

The Hon Martin Pakula MP

Minister for Industry Support and Recovery

Minister for Business Precincts

Minister for Trade

Minister for Tourism, Sport and Major Events

Minister for Racing

Minister for the Coordination of Jobs, Precincts and Regions – COVID-19

Public Accounts and Estimates Committee

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

12 August 2020

Economic impacts of COVID-19

Before the introduction of Stage 4 restrictions in metropolitan Melbourne and Stage 3 restrictions in regional Victoria, Department of Treasury and Finance estimated:

- GSP could be 11 per cent lower in the June and September quarters, and there could be fall in real GSP of 5.25 per cent for calendar year 2020
- Unemployment could rise to about 9 per cent with job losses peaking at around 200,000 in the September quarter



Impacts of COVID-19 on industry

- **Trade:** Victorian exports are forecast to fall by \$16.4 billion in 2020 and air freight costs have risen six-fold since March
- **International education:** Victorian international education exports are estimated to decrease by \$5.8 billion in 2020
- **Aviation:** There has been a 98 per cent decline year-on-year of international passengers at Melbourne Airport

Impacts of COVID-19 on industry

- **Tourism:** Visitor expenditure is estimated to fall by \$22.4 billion in 2020 (down 69% from 2019) with \$7.9 billion impact in regional Victoria
- **Creative:** Lost or foregone revenues from live musical and arts performances is estimated to exceed \$330 million
- **Sport:** Community sport and recreation on hold and professional sports and elite athletes limited to non-contact training and competitions without spectators
- **Racing:** Thoroughbred, Harness and Greyhound racing have continued but the economic impact on the industry is significant

COVID-19 response: Government initiatives

Securing medical equipment and PPE

- Supporting medical equipment and PPE requirements for the State's health sector as well as the needs for whole of government, industry and community.
- Over 20 million single-use masks ready for use by government agencies in emergency stockpile and 500,000 masks available in industry stockpile
- Supporting local industry to scale up domestic manufacturing of PPE and medical equipment

Business Support Fund (BSF) and expansion

- The first round BSF has supported around 77,500 employing businesses with one-off \$10,000 grants
- The BSF expansion has so far received 60,000 applications and has paid \$121 million to impacted small and medium businesses

COVID-19 response: Government initiatives (continued)

\$500 million Working for Victoria Fund

- Helping people who have lost their jobs to find paid work that supports the Victorian community
- Over 9,000 jobs have been created

\$45 million International Student Emergency Relief Fund

- Single cash payments of up to \$1,100 to support international students
- 21,100 students supported with emergency relief



COVID-19 response: Government initiatives (continued)

Commercial Tenancy Relief Scheme

- Moratorium until 29 September on evictions for the non-payment of rent for small businesses with less than \$50 million turnover that participate in JobKeeper
- Free mediation services for commercial tenants and landlords
- \$420 million in land tax relief to commercial landlords that provide rent relief to their tenants

Night-time Economy Business Support Program

- Enabling commercial rent relief for licenced pubs, clubs and restaurants that are not eligible for the Commercial Tenancy Relief Scheme
- 89 registrations, referrals and direct contracts, supporting 287 venues with \$800,000 total funding dispersed

COVID-19 response: Government initiatives (continued)

Experience Economy Sustainability

- \$150 million to support Victoria's hardest hit industries such as community and professional sport, racing, creative, tourism and live music
- Supporting 771 independent artists, creative practitioners and micro-organisations
- Supporting 5,268 community sporting clubs
- Supporting creative agencies and the live music industry
- Supporting Victoria's iconic tourism industry

COVID-19 response: Government initiatives (continued)

\$40 million Regional Tourism Support Program

- Supporting tourism operators by providing a refund of up to \$225 per cancelled booking per night, capped at \$1,125 per bookable offering

COVID-19 \$1,500 Worker Support Payment and \$300 Test Isolation Payment

- We have financially helped 1,593 COVID-19 positive workers, carers or close contacts to self-isolate and 9,620 workers to self-isolate while they wait for their COVID-19 test results As of 5 August, the \$1,500 Worker Support Payment has transitioned to the Commonwealth

But there's more to get on with...

- We are committed to supporting businesses through this difficult period. We are about to open applications for:
 - \$36 million Business Mentoring and Mental Health Program
 - \$30 million Hospitality Support
 - \$20 million CBD Support program, which includes \$10 million for the City of Melbourne to provide targeted assistance to non-hospitality businesses
- We are also developing economic recovery initiatives to support economic growth, employment and investment opportunities, for when we are through the health crisis. Priority initiatives include:
 - Recovery plans to restore jobs in sectors hardest hit
 - Creating new jobs in growth industries
 - Enhancing employment services to help jobseekers
 - Accelerating and activating shovel-ready projects