts.

Industries and labour markets are highly place based. Dependent on the industry structure, some regions and communities will be completely rocked, others will fair relatively well, and some will feel the general consequences the broad economy will experience.

But a reminder that **Australians are a resilient bunch** and the recovery we experience will reflect this.

Specifically, this all means:

- Where industries, labour markets and impacts are highly localised, so too must government responses be over the short to medium term
- There are equally localised social and community consequences to the public health crisis and economic downturn that must be managed – including broader social support services such as those covering domestic violence and youth justice
- Communities will rally together in the best way they know how, and for those more vulnerable, non-profit and local services will be a lifeline.

Summary of major policy responses

Current as at 5pm 25 March 2020.

Policy responses are coming out quickly and primarily cover health, civic and economic measures to support individuals, households and businesses. The below summarises the major (not exhaustive) policy responses across the Federal Government and all states and territories.

Federal Government

The Federal Government has announced economic measures totalling up to \$189 billion in cash and credit. Approximately 9.7% of Australian GDP is being provided to help Australians through this crisis.

Health and civic measures	Targeted outcome	Our view
Only Australian citizens, residents and immediate family members can travel to Australia (NZ citizens and residents are exempt)	To significantly reduce the number of imported cases	<ul style="list-style-type: none"> • These are harsh but necessary public health measures • Sectors such as aviation and tourism are grinding to a halt, but the sooner the health crisis is controlled, the sooner they can be rebuilt
Everyone entering Australia must self-isolate for 14 days	To significantly reduce the number of imported cases	<ul style="list-style-type: none"> • The stranding of some travellers in overseas locations needs to be remedied as a matter of urgency
There is a complete travel ban for all Australians to the rest of the world, with exceptions for specific circumstances only	Prevent Australians from travelling outside of Australia	<ul style="list-style-type: none"> • Government coordination to manage the impact of these measures needs to be substantially increased
<p>There is a need to limit all unnecessary personal interaction and for people to stay at home when not engaged in employment, necessary shopping or individual outdoor exercise. Measures include:</p> <ul style="list-style-type: none"> • All outdoor and indoor places where people are likely to congregate such as pubs, restaurants, cafes, sporting venues, gyms, shopping centres, sitting areas of food courts and places of worship are shut • Restaurants and cafés can operate with takeaway services • Outdoor personal training sessions to be no more than 10 people 	To further enforce social distancing in the community, prevent community transmission of COVID-19 and slow the rapid rate of infections	<ul style="list-style-type: none"> • A crucial public health measure, despite the economic disruption for business owners and their workers • The resulting business closures and job losses are the urgent focus of government support measures • Equally, the long-term consequences of these measures need to be modelled and planned for today – to implement policy responses going forward – in response to the changing relationship between production and consumption, and spending and income

Economic measures	Targeted outcome	Our view
Businesses		
<p>Up to \$100,000 in tax relief to support eligible SMEs and not-for-profits (including charities) with aggregated turnover of under \$50 million, with a minimum payment of \$20,000</p>	<p>To assist businesses' and not-for-profits' cash flow to keep operations running and maintain jobs, subject to social distancing requirements</p>	<ul style="list-style-type: none"> • This is a difficult policy measure to get right, keeping businesses afloat in the longer term while equally needing a large proportion of them to shut in the short term. This measure may not be sufficient in breadth or depth as income tax relief only covers a small proportion of a business' labour costs • This measure will cost the Federal Government an estimated \$31.9 billion over the forward estimates period
<p>Temporary increase in the threshold at which point creditors can issue a statutory demand on a company (and the time companies have to respond to statutory demands they receive) from \$2,000 to \$20,000</p>	<p>To provide a wider safety net for businesses to resume normal business operations when the crisis has passed</p>	<ul style="list-style-type: none"> • This measure may support the longer-term viability of operators in the face of creditor issues due to immediate cash flow problems • It will be of cold comfort for most businesses but a useful safety net nonetheless
<p>Support for business investment, by (1) increasing instant asset write-off from \$30,000 to \$150,000 and (2) a new time-limited 15-month investment incentive by accelerating depreciation deductions for businesses with annual turnover of <\$500 million (up from \$50 million)</p>	<p>To provide a wider safety net for businesses to resume normal business operations when the crisis has passed</p>	<ul style="list-style-type: none"> • Without cash flow and consumption, there will be little to write-off in the short term, but a provision that should help in the longer term with recovery • This measure will cost the Federal Government an estimated (1) \$700 million and (2) \$3.2 billion over the forward estimates period
<p>Support small businesses to retain apprentices and trainees, through a wage subsidy of 50% for nine months from Jan to Sep 2020</p>	<p>Keep skilled and trade workers employed during the crisis</p>	<ul style="list-style-type: none"> • Support businesses to preserve jobs and be able to bounce back quickly • This measure is estimated to support up to 70,000 small businesses, employing around 117,000 apprentices
<p>\$1 billion to support communities, regions and industries most significantly affected, including a \$715 million package for the airline industry</p>	<p>To remove regulatory imposed cost such as aviation fuel taxes, air services charges and environmental charges for tourism businesses operating in heritage-protected parks</p>	<ul style="list-style-type: none"> • To reduce cost for businesses most impacted by the crisis, but again, cold comfort for those industries currently without customers and disrupted supply chains
<p>A Coronavirus SME Guarantee Scheme will be introduced where the government will provide a 50% guarantee on new loans made by SMEs with a turnover of up to \$50 million, for working capital purposes</p>	<p>Enables quicker and more efficient access to credit</p>	<ul style="list-style-type: none"> • To further boost the effectiveness of this measure the government could change repayment to be income contingent or extend the duration of the loan from 3 to 10 years

Economic measures	Targeted outcome	Our view
Financial system		
<p>The Reserve Bank of Australia has (1) reduced the cash rate to 0.25% (2) is targeting the yield on 3-year Australian Government bonds of around 0.25% (3) established a term funding facility for the banking system for credit to SMEs and (4) measures to mitigate the cost to banks of associated increases in settlement balances</p>	<p>To provide stability and sustainability to the financial system and supply of credit</p>	<ul style="list-style-type: none"> • The RBA acted swiftly and significantly to stabilise the financial system and it is an effort to be commended • The purchase of government bonds and semi-government securities across the yield curve is unprecedented for Australia, and the hope is this will address market dislocations and sure up much needed supply
Individuals and households		
<p>An additional \$550 per fortnight payment for six months to those under JobSeeker Payment, Youth Allowance JobSeeker, Parenting Payment, Farm Household Allowance, Special Benefit, Austudy, Abstudy and Youth Allowance</p>	<p>Broadening and deepening of the social welfare system for vulnerable and disrupted individuals</p>	<ul style="list-style-type: none"> • Financial relief to support livelihoods and cost of living pressures for those impacted by job and income losses • This measure is estimated to cost the Federal Government \$14.1 billion over the forward estimates period – noting a heightened and protracted uptake could push these figures out
<p>Two separate \$750 tax exempted payments to lower income Australians, including pensioners, social security and veteran income support recipients and eligible concession card holders</p>	<p>Aimed to allow emergency financial relief for those struggling to meet basic payments such as rent, mortgage and groceries</p>	<ul style="list-style-type: none"> • Standard of living support to lower income Australians will ease immediate financial stresses. This measure is estimated to cost the Federal Government \$8.8 billion over the forward estimates period – again, noting a protracted uptake could increase these figures
<p>Temporary early access to superannuation for eligible individuals, \$10,000 in FY20 and further \$10,000 in FY21</p>	<p>Assist retirees to preserve their capital and reduce need to sell investment assets</p>	<ul style="list-style-type: none"> • While providing temporary relief, this could result in reduced retirement incomes after the crisis is over • Borrowing from your 'future self' could prove challenging for those with relatively low balances • But no option is off the table, and this could be a lifeline for some
<p>Support for retirees by temporarily reducing superannuation minimum drawdown requirements and reducing social security deeming rates</p>	<ul style="list-style-type: none"> • Assistance to maintain a balanced economic structure 	

New South Wales

The New South Wales Government has largely adhered to the advice from the National Cabinet. Schools will remain open, though parents are encouraged to keep their children at home if possible.

Additional funding support will provide an extra health boost to expand capacity in testing and intensive care units (ICU), and to support businesses and jobs.

Health and civic measures	Targeted outcome	Our view
Schools to remain open but parents are encouraged to keep their children at home	Minimise community contact to combat spread of the virus	<ul style="list-style-type: none"> This is a difficult policy measure to balance. While important in minimising community spread, it could result in household pressure as parents are required to take annual leave to care for their children
\$700 million extra funding for NSW Health	Increase ICU capacity, allow additional COVID-19 testing, purchasing additional ventilators and medical equipment	<ul style="list-style-type: none"> This would support increased testing and treatment services to affected individuals and hopefully reduce death rate

Economic measures	Targeted outcome	Our view
<p>Series of financial support measures (valued at \$1.6 billion) for businesses¹:</p> <ul style="list-style-type: none"> Waiving of payroll tax Bringing forward payroll tax cuts Waiving fees and charges for small businesses Employing additional cleaners for public infrastructure Bringing forward maintenance of public assets and capital works 	Lower business costs and boost for jobs	<ul style="list-style-type: none"> This would inject cash flow into business to support operations, keep them afloat and reduce job losses – where businesses can remain open under current requirements

Victoria

The Victorian Government has implemented a range of new measures to limit the spread of the virus, increase the capacity of the health care system to meet growing demand, while also providing stimulus to the local economy to increase businesses cash flow and direct recently unemployed workers to paid work where it is needed.

Health and civic measures	Targeted outcome	Our view
Victorian Police enforcement squad of 500 officers	Ensuring the Federal Government's shutdown of non-essential activity is followed, and 14-day self-isolation measures are followed by returning travellers to limit the spread of the virus	<ul style="list-style-type: none"> • This is a consistent action to enforce compliance with self-isolation requirements
Victorian school holidays brought forward to Tuesday 24 March	Increased isolation, as well as providing time for teachers and staff to plan for remote learning in the event the curriculum needs to be delivered online	<ul style="list-style-type: none"> • This is a practical measure to address issues around school closures and help schools pivot for future online learning • It has some impact on income reduction for families as parents and guardians take leave to look after children
\$437 million spending boost to support the health system	Increased capacity of the Victorian health care system (i.e. beds) to manage increased patient loads	<ul style="list-style-type: none"> • By providing increased access to testing and treatment to manage the outbreak, this will keep Victorians healthy and improve recovery rates

Economic measures	Targeted outcome	Our view
\$1.7 billion economic survival and jobs package²:	Support businesses to continue to operate and support employment through several stimulus measures available to eligible businesses	<ul style="list-style-type: none"> • Injecting additional cash flow will help businesses maintain operations, keep afloat and reduce job losses – where they can stay open under current requirements
<ul style="list-style-type: none"> • Payroll tax refunds 2019-20 and three-month 2020/21 deferment • Rent relief for commercial tenants in government buildings • 2020 land tax deferment • Waiving of liquor licensing fees for 2020 for small businesses and affected venues • \$500 million Business Support Fund • \$500 million Working for Victoria Fund • Early payment of supplier invoices by government 		

Queensland

Queensland joined other states and territories in closing borders to domestic travel to help contain the spread of the virus. The Queensland Government has also provided significant financial support to fast-track the development of a safe and effective vaccine to prevent infection from COVID-19.

The government is supporting Queensland households and businesses through a stimulus package that includes low interest business loans, payroll tax, refunds, waivers and deferrals and other expense reduction measures for eligible businesses, as well as reducing household utility bills and helping displaced workers find employment.

Health and civic measures	Targeted outcome	Our view
Borders closed and anyone who enters the state requires 14-day self-isolation	Reduce the number of imported cases into Queensland and slow the spread of the virus	<ul style="list-style-type: none"> In line with other states, it is disruptive but likely necessary step to ensure the health crisis is managed and to stop travel during school holidays
\$17 million to fast-track the development of COVID-19 vaccine	To find a fast, safe and effective vaccine to prevent infection from the virus	<ul style="list-style-type: none"> The commercialisation of a vaccine will significantly decrease global uncertainty and kick start economic recovery Involvement in developing a vaccine will deliver a strong boost to Australia's reputation in medical science across the globe and have further positive impacts on this sector
\$1.2 billion spending boost to support the health system	Increased capacity of the Queensland health care system to manage increased patient loads	<ul style="list-style-type: none"> A practical support to increase access to testing and treatment Boosting the capacity of the healthcare system will keep Queenslanders healthy and increase recovery rates
Economic measures	Targeted outcome	Our view
4 billion stimulus package for businesses³: <ul style="list-style-type: none"> Low interest business loans (with initial 12-month interest free period) Payroll tax refunds, waivers and deferrals Rent relief for eligible commercial tenants in government premises Liquor licencing fees waivers, power bill rebates for eligible venues and businesses Up to \$500 million to assist unemployed workers to transition to jobs in essential services industries 	Businesses continue to operate and reduce unemployment through several stimulus measures available to eligible businesses	<ul style="list-style-type: none"> This stimulus will increase cash flow for businesses and reduce unemployment Businesses will be better placed to preserve jobs and maintain operations
\$300 million household relief package – \$200 off utility bills	Reduce household expenses	<ul style="list-style-type: none"> Practical, immediate financial support for basic needs that will be welcomed by households

Western Australia

The Western Australian Government has implemented measures to reduce the spread of the virus in the state, in particular to isolated communities. The government has targeted households and businesses with its stimulus package, which will see an increase in the disposable income of households and acts to increase the cash flow of eligible businesses.

Health and civic measures	Targeted outcome	Our view
Borders closed and anyone who enters the state requires 14-day self-isolation	Reduce the number of imported cases into Western Australia and slow the spread of the virus	<ul style="list-style-type: none"> In line with other states, it is a disruptive but likely necessary step to ensure the health crisis is managed and to stop travel during school holidays
New directions to restrict access in and out of remote Aboriginal communities	Limit the spread of the virus to residents in remote Aboriginal communities	<ul style="list-style-type: none"> An important measure to reduce the rate of infection in vulnerable remote communities
Economic measures	Targeted outcome	Our view
\$402 million government fund to freeze proposed CPI increases on all fees and charges within the household basket (electricity, water, motor vehicle charges, emergency services levy and public transport fares) Doubling of the Energy Assistance Payment (a rebate given to concession card holders) to \$600 (with a \$300 credit applied immediately to power bills from 1 July 2020)	Provide immediate financial relief to households by freezing cost increases of basic utilities and government administrative charges	<ul style="list-style-type: none"> Provides financial relief to households dealing with uncertainty
\$114 million stimulus package for WA businesses⁴: <ul style="list-style-type: none"> \$17,500 one-off grant to small businesses that pay payroll tax Bring forward \$1 million threshold to July 1, 2020 Option to defer payroll tax payments until July 21, 2020 	To support business operations during the crisis period	<ul style="list-style-type: none"> This would inject cash flow into businesses to support operations and keep them afloat – where they can remain open and have managed to retain staff

South Australia

South Australia has directed funding to reduce the spread of COVID-19 in the state and build the capacity of the health care system to provide sufficient access to testing and treatment during the pandemic. The South Australian Government is fast tracking projects that support local jobs and businesses, as part of its stimulus package⁵

Health and civic measures	Targeted outcome	Our view
\$720,000 fund towards a one-off \$200 cash boost for foster and kinship carers	Provide support to buy essential cleaning and hygiene products	<ul style="list-style-type: none"> • Practical assistance to ease the additional cost burden for families • Providing measures to support the use of cleaning and hygiene products will help combat the spread of the virus
Capacity expansion by establishing dedicated health precinct and facilities at hospitals	Increased capacity of the health care system through reactivating dedicated beds to manage increased COVID-19 patient loads	<ul style="list-style-type: none"> • This is effective advanced planning to increase access to testing and treatment in order to manage outbreak, keep South Australians healthy and increase recovery rates
Borders closed and anyone who enters the state requires 14-day self-isolation	Reduce the number of imported cases into South Australia and slow the spread of the virus	<ul style="list-style-type: none"> • In line with other states, it is a disruptive but likely necessary step to ensure the health crisis is managed and to stop travel during school holidays
Economic measures	Targeted outcome	Our view
\$22 million injection in nature-based tourism infrastructure	To boost employment in hard-hit regions	<ul style="list-style-type: none"> • This investment will fast track the recovery of economies in regions also hit by bushfires • These areas require help to create the jobs needed for rebuilding and upgrading infrastructure
Doubled planning and development fund to \$50 million (with a 50:50 local government contribution)	Implementation of local projects to support businesses and jobs	<ul style="list-style-type: none"> • This is another initiative to fast track projects, and directly support local jobs and businesses

Northern Territory

Like other states, the NT Government has implemented new border restrictions and 14-day self-isolation requirements for interstate arrivals, in order to reduce the spread of infection. The NT Government has also implemented a stimulus package to encourage businesses, homeowners/landlords, and not-for-profit and community organisations to make improvements to their business or property to help stimulate the local economy, keep businesses operating and maintain jobs.

Health and civic measures	Targeted outcome	Our view
<p>Borders closed and anyone who enters the state requires 14-day self-isolation</p>	<p>Reduce the number of imported cases into the Northern Territory and slow the spread of the virus</p>	<ul style="list-style-type: none"> In line with other states, it is a disruptive but likely necessary step to ensure the health crisis is managed and to protect vulnerable populations
Economic measures	Targeted outcome	Our view
<p>\$65 million Jobs Rescue & Recovery Plan⁶:</p> <ul style="list-style-type: none"> \$10,000 grants (\$20,000 if business also contributes \$10,000) for businesses to undertake physical improvements \$5 million to support business transition to operating online Grants of up to \$50,000 for not-for-profit and community organisations to make facility improvements Freezing government fees and charges and electricity prices Co-contribution grants for home improvements 	<p>Support business operations and improvements during the crisis period</p>	<ul style="list-style-type: none"> This measure is particularly important as it provides much needed cash injections irrespective of the costs the business is incurring. By providing financial assistance to businesses to undertake improvement projects now, this measure will help maintain jobs
<p>\$50 million Small Business Survival Fund – details awaited</p>	<p>Support the operation and survival of businesses to help transition to new ways of working (e.g. online and takeaway)</p>	<ul style="list-style-type: none"> Prepares businesses for an economic rebound after the crisis and helps them through immediate disruption by increasing cash flow and the resilience of operations
<p>\$2 million aviation support package</p>	<p>Retain regular passenger transport aviation services which provide essential services and supplies to regional and remote towns in the NT</p>	<ul style="list-style-type: none"> Supports regional and remote towns by maintaining access to essential services and supplies

Australian Capital Territory

The ACT Government closed schools on 24 March 2020 by implementing pupil free days until school holidays commence. To support households and businesses through these challenging times, the ACT Government has announced the Economic Survival Package. This will create jobs through infrastructure and maintenance projects and increase the disposable income of households through waivers on various fees and charges.

Health and civic measures	Targeted outcome	Our view
<p>School pupil-free days from 24 March 2020 through to the school holidays</p>	<p>Increased isolation as well as providing time to teachers and staff to plan for remote learning in the event future curriculum needs to be delivered online</p>	<ul style="list-style-type: none"> A practical measure which also helps teachers pivot to online learning, potentially putting pressure on households as parents need caring arrangements for children
<p>Increased health funding (as part of Stage 1 \$137 million economic survival package):</p> <ul style="list-style-type: none"> Respiratory assessment clinics Increase in inpatient beds and ICU capacity Maintenance of COVID-19 testing capacity Purchase of additional medical equipment and supplies \$7 million for non-government organisations to support increased service demand for emergency relief 	<p>Increased capacity of the health care system (i.e. additional beds) to manage increased patient loads</p>	<ul style="list-style-type: none"> Effective advanced planning to expand capacity for more testing and treatment to manage outbreak and increase recovery rates
Economic measures	Targeted outcome	Our view
<p>\$137 million economic survival package (Stage 1)⁷:</p> <ul style="list-style-type: none"> Rebates on residential rates Freeze on various government fees and charges Rebates on power and commercial rates for properties Payroll tax waivers and interest-free deferrals \$20 million on infrastructure projects and maintenance \$500,000 round of funding for the arts sector 	<p>Reduce the economic impact of the crisis to household and businesses</p>	<ul style="list-style-type: none"> This package would increase business cash flow and mitigate financial stress among households

Tasmania

Tasmania was the first state to announce border restrictions in Australia, requiring all arriving passengers, other than essential travellers, to undertake 14-days self-isolation. Since then, several other states and territories have implemented border closures. The Tasmanian Government has announced a series of economic measures to assist those residents required to self-isolate, and to support frontline workers to ensure essential health care services can continue. Tasmania's COVID-19 social and economic support and stimulus packages total \$985 million.

Health and civic measures	Targeted outcome	Our view
<p>Borders shut and all arrivals into Tasmania are required to self-isolate for 14 days upon arrival</p>	<p>Reduce the number of imported cases into Tasmania and slow the spread of the virus</p>	<ul style="list-style-type: none"> • Tasmania was the first to close borders and will be able to strongly enforce this for all travel from the mainland • This is a necessary step to further reduce the spread of the virus in Australia • A decline in interstate travel demand will see airlines cut back further on domestic routes
Economic measures ⁸	Targeted outcome	Our view
<p>Series of measures for those who need to self-isolate</p> <ul style="list-style-type: none"> • Uncapped one-off emergency relief payments of \$250 for individuals and up to \$1,000 for families • \$1 million emergency support fund for those unable to return to their usual place of residence due to self-isolation measures 	<p>To minimise loss of household income during self-isolation period</p>	<ul style="list-style-type: none"> • For households experiencing a loss of income over self-isolation measures, these support payments will be welcome help to mitigate financial stress
<p>1 million through Communities Tasmania to support organisations such as The Salvation Army, Australian Red Cross and Rural Business</p>	<p>Keep social support organisations running during this crisis period</p>	<ul style="list-style-type: none"> • These measures will help to mitigate financial stress due to loss of income and provide additional community support during the self-isolation period
<p>\$2 million to health care sector to support capital works and purchase of equipment</p>	<p>Increase ability of health care providers to conduct additional testing and be able to administer more treatments if required</p>	<ul style="list-style-type: none"> • Improves Tasmania's response in treating new cases, slowing down transmission through early detection and reducing the strain on medical workers
<p>\$1 million to support frontline workers with accommodation in cases where family members are ill</p>	<p>Keep essential services up and running</p>	<ul style="list-style-type: none"> • Practical support to reduce burden on the medical workforce

For further information

The information summarised in this document has been directly sourced from the following government sources and media statements. For further detail and information, please refer to the following.

Health-specific measures

- <https://www.homeaffairs.gov.au/news-media/current-alerts/novel-coronavirus>
- <https://www.premier.vic.gov.au/extra-funding-boost-for-health-system-covid-19-response/>
- <https://www.mediastatements.wa.gov.au/Pages/McGowan/2020/03/New-border-controls-to-help-protect-Western-Australia.aspx>
- <https://www.premier.sa.gov.au/news/media-releases/news/south-australias-borders-to-close>
- <https://health.act.gov.au/about-our-health-system/novel-coronavirus-covid-19/latest-news>

Economic measures

- <https://treasury.gov.au/coronavirus>
- <https://www.premier.vic.gov.au/economic-survival-package-to-support-businesses-and-jobs/>
- <https://www.premier.vic.gov.au/statement-from-the-premier-33/>
- <https://www.mediastatements.wa.gov.au/Pages/McGowan/2020/03/COVID-19-economic-response-Relief-for-businesses-and-households.aspx>
- https://www.cmteed.act.gov.au/open_government/inform/act_government_media_releases/barr/2020/initial-economic-survival-package-to-support-territory-economy
- <http://newsroom.nt.gov.au/mediaRelease/32104>
- <http://newsroom.nt.gov.au/mediaRelease/32115>
- https://www.cmteed.act.gov.au/open_government/inform/act_government_media_releases/barr/2020/initial-economic-survival-package-to-support-territory-economy
- <https://nt.gov.au/industry/support-for-business/programs-and-initiatives>
- [https://www.premier.sa.gov.au/news/media-releases/news/\\$1-billion-stimulus-package-to-save-sa-jobs,-businesses](https://www.premier.sa.gov.au/news/media-releases/news/$1-billion-stimulus-package-to-save-sa-jobs,-businesses)
- http://www.premier.tas.gov.au/releases/unprecedented_new_social_and_economic_support_package_released

Others

- <https://www.homeaffairs.gov.au/news-media/current-alerts/novel-coronavirus>
- http://www.premier.tas.gov.au/releases/ministerial_statement_covid-19_response_measures

Appendix

1: \$1.6 billion package of economic stimulus measures includes:

2019-20 payroll tax liability reduced by 25% for businesses with total group Australian taxable wages of up to \$10 million.

Payroll tax threshold increasing to \$1 million on 1 July 2020, 12 months sooner than scheduled.

Waiving fees and charges for small businesses.

Employing additional cleaners for public infrastructure, bringing forward capital works, and bringing forward maintenance of public assets.

2: \$1.7 billion economic survival and jobs package for Victoria includes:

For businesses with Australian payroll (on a non-grouped basis) below \$3 million.

- Full waiver/refund of 2019-20 payroll tax, and
- Deferral of payroll tax liabilities for July-September 2020 until 1 January 2021.

Rent relief for commercial tenants in government buildings.

2020 land tax for eligible small businesses with total taxable landholdings below \$1 million, deferred until 31 March 2021.

Waiving of liquor licensing fees for 2020 for small businesses and affected venues.

\$500 million Business Support Fund for businesses in the most-affected sectors (e.g. hospitality, tourism, etc.), particularly those too small to benefit from the payroll tax measures.

\$500 million Working for Victoria Fund to help retrenched workers find new employment, including work cleaning public infrastructure.

Early payment by Victorian government of its supplier invoices.

3: \$4 billion stimulus package for Queensland businesses includes:

Low interest business loans of up to \$250,000 (with initial 12-month interest free period).

Payroll tax measures:

- Businesses with Australian group payroll below \$6.5 million can apply for a refund/waiver on payroll tax for January – May 2020, and for deferral of payroll tax payments for the rest of 2020
- Businesses with Australian group payroll above \$6.5 million and affected by COVID19 can apply for a refund of payroll tax for Jan and Feb 2020 and for deferral of payroll tax payments for the rest of 2020.

Rent relief for eligible commercial tenants in government premises.

Waiver of liquor licencing fees for venues forced to close due to COVID-19.

\$500 power bill rebate for eligible sole traders and SMEs.

Market diversification and resilience grants (matched funding) for Queensland agriculture, food and fishing exporters and their critical supply chain partners, and industry organisations working with exporters – for equipment purchases (grants up to \$7,500) and project activities (grants up to \$50,000). (Applications must be received before 20 April).

Up to \$500 million to assist unemployed workers to transition to jobs in essential services industries.

4: \$114 million stimulus package for WA businesses includes:

- A \$17,500 one-off grant to businesses with Australian group payroll between \$1 million and \$4 million
- Payroll tax threshold increasing to \$1 million on 1 July 2020, six months sooner than scheduled
- Businesses with Australian group payroll below \$7.5 million that have been directly affected by COVID-19 compared to normal operating conditions can apply to defer payroll tax payments and lodging returns to 21 July 2020.

5: Updated \$1 billion economic stimulus package for South Australia includes:

Payroll tax relief:

- Six-month waiver (April – September 2020) for businesses with Australian group payroll of up to \$4 million
- Deferral of payroll tax payments for up to six months for businesses with Australian group payroll above \$4 million, if significant impacts of COVID-19 on cash flow are demonstrated.

Land tax relief:

- Deferral of payment for up to six months, of outstanding quarterly land tax bills for 2019-20
- Land Tax Transition Fund relief will be increased from 50% to 100%.

Waiver of liquor licence fees for 2020-21 for hotels, restaurants, cafés and clubs forced to close due to social distancing restrictions.

A \$300 million Business and Jobs Support Fund to assist businesses and industry sectors directly affected by COVID-19.

A \$250 million Community and Jobs Fund to assist community organisations, sporting, arts and recreational bodies, non-profit organisations and certain COVID-19 affected industry sectors.

Cost of Living Concession payment for eligible recipients boosted by \$500, and 2020-21 payment date brought forward.

Small businesses will receive up to \$5,000 in state government funding to hire trainees/apprentices (part of a \$12 million skills package to boost local jobs).

6: Other measures for the Northern Territory include:

- Grants of up to \$50,000 for not-for-profit and community organisations to make facility improvements, increasing to grants of up to \$100,000 for organisations that contribute funds (up to \$50,000)
- Extension to 1 July 2021 of the 'hiring resident employees' payroll tax exemption (introduced in May 2018 to encourage employment of extra NT residents)
- Co-contribution grants for home improvements by homeowners and landlords
- Other measures including fast-tracking of infrastructure program, fast-tracking of government procurement decisions, etc.

7: Stage 1 \$137 million economic survival package for ACT includes:

- Rebate of \$2,622 on 2019-2020 commercial rates for properties with an average unimproved value below \$2 million
- Six-month waiver of payroll tax (April to September 2020) for hospitality, creative arts and entertainment industry businesses
- Waivers for licenced venues of food business registration, on-licence liquor licencing, and outdoor dining fees.
- \$750 power bill rebate for eligible small businesses
- Deferral of 2020-2021 payroll tax for any business with Australian group payroll below \$10 million. No interest charged on deferred tax paid before 1 July 2022
- Expediting government payment of bills
- Expediting processing of development applications
- \$1.5 million to support ACT clubs to keep staff employed on the award rate
- Freeze on several government fees and charges
- Rebates of \$150 on residential rates
- \$250 rental support for public housing tenants
- Additional \$200 rebate for residential utility concession holders
- \$20 million on infrastructure projects and maintenance
- \$500,000 round of grants for funding for the arts sector.

Appendix

8: Economic measures in Tasmania include:

For families:

- Capping electricity prices and freeze water bills for the 2020-21 financial year
- Freezing payment of the Community Fire levy for the 2020-21 financial year
- Waiver of school levies for 2020 and refund levies already paid
- Freezing rent for social housing tenants, and federal government emergency payments will not be counted as income for the purposes of calculating rent contributions.

For businesses and to support jobs:

- Waiver (or refund of paid) 2019-20 payroll tax liabilities for businesses in the hospitality, tourism and seafood industries, and for other businesses with payrolls of up to \$5 million that have been affected by COVID-19
- Interest-free government loans for small businesses in the hospitality, tourism, seafood production and exports sectors with a turnover of less than \$10 million – for purchasing equipment or restructuring business operations. Interest-free for three years
- A \$40 million Small Business Grants Program, \$20 million specifically for emergency grants of \$2,500 cash payments
- One-off grants of \$5,000 for small businesses that hire an apprentice or trainee in the tourism, hospitality, building and construction, or manufacturing industries
- \$2.6 million towards an air freight service for time sensitive freight, including seafood, as well as providing freight and access to the Bass Strait islands
- Waiver of annual taxi licence fees for 2020
- Government fees and charges relief, including waiver of water and electricity bills for the first quarterly bill received after 1 April 2020 by small business customers on (or able to access) specified tariffs; capping 2020-21 electricity bills and freezing 2020-21 water charges, and freezing certain other government fees and charges
- Waiver of fees and charges relating to the roads component of motor tax for heavy vehicles and vehicle registration for business severely impacted by COVID-19 management measures
- Waiver of annual fees for rock lobster, giant crab, wild capture fin fisheries and abalone divers, and relief for other fisheries fees and licences for 12 months
- Waiver of April – June 2020 tourism operator lease, license and entry fees for national parks and wilderness areas

- Liquor licencing fees for 2020 reduced by 50% and all application fees for 2020 waived
- \$1.5 million in support of the creative and cultural industries
- One-year extension of arts organisation contracts that are due to expire
- A \$6.3 million boost to the Rapid Response Skills Initiative, providing up to \$3,000 per individual to gain skills or licences to help them into a new job
- The Local Government Loan Scheme increased from \$50 million to \$150 million
- Bringing forward \$50 million of maintenance in public buildings and assets
- Providing a Digital Ready for Business Program, to assist businesses take their business online
- \$1.15 million to fund cashflow and continuity advice services for businesses
- Payment terms for payments by government agencies reduced from the normal 30 days to 14 days and extended to 90 days from 30 days for payments to government agencies – unless contractual arrangements require otherwise.

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