



**Budget
2020-21**

Economic Recovery Plan for Australia

**COVID-19 Response—
Supporting Australians through the crisis**

budget.gov.au

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COVID-19 and the Australian Government's response

Australians have experienced a year like no other. The COVID-19 pandemic has had a profound impact on Australia's health system, community, and economy, as it has all around the world.

The Government acted quickly and decisively to address the consequences of COVID-19. As a result, Australia has achieved some of the best health and economic outcomes in the world. However, the impacts of COVID-19 will continue to be felt in the Australian economy for years to come. The Australian community also continues to feel the effects of COVID-19, through disruption to their lives, education and health. The global economic outlook remains highly uncertain, with many countries experiencing their worst downturns since the Great Depression.

The Government has recognised that this once-in-a-century shock warrants an extraordinary level of support across the economy.

The Government's economic response was designed to support Australian households and businesses through an exceptionally difficult period. It has helped keep businesses in business and Australians in jobs through the JobKeeper

Payment and Boosting Cash Flow for Employers, and supported Australians in need with the Coronavirus Supplement and Early Release of Superannuation.

The Government's response is now transitioning to ensure the Australian economy recovers strongly by targeting additional temporary support measures to boost household incomes, bring forward business and infrastructure investment activity, and drive the unemployment rate back down.

The Government is continuing to support those sectors, regions and communities that face significant challenges.

Response

JobKeeper Payment

- Supporting businesses to keep Australians in jobs through a wage subsidy for eligible employees and business participants

➔ **A \$101 billion economic lifeline, currently supporting around 3.5 million individuals**

Supporting Apprentices and Trainees

- \$2.8 billion for the Supporting Apprentices and Trainees wage subsidy to help businesses keep their apprentices and trainees employed

➔ **Supporting up to 180,000 apprentices and trainees**

Income Support for Individuals

- Support for income support recipients, including extending the Coronavirus Supplement

➔ **Providing \$16.8 billion in support**

Boosting Cash Flow for Employers

- Tax-free cash flow boosts of between \$20,000 and \$100,000 for eligible employers

➔ **Around 800,000 employers have benefited**

Small and Medium Enterprises Guarantee Scheme

- Guaranteeing 50 per cent of eligible loans issued by participating lenders to small and medium businesses

➔ **Supporting up to \$40 billion in lending**

Early Release of Superannuation

- Allowing individuals impacted by COVID-19 to access up to \$20,000 of their superannuation early

➔ **Providing relief to nearly 3 million individuals**

Supporting Pensioners

- Support payments to our pensioners and other eligible recipients

➔ **\$12 billion in support for pensioners and other eligible recipients**

HomeBuilder

- Providing grants of \$25,000 to eligible owner-occupiers (including first home buyers) to build a new home or rebuild an existing home

➔ **Supporting an industry that employs an estimated 1 million people**

JobMaker Hiring Credit

- Incentivising businesses to take on additional employees that are young job seekers aged 16 to 35

➔ **Supporting around 450,000 young Australians into jobs**

JobTrainer Fund

- Providing school leavers and job seekers access to additional free or low-cost courses to boost their skills

➔ **Providing up to an additional 340,700 places in courses to boost skills**

Accelerating Personal Income Tax Cuts

- Bringing forward Stage 2 of the Personal Income Tax Plan and providing a one-off additional tax benefit to low- and middle-income earners in 2020-21 to deliver tax relief to hard-working Australians

➔ **Benefiting over 11 million hard-working individuals**

Supporting Business Investment

- Temporary tax incentives for businesses to support new investments and increase business cash flow

➔ **Available to over 99% of businesses**

Infrastructure Stimulus

- \$14 billion committed since the onset of the COVID-19 pandemic to boost demand and create jobs over the next four years

➔ **Supporting 40,000 jobs over the construction period**

Recovery



Further COVID-19 support

Providing additional support in response to the ongoing COVID-19 pandemic

In this Budget, the Government continues to provide temporary and targeted support for businesses and households in response to the COVID-19 pandemic.

The Government is committing an additional \$25 billion in COVID-19 response measures. This brings the Government's COVID-19 Response Package since the onset of the pandemic to a total of \$198 billion, including \$184 billion in economic response measures and \$14 billion in health response measures.

The Government has extended the temporary JobKeeper Payment, introduced a Pandemic Leave Disaster Payment and is providing additional economic support payments and assisting the child care sector through the pandemic.

The Government is continuing to strengthen the COVID-19 health response, committing additional funding in this Budget to provide critical health care and support to protect the health of all Australians.



Summary of key policy measures^(a)

	2020-21 (\$m)	2021-22 (\$m)	2022-23 (\$m)	2023-24 (\$m)	TOTAL (\$m)
COVID-19 Response Package					
<i>Economic response measures</i>					
JobKeeper Payment extension	15,600	-	-	-	15,600
Further economic support payments	2,512	43	3	-	2,558
Child Care — Victorian recovery payments and other support measures	372	373
Additional aviation support	227	34	35	33	330
Support to the Pacific and Timor-Leste	202	102	-	-	305
Refunds and waivers of Visa Application Charges	35	90	120	30	275
Other economic response measures	232	54	9	..	295
Subtotal - economic response measures	19,180	324	167	64	19,735
<i>Health response measures</i>					
Access to COVID-19 vaccines and consumables	1,165	704	-	-	1,870
Supporting our hospitals — continuation	1,103	-	-	-	1,103
Guaranteeing Medicare and access to medicines — extension	1,040	1,040
Ageing and aged care ^(b)	697	1	2	-	700
Other health response measures	133	56	2	-	191
Subtotal - health response measures	4,139	761	4	..	4,904
TOTAL - COVID-19 Response Package	23,319	1,085	171	64	24,639

(a) No sign before an estimate indicates a negative impact on the underlying cash balance. A minus sign indicates a positive impact on the underlying cash balance. '..' denotes not zero, but rounded to zero. Figures are rounded to the nearest million and totals may not sum due to rounding.

(b) Refers to the measure on page 94 of Budget Paper No. 2 which is net of related receipts.



Protecting the health of all Australians

Preventing, detecting and treating COVID-19

The Government is continuing to strengthen the COVID-19 health response, committing additional funding of \$4.9 billion in this Budget to provide critical health care and support to protect the health of all Australians.

COVID-19 testing

The Government is providing funding for primary care, including over \$750 million for COVID-19 testing and \$171 million for the continued operation of up to 150 dedicated respiratory clinics.

These measures will continue to ensure access to testing for all Australians, including in regional and remote communities. Australia's testing rate is among the highest in the world which has helped us to contain the spread of the virus and record relatively low known cases.

Supporting our hospitals

The Government is continuing to support our hospitals to respond to COVID-19 by providing a further \$1.1 billion to states and territories,

including funding to ensure private hospitals are available to support the health response.

COVID-19 vaccines and medical research

The Government is committed to providing all Australians access to safe and effective COVID-19 vaccines and treatments as soon as they are available.

The Government is providing \$1.7 billion to secure access to over 84.8 million doses of potential vaccines being developed by the University of Oxford and the University of Queensland. The Government is also investing \$123 million to join the international COVAX facility, securing access to a large portfolio of potential vaccine candidates around the world.

The Government is investing in research and development into COVID-19 vaccines and treatments. Funding of almost \$6 million from the Medical Research Future Fund's Coronavirus Research Response, will support research and development of COVID-19 vaccines at Australian universities.



COVID-19 testing and cases



Source: John Hopkins University, Our World in Data, United Nations, Treasury.
 Note some countries report people tested, rather than the number of tests performed.

Protecting the health of all Australians

Access to personal protective equipment

The Government has invested \$3.2 billion in personal protective equipment. Over 76 million masks, and other protective equipment, has been distributed from the National Medical Stockpile to protect frontline workers. The Government has invested in over 9,000 additional ventilators to ensure capacity is available.

Delivering telehealth

The Government is providing \$112 million to support the continuation of temporary Medicare rebated telehealth services, ensuring access to GP consultations, specialist appointments, mental health and other allied health services. To date, more than 30 million telehealth services have been delivered to over 10 million patients.

Supporting access to medicines

The Government is ensuring vulnerable Australians continue to receive free home delivery of essential medicines by their local pharmacy through the Home Medicines Service. This service has delivered more than one million medicines to patients' homes at no additional cost to patients.

Protecting senior Australians

The Government has provided \$1.6 billion to ensure the safety of senior Australians accessing aged care since the start of the pandemic. The Government is ensuring the aged care sector's preparedness during COVID-19 through the Aged Care Emergency Response Plan.

This Budget includes \$245 million for residential aged care providers to assist with additional costs, including infection control training and outbreak preparedness. This builds on the \$205 million provided in June this year.

In recognition of the ongoing pressure and challenges faced by workers delivering frontline aged care services, the Government will provide \$205.1 million for the Workforce Retention Bonus Payment.

The Government will provide \$10.8 million to improve pathways for new nurses to pursue a career in aged care and enhance the skills of existing nurses and care workers in aged care, including through a new Skill Development Program for aged care staff.

The Government is supporting the operation of the Victorian Aged Care Response Centre, with \$9.1 million in this Budget.

A photograph of an elderly woman with short, wavy brown hair, smiling warmly. She is wearing a beige, textured knit sweater and a thin gold necklace with a small pendant. She is looking towards a healthcare professional whose back and shoulder are visible in the foreground on the right. The background is softly blurred, showing a framed picture on the wall. A large, dark teal circular graphic is on the left side of the image, and a smaller purple circle is overlaid on the bottom left, containing text.

More than 30 million
telehealth services
to over 10 million
Australians

Supporting Australians' wellbeing during the pandemic

Ensuring the provision of essential mental health and disability services through the COVID-19 pandemic

Access to mental health services

In this Budget, more than \$148 million in additional funding is being provided for mental health supports to help individuals and communities through the pandemic.

All Australians will now be able to access 10 additional Medicare rebated psychology sessions, with the support of their GP. This will increase access to mental health care for Australians who are experiencing more severe or enduring mental health impacts as a result of the COVID-19 pandemic, at a cost of \$101 million.

The Government has provided \$48.1 million to support the implementation of the National Mental Health and Wellbeing Pandemic Response Plan, to ensure individuals are connected to the care they need.

Critical frontline services, including headspace, Lifeline, Kids Helpline and Beyond Blue have been provided with more than \$14 million in additional funding in this Budget to ensure they can continue to provide digital and telephone support to individuals, particularly in Victoria.

More young Australians with a mental illness will be supported to participate in the workplace with \$45.7 million to expand the headspace individual placement and support program.

Supporting those with disability through the pandemic

During the pandemic, the Government is ensuring essential supports are in place for NDIS participants and workers. The Government has delivered financial assistance to disability providers to support the retention of workers.

Supporting Victorians during the second wave

The Australian Government is working with the Victorian Government during the second wave of the pandemic.

This includes support for a Victorian disability response centre to ensure information sharing and coordination, as well as \$7.5 million for a Worker Mobility Reduction Payment to support Victorian disability residential service providers.

The Australian Government is working to ensure Victorians have access to mental health supports, providing \$47.3 million in this Budget, including \$26.9 million to create 15 mental health clinics across Victoria.



More than
6.9 million Medicare
mental health services
have been delivered
nationally since March,
representing more
than **\$760 million** paid
in benefits



Delivering support for families

Ensuring our child care sector remains strong and viable to support Australia's economic recovery

Supporting the child care sector

The Government has implemented measures to help the early childhood education and care sector and families manage the impact of the COVID-19 pandemic.

During the early stages of the pandemic, families received free child care through the Early Childhood Education and Care Relief Package. The package provided \$1.9 billion to support the viability of the sector including weekly Business Continuity Payments to child care providers worth 50 per cent of the sector's fee revenue pre-COVID. The Relief Package meant that 99 per cent of Australia's 13,400 child care services remained operational and were able to

provide care to vulnerable and disadvantaged children and the children of essential workers.

On 13 July 2020, the Government re-established the Child Care Subsidy arrangements to ensure sufficient childcare places were available to all families. To support child care services, the Government provided \$708 million in Transition Payments, equal to 25 per cent of the service's pre-COVID revenue until 27 September 2020.

The Government introduced an Employment Guarantee to support the early childhood workforce through the pandemic and a freeze on fee increases where services are in receipt of Transition Payments.



In light of the second wave lockdown, the Government introduced a further \$372 million Child Care Recovery Package for Victoria. Victorian services receive a 25 per cent Recovery Payment through to 31 January 2021, on the condition that they maintain a fee freeze at pre-COVID levels, and continue the Employment Guarantee to ensure services retain their staff.

The Government is also extending the easing of the Activity Test requirements for all Australian families to 4 April 2021 so they can continue to receive the same level of subsidised care as before the pandemic.

During the early stages of the pandemic, families received free child care through the Early Childhood Education and Care Relief Package

Early access to super

The Government is allowing individuals access to their super early in times of hardship

To complement other support measures, such as the JobKeeper Payment and the Coronavirus Supplement, the Government has allowed eligible individuals to gain early access to a portion of their superannuation.

This measure recognises that for those suffering adverse financial effects from the COVID-19 pandemic, accessing some of their superannuation today may outweigh the benefits of maintaining those savings until retirement.

Eligible Australian and New Zealand citizens and permanent residents were able to apply for early access up to a maximum of \$10,000 of their superannuation before 1 July 2020. They are also able to access a further \$10,000 until 31 December 2020.

Eligible temporary visa holders were also able to apply for a single release of up to \$10,000 before 1 July 2020.

Close to 3 million individuals have so far accessed their superannuation early under this measure, withdrawing over \$35 billion to support themselves through the pandemic.

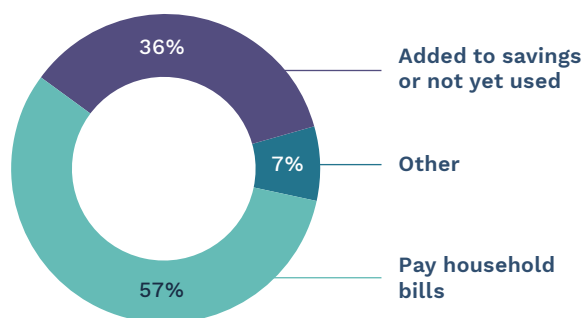
The measure has delivered support to people in a timely manner with 95 per cent of all

applications being processed and paid out by superannuation funds within five business days.

For many people in acute financial distress, the amounts released have provided a critical means of support to help them meet their expenses at a time when they need it most.

The Australian Bureau of Statistics (ABS) Household Impacts of COVID-19 Survey showed that 57 per cent of those who had accessed their superannuation had used or planned to use it to pay household bills, mortgages, rent and other debts. A further 36 per cent planned to save it.

Intended use of temporary COVID-19 early access to superannuation money



Source: ABS Cat No. 4940.0, 29 May 2020

Supporting senior Australians

Providing additional financial assistance to senior Australians during the COVID-19 pandemic

Reduction in social security deeming rates

The Government has provided additional payments of around \$876 million to income support recipients by reducing social security deeming rates. From 1 May 2020, the lower deeming rate has been 0.25 per cent and the upper deeming rate has been 2.25 per cent.

This measure assists around 900,000 income support recipients, including around 565,000 pensioners, who benefit from an increase in their payment rate.

Temporary reduction in superannuation minimum drawdown requirements

The Government has reduced the superannuation minimum drawdown rates for account-based pensions and similar products by 50 per cent for the 2019-20 and 2020-21 financial years. This measure helps retirees manage the impact of volatility in financial markets on their retirement savings.



Margaret — single part-rate age pensioner

Margaret is a 67 year old retired homeowner, and receives a single part-rate Age Pension. She has \$260,000 in assets in her account-based pension, and no other assessable income or assets. Margaret receives an additional \$39.50 per fortnight in Age Pension because of the lower deeming rates. Margaret also receives \$2,000 in economic support payments.



Providing income support

Supporting Australians through the COVID-19 pandemic

Targeted and demand driven income assistance programs will continue to ensure that support remains appropriate to the economic and health conditions. Temporary additional payments to those most in need are supporting the economy during these tough times.

Economic Support Payments

The Government provided \$9.4 billion in support through two Economic Support Payments of \$750 to eligible social security, veterans, income

support recipients and concession card holders. Around half of those who benefited were pensioners.

The first payment, from 31 March 2020, went to over 7 million Australians to help them manage the economic impact of the COVID-19 pandemic. The second payment from 13 July 2020 has benefited around 5 million Australians.

\$9.4 billion
in Economic
Support Payments
provided

Additional income support for individuals

The Government is providing \$16.8 billion to support new and existing income support recipients during the COVID-19 pandemic, with the temporary Coronavirus Supplement and expanded eligibility for income support payments.

The Coronavirus Supplement has been extended until 31 December 2020 at a rate of \$250 per fortnight from 25 September 2020.

The Coronavirus Supplement is currently benefiting around 2.2 million Australians who receive an eligible income support payment, such as the JobSeeker Payment, Youth Allowance and Parenting Payment.

To date, the Government has provided over \$14 billion in Coronavirus Supplement payments.

Supporting pensioners

The Government will provide \$2.6 billion for two additional Economic Support Payments of \$250 to pensioners and other eligible recipients.

These payments will assist them through the financial challenges they continue to face as a result of COVID-19 and benefit around 5.1 million eligible pensioners and veterans, and low income families and eligible concession card holders who are not in receipt of a primary income support payment.

These payments are additional to the \$9.4 billion in support provided through the two previous Economic Support Payments of \$750 to social security and other eligible recipients.

Pandemic Leave Disaster Payment

The Government is partnering with states and territories to deliver the \$34.3 million Pandemic Leave Disaster Payment to help stop the spread of COVID-19.

The Payment is a one-off grant of \$1,500 to eligible workers who are unable to work and earn income while under a direction to self-isolate or quarantine or who are caring for someone who has tested positive for COVID-19.

To date, the Government has made around 10,000 payments to residents of Victoria, New South Wales, Tasmania and Western Australia.





HomeBuilder

Supporting residential construction jobs

The Government recognises the residential construction sector's important role in the Australian economy – industry sources estimate that the residential construction sector provides work to around one million people including builders, contractors, property developers, construction materials manufacturers, engineers, designers and architects.

The Government introduced HomeBuilder in June 2020 to help the residential construction sector recover from the effects of the COVID-19 pandemic. HomeBuilder is playing a key role in building confidence in the sector and supporting tradies' jobs.

HomeBuilder is designed to encourage those who may have understandably pulled back from undertaking a new build or rebuild when the COVID-19 pandemic hit, to enter the market and keep the construction pipeline flowing.

HomeBuilder provides eligible owner-occupiers (including first home buyers) with a tax-free grant of \$25,000 to build a new home or rebuild an existing home.

HomeBuilder complements existing state and territory first home owner grant programs, stamp duty concessions and other grant schemes, as well as the Commonwealth's First Home Loan Deposit Scheme and First Home Super Saver Scheme.

By giving Australians confidence and support to enter the new home market, or make it more affordable to add to their existing home, HomeBuilder is protecting jobs across the construction industry at a time when the economy needs it most.

JobKeeper Payment

Keeping businesses in business and Australians in jobs

The Government's JobKeeper Payment has been an essential lifeline in helping businesses impacted by the COVID-19 pandemic retain their employees and in assisting sole traders.

The JobKeeper Payment is one of the largest fiscal and labour market interventions in Australia's history. The JobKeeper Payment is currently supporting around 3.5 million individuals, in over 900,000 businesses. To date, payments have totalled around \$60 billion. The JobKeeper Payment has been well targeted to businesses that have experienced a significant decline in turnover and has helped those businesses to recover where restrictions have eased.

The Government announced on 21 July 2020 an extension of the JobKeeper Payment for a further six months until 28 March 2021, with the Payment tapered and targeted to those businesses that continue to be most significantly affected by the economic downturn.

A two-tiered payment has also been introduced to better align the payment with the hours worked by employees and business owners before the COVID-19 pandemic.

	Higher Payment	Lower Payment
28 September 2020 to 3 January 2021	\$1,200	\$750
4 January 2021 to 28 March 2021	\$1,000	\$650

While the Government's JobKeeper Payment has so far provided unprecedented support to Australian businesses and their employees, the impacts of the COVID-19 pandemic are still being felt by many.

Further changes made to the JobKeeper Payment, announced on 7 August 2020, make it easier for those affected by COVID-19 related shut-downs to receive the support they need. Employees that were employed before 1 July 2020 can now be eligible and the turnover test has been changed, improving accessibility for businesses.

These changes, combined with the effect of the restrictions imposed in Victoria, bring the overall program cost to an estimated \$101.3 billion over 2019-20 and 2020-21.



Supporting Apprentices and Trainees

Maintaining Australia's skills pipeline

As part of its COVID-19 Economic Response, the Government invested \$2.8 billion in the Supporting Apprentices and Trainees wage subsidy to support business to keep their apprentices and trainees employed.

Apprenticeships and traineeships are a critical part of Australia's skills pipeline and are a key pathway into the workforce, particularly for young Australians. The Supporting Apprentices and Trainees wage subsidy ensures apprentices and trainees already in work remain engaged and are in a position to support the economic recovery.

The Government extended and expanded the Supporting Apprentices and Trainees wage subsidy as part of the July 2020 Economic and Fiscal Update.

The subsidy is available to support small and medium-sized businesses with fewer than

200 employees, including those using a Group Training Organisation, who retain an Australian Apprentice engaged as at 1 July 2020.

Eligible employers can apply for a wage subsidy of 50 per cent of an apprentice's or trainee's wage paid from 1 July 2020 to 31 March 2021, up to a cap of \$7,000 per quarter. Employers of any size, including Group Training Organisations, that re-engage an eligible out-of-trade apprentice or trainee will also be eligible for the subsidy.

This measure will support approximately 90,000 small and medium-sized businesses, employing around 180,000 apprentices.

The Government is investing further into Australia's training system and skills pipeline, committing an additional \$1.2 billion through the Boosting Apprenticeships Wage Subsidy to increase the number of new apprenticeships and traineeships.

Boosting Cash Flow for Employers

Helping businesses stay open and keep people in jobs

The Government is delivering cash flow boost payments to small and medium sized businesses and not-for-profit entities to support them to keep operating, pay their rent, electricity and other bills, and retain staff during the COVID-19 pandemic.

To date, around 800,000 employers across Australia have been credited with more than \$28 billion in cash flow support. This has helped keep small businesses open and meant staff have retained their jobs.

The cash flow boost payments are tax-free and are automatically delivered to eligible entities by the Australian Taxation Office. This ensures entities receive the cash flow support quickly and efficiently without any new or additional forms. This allows employers to focus on their business and staff.

Eligible entities receive a minimum of \$20,000 and up to \$100,000 for the March to September 2020 period. Support has been flowing since April 2020.

This temporary cash flow support helps businesses and not-for-profit entities to be in the best possible position to weather the crisis, recover strongly and continue to grow.





Backing Business Investment and the instant asset write-off

The Government is backing businesses to invest and grow

The Government is backing businesses to invest to help the economy withstand and recover from the economic impact of the COVID-19 pandemic.

As part of its economic response to COVID-19, the Government enhanced the instant asset write-off and introduced a 15 month Backing Business Investment incentive to support business investment over the short-term. Around 3.5 million businesses are eligible to access these measures.

From 12 March 2020, the instant asset write-off threshold was increased to \$150,000 (up from \$30,000) and access was expanded to include businesses with a turnover of less than \$500 million (up from \$50 million).

The threshold applies on a per asset basis, so eligible businesses can instantly write-off multiple assets each costing less than \$150,000 that are purchased by 31 December 2020. As part of the 2020-21 Budget, businesses will have an extra six months to first use or install these assets.

The Backing Business Investment incentive complements the enhanced instant asset write-off by allowing businesses with a turnover of less than \$500 million to deduct 50 per cent of the cost of an eligible asset installed by 30 June 2021. Existing depreciation rules apply to the balance of the asset's cost.

The Government is building on the enhanced instant asset write-off and Backing Business Investment incentive in the 2020-21 Budget by introducing temporary full expensing to support investment and jobs. Full expensing applies from announcement on Budget night until 30 June 2022.



Making it easier to do and stay in business

Temporary measures to assist businesses that have experienced difficulty as a result of the COVID-19 pandemic

Temporary insolvency measures

On 22 March 2020, the Government announced temporary relief for financially distressed companies, to provide the opportunity for as many businesses as possible to survive. On 7 September 2020, the Government announced a further extension of this relief to 31 December 2020. The relief includes changes to insolvency laws to provide:

- A temporary increase in the threshold at which creditors can issue a statutory demand

on a company from \$2,000 to \$20,000, and a temporary increase in the time companies have to respond to statutory demands they receive from 21 days to 6 months.

- Temporary relief for directors from any personal liability for trading while insolvent, with respect to any debts incurred in the ordinary course of the company's business.

As part of the JobMaker Plan the Government has announced that it is implementing permanent insolvency reforms to help small businesses survive the economic impact of the COVID-19 pandemic.

Responsible lending obligations

In April 2020, the Government also implemented a temporary exemption from responsible lending obligations for small business loans. These changes made it easier for lenders to provide credit to business owners looking to stay open and keep their staff employed.

While responsible lending obligations are not supposed to apply to business lending, ambiguity in the law meant that these obligations had impacted small business lending.

The Government has expanded and extended the exemption for a further 6 months until 2 April 2021.

As part of the JobMaker Plan, the Government has also announced a suite of permanent changes to Australia's lending laws to support the flow of credit to the economy.

Reducing regulatory barriers

The Government was able to flexibly respond to issues affecting the ability of business to comply with provisions of the *Corporations Act 2001*, by introducing a temporary instrument-making power.

The power has been used to:

- ensure that companies can conduct virtual annual general meetings and sign documents electronically until March 2021, with permanent reforms to be made as part of the Digital Business Plan; and
- amend continuous disclosure provisions to enable companies and their officers to more confidently provide guidance to the market during the COVID-19 pandemic until March 2021.





COVID-19 Relief and Recovery Fund

Supporting regions, communities and industries affected by the COVID-19 pandemic

The Government has established a \$1 billion Relief and Recovery Fund to provide tailored support to a range of industries, regions, and communities that have been most affected by the COVID-19 pandemic. Initiatives announced under the fund are supporting industries including aviation, tourism, primary production and the arts, with a focus on support to regional areas.

The aviation sector has been critically disrupted as a result of border closures and a significant reduction in patronage and service requirements. The COVID-19 pandemic has also led to major air freight shortages and disrupted supply chains around the world.

With international travel restrictions expected to remain in place for the foreseeable future, our exporters and key importers will continue to face significant barriers. Primary industry exporters have been affected by a loss of export markets and difficulties accessing airfreight.

Because of their reliance on in-person experiences, Australia's arts and tourism sectors have been particularly impacted by travel restrictions and social distancing requirements.

Recognising these challenges, the Government has provided additional support for these sectors through the Relief and Recovery Fund.



Regional
Airline Network
Support Program

\$198 million

—

Supporting
Australia's
Exhibiting Zoos and
Aquariums

\$94.6 million

—

Supporting
Agricultural Shows
and Field Days

\$39 million

—

Recovery of
Regional Tourism

\$51 million

—

Regional
Airlines Funding
Assistance

\$100 million

—

International
Freight
Assistance
Mechanism

\$110 million

—

Sustaining
Tourism at
Australia's Iconic
World and National
Heritage Sites

\$33.5 million

—

Reef
Builder –
The Coastal
Communities
Recovery Project

\$20 million

—

Flow of credit

Supporting the flow of credit to Australian households and businesses

The Government's response to COVID-19 has ensured that credit continues to flow to Australian households and businesses despite the impacts of the pandemic. This response has supported lending to small and medium sized businesses in particular, assisting them to get through to the other side.

The Government's Coronavirus Small and Medium Enterprises (SME) Guarantee Scheme is supporting up to \$40 billion of lending by guaranteeing 50 per cent of eligible new loans issued by participating lenders to SMEs.

Phase 1 of the Scheme provided businesses with access to unsecured working capital loans to help manage disrupted cash flows.

The Government has now extended and enhanced the Scheme to support businesses in recovery and those facing the ongoing impacts of the COVID-19 pandemic. Phase 2 of the Scheme will be available until 30 June 2021.

The Reserve Bank of Australia's Term Funding Facility is providing up to \$200 billion in low-cost funding to the banking system to support the flow of credit and lower interest rates for households and businesses. It provides incentives for banks to increase lending to businesses, with incentives greatest for lending to small and medium-sized businesses.

The Government's \$15 billion Structured Finance Support Fund is making targeted investments through the securitisation market to support funding for smaller lenders. This is helping to promote the flow of credit and mitigate impacts on competition in consumer and business lending markets.

The Government and a number of banks are also establishing the Australian Business Growth Fund. The Fund will provide patient equity capital to small and medium-sized businesses in a wide range of industries across Australia. This will support their growth over time and also assist as they move into the recovery phase of the COVID-19 pandemic.



SME Guarantee Scheme

Supporting up to \$40 billion in lending to SMEs



RBA Term Funding Facility

Up to \$200 billion in low cost funding for the banking sector, providing incentives for banks to increase lending to SMEs and other businesses



Australian Business Growth Fund

\$540 million of patient equity capital to SMEs



Structured Finance Support Fund

\$15 billion fund to support funding for smaller lenders

