

3 June 2021

Federal Government Temporary COVID-19 Disaster Payment

On Thursday, 3 June 2021 Prime Minister Scott Morrison and Treasurer Josh Frydenberg announced an outline policy to provide households with support during extended lockdowns. The *'Temporary COVID-19 Disaster Payment'* will provide payments to individuals in states experiencing lockdowns which extend longer than 7 days.

Scope

The payments will be made in areas that are advised by the Commonwealth Chief Medical Officer as hotspots. The scope of this hotspot area can range from a particular suburb to an entire metropolitan area or state.

Payment

A payment of \$500 will be available to individuals who work more than 20 hours per week in some circumstances.

A payment of \$350 will be available to those who work less than 20 hours per week in some circumstances.

Individuals will have to self-declare (opt-in) their need for income through an online application or telephone service.

Conditions of Payment

Conditions of payments will present significant barriers for households. For individuals in the lockdown area to receive payment they must meet the following conditions:

- To have liquid assets less than \$10,000.
- To be at least 17.
- To reside or work in the area defined as a hotspot.
- Engaged in work immediately prior to the lockdown.
- The person must not be receiving any income support payments or pandemic payments from the Federal government.
- The individual must not have any existing pandemic leave available.
 - Note the individual does not have to exhaust annual leave before receiving the payment.
- The payments will be decided by the Commonwealth and given to individuals on a week-by-week basis.

Funding

Treasury estimates costs for the *Temporary COVID-19 Disaster Payment* will come to \$50 million per week.



The Federal Government is yet to conclude the exact funding arrangements of the program. Negotiations between states will continue to determine whether household payments will remain the sole remit of the Federal Government and business support to remain primarily of the states.

Further Information

For more information, please contact your Hawker Britton consultant, Victorian Director, JP Blandthorn on 03 9034 3021, Policy and Business Analyst, Raphael Mengem at rmengem@hawkerbritton.com or Policy and Business Analyst, Millie Boag at mboag@hawkerbritton.com.

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