

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

COVID RESPONSE

Public Accounts and Estimates Committee

03 December 2020

Economic impacts of COVID-19

- Real GSP is forecast to contract by 4% in 2020-21, following a small decline of 0.25% in 2019-20
- Employment fell by 180,000 between the March and September quarters 2020 and is expected to fall by 3.25% in 2020-21
- Taxation revenue and GST grants is predicted to be around \$2.5 billion lower than the 2019-20 forecast



Impacts of COVID-19 on industry

- **Trade:** Victorian exports are forecast to fall by \$16.4 billion in 2020 and \$8.52 billion in 2021
- **International education:** Victorian international education exports are estimated to decrease by \$5.7 billion in 2020
- **Aviation:** There has been a 98 per cent decline year-on-year of international passengers through Melbourne Airport. However, passenger flights between New Zealand and Melbourne resumed on 16 November 2020.
- **Tourism:** The estimated impact on visitor expenditure in Victoria from COVID-19 and the bushfires for 2020 is \$21.7 billion.
- **Creative:** Arts and recreation has been hit hard with at least 53 per cent of the sector dormant.
- **Sport:** Community sport revenue is estimated to have dropped \$246 million and will drop by a total of \$359 million over 12 months.

COVID-19 response: Government initiatives

Supporting our businesses

Securing medical equipment and PPE

- Over 25 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), BSF expansion, third round of the BSF

- 129,000 businesses have been supported through three rounds of the Business Support Fund, sharing in over \$2.6 billion worth of grants.

Sole Trader Support Fund

- \$3,000 grants paid to over 4,000 sole traders in sectors that have been most impacted by COVID-19 restrictions.

COVID-19 response: Government initiatives

Supporting our businesses

Business Wellbeing and Mental Health Program and Business Recovery and Resilience Mentoring Program

- \$26 million of funding for business wellbeing and mental health support and \$10 million of funding for business recovery and resilience mentoring

Commercial Tenancy Relief Scheme

Provides a framework to assist commercial tenants and landlords reach negotiated agreements on rent relief, has been extended until 31 December 2020

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

Agriculture Workforce Plan

- A \$50 million program to assist agriculture businesses by funding COVIDSafe adaptations, worker training and relocation, announced on 1 April 2020.
- On 17 September, a further \$7.3 million provided to address seasonal worker shortages

COVID-19 response: Government initiatives

Supporting our workers

Working for Victoria Fund

- Helping people who have lost their jobs to find paid work that supports the community
- Created around 11,000 new jobs for Victorians in quick pandemic-response roles and jobs supporting local communities
- More than 3,500 candidates registered on the Working for Victoria jobs platform have been matched into jobs without funding support
- Providing targeted support for young people, via the Youth Employment Program and the Victorian Apprenticeships Recovery package, helping young people gain employment experience

COVID-19 \$1,500 Worker Support Payment and \$450 Test Isolation Payment

- Since 23 July 2020, the Test Isolation Payment scheme has paid more than 114,000 claims worth more than \$48.9 million
- Since 20 June 2020, the Commonwealth and Victorian governments have paid over 13,500 claims worth more than \$20 million of Pandemic Leave and Worker Support Payments.

COVID-19 response: Government initiatives

Supporting our hardest hit industries

Outdoor Eating and Entertainment Package

- Provided \$5,000 grants per premises to hospitality businesses to help with the costs of moving indoor service experiences to outdoor settings
- A total of 5,612 grants helped businesses take part in the alfresco-led recovery

Hospitality Business Grant Program

- 100 businesses shared in over \$3 million of grants of up to \$65,000 for the hardest hit businesses in the food and hospitality industry

Night-time Economy Support Program

- Enabling commercial rent relief for licenced pubs, clubs and restaurants that are not eligible for the Commercial Tenancy Relief Scheme
- \$1 million in funding dispersed to 5 business groups, operating a total of 73 venues.

COVID-19 response: Government initiatives

Supporting our hardest hit industries

Melbourne City Recovery Fund

- Supporting Melbourne's CBD prepare for an easing of restrictions in the lead up to the summer season and Christmas
- \$30 million to support businesses, including \$10 million for grants of up to \$10,000 for eligible SMEs to pay for equipment and convert spaces to provide for hospitality use and better patron flows
- \$30 million to support COVIDSafe events and cultural activities to attract visitors to the CBD as COVID-19 restrictions ease
- \$40 million towards physical streetscape improvements

Licensed Hospitality Venue Fund

- Help for bars, restaurants, pubs, clubs, hotels and reception centres that serve food and alcohol on licensed premises to survive, providing grants of up to \$30,000
- To date, 6,008 businesses supported with over \$122 million approved for payment.

COVID-19 response: Government initiatives

Supporting our hardest hit industries

Experience Economy Sustainability

- Almost \$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 more than 6500 community sporting clubs

Institutional and Major Business Sustainability

- Ensuring solvency, job retention and business recovery for eligible institutional and major businesses impacted by COVID-19
- \$90 million to support institutional and major government and non-government businesses that contribute significant economic or social benefit to Victoria
- Protected over 4,000 jobs through funding assistance

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

- We are also investing in transformational economic recovery initiatives to support economic growth, employment and investment opportunities – to help Victorian businesses and the people they support prosper. Priority initiatives include:
 - \$465 million Victorian Tourism Recovery Package – helping the tourism sector recover from COVID-19, improve its resilience and reach its potential
 - \$619.4 million investment in employment services to build on the success of Jobs Victoria and Working for Victoria in supporting unemployed Victorians during this economic downturn
 - \$135.6 million to drive economic stimulus and recovery and boost jobs, innovation and trade by investing in local manufacturing, procurement and industry recovery
 - \$15.7 million Export Recovery Package to help businesses impacted by border closures and disruptions