



PAEC

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

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TREASURER OF VICTORIA

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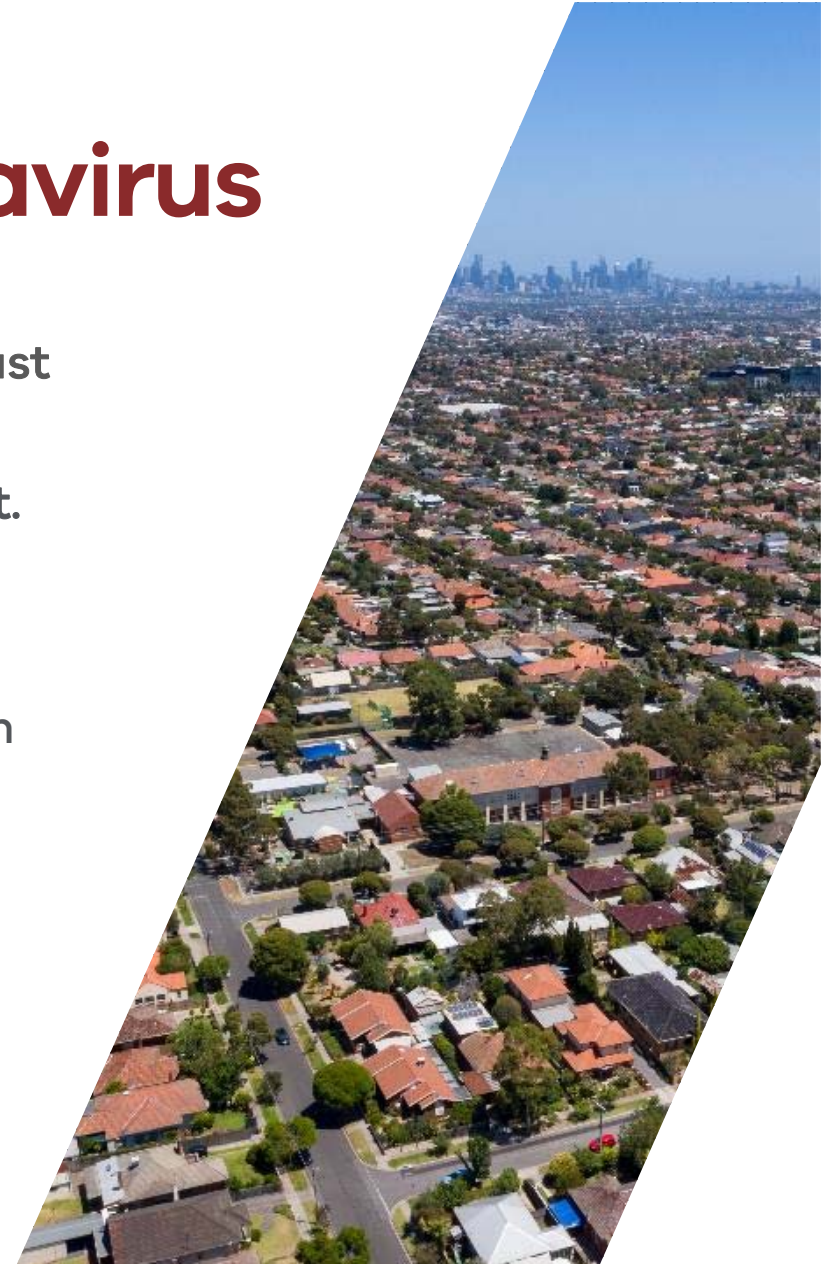
Coronavirus economic outlook



Economic impacts of coronavirus

- / Real GSP could be up to 14 per cent lower than forecast in the June and September quarters.
- / Victoria's unemployment rate could rise to 11 per cent.
- / Job losses could peak at around 270,000 in the September quarter.
- / Property prices could decline by up to 9 per cent from March to December 2020.

* Estimates based on restrictions in place in late April



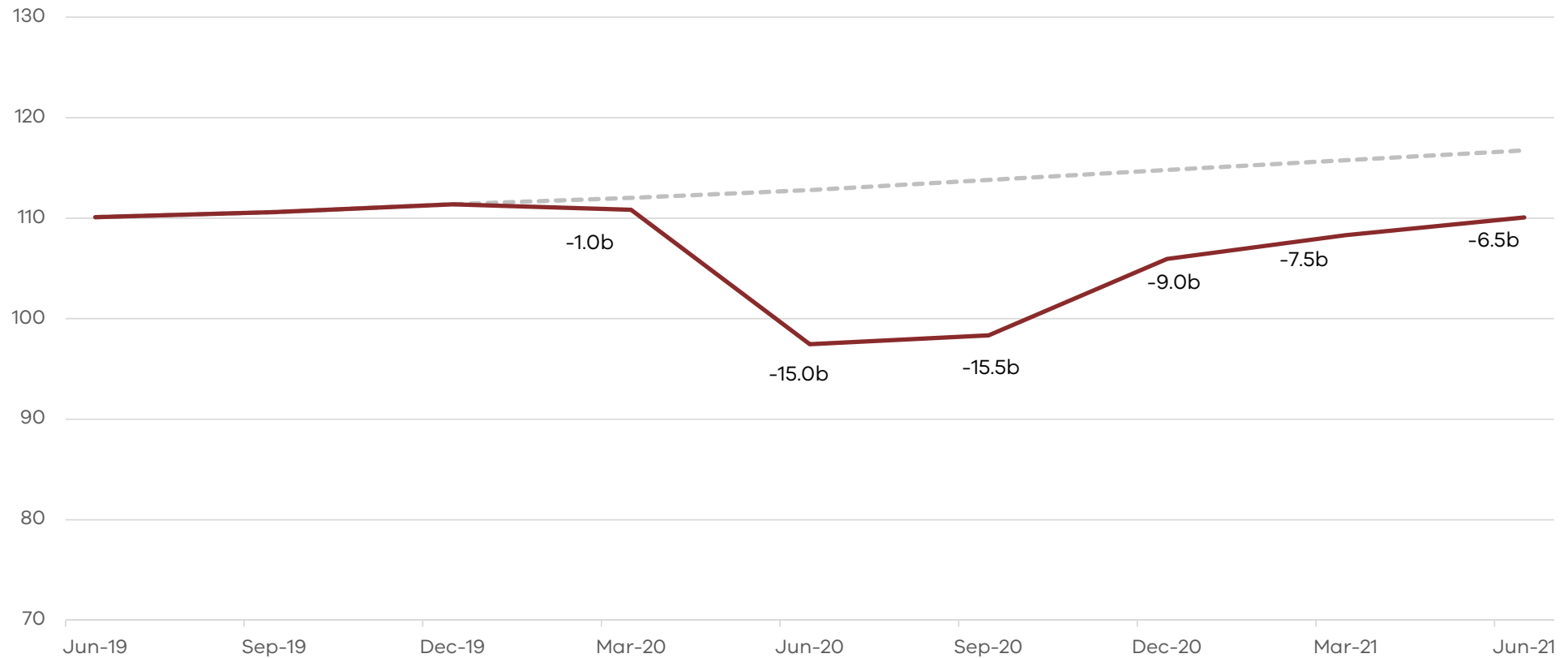
Unemployment could hit 11 percent



GSP losses of ~\$55 billion by June 2021

Accumulated losses to real GSP could be up to \$55 billion by June 2021

Real GSP, \$ billion, levels, quarterly



Indicative estimates only, based on restrictions that were in place as of the end of April. Broadly comparable to national estimates from Commonwealth Treasury and the Reserve Bank of Australia.

Current economic indicators

- / Victorian jobs down by 8.6 per cent between 14 March and 18 April.
- / National job advertisements dropped by a record 53 per cent in April (ANZ).
- / Consumer sentiment fell -10.8 per cent in April to 78.4 points.
- / Business confidence at its lowest levels on record.
- / Performance of Manufacturing Index fell to its lowest level since February 2009.
- / House prices fell by 0.3 per cent in April, and sales volumes have declined to multi-year lows.



A photograph of a hospital room with two beds, a computer workstation, and medical equipment. A large red semi-transparent overlay covers the right side of the image, containing the text 'Responding to an unprecedented challenge'.

Responding to an unprecedented challenge

Victoria's coronavirus response

The government has announced over \$5 billion to respond to coronavirus

**Health
\$1.9bn**



**Economy
\$2.7bn**



**Social
\$175m**



**Education
\$350m**

Key coronavirus response initiatives

Economy

- Economic Survival Packages - \$2.2bn
- Commercial and residential tenancy support - \$500m

Health

- Additional ICU capacity - \$1.3bn
- Health system preparedness and initial response - \$537m
- Rapid response teams - \$20m

Education

- TAFE and training sector support - \$261m
- Sessional kindergarten support - \$45m
- International Student Emergency Relief Fund - \$45m

Social

- Vulnerable families and children support - \$78m
- Family violence victim survivors support - \$40m
- Support for people with disabilities - \$17m
- Legal assistance support - \$17.5m

Protecting public sector workers

- / Making sure casual public sector workers in affected sectors where work is no longer available can access usual **fortnightly payments of up to \$1500**
- / Providing Salary maintenance to affected ongoing and fixed term employees and **extending the contracts of eligible fixed-term public service employees.**
- / Adapting the **Jobs and Skills Exchange** program to offer opportunities and deploy staff to critical areas across the public sector
- / Public sector casual workers who are redeployed through the **Jobs and Skills Exchange** will be able to pick up additional work without jeopardising their payments.
- / Establishing a **Specialist Workforce Advisory Group** to oversee the implementation of the IR Framework, including representatives from departments and unions.
- / Providing **a range of leave options**, including paid special leave, for public sector workers affected in different ways by the COVID-19 pandemic.



Victoria is well placed to recover

- / Challenge of our generation
- / Strong financial position
- / Planning for recovery



Questions