

## Victorian Government Economic and Healthcare Response to the COVID-19 Pandemic

March 2020

### Economic Survival Package to Support Businesses and Jobs

On Saturday March 21 Premier Daniel Andrews and Treasurer Tim Pallas today announced a \$1.7 billion economic survival and jobs package.

The package was developed in coordination with the National Cabinet<sup>1</sup>; and designed to complement further measures to be announced by the Federal Government.

The Government's media release is available [here](#).

The Government's package is designed to especially support small and medium sized businesses, as well as employees who will be most impacted by the pandemic.

Key measures include:

#### 1. Providing full payroll tax refunds

For the 2019-20 financial year to small and medium-sized businesses with payroll of less than \$3 million. Eligible business can save up to \$113,975 a year, with businesses saving an average of \$23,000. Payments will be available as early as Monday 23 March. The Andrew's government emphasised these measures are a refund and not a loan.

#### 2. Deferment and Waived Taxation

Payroll tax will be deferred for the first three months of the 2020/21 financial year until 1 January 2021. 24,000 small and medium businesses around the state will be exempt from payroll tax this financial year. The state will begin sending out refunds by next Friday 27 March.

Land tax payments for 2020 will be deferred for eligible small businesses.

The Government will also waive liquor licensing fees for 2020 for affected venues and small businesses.

#### 3. Rent Relief

Commercial tenants in government buildings can apply for rent relief. The Government has called on private landlords to offer relief to their tenants where possible.

#### 4. Fast-tracked Supplier Payments

The Government will pay all outstanding supplier invoices within five business days and has called on the private sector to match the Government in this commitment.

#### 5. Business Support Fund

The Government has earmarked \$500 million to establish a *Business Support Fund*. The fund will support the most impacted sectors, including hospitality, tourism, accommodation, arts and entertainment, and retail.

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<sup>1</sup> The National Cabinet is made up of the nation's first ministers – the Prime Minister, premiers and territory leaders – to co-ordinate and deliver a consistent national response to COVID-19.



The fund will provide small grants and tailored support to be distributed in consultation with the Victorian Chamber of Commerce and Industry, the Australian Hotels Association, the Australian Industry Group and other industry representatives.

## **6. Working for Victoria Fund**

The Government will establish a \$500 million *Working for Victoria Fund* in consultation with the Victorian Council of Social Services and Victorian Trades Hall Council. The fund will help workers who have lost their jobs transition to new opportunities.

Potential markets for employment include, cleaning public infrastructure and food delivery. The new employment body will focus on getting Victorians into jobs that will aid the state's response to the pandemic.

### **Healthcare Expenditure**

On Sunday 15 March the Victorian Government announced \$100 million to fast-track elective surgery, open more hospital beds and buy more protective equipment such as gloves, masks and gowns.

\$60 million will be made available to both public and private hospitals to undertake additional surgery such as thyroid, prostate, hernia or gynaecological surgeries – so they can be done before the predicted peak of the pandemic places further strain on the hospital system.

\$30 million will be used to commission the new Casey Hospital inpatient tower to boost capacity across Victoria's hospital system – adding an additional 140 beds in time for the peak of the pandemic.

\$10 million to boost Personal Protective Equipment supplies in Victoria – including 100 million gloves, 10 million masks and 1.5 million gowns to ensure health workers have the necessary resources to do their jobs.

On Thursday 19 March the Andrews Government announced an additional \$437 million for beds, staff and equipment, as well as increased surveillance and contact tracing.

\$80 million will be invested in making hospital beds available over the next 12 weeks, in time for the peak of the pandemic, including 84 beds at the old Peter Mac Hospital and 45 beds at Bendigo Health. Baxter House will be recommissioned to treat regional Victorians.

Victoria's hospitals will be provided with a \$115 million injection to cover an extra 45,000 emergency department presentations, 5,000 hospital admissions, and a further 2,000 intensive care unit admissions during the pandemic peak.

Healthcare workers will be supplied with necessary equipment through a \$107 million fund to buy, 4,000 high flow oxygen therapy units for patients in acute respiratory failure, 130 dialysis machines and 1,200 patient monitors.

An extra \$22 million of Personal Protective Equipment (PPE) – including 275 million pairs of gloves, 8.6 million face masks, and 1.7 million gowns will be made available to healthcare workers.

\$97 million will also be set aside to supply the healthcare workforce in the event that staff need to self-isolate. \$37 million is earmarked to increase surveillance across the state, allowing for more targeted case identification, contact tracing, isolation advice and confirmation of individuals who are no longer infectious.



## **State Of Emergency Declared In Victoria Over COVID-19**

On Monday 16 March The Victorian Government Declared a State of Emergency. Under a State of Emergency, Authorised Officers, at the direction of the Chief Health Officer, can act to eliminate or reduce a serious risk to public health by detaining people, restricting movement, preventing entry to premises.

The first direction from the Chief Health Officer under these new powers will include banning non-essential mass gatherings of over 500 people such as cultural events, sporting events or conferences.

The expanded powers mean that people and businesses who do not comply with a directive could receive a fine of up to \$20,000. Fines for body corporates that don't comply could be up to \$100,000.

## **Budget Delayed**

Due to the ongoing economic uncertainty the pandemic is causing, the 2020-21 Victorian Budget will be deferred – in line with all other Australian Governments and agreed by National Cabinet. The Government's base review outcomes will also be deferred.

## **Further information**

For more information, please contact your Hawker Britton consultant JP Blandthorn, Victorian Director on +61 407 366 304 or Raphael Mengem, Policy and Business Analyst at [rmengem@hawkerbritton.com](mailto:rmengem@hawkerbritton.com).

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