

Appendices

Appendix A: Federal and State Government Support Measures¹

By the end of March, the measures announced totaled **\$153.6bn** in direct, on-budget spending from the Federal Government (after adjusting for JobKeeper costing error), **\$12.8bn** from the states and **\$105bn** in lending from the Reserve Bank and the Federal Government. The Federal Government announced a HomeBuilder subsidy in early June costing at \$0.7 bn.

Federal Government

- 12 March – government [announces a \\$17.6bn stimulus package](#) including \$4.76bn for \$750 payments to welfare recipients and \$6.7bn for businesses for wage subsidies.
- 19 March – [the Reserve Bank of Australia announces a \\$90bn three-year funding facility](#) to help banks continue to lend to business, and the Morrison government contributes \$15bn skewed to smaller banks and non-authorized deposit-taking institution lenders.
- 22 March – government [announces a second major economic rescue package](#) worth **\$66bn** including a \$550 coronavirus supplement to jobseeker payments and a second \$750 payment to welfare recipients.
- 30 March – government announces \$130bn in the third support package (later revised down to **\$70bn**), including [a \\$1,500 fortnightly Jobkeeper payment for employers](#) to pass on to employees to keep them in work, and extending eligibility for jobseeker payments.

New South Wales

- 17 March – state government announces a **\$2.3bn** stimulus package including \$700m in extra health funding and \$1.6bn in other measures including waiving payroll tax and bringing forward infrastructure investment.

¹ This list omits subsequent measures such as the federal government's announcement on the June 3rd that it would spend \$688 million on a HomeBuilder stimulus package with one-off \$25,000 cash payments to eligible owner-occupiers and first home buyers from July 4th to December 31st 2020 to entice investment in the sector.

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- 27 March – government announces a second **\$1bn** funding package to boost employment in Services NSW, and defer payroll taxes and other levies.
- 23 May – government announces **\$50m** package for the state's creative and culture sector to resuscitate arts companies financially distressed by the coronavirus lockdown. This is in addition to **\$6.3m** announced in April by the government's art agency, Create NSW, to support individual artists and smaller scale arts, screen and cultural bodies.

Victoria

- 21 March – state government announces [a \\$1.7bn economic survival package](#) including \$500m to support workers to transition to new jobs and a \$500m business support fund for the hardest-hit sectors, including hospitality, tourism, accommodation, arts and entertainment, and retail.

Queensland

- 24 March – government [announces a \\$4bn package](#) including \$300m for households, and rebates and waivers amounting to five months of payroll tax for businesses.

Western Australia

- 16 March – government [announces a \\$607m stimulus package](#), including \$402m to freeze household fees and charges until at least July 2021.
- 31 March – government [announces a \\$1bn package](#) including extra assistance for households' and small businesses' energy bills and \$500m for the health system

South Australia

- 11 March – government [announces a \\$350m package](#) to bring forward infrastructure spending and start new projects in road maintenance, housing, tourism and health.
- 26 March – government announces a second package worth **\$650m**, including \$300m for businesses and industries and \$250m for community organisations and training.

Tasmania

- 18 March – government announces [a \\$420m stimulus package](#), including \$50m to fast-track maintenance, \$20m in interest-free loans to affected business and pay-

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ments of \$250 for individuals and \$1,000 for families required to self-isolate.

- 26 March – government announces [a second package worth \\$565m](#), including \$150m to purchase essential equipment and supplies, and provide additional staff to combat Covid-19.

Australian Capital Territory

- 20 March – government [announces a \\$137m stimulus package](#), including a \$150 rates rebate and a \$2,622 credit to businesses for their commercial rates bill.
- Northern Territory
- 18 March – government announces a **\$65m** package to encourage business upgrades and home renovations.
- 24 March – government [announces an extra \\$50m](#) to create a small business survival fund.

Source: <https://www.theguardian.com/australia-news/2020/mar/31/australian-economic-stimulus-package-how-much-governments-have-committed-to-coronavirus-crisis>

Appendix B: The OECD's economic scenario's for Australia

Australia: Demand, output and prices (single-hit scenario)

	2016	2017	2018	2019	2020	2021
	Current prices AUD billion	Percentage changes, volume (2017/2018 prices)				
Australia: single-hit scenario						
GDP at market prices	1 703.5	2.5	2.8	1.8	-5.0	4.1
Private consumption	983.3	2.5	2.6	1.5	-7.6	5.7
Government consumption	319.3	3.9	4.0	5.3	5.4	3.3
Gross fixed capital formation	417.3	3.6	2.5	-2.3	-9.8	1.8
Final domestic demand	1 719.9	3.0	2.9	1.3	-5.6	4.3
Stockbuilding ¹	- 2.6	-0.1	0.1	-0.2	-0.2	0.2
Total domestic demand	1 717.3	2.9	2.9	1.0	-5.8	4.5
Exports of goods and services	337.1	3.7	5.0	3.1	-5.4	5.1
Imports of goods and services	351.0	7.8	4.2	-1.2	-9.5	7.0
Net exports ¹	- 13.9	-0.9	0.2	1.0	0.7	-0.2
<i>Memorandum items</i>						
GDP deflator	–	3.6	2.3	3.1	1.3	1.0
Consumer price index	–	2.0	1.9	1.6	0.2	1.4
Core inflation index ²	–	1.7	1.7	1.6	0.9	1.2
Unemployment rate (% of labour force)	–	5.6	5.3	5.2	7.4	7.6
General government financial balance (% of GDP)	–	-0.7	0.1	0.0	-10.2	-3.1
General government gross debt (% of GDP)	–	43.6	43.5	45.8	57.1	57.7
Current account balance (% of GDP)	–	-2.6	-2.0	0.6	1.4	1.0

1. Contributions to changes in real GDP, actual amount in the first column.

2. Consumer price index excluding food and energy.

Source: OECD Economic Outlook 107 database.

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Australia: Demand, output and prices (double-hit scenario)

Australia: double-hit scenario	2016	2017	2018	2019	2020	2021
	Current prices AUD billion	Percentage changes, volume (2017/2018 prices)				
GDP at market prices	1 703.5	2.5	2.8	1.8	-6.3	1.0
Private consumption	983.3	2.5	2.6	1.5	-9.5	1.1
Government consumption	319.3	3.9	4.0	5.3	5.7	3.9
Gross fixed capital formation	417.3	3.6	2.5	-2.3	-11.0	-2.1
Final domestic demand	1 719.9	3.0	2.9	1.3	-6.9	1.0
Stockbuilding ¹	-2.6	-0.1	0.1	-0.2	-0.3	0.2
Total domestic demand	1 717.3	2.9	2.9	1.0	-7.2	1.2
Exports of goods and services	337.1	3.7	5.0	3.1	-6.9	2.1
Imports of goods and services	351.0	7.8	4.2	-1.2	-11.2	3.0
Net exports ¹	-13.9	-0.9	0.2	1.0	0.7	-0.1
<i>Memorandum items</i>						
GDP deflator	-	3.6	2.3	3.1	1.2	0.7
Consumer price index	-	2.0	1.9	1.6	0.1	0.7
Core inflation index ²	-	1.7	1.7	1.6	0.8	0.8
Unemployment rate (% of labour force)	-	5.6	5.3	5.2	7.6	8.8
General government financial balance (% of GDP)	-	-0.7	0.1	0.0	-12.2	-6.8
General government gross debt (% of GDP)	-	43.6	43.5	45.8	62.4	65.8
Current account balance (% of GDP)	-	-2.6	-2.0	0.6	1.5	1.1

1. Contributions to changes in real GDP, actual amount in the first column.

2. Consumer price index excluding food and energy.

Source: OECD Economic Outlook 107 database.

Appendix C: Fitch Ratings' assessment of COVID-19's impact on industry sectors

Coronavirus Downside Scenario Risk Heat Map

FitchRatings

CORPORATES FINANCIAL INSTITUTIONS GLOBAL INFRASTRUCTURE PUBLIC FINANCE SOVEREIGNS STRUCTURED FINANCE

Virtually No Impact
No rating/Outlook changes in the sector/region

Mild to Modest Impact
Very few potential rating changes, some Outlook changes

Medium Impact
Numerous Outlook changes, some RWs; a few possible rating changes

Medium/High Impact
Heavy Outlook and RW activity; numerous rating changes

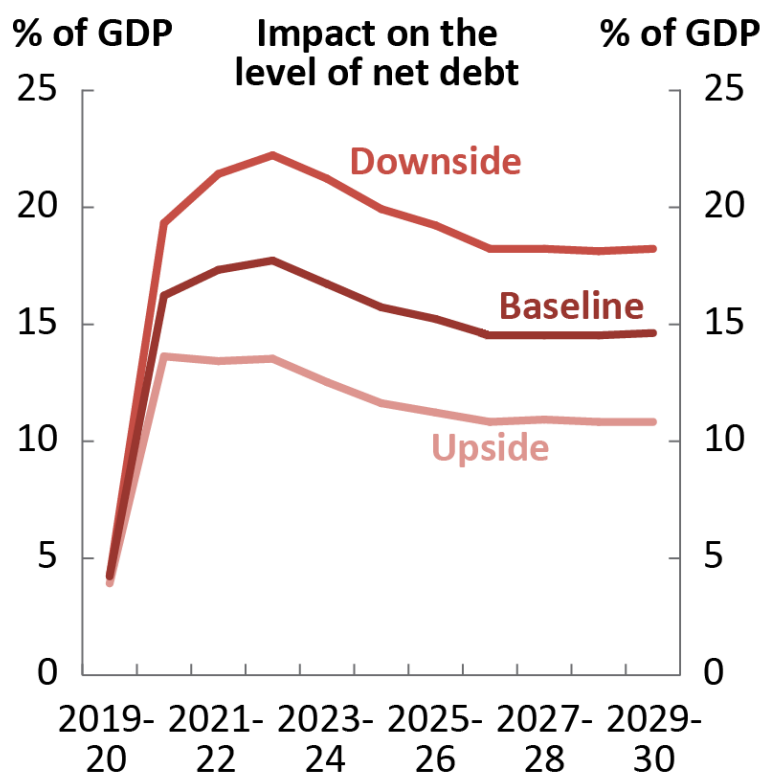
High Impact
Most or all ratings negatively affected

Corporates

Global					
Utilities	Food Retail	Other Manufacturing	Engineering and Construction	Oil & Gas	Non-Food Retail
Telecommunications	Technology	Media & Entertainment	Commercial Real Estate	Metals, Mining & Chemicals	Airlines
Healthcare & Pharmaceuticals	Consumer	Homebuilding	Business Services	Gaming, Lodging & Leisure	
Food, Beverage & Tobacco	Aerospace & Defense	Ground Transportation	Autos and Related		

Appendix D: The Parliamentary Budget Office's Federal Fiscal Outlook

Sustained fiscal impact to occur over the next decade as a result of COVID-19



Source: RBA published data and PBO calculations

The delay in the Federal Budget to October means that the PBO’s annual medium-term fiscal projections report has also been delayed. Instead, we present here medium-term fiscal scenarios based on the Reserve Bank of Australia’s (RBA) latest economic forecasts to provide timely information on what is a rapidly evolving situation.

Our analysis shows that the impact of COVID-19 may result in Federal Government net debt in 202930 being between 11 and 18 per cent of GDP (up to \$620 billion) higher than it would have been otherwise, as shown in the chart. At last December’s Mid-Year Economic and Fiscal Outlook (MYEFO), net debt was projected to fall to 1.8 per

cent of GDP by 202930.

Uncertainty about the implications of the COVID-19 pandemic for the future fiscal position is likely to persist for some time. To support an understanding of the likely magnitude of the budget impact over the medium term, three fiscal scenarios are presented here, based on three economic scenarios published by the RBA; a baseline of a gradual economic recovery, an upside scenario of a faster recovery (resulting in less additional debt), and a downside scenario of a slower recovery (resulting in more additional debt).

Higher net debt is largely the result of lower revenue and significant borrowing in 2019-20 and 2020-21 to fund the Government's pandemic response measures. While the impact of these policies on the underlying cash balance (UCB) reduces over time (see page two), the impact on net debt endures through to 2029-30. Net debt is still expected to remain lower than most developed countries.

The results shown here are indicative of the impact of COVID-19 only and are shown as a deviation from a MYEFO baseline; they are not equivalent to budget forecasts. Other policy decisions taken since MYEFO, including the bushfire response, and some revenue impacts not directly related to GDP are not reflected in this analysis. The methodology for this report is detailed further in the technical appendix. The PBO will publish comprehensive medium-term projections following the release of the 2020-21 Budget.

Source: *Medium-term fiscal projection scenarios: impact of COVID-19 pandemic and response*, Parliamentary Budget Office, 5th June 2020, page 1 (https://www.aph.gov.au/about_parliament/parliamentary_departments/parliamentary_budget_office)