

Senate Select Committee on COVID-19
ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Inquiry into the Australian Government's response to the COVID-19 pandemic

2019 - 2020

Division: Office of the Secretary
Topic: Date of the National Cabinet meeting and date of meetings the Secretary attended
Reference: Committee Hansard, Tuesday 28 April 2020, Page 3 – IQ20-000006

Question:

CHAIR: In terms of the decisions that were taken around the stricter lockdowns which were, I think, publicised on 22 March, the same day the second stimulus package announced, were you aware that those stricter lockdowns were coming on that day? Had you been involved in NSC discussions? Was the second package informed by those tougher restrictions?

Dr Kennedy: The short answer is yes. I'll have to confirm the days that I was in meetings and that the restrictions were coming forward. The short answer is, yes, I was aware, but we were building up to the sequence of activities, if you like. But I don't want to pretend that at 1 March we perfectly predicted how the rest of the month would unfold and then sequenced the delivery. We were responding to things in time and the need to suppress activities. But it wasn't a complete surprise. Let me put it that way.

Answer:

The Secretary attends National Security Committee meetings as requested. The details of Cabinet and Committee meetings are a matter for the Department of the Prime Minister and Cabinet.

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2019 - 2020

Division: Environment Industry and Infrastructure Division
Topic: Assistance package to small brewers and wineries
Reference: Committee Hansard, Tuesday 28 April 2020, Page 6 – IQ20-000007

Question:

Senator WHISH-WILSON: Is Treasury working on any special industry assistance packages, for example, for the arts industry, for the small brewers or for the wine industry?

Answer:

The Australian Government has introduced a range of economic support measures in response to the coronavirus that will assist businesses. Measures such as the \$130 billion Jobkeeper Payment scheme will assist businesses by helping them keep Australians in jobs during the COVID-19 outbreak.

The Department of Agriculture, Water and the Environment and the Department of Industry, Science, Energy and Resources continue to liaise with representatives from these sectors to monitor the ongoing impacts of COVID-19 and provide advice to the Government.

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2019 - 2020

Division: Financial System Division
Topic: Small businesses and bridging finance
Reference: Committee Hansard, Tuesday 28 April 2020, Page 7 – IQ20-000008

Question:

Senator WHISH-WILSON: I'm interested in whether you've had any feedback from the banks as to the uptake by small business of short-term loans or overdrafts to get them through that period.

Answer:

The Australian Banking Association (ABA) has advised Treasury that, as at 30 April 2020, the major banks had approved more than 3,600 loans or facilities to be used as a bridge to JobKeeper, totalling nearly \$190 million. They have also approved more than 10,000 loans or facilities under the SME Guarantee Scheme, totalling over \$950 million. Of these, an estimated 7,000 loans or facilities totalling an estimated \$630 million are expected to be used as bridging-finance to support wages until businesses receive JobKeeper.

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2019 - 2020

Division: JobKeeper Division
Topic: Big businesses registered for JobKeeper
Reference: Committee Hansard, Tuesday 28 April 2020, Page 9 – IQ20-000009

Question:

Senator WHISH-WILSON: Fantastic. Just quickly, are you able to give us an idea of how many big businesses have registered or enrolled for this?

Dr Kennedy: I don't think we have that split in front of us here today, Senator, but we're very happy to take it on notice.

Answer:

As at 3 May 2020, 1,378 unique ABNs of businesses, defined as business income equal to or greater than \$250 million per annum, had enrolled for the JobKeeper Program.

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2019 - 2020

Division: Budget Policy Division
Topic: Debt to GDP position
Reference: Committee Hansard, Tuesday 28 April 2020, Page 9 – IQ20-000010

Question:

Senator WHISH-WILSON: Just a few quick questions about debt—I notice some questions have already been asked about this. Can you give us an update on your net-debt-to-GDP forecasts both pre-and post-coronavirus—federal, state and local debt combined. Are you able to provide that—or even on notice?

Dr Kennedy: I'm happy to take it on notice.

Answer:

The Australian Government last provided forecasts of its net debt-to-GDP position in the 2019-20 Mid-Year Economic and Fiscal Outlook (MYEFO). In the 2019-20 MYEFO net debt was expected to be 19.5 per cent of GDP in 2019-20 before declining to 16.0 per cent of GDP in 2022-23. Net debt was then projected to decline further over the medium term to 1.8 per cent of GDP in 2029-30.

Given the high level of uncertainty on the impacts of COVID-19, the Government has deferred the 2020-21 Budget until 6 October 2020. Updated forecasts of the Government's net debt-to-GDP position will be released as part of this update.

The Treasury does not produce forecasts of state and local net debt positions.

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2019 - 2020

Division: Coronavirus Coordination
Topic: NCCC appearance at Senate Estimates
Reference: Committee Hansard, Tuesday 28 April 2020, Page 21 – IQ20-000011

Question:

Ms Quinn: Just to be clear: the NCCC is an advisory body. It's not a decision-making body; it advises government.

Senator WHISH-WILSON: I know. I'm interested in how that interfaces with people such as you.

Ms Quinn: We do have regular conversations with them and they are part of the internal government processes. For all intents and purposes they are part of the discussion process we'd normally have.

Senator WHISH-WILSON: Will we be able to scrutinise interactions and advice through the normal estimates process?

Ms Quinn: That's a question we'd have to take on notice. They've been set up as part of Prime Minister and Cabinet processes. I imagine that they're very similar to other task forces and commissions set up, but I'm happy to take that on notice and get our PM&C colleagues to provide advice.

Answer:

The National COVID-19 Coordination Commission (NCCC) falls within the Prime Minister and Cabinet portfolio. The Department of the Prime Minister and Cabinet organisation chart is located on their website: <https://www.pmc.gov.au/sites/default/files/files/pmc-org-chart-20april20.pdf>

The Treasury understands the forthcoming Department of the Prime Minister and Cabinet submission to the Committee will provide further details of the operation of the NCCC.

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2019 - 2020

Division: JobKeeper Division
Topic: Estimates of Charities eligible for JobKeeper
Reference: Committee Hansard, Tuesday 28 April 2020, Page 22 – IQ20-000012

Question:

Senator SIEWERT: Have you done any modelling on the number of charities and not-for-profits that you expect will be applying?

Ms Wilkinson: In costing the program we did include estimates of the charities that would be in the strongly affected sectors that would be eligible to apply. Look, I don't have those figures with me here at the table; but broadly, when looking at the eligible charities and then the 15 per cent turnover test, our assessment was that there would be a very significant proportion that—well, obviously, those who face a fall of 15 per cent in their turnover would be eligible.

Senator SIEWERT: Yes.

Ms Wilkinson: Our assessment was that that was going to be a reasonably high proportion of charities. It obviously depends. There are some charities who are funded in a completely different way and who are not being affected by the downturn.

Senator SIEWERT: Sorry; I probably should have been a little bit more specific. The changes you announced on Friday around excluding grants will obviously, importantly, bring a whole lot more charities and not-for-profits within scope. Sorry if I wasn't clear enough, but that's what I'm specifically interested in. It sounds like you're going to need to take it on notice.

Answer:

The rule changes for Charities registered with the Australian Charities and Not-for-profits Commission help to deliver on the Government's overall policy intent of the JobKeeper program. Treasury does not have a separate estimate of the number of charities that will be eligible and enrol for JobKeeper.

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2019 - 2020

Division: Social Policy Division
Topic: Breakdown of JobSeeker Payment
Reference: Committee Hansard, Tuesday 28 April 2020, Page 22 – IQ20-000013

Question:

Senator SIEWERT: That's what I took it to mean. I did take it as that. Thank you. I know I'm going to run out of time, so I want to quickly go to the jobseeker payment. Did you do any modelling around the jobseeker payment when you were developing the policy?

Ms Wilkinson: Yes; we had to cost the jobseeker payment for the government. We looked at the estimated impact of the changes to the assets test, the changes to eligibility, the removal of the waiting periods and the payment of the coronavirus supplement, and that's how we estimated the total cost of that program.

Senator SIEWERT: And that's the \$66 billion that was announced when the jobseeker payment was announced—the supplement?

Ms Wilkinson: That's correct. That was included in the \$66 billion. I don't recall off the top of my head what the costs of those particular amendments were, but I probably have them.

Answer:

The new, time-limited Coronavirus supplement announced by the Government as part of the \$66 billion support package on 22 March 2020 includes a range of elements such as expanded eligibility and accelerated access to income support payments.

Subsequent to the Government's 22 March 2020 announcement, the Government announced further policy decisions, with financial implications for this measure:

- On 24 March 2020, the Government announced the extension of the Coronavirus supplement to eligible student payment categories.
- On 30 March 2020, the Government announced temporary amendments to the partner income test.

The full financial implications of this measure will be released in the next Budget update.

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Division: Coronavirus Coordination
Topic: Cross Government working groups
Reference: Committee Hansard, Tuesday 28 April 2020, Page 24 – IQ20-000014

Question:

CHAIR: In terms of the recovery task force—this is a question I asked Health too—can you provide to the committee all of the various working groups, internal and across government, that Treasury has been involved in on the COVID response? I know that there are a range of them. I don't want it down to the really low level—the major committees or task forces that Treasury's participating in at the moment. We've asked the same of Health and we'll ask each department, I think, just to get a picture of how you're managing it.

Answer:

The Coronavirus Business Liaison Unit, that has been established in Treasury, is also part of the National Covid-19 Coordination Commission (NCCC). Treasury is also engaging with the Australian Health Protection Principal Committee (AHPPC) and the National Coordination Mechanism (NCM).

Treasury chairs the JobKeeper Inter-Departmental Committee and the Recovery Plan Taskforce Working Group.

Treasury continues to participate in a number of existing cross-government committees which may also consider issues relating to the Coronavirus and the Government's response.

Treasury understands a forthcoming submission to the Committee from the Department of the Prime Minister and Cabinet will provide further details of whole of Government arrangements for responding to the Coronavirus.

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2019 - 2020

Division: International Policy and Engagement Division
Topic: Countries with less restrictions in place than Australia
Reference: Committee Hansard, Tuesday 28 April 2020, Page 26 – IQ20-000015

Question:

Senator PATERSON: How would you characterise Australia's economic policy response compared to other similar countries?

Ms Quinn: Broadly we have managed to keep more of our economy open than some of our colleagues, partly through early action but also just the spread of the virus in Australia. That has certainly helped, as Dr Kennedy mentioned.

Senator PATERSON: Before you move on to fiscal, can you give me some examples of countries that haven't managed to keep as much of their economy open?

Ms Quinn: The UK, for example, closed construction and large parts of their manufacturing, which we've managed to keep open. Similarly, different states in the United States have closed construction and manufacturing. Those are two examples. Parts of Canada as well as have had larger shutdowns, and—

Senator PATERSON: What about New Zealand?

Ms Quinn: obviously New Zealand. New Zealand went to a version where they kept only listed essential sectors open, and that closed more of their economy.

Senator PATERSON: Before we move on to the fiscal response, are there any countries that you compared us to that have less strict controls than Australia, where more of the economy is open?

Ms Quinn: There are some developing countries that have taken longer to impose restrictions.

Senator PATERSON: Let's restrict it to developed countries as a point of comparison.

Ms Quinn: I'm happy to take it on notice. We've got pages and pages of details on this. I'm happy to provide information on notice. I think we've managed to keep more of our economies open than comparable countries—

Senator PATERSON: That's great.

Ms Quinn: but I'm happy to take that on notice.

Senator PATERSON: If you could take that on notice, that would be helpful. In particular, I'd be interested in any analysis Treasury has done of the situation in Taiwan. As I understand it from media reporting, they have had even less strict controls than Australia has, although, as you say, there are many countries with much more strict controls.

Ms Quinn: They've managed to keep their manufacturing sector open, but so have we. But they've had less strict controls on social mobility, as I understand it

Answer:

Australia has managed to keep the construction and manufacturing sectors open, whereas other developed countries with less strict controls, like the US, have not.

The UK has implemented overall stricter controls than Australia, including restricting its construction and manufacturing industries.

Canada, Japan, Korea and Taiwan have less strict controls than Australia and have been able to keep these industries open.

More information on countries with less strict controls than Australia has been included below.

Taiwan

Border restrictions

- Taiwan began monitoring passengers arriving from Wuhan on 31 December 2019. Less than a week later, the government expanded monitoring to people who had travelled from Wuhan since December 20.
- Taiwan put in place partial bans on travellers from mainland China, including Hubei province, from 26 January. From 19 March, all non-residents were barred entry to Taiwan.

Quarantine measures

- All overseas arrivals have their temperature checked at the airport, and their mobile phone's GPS is used to track whether they are complying with the mandatory 14-day quarantine. Designated taxis take arrivals from the airport to their home or accommodation.
- Taiwan's borough chiefs, the lowest level elected officials, call people quarantined in their jurisdiction twice a day to make sure they are keeping their tracked phone with them. They also provide assistance in taking out garbage, and providing supplies to those under quarantine in their jurisdiction.

Social distancing

- Gatherings are limited to no more than 100 people indoors. Everyone must wear a mask when they take a subway, train or bus. Physical distancing is required.
- Temperatures are checked and personal details recorded upon entering most buildings. Most buildings have hand sanitiser available at the entrance.
- Taiwan's use of mandatory quarantine for those with symptoms of COVID-19 and extensive contact tracing has meant they have not needed to impose restrictions on the operation of industries, including construction and manufacturing.

United States

Border restrictions

- The US shut its borders with Mexico and Canada in late March.
- It banned arrivals from China (31 January), Iran (29 February), Europe (11 March), and Ireland and the UK (16 March).
- Immigration into the US suspended on 20 April.

Quarantine measures

- International arrivals advised to stay at home for 14 days (27 March).

Social distancing

- In Mid-March, federal guidelines in place recommending that people stay home, avoid social gatherings of more than 10 people and avoid discretionary travel.
- It is up to US states to implement these guidelines. As at 20 April, 42 states plus some counties/cities covering nearly 95 per cent of the US population have issued 'stay at home' orders. There are interstate travel self-quarantine requirements in 20 states. All 50 states have declared a state of emergency and most have taken measures to close schools, bars, restaurants and other recreational facilities; increase medical capacity' and increase access to unemployment benefits. In late April, some states began lifting restrictions by allowing businesses to reopen (generally with ongoing precautions) and in some cases allowing office workers to return.
- Most states in the US imposed restrictions to the operation of non-essential businesses, which includes construction and manufacturing, with exceptions. For example, food and health supplies manufacturing, or construction relating to maintaining essential properties.

Canada

Border restrictions

- Borders closed to all non-Canadian citizens and non-permanent residents on 18 March.

Quarantine measures

- All persons entering Canada to self-isolate for 14 days (25 March).
- Travellers entering must provide a credible quarantine plan or they will have to quarantine at a set location such as a hotel (April 14).

Social distancing

- In early April, all Canadians were advised to: stay at home unless you have to go to work; talk to your employer about working at home if possible; avoid all non-essential trips in your community; do not gather in groups; limit contact with people at higher risk, such as older adults and those in poor health; go outside to exercise but stay close to home; and if you leave your home, always keep a distance of at least 2 arms lengths (approximately 2 metres) from others.
- States issued guidelines in mid-March recommending the closure of non-essential businesses but most of the manufacturing and construction sectors were considered essential.

Japan*Border restrictions*

- On 1 April, Japan announced it will bar anyone who has been in a list of 73 countries in the past 14 days, including, Australia, United States, China and most of Europe.

Quarantine measures

- In Early March, quarantine was mandatory for those who have returned on repatriation flights from Wuhan, arrivals from China and South Korea, or who tested positive while on the Diamond Princess (even if asymptomatic).
- Otherwise, those unwell asked to stay home from work/school and not advised to seek treatment/testing unless symptoms exceed certain benchmarks.

Social distancing

- Early March restrictions - All organisations asked to postpone/cancel unnecessary/ non-urgent large gatherings. All schools nationwide closed from 2 March, effectively for the duration of March (schools did so voluntarily following a request from the Prime Minister on 27 February). Major sporting events (baseball, soccer, sumo) are cancelled or being held without spectators. Many tourist attractions (Tokyo Disneyland, Universal Studios Japan, etc) are closed.
- On April 7, Prime Minister Abe declared a month-long state of emergency for Tokyo and six other prefectures amid increased infections, increased unclear transmissions and growing pressure on the hospital system. This was extended to all 47 prefectures on 16 April.
 - The emergency declaration granted governors additional powers including to commandeer property for medical purposes, to close public facilities like schools and to issue stay home requests.
 - The Government has requested people to reduce human contact by at least 70 per cent by working from home unless impossible, and staying at home except to shop for essentials, seek medical care or exercise.
 - The Government emphasises that the state of emergency is not a lockdown, with restaurants, shops, and transport being allowed to continue to operate. In practice, the large majority of people and businesses are complying with the request.
 - As a result, some construction and manufacturing businesses may be voluntarily closing if they consider themselves to be non-essential.

Korea*Border restrictions*

- From January, passengers who meet one or more of the following criteria cannot enter the Republic of Korea: travelling on a People's Republic of China passport that lists Hubei province as the place of issue; travelling on any type of visa issued by the Korean Consulate in Wuhan; or have visited the Hubei province in the past 14 days.

- From 13 April, all Koreans and long-term travellers of a foreign nationality arriving from the US are to be tested for COVID-19 within the first three days regardless of any symptoms.
- On 23 March, issued a special travel advisory to citizens to cancel or postpone all international travel, applying to all countries until at least 23 April (extended to 23 May).

Quarantine measures

- From 1 April anyone – including citizens - arriving in Korea will be required to be quarantined for two weeks (announced 29 March). If foreigners do not have a residence in Korea they will be housed in government-designated quarantine facilities at their own cost.
- Anyone who tests positive must go into isolation in government shelters. Their phones and credit card data are used to trace their prior movements and find their contacts. Those who are determined to have been near the infected individual receive phone alerts with information about their prior movements.
- Those ordered to self-quarantine are required to download an app that alerts officials if the patient moves outside of the quarantine.
- The ROK Government also decided to put electronic wristbands on violators of self-isolation rules.

Social distancing

- The ROK Prime Minister has asked for all religious, sporting and entertainment facilities to close for 15 days, with the Government to issue a ban in the event of non-compliance. Cinemas that are open are implementing social distancing by only selling every second seat.
- In mid-February most universities, and schools postponed the start of their semester.
- On 9 April, schools will move to an online learning platform, with the Government vowing to ensure all students have the access to the necessary technology at home. Korean soccer and baseball authorities have indefinitely postponed the start of the 2020 domestic season. Authorities are discouraging attendance at both major and small cluster public events.
- Businesses in Korea have been encouraged to lower the density in workplaces – this is one of the few guidelines given to businesses.
- On 19 April, the ROK has extended its social distancing policy until 6 May. However, churches now face fewer restrictions and sporting matches can resume without an audience.

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2019 - 2020

Division: Macroeconomic Modelling and Policy Division
Topic: Comparative analysis of monetary policies of peer countries
Reference: Committee Hansard, Tuesday 28 April 2020, Page 27 – IQ20-000016

Question:

Senator PATERSON: That's a good point. Perhaps on notice you could also provide to the committee a comparative analysis of the monetary policy responses of similar countries.

Ms Quinn: Yes. We've certainly got that detail.

Answer:

Treasury has been monitoring the monetary policies of other countries in response to the COVID-19 pandemic. A summary table of the monetary policy responses since 1 March of peer countries is on the page below. The table summarises the following actions by central banks:

- Reductions in official policy interest rates;
- Extended liquidity operations such as larger than normal repurchase agreement operations;
- Extended longer-term lending operations such as the Reserve Bank of Australia's new Term Funding Facility;
- New or expanded asset purchase programmes; and
- The use of forward guidance in as part of the central bank's communication strategy.

Central Banks - Policy Announcements (since 1 March 2020)

	Australia	United Kingdom	United States	Eurozone	New Zealand	Japan	Canada
Policy rate	0.25	0.1	0.125	-0.50	0.25	-0.1	0.25
(change since 1 March %ppt)	(-0.50)	(-0.65)	(-1.50)	(0.00)	(-0.75)	(0.00)	(-1.50)
Extended liquidity operations	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<i>Larger volumes</i>	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<i>Longer tenors</i>	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<i>Wider collateral</i>	No	No	Yes	Yes	Yes	No	Yes
<i>Additional counterparties</i>	No	No	Yes	Yes	No	No	Yes
<i>USD Liquidity Swap arrangement</i>	Yes	Yes	Host	Yes	Yes	Yes	Yes
Extended longer-term lending operations	Yes	Yes	Yes	Yes	Yes	Yes	No
New/expanded asset purchase programmes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<i>QE/Yield curve targeting (YCT)</i>	YCT	QE	QE	QE	QE	YCT	QE
Forward guidance	Yes	No	Yes	Yes	Yes	Yes	No

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2019 - 2020

Division: Economic Recovery Taskforce
Topic: Estimates from PC on productivity impacts of training for young people in Shifting the Dial report
Reference: Committee Hansard, Tuesday 28 April 2020, Page 28 – IQ20-000017

Question:

Ms Quinn: Not directly in relation to the measures, but, clearly, improving the skills of workers has a productivity benefit to the individuals, to the firms that will subsequently employ them and to the broader economy. So there is analysis about the benefit of training at different points. I'm happy to take on notice that there might be some estimates of that in some work done by the Productivity Commission when they looked at training opportunities as part of the Shifting the dial report. I'm happy to take on notice if there are some estimates, not necessarily about this specifically but about training of our young people in particular.
Senator DAVEY: Yes, I'd appreciate that.

Answer:

The Productivity Commission's *Shifting the Dial* report (August 2017) does not contain estimates of the short- or long-term benefits of training for young people. The Productivity Commission notes that in some areas it has not made assessments of potential economic benefits, as "it is hard to put an exact number on the cumulative benefits of all the policy recommendations" (p. 39).

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2019 - 2020

Division: National Security and Commonwealth-State Relations Division
Topic: Assistance to local government councils and state programmes that provide assistance to local governments
Reference: Committee Hansard, Tuesday 28 April 2020, Page 28 – IQ20-000018

Question:

Senator LAMBIE: Yesterday, Hobart council declared a \$6 million COVID-19 hole in their budget. They are the biggest council in Tasmania. I'm sure they're not the only council wondering how they are going to keep paying for the bins to be emptied and our services delivered. Do you know if there is any federal financial assistance to support councils to smooth over this financial shortfall into the future? My concern is that, if you're not going to pay for it now, you're going to pay for it in the long run. Has anyone put that discussion on the table about what's happening out there with our councils? I repeat that they're not getting the JobKeeper program either. Can you tell me if anything's been done or said on any of this with councils?

Ms Wilkinson: I may have to take that question on notice, but my broad understanding is that it's the responsibility of state governments to work with their councils and to ensure that their councils can operate effectively. I'm not aware of any Commonwealth assistance that's been brought forward as part of this program or of any of the packages that have been announced which would be directly funding council programs.

Answer:

Treasury has identified a number of state and territory government (excluding the ACT Government) announcements that are aimed primarily at supporting local councils to address the impacts of COVID-19 (see Attachment A).

Attachment A is a non-exhaustive list based on Treasury analysis of state and territory government media releases. The Committee is encouraged to seek any additional information from the state and territory governments.

New South Wales

- **Loans, Job Retention and Subsidy** – NSW Government has announced a \$395 million package to safeguard council jobs, local services and infrastructure in the wake of the COVID-19 pandemic. The package includes: a \$250 million increase in low-cost loans for councils, \$112.5m from the Jobs for NSW Fund to help councils retain employees and \$32.8m to assist councils meet the cost of the emergency service levy. ([NSW Government News](#), 26 April 2020)
- **Regulation-** NSW Government made a series of regulatory changes to ensure financial relief to businesses and residents. Amendments include allowing councils to delay sending out first quarterly rates for 2020-21 and extend payment deadline by a month ([NSW Government News](#), 17 April 2020)
- **Hospital parking** – NSW Government announced healthcare workers will now have access to free parking at public hospital car parks to reduce the burden on hospital workers. As part of this measures the NSW Government will work with local councils to remove time parking around hospitals or exercise discretion with parking fines. ([NSW Government News](#), 10 April 2020).
- **Childcare** – NSW Government has provided \$82 million to support 260 council childcare centres who are not eligible for the JobKeeper payments. ([Media Release](#), NSW Premier, 9 April 2020)
- **Development approvals** – NSW Government announced it will fast track planning processes. Under this measure, the NSW Government will support to councils to fast track local and regionally significant development applications. ([Media Release](#), NSW Treasurer and NSW Minister for Planning and Public Spaces, 3 April 2020).

Victoria

- **Childcare**– VIC Government will provide up to \$45 million in extra funding to support sessional kindergarten providers who have seen numbers decline significantly due to coronavirus. Parents will be able to send their children to kindergarten for free. The funding will be available for community-based, local government and school providers that are offering sessional programs. ([Media Release](#), VIC Minister for Education, 5 April 2020)
- **Local budgets** – VIC Government announced an extended deadline for 2020/21 Council budgets until 31 August (from 30 June) and annual report to 30 November (from 30 September) to consider the implications of COVID-19 on their operations. ([Media Release](#), VIC Minister for Local Government, 9 April 2020)

Queensland

- **Financial support** – QLD Government announced an initial \$27.25 million package to assist local government, business and industry with resilience and recovery strategies, targeted financial support and counselling. This forms part of the QLD Government's \$4 billion economic response package to COVID-19. ([Media Release](#), QLD Treasurer, 22 April 2020)

Western Australia

- **Regulation** – WA Government, as a result of COVID-19, is introducing changes to the Local Government Act 1995. Under the amendments, local governments would have the power to remove restrictions and reduce red tape in order to support businesses and households during the current pandemic and consequent recovery. ([Media Release, WA Minister for Local Government, 15 April 2020](#))
- **Regulation** – WA Government has introduced new regulations that allow council meetings to continue electronically during a public health emergency or state of emergency. ([Media Release, WA Minister for Local Government, 24 March 2020](#))

South Australia

- **Infrastructure grants** - SA Government has doubled the Planning and Development Fund available this year to \$50 million, when matched with the local government contribution on a 50:50 basis. ([Media Release, SA Premier and SA Minister for Transport, Infrastructure and Local Government, 16 March 2020](#))
- **Childcare** – SA Government has provided a support package to ensure the financial sustainability of council-managed childcare centres to 28 June 2020. The package matches the Commonwealth Government Early Childhood Education and Care Relief Package payments for council-managed childcare centres that are not eligible for JobKeeper payments.
- **Regulation** – SA Government has made a series of regulatory changes to support council operations, including an additional three months to adopt annual business plans and budgets and review strategic management plans.

Tasmania

- **Loans** - TAS Government expanded the scope of the \$150 million Local Government Loans Program to include all measures taken by Councils as a response to, or as a result of, the impacts of COVID-19 ([Media Release, TAS Premier, 6 April 2020](#))
- **Loans** - TAS Government has extended the Local Government Loan Scheme from \$50 million to \$150 million. ([Media Release, TAS Premier, 26 March 2020](#))
- **Loans** - TAS Government has announced \$50 million in interest free loans over 3 years to encourage local governments to invest and employ more Tasmanians to upgrade, renovate and do necessary maintenance to improve tourism assets. ([Media Release, TAS Premier, 17 March 2020](#))

Northern Territory

- **Grants** – The NT Government has announced \$13.1 million for a Special Community Assistance and Local Employment Program and a Council support Package to assist local councils in dealing with the COVID-19 crisis. ([Media Release, NT Minister for Local Government, 23 April 2020](#)).
- **Tourism** - NT Government announced a \$2 million Immediate Tourism Resilience Plan to minimise the impact on NT from the Australian Bushfires and COVID-19. Part of the Plan includes a new Partnership Program with free tourist partnership activities with Activate Darwin and Hospitality NT, Alice Springs Town Council and other local organisations to target the drive market. ([Media release, NT Acting Minister for Tourism, Sport and Culture, 10 February 2020](#))

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Division: Environment, Industry and Infrastructure Division
Topic: Assistance to North-West Tasmania to support recovery
Reference: Committee Hansard, Tuesday 28 April 2020, Page 28 – IQ20-000019

Question:

Senator LAMBIE: Could you tell me about the north-west of Tasmania, since we are in actual lockdown down here in Tasmania. I heard you talking about New Zealand and the UK and other countries before. We are going to have significant dire straits and impacts on our economy down here on the north-west coast of Tasmania. Is anybody putting extra assistance for us on the table, either today or in the future?

Ms Wilkinson: We can take that on notice. I don't have anything in particular to talk about today

Answer:

The Government has announced an economic support package to help households and businesses and address the significant economic consequences of the Coronavirus. A total of \$320 billion is being injected into the economy in order to keep Australians in work and businesses in business.

The package will support households and business through the period ahead. It is designed to support businesses to retain jobs and manage short-term cash flow challenges, provide support to individuals, severely affected communities and regions, and to ensure the continued flow of credit in the Australian economy.

The package includes:

- assistance for businesses to keep people in a job;
- support for households including casuals, sole-traders, retirees and those on income support; and
- regulatory protection and financial support for businesses to stay in business.

The Department of Infrastructure, Transport, Regional Development and Communications is liaising with local government, including in north-west Tasmania, and Regional Development Australia (RDA) Committees, including RDA Tasmania, on the impacts of the Coronavirus and regions' economic recovery.

Senate Select Committee on COVID-19
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Treasury Portfolio

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2019 - 2020

Division: JobKeeper Division
Topic: Definition of decline in revenue and application to political parties
Reference: Committee Hansard, Tuesday 28 April 2020, Page 29 – IQ20-000020

Question:

Senator LAMBIE: I just want to clear this matter up; I think we all want to know. Can you tell me, first of all, what counts as revenue for a political party? We hear that parties' headquarters are now going to be putting their people on JobKeeper packages. We know that, when we went into an election last year, the floodgates were open for all those political donations. Are you assessing the loss of revenue from last year or from the year before? If you're going to give money to the people who work for these political parties, in their headquarters, what are you assessing that JobKeeper package on? Is it on last year's political donations that came through the floodgates, when they were getting a lot of money, or are you averaging it out over the last two or three years or something—about their 50 per cent reduction?

Ms Wilkinson: I can't speak to that particular example. I'm very happy to take it on notice and come back to you.

Answer:

Under the JobKeeper program, entities are required to assess their turnover by comparing turnover in the relevant month or quarter relative to turnover in a corresponding period a year earlier.

The Tax Commissioner may also determine an alternative test where he is satisfied that the previous year is not an appropriate relevant comparison period. The Commissioner has already released a legislative instrument setting out alternative tests for newly commenced businesses, businesses making large acquisitions or disposals, businesses that have restructured, businesses affected by drought or natural disaster, businesses that had irregular or higher than normal turnover, and sole traders or partnerships with sickness, injury or leave.

Further guidance on the turnover test is available on the Australian Taxation Office's website at <https://www.ato.gov.au/General/JobKeeper-Payment/In-detail/Applying-the-turnover-test/>.

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2019 - 2020

Division: Corporate and Foreign Investment Group
Topic: Ministerial delegations for FIRB matters
Reference: Committee Hansard, Tuesday 28 April 2020, Page 30 – IQ20-000021

Question:

Mr Brake: In terms of the delegations, there are those which go to the Treasurer, those which go to the Minister for Housing and Assistant Treasurer and those which are being dealt with by Treasury. There have been some revised delegations—as Ms Kelley says, all the sensitive ones continue to go to the Treasurer—which provides more capacity for low-value, non-sensitive transactions to be approved by Treasury itself.

Senator PATRICK: Just to save time, can you table those changed delegations, if possible, on notice?

Mr Brake: Sure.

Answer:

A copy of the Foreign Acquisition and Takeovers (Treasury) Delegations 2020, made by the Treasurer on 9 April 2020 is available at:

<https://www.legislation.gov.au/Details/F2020N00049>

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2019 - 2020

Division: Retirement Income Policy Division

Topic: Early access to super

Reference: Committee Hansard, Tuesday 28 April 2020, Page 11 – IQ20-000022

Question:

Senator KENEALLY: Thank you. With the early access to super, I note that the ATO's advice does warn of risks around protecting your information in your myGov account and bank account, and not responding to people who might seek to charge you for what is essentially a free service from the government. I just wonder, if there is a case of identity fraud—and this has happened in the past where the payout has gone to the wrong bank account; that is, the bank account that is not attached to the individual who holds the super fund. That might occur because people have deliberately tried to commit fraud or identity theft. In that case with this program, who holds the liability if an incorrect payout is made to a wrong bank account? Does that sit with the fund or does it sit with the government?

Ms Wilkinson: I'll have to take that question on notice; I don't know the answer to that specific question.

Answer:

Liability in the event of fraud will ultimately depend on the exact circumstances surrounding the case. Depending on the conduct associated with the fraud, liability may be attributed to the trustee of the relevant super fund, its administrator, a government agency or a party that may have acted on behalf of the member.

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Treasury Portfolio

Inquiry into the Australian Government's response to the COVID-19 pandemic

2019 - 2020

Division: Coronavirus Coordination
Topic: pandemic planning

Reference: Committee Hansard, Tuesday 28 April 2020, Page 14 – IQ20-000023

Question:

Senator PATRICK: Ms Quinn, noting the backdrop of SARS, MERS and H1N1, what involvement has Treasury had in pandemic planning prior to COVID-19?

Ms Quinn: I'm happy to take further information on notice but, in my knowledge, many people have referred to some work that Dr Kennedy and others did about 10 years ago. I'm aware that we've been involved since SARS in various pandemic planning exercises, including doing some quantitative analysis and things like that. As a department, we've also been part of whole-of-government exercises in crisis management arrangements, about how we would operate through that time.

Answer:

Treasury participated in the development of the National Action Plan for Human Influenza Pandemic, which was endorsed by the Council of Australian Governments in July 2006. At that time, Treasury also published a Working Paper *A Primer on the Macroeconomic Effects of an Influenza Pandemic* which is available at https://treasury.gov.au/sites/default/files/2019-03/TWP_01_2006.pdf.

Treasury also participated in interdepartmental committees that have been involved in the updates to the National Action Plan since 2006. Issues relevant to crisis planning and implications for the financial system are also considered as part of the Council of Financial Regulators crisis management arrangements.

Treasury continues to participate in interdepartmental committees and provide advice in Budget decision making for proposals relating to pandemic planning and preparedness.

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2019 - 2020

Division: Macroeconomic Conditions Division

Topic: scenarios modelled

Reference: Committee Hansard, Tuesday 28 April 2020, Page 14 – IQ20-000024

Question:

Senator PATRICK: On notice, can you please provide what scenarios you've modelled since the start of this event and when you provided that advice to the Treasurer?

Ms Quinn: I'm happy to take those questions on notice.

Answer:

As the COVID-19 pandemic has evolved, Treasury has undertaken a range of analyses to estimate the effects of COVID-19 on the economy. These analyses have involved assessing the economic impact of travel restrictions, industry shutdowns as a result of different social distancing measures, school absenteeism, sickness/self-isolation, and demand and confidence effects. These analyses and advice have been provided to inform many decision making bodies including Cabinet and the National Cabinet.

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2019 - 2020

Division: Office of the Secretary
Topic: Briefing to National Cabinet
Reference: Committee Hansard, Tuesday 28 April 2020, Page 14 – IQ20-000025

Question:

CHAIR: Just before I hand to Senator Paterson, Ms Wilkinson or Ms Quinn, I note in the secretary's opening address and in his evidence earlier today that he said that he briefed the national cabinet, I think, on 12 or 13 March and again on 16 April. I'm wondering if you could take on notice whether or not those similar briefings could be provided to the committee.

Ms Quinn: My understanding is that they were oral briefings. The first one was on 13 March.

CHAIR: So there wasn't any paper provided or any document?

Ms Quinn: Not for 13 March. I'm happy to take the other ones on notice. That was the first meeting of national cabinet.

CHAIR: Alright. You take that on notice—it builds on Senator Patrick's questioning. I think the committee is interested in getting their hands on whatever information you're prepared to provide us for us to understand how decisions were made and what impact those decisions were going to have in terms of some of those scenarios that you talked about.

Answer:

The Secretary attends Cabinet and Committee meetings as requested. The details of Cabinet and Committee meetings are a matter for the Department of the Prime Minister and Cabinet.

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Inquiry into the Australian Government's response to the COVID-19 pandemic

2019 - 2020

Division: Macroeconomic Conditions Division
Topic: Quantify the negative impact
Reference: Committee Hansard, Tuesday 28 April 2020, Page 16 – IQ20-000026

Question:

Senator PATERSON: Moving on to another example, the advice from the AHPPC has been very clear that it's safe for schools to be open. What sort of economic impact does parents not being able to send their children to school have? If parents are able to send their children back to school again, what economic benefits could result?

Ms Quinn: To the extent that parents are required to stay home to look after their children if they don't have alternative arrangements in place, that's a withdrawal of labour supply from the Australian economy. How large or small that impact is depends on how much people can adjust their work arrangements to work from home. But there is a direct link between people withdrawing their labour supply and directing it towards home schooling, and that does have a negative impact on economic activity.

Senator PATERSON: Has there been any attempt to quantify that negative impact?

Ms Quinn: We have looked at a range of scenarios, yes. I'm very happy to take it on notice. We have some analysis from the HILDA survey information but also from the census about how many parents may be impacted by various measures. I'm very happy to take those details on notice.

Answer:

The effect on economic activity from parents and carers not sending their children to school comes primarily through a reduction in the labour supply. There is significant uncertainty around these estimated effects on economic activity, as there are a range of factors that will affect the extent to which labour supply falls in response to pupil absenteeism from schools, including: the proportion of affected workers who can find alternative care arrangements, the extent to which affected workers reduce their hours, the extent to which affected workers can work from home and the extent to which overall demand in the economy is constrained due to other social distancing requirements.

According to Census data there are just under 1.3 million households in Australia that have children under the age of 15 where all parents and carers work. Working adults in these households make up approximately 9.3 per cent of the total labour force. There are an additional 350,000 families with dependent children where at least one child aged 15+ is present, and another 760,000 households where at least one parent or carer does not work (and so may be able to take care of children home from school). Table 1 below provides a breakdown of households with dependent children and their proportion of the total labour force.

Table 1: Families with dependent children

	Families where one parent is not participating in the labour force	Families with at least one child aged 15+	Families where all parents/carers work	Total
Couples (households)	580,000	260,000	1,030,000	1,870,000
Single parent (households)	180,000	80,000	240,000	50,000
Total (households)	760,000	350,000	1,280,000	2,390,000
Proportion of all families with dependent children (per cent)	31.8	14.6	53.6	100
Proportion of the labour force (per cent)	5.5	2.5	9.3	17.3

Source: ABS 2016 Census of Population and Housing; ABS publication Labour Force, Australia, Detailed, Quarterly, Nov 2019 (6291.0.55.003); ABS publication Labour Force, Australia, Monthly, March 2020; Treasury Calculations.

Note: Census data have been scaled to November 2019 industry labour force data, this scaling accounts for both undercount in the Census and industry employment growth since 2016.

Treasury estimated that if all schools and childcare centres were fully closed for three months then the level of GDP may be around 7 per cent lower in that quarter.

Subsequent to that analysis, States and Territories signalled an intention for schools to remain open, with teaching moving online. There have also been varying degrees of school attendance between jurisdictions. Childcare centres have largely remained open, supported in part by the Government's decision to make childcare free.

Taking into account these and other relevant factors such as the ability of households to find alternative care, Treasury's current indicative analysis suggests that more than 300,000 adults may be unable to work as a result of their children not physically attending school.

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2019 - 2020

Division: Social Policy Division
Topic: JobSeeker applicants for March
Reference: Committee Hansard, Tuesday 28 April 2020, Page 19 – IQ20-000027

Question:

Senator WATT: I think Ms Quinn made the point in one of the earlier answers that there were a large number of people who applied for the jobseeker payment in the weeks leading up to the announcement of JobKeeper. Could we please get some figures on that. Do you have any figures for the number of jobseeker applicants in the month of March?

Ms Quinn: I'm happy to take that on notice to give you a precise number, because I have a chart in front of me rather than a table. A quick calculation is around 160,000 applicants between 21 March and somewhere towards the end of March, but I'm happy to take that on notice and provide you with a more precise figure.

Senator WATT: If you could, that'd be great.

Answer:

Detailed information regarding the number of recipients and claims on hand for the JobSeeker Payment, including claims on hand in March 2020, was tabled by the Secretary of the Department of Social Services at her appearance before this Committee on Thursday 30 April 2020.

The information is publically available at:

https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/COVID-19/COVID19/Additional_Documents (see Document 3).