



**Budget** 2021–22

# Securing Australia's Recovery

**Supporting Australians  
through COVID-19**

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# Australia's successful response to COVID-19

Faced with the COVID-19 pandemic, Australia has achieved world-leading health and economic outcomes

The Government has acted decisively to protect lives and livelihoods with \$311 billion in health and economic support which has been central to Australia's world-leading response to COVID-19.

This Budget extends a range of COVID-19 health response measures which continue to protect Australians' health throughout the pandemic. These measures include support to continue access to telehealth, COVID-19 testing and support for residential aged care.

The Government's response has kept Australians safe, with fewer infections, hospitalisations and deaths than most other countries. It helped keep business operating, kept employees connected to jobs, and bolstered household balance sheets.

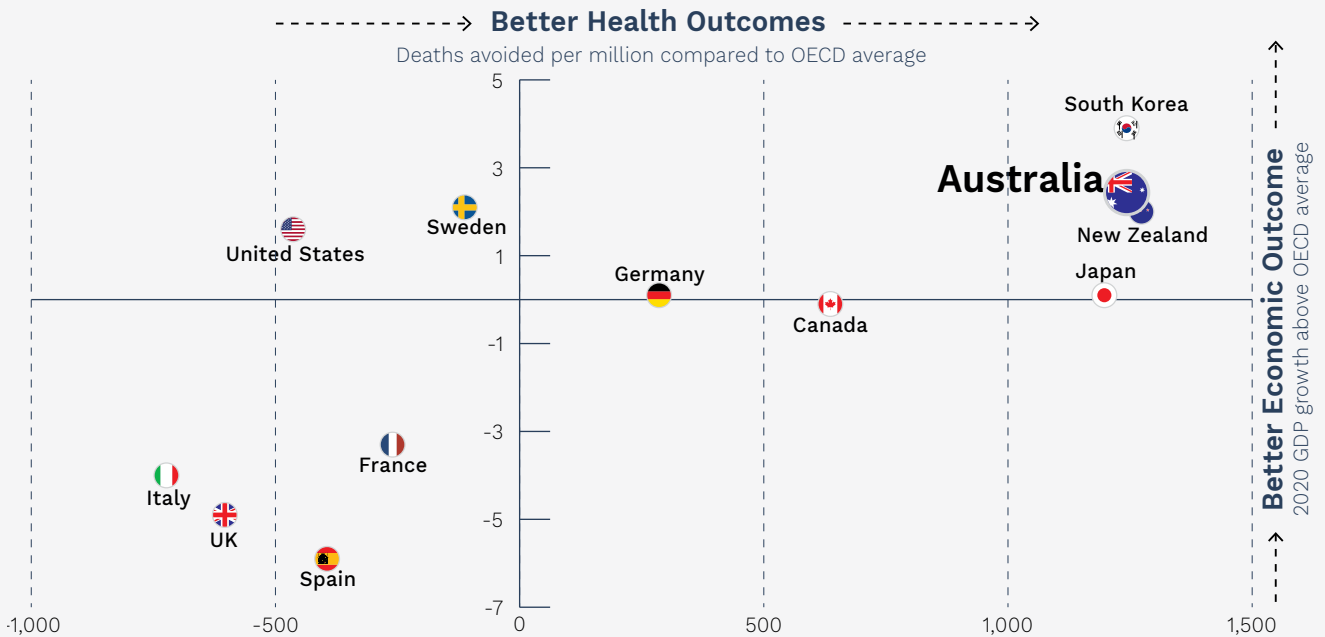
The Australian economy has outperformed all major advanced economies in 2020, surpassing expectations after growing at its fastest rate on record in the second half of the year.

With JobKeeper having done its job, more Australians are now employed than ever before with almost 1 million jobs created or restored since the height of the crisis. The unemployment rate is down to 5.6 per cent and Australia is on track for a return to pre-pandemic levels in around two years, five times faster than the 1990s recession.

However, the impact of the pandemic is not over. Australia cannot be complacent as India's health crisis and the Euro area's double-dip recession can attest.

To secure Australia's economic recovery and manage the ongoing uncertainty, the Government is supporting the transition to private sector-led growth to create jobs and drive the unemployment rate lower. The Government will also continue to provide temporary and targeted support to Australian regions and sectors most impacted by COVID-19.

## Australia's response to COVID-19 has been world-leading



Source: Organisation for Economic Co-operation and Development, Johns Hopkins University, Treasury

### Summary of support since the onset of the pandemic

2020-21 MYEFO	TOTAL
Direct economic support as at 2020-21 MYEFO	\$251 billion 12.6% of GDP
Direct economic and health support as at 2020-21 MYEFO	\$267 billion
2021-22 BUDGET	
Direct economic support since 2020-21 MYEFO	\$41 billion
Direct economic and health support since 2020-21 MYEFO	\$44 billion
TOTAL SUPPORT SINCE THE ONSET OF THE PANDEMIC	TOTAL
Total direct economic support since the onset of the pandemic	\$291 billion 14.7% of GDP
Total direct economic and health support since the onset of the pandemic	\$311 billion

Source: Treasury

#### Notes

- (1) Total support since the onset of the pandemic is support since the 2019-20 MYEFO.
- (2) Totals as at 2020-21 MYEFO sum for the period 2019-20 to 2023-24. Total included in the 2021-22 Budget sum for the period 2020-21 to 2024-25. Totals may not add due to rounding.
- (3) Includes measures in the COVID-19 Response Package as outlined in Appendix A in the Economic and Fiscal Update published in July 2020; Budget Paper 2 for the 2020-21 Budget; and Appendix A in the 2020-21 MYEFO, other than those forming part of the Government's health response (see footnote (f)). Includes revision for JobKeeper Payment estimates, (as outlined in the 2020-21 MYEFO, Statement 3, page 43).
- (4) Reflects material revisions to financial estimates for major measures announced prior to the 2021-22 Budget, including, JobMaker Hiring Credit (\$3.9 billion), JobKeeper (\$1.3 billion), Homebuilder (-\$1 billion) (as outlined in 2021-22 Budget statements, page 17).
- (5) Includes all measures in Budget Paper 2 for the 2021-22 Budget titled 'Economic Response' listed at page 2 of the FactSheet.
- (6) Includes measures in the COVID-19 Response Package as outlined in Appendix A in the Economic and Fiscal Update published in July 2020; Budget Paper 2 for the 2020-21 Budget; and Appendix A in the 2020-21 MYEFO. Those measures forming part of the health response are outlined in fact sheets for the 2020 Economic and Fiscal Update and 2020-21 Budget; and in the 2020-21 MYEFO comprise COVID-19 response measures in the Health portfolio, the Vaccine security — manufacturing capability and capacity measure (Industry portfolio), and the measure Australian Support for COVID-19 Vaccine Access in the Pacific and Southeast Asia (Foreign Affairs and Trade portfolio).

# COVID-19 health response

To keep Australians safe the Government has made investments across the health system in response to COVID-19

The Government has taken decisive action to protect the health of Australians during the COVID-19 pandemic, committing \$20 billion to bolster the health system.

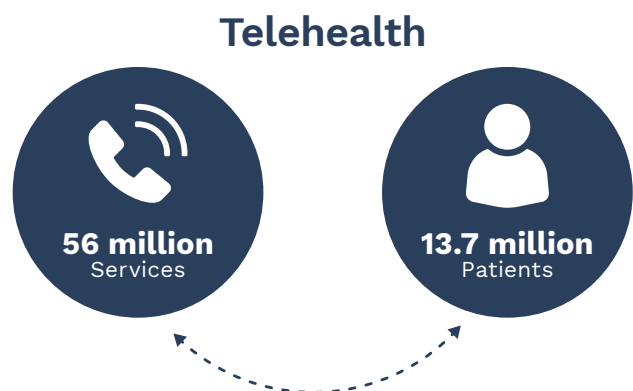
Record health funding since 2013 has supported Australia's world-class health system. This investment, combined with the Government's successful health response, has seen fewer Australians contract COVID-19 compared to most of the world.

The Government has invested in additional personal protective equipment and medical equipment for the National Medical Stockpile, increased hospital funding through the National Partnership on COVID-19 Response and ensured private hospitals have capacity to flexibly scale up according to need.

The Government has ensured Australians' continued access to essential health care throughout the pandemic. Universal access to telehealth was rolled-out in March 2020 to ensure Australians could access important health services, including GPs, specialists and mental health practitioners.

Since March 2020, over 56 million telehealth services have been delivered to 13.7 million patients. The Home Medicines Service has ensured access to essential medicines. Additional mental health support has also been provided including through the Beyond Blue COVID-19 Mental Wellbeing Support Service.

Vulnerable Australians, including those in residential aged care or with disability, have also been protected through targeted support.





# Continuing to protect Australians' health

The Government remains vigilant in protecting Australians from COVID-19

A range of COVID-19 health response measures have been extended at a cost of over \$1.5 billion. These health measures will continue to keep Australians protected alongside the roll-out of COVID-19 vaccines.

All Australians will continue to have access to COVID-19 testing through expanded Commonwealth-led GP respiratory clinics and ongoing pathology services. These clinics have provided over 1 million tests for COVID-19 since the beginning of the pandemic, servicing over 99 per cent of Australia's population.

Other health services such as home delivery of essential medicines and support for regional and remote Indigenous communities have been extended.

Recognising the success of telehealth services delivered, the Government is continuing Medicare Benefits Schedule telehealth items for general practitioner, allied health and specialist services to 31 December 2021.

Aged care COVID-19 supports have also been extended to 31 December 2021 and include rapid in-reach testing for residential aged care facilities, extending aged care preparedness, including infection control education and support for aged care providers experiencing a COVID-19 outbreak.





**Over 2.5 million**  
vaccine doses  
administered

# Investing in the COVID-19 Vaccination Strategy

The Government's COVID-19 Vaccination Strategy is safely and fairly delivering vaccines nationwide

The Government continues to strengthen the COVID-19 health response by investing an additional \$1.9 billion in the vaccination program in the 2021-22 Budget. This includes funding to distribute and administer vaccines, record and monitor progress, communicate key public messages and support states and territories in the roll-out. The Government has committed to a diverse vaccine portfolio of around 170 million doses, including for Pfizer/BioNTech, AstraZeneca and Novavax vaccine candidates. The Government has ensured access to up to 25 million doses from the COVAX Facility.

In the 2020-21 Budget, the Government committed over \$1.7 billion for Australia's COVID-19 Vaccine Strategy, including for vaccine purchases, delivery and logistics of the roll-out.

Domestic manufacturing of the AstraZeneca vaccine continues in Melbourne through a partnership between AstraZeneca and CSL. Australia is one of a limited number of countries with a domestic manufacturing capability for COVID-19 vaccines.

The Government is investigating options to expand our domestic vaccine manufacturing capabilities, including production of mRNA vaccines.



**Around \$6 billion**  
invested to support  
the COVID-19  
vaccine roll-out



**Around \$6 billion invested  
to support the COVID-19  
vaccine roll-out**

**An additional \$1.9 billion to  
vaccinate Australians against  
COVID-19**

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# COVID-19 economic response

## Securing Australia's recovery

Since the onset of the COVID-19 pandemic, the Government has committed an unprecedented \$291 billion in direct economic support.

The Government's response was temporary, targeted and proportionate to the shock. Key measures announced early in the pandemic included:

- The JobKeeper Payment, which at \$89 billion is the largest economic support program in Australia's history, having supported over 3.8 million individuals;
- Boosting Cash Flow for Employers which provided more than \$35 billion in cash flow support to more than 800,000 employers; and
- The Government's temporary Coronavirus Supplement which provided over \$20 billion in additional financial assistance to over 3 million Australians affected by the economic impacts of COVID-19.

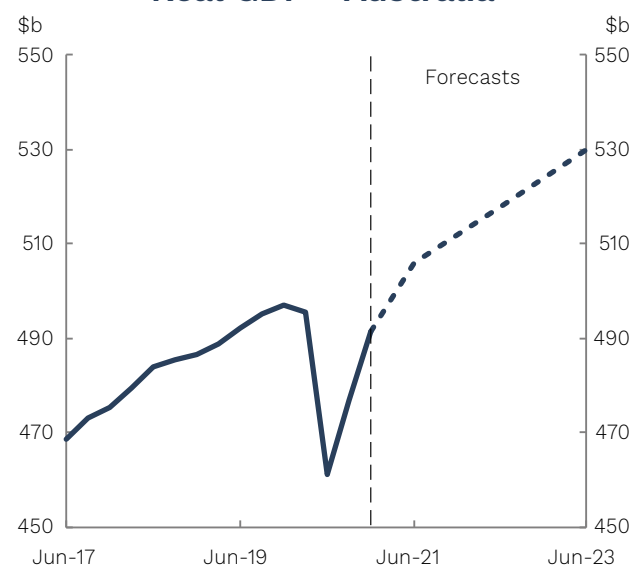
The Government's timely action was designed to keep as many Australians in work as possible, and avoid costly labour market scarring incurred in past recessions.

Our economy is recovering strongly and is expected to have exceeded the pre-pandemic level of activity in early 2021. Building on this foundation, this Budget provides:

- Targeted incentives to boost business investment and create jobs;
- Lower taxes to support household incomes and consumer spending; and
- Targeted support for the worst hit sectors and regions.

The Budget contains \$41 billion in economic support measures since 2020-21 MYEFO to secure Australia's recovery.

### Real GDP - Australia



Source: ABS Australian National Accounts: National Income, Expenditure and Product and Treasury



## New and extended COVID-19 economic support measures



An additional \$7.8 billion in the hands of more than 10 million individuals by retaining the low and middle income tax offset in 2021-22



\$20.7 billion to extend the temporary full expensing and loss carry-back measures by 12 months



\$15.2 billion in additional commitments to infrastructure projects across Australia



\$780 million to extend the HomeBuilder construction commencement period from 6 to 18 months



\$1.2 billion package to support Australia's tourism and aviation sectors



A new SME Recovery Loan Scheme building on the SME Guarantee Scheme which has assisted around 45,000 businesses to date



Around \$300 million to support Australia's creative and entertainment sector

# JobKeeper Payment

An economic lifeline which kept businesses in business and Australians in jobs

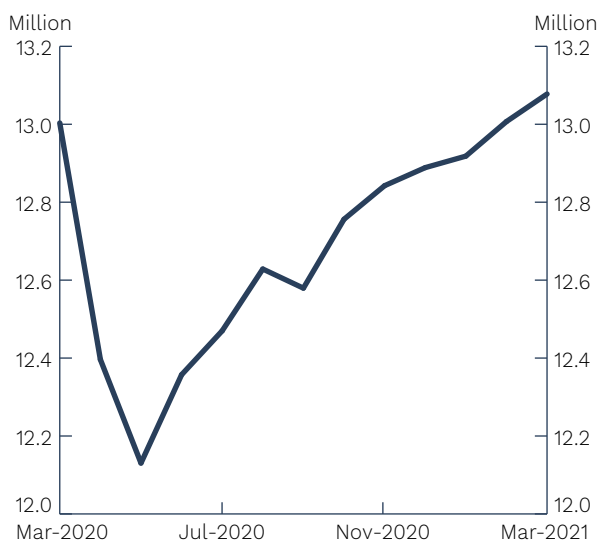
The JobKeeper Payment laid the foundation of the Government's COVID-19 response. It has helped transition workers and businesses towards recovery. JobKeeper did its job and now there are more Australians in work than ever before.

## Supported businesses

JobKeeper provided rapid support to those businesses most severely impacted by COVID-19.

At the height of the pandemic over one million Australian businesses were being supported by the program, the majority of which were small and medium businesses.

## Employment now at record high



Source: ABS Labour Force Survey, Australia

## Kept Australians employed

JobKeeper kept employees connected to their employers and provided much needed income support. This ensured that many supported employees had jobs to return to and avoided the scarring effects of long-term unemployment.

JobKeeper supported over 3.8 million individuals in the first phase of the program (March to September 2020).

## Economic support and the path to recovery

The broad-based income support provided by JobKeeper gave consumers and businesses confidence to spend and hire once restrictions were eased.

JobKeeper supported Australians through the worst of the pandemic and has now concluded. With more Australians in work than ever before, JobKeeper has set us up for the unprecedented jobs recovery.

**First phase of JobKeeper**  
(March – September 2020)

**Over 3.8 million**  
Individuals

**Over 1 million**  
Organisations

**\$70 billion**  
Payments

**JobKeeper extension –  
December 2020 quarter**  
(October – December 2020)

**Around 1.7 million**  
Individuals

**530,000**  
Organisations

**\$13 billion**  
Payments

**JobKeeper extension –  
March 2021 quarter**  
(January – March 2021)

**Around 1.1 million**  
Individuals

**385,000**  
Organisations

**\$6 billion**  
Payments

**\$89 billion**  
in payments

Small and medium  
businesses accounted for  
97% of all recipients

# Personal income tax cuts

Supporting household income, consumption and confidence

The Government's tax cuts will continue to support households through the challenges of the COVID-19 pandemic and help to create more jobs

To further support household incomes and create jobs as the economic recovery continues, the Government will deliver \$7.8 billion in tax cuts by retaining the low and middle income tax offset (LMITO) in 2021-22. Treasury estimates that extending the LMITO will boost GDP by around \$4.5 billion in 2022-23 and will create an additional 20,000 jobs by the end of 2022-23.

The 2021-22 LMITO is in addition to the Stage 2 tax cuts, which further supports household incomes.

Around 10.2 million individuals will benefit from retaining the offset in 2021-22, which is worth up to \$1,080 for individuals and \$2,160 for dual income couples.

With the additional year of LMITO, the Government's Personal Income Tax Plan will provide an individual with a tax cut of up to \$7,020 in total for the period from 2018-19 to 2021-22 and a dual income couple will receive up to \$14,040.

When Stage 3 is implemented in 2024-25, around 95 per cent of taxpayers will face a marginal tax rate of 30 per cent or less.

## Tax relief targeted to low- and middle- income earners in 2021-22 compared with 2017-18\*



\*Number of individuals receiving a benefit is defined as those receiving at least one dollar of the low income tax offset, the low and middle income tax offset or benefit from the threshold changes, when compared with 2017-18 tax settings.



Belinda is a geologist who earned a taxable income of \$120,000 each year from 2018-19 to 2021-22.

The Government's decision to bring forward Stage 2 of its Personal Income Tax Plan in the 2020-21 Budget and the additional year of the LMITO in 2021-22 means that Belinda will receive a tax cut of \$2,745 for the 2021-22 income year, compared with 2017-18 settings.

With the additional year of LMITO, the Government's Personal Income Tax Plan will provide Belinda with a tax cut of \$6,120 in total from 2018-19 to 2021-22, compared with 2017-18 settings.



Izaac is a personal trainer who earned a taxable income of \$60,000 each year from 2018-19 to 2021-22.

The Government's decision to retain the LMITO in 2021-22 means that he will benefit from a LMITO of \$1,080 – the maximum benefit – when he lodges his 2021-22 tax return.

With the additional year of LMITO, the Government's Personal Income Tax Plan will provide Izaac with a tax cut of \$6,480 in total from 2018-19 to 2021-22, compared with 2017-18 settings.





# Supporting business investment

Tax incentives have supported business investment, cash flow and confidence

Our business tax incentives are already working to help create jobs and secure Australia's recovery

The Government responded swiftly to the pandemic's impact on business with a number of policies to support business investment and cash flow.

These included accelerated depreciation deductions, an expanded instant asset write-off and the Boosting Cash Flow for Employers program, which together reduced the after-tax cost of new capital investment and supported business cash flow.

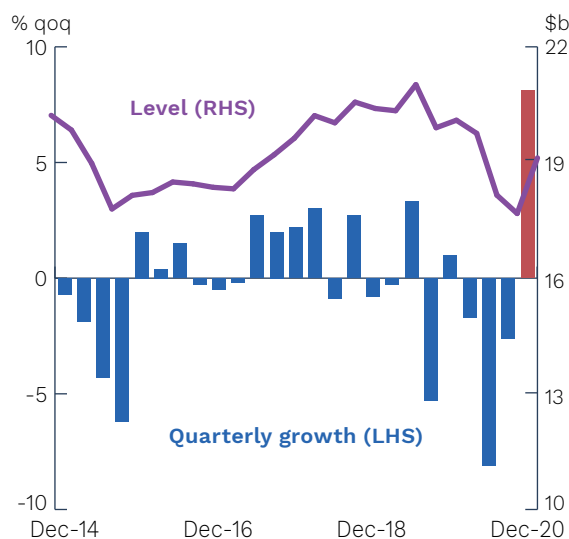
These measures were enhanced by the introduction of the temporary full expensing and temporary loss carry-back measures in the 2020-21 Budget to further increase private sector demand.

The Government's business tax incentives are working. In the December quarter, investment in machinery and equipment increased at the fastest quarterly rate in nearly seven years as firms took advantage of the Government's tax incentives. Firms' capital investment intentions for 2020-21 have also strengthened.

To further increase investment and create jobs, the Government will extend temporary full expensing and temporary loss carry-back,

providing an additional \$20.7 billion in tax relief over the forward estimates. Temporary full expensing and temporary loss carry-back are estimated to boost GDP by around \$2.5 billion in 2020-21, \$7.5 billion in 2021-22 and \$8 billion in 2022-23, and create around 60,000 jobs by the end of 2022-23.

## New machinery and equipment investment



Source: ABS Australian National Accounts: National Income, Expenditure and Product

# Infrastructure investment

## Supporting jobs through infrastructure investment


Infrastructure investment not only builds a stronger economy but supports jobs now. The Government's COVID-19 response has already included over \$14 billion of new and accelerated infrastructure commitments to support the recovery and create jobs.

In this Budget, the Government goes further and is committing an additional \$15.2 billion over the next ten years from 2021-22 for road, rail and community infrastructure projects across Australia.



These commitments are estimated to support more than 30,000 jobs across the lives of the projects, building on the 100,000 jobs already being supported by projects currently under construction through the record \$110 billion pipeline.

The Government's commitment also includes an additional \$1 billion to extend the Local Roads and Community Infrastructure Program to 2022-23 and \$1 billion to extend the Road Safety Program to 2022-23. These investments will create jobs, save lives and strengthen our regions.

Over the next four years, jobs will be supported through over \$70 billion of infrastructure investment as part of the \$110 billion pipeline.



Including announcements in this Budget, since the start of the COVID-19 pandemic, the Government has...

-  Increased the 10-year pipeline to **\$110 billion**, supporting 100,000 jobs through projects currently under construction
  -  Completed **45 major** projects with an Australian Government contribution of **\$7 billion**
  -  Brought forward planned spending on infrastructure projects, resulting in over **\$70 billion** of infrastructure investment over the four years from 2021-22 to 2024-25
  -  Committed **\$5.5 billion** to deliver shovel ready small-scale projects through the Road Safety Program and Local Roads and Community Infrastructure Program
- 



# HomeBuilder

HomeBuilder has successfully supported our residential construction sector during the COVID-19 pandemic

HomeBuilder was designed to protect jobs and support economic activity in the residential construction sector, in response to the uncertainty caused by the COVID-19 pandemic.

Over 120,000 Australians have applied for the grant, which is expected to support over \$30 billion of residential construction activity nationally.

HomeBuilder has helped drive private sector house approvals to the highest level on record and supported jobs in construction by pushing new house commencements to the highest level in more than 20 years.

On 17 April 2021, the construction commencement requirement was extended to provide existing applicants with 18 months to commence construction. The extension ensures that applicants facing difficulties starting construction, largely due to supply constraints caused by the COVID-19 pandemic, are not denied the grant.

HomeBuilder will continue to support the residential construction sector, drive economic activity and support jobs in 2021 and into 2022.

**\$25,000 grant**

for eligible contracts signed between 4 June 2020 and 31 December 2020 (inclusive)



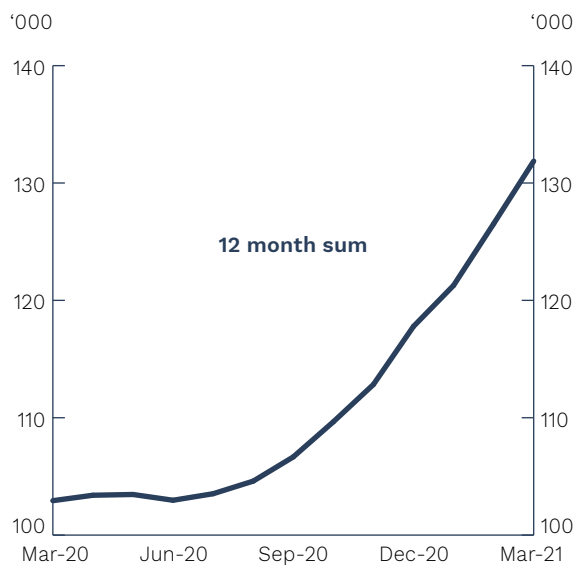
**\$15,000 grant**

for eligible contracts signed between 1 January 2021 and 31 March 2021 (inclusive)



**HomeBuilder has boosted economic activity and supported the residential construction sector, helping Australia confidently emerge from the economic uncertainty of the pandemic**

**Private sector house approvals**



Source: ABS Building Approvals

**Owner-occupier first home buyer new loan commitments**



Source: ABS Lending Indicators



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# SME Recovery Loan Scheme

Supporting access to credit

## SME Guarantee Scheme

The Government has been delivering support to Small and Medium Enterprises (SME) through the SME Guarantee Scheme by providing participating lenders with a 50 per cent guarantee on an unsecured or secured basis (excluding residential property), with a maximum loan size of \$1 million and a loan term of up to five years.

With over 50 participating lenders, the SME Guarantee Scheme has encouraged new lending to SMEs and has already assisted SMEs to access around 49,000 scheme backed loans worth \$4.3 billion.

Around **49,000**  
loans supported

**55** participating  
lenders

**\$4.3 billion** in  
loans issued

## SME Recovery Loan Scheme

The Australian Government is continuing to provide support to SMEs through the SME Recovery Loan Scheme. The SME Recovery Loan Scheme increases lenders' ability to provide cheaper credit, allowing SMEs to access additional funding or refinance existing loans at a lower interest rate. This funding will sustain SMEs through the pandemic and enable them to recover and invest for the future.

The SME Recovery Loan Scheme builds on the SME Guarantee Scheme. It includes an increased government guarantee of 80 per cent, a higher maximum loan size of \$5 million and maximum loan term of 10 years with interest rates capped at around 7.5 per cent. Borrowers may also be offered repayment holidays of up to 24 months on appropriate products.

The Scheme is available to SMEs with a turnover of up to \$250 million that were recipients of the JobKeeper payment between 4 January 2021 and 28 March 2021 or were affected by the floods in eligible Local Government Areas in March 2021.

# Support for the tourism sector

Shifting from economy wide support to more targeted assistance

## Encouraging Australians to holiday at home

This Budget builds on commitments in the 2020-21 Budget, which included \$231.6 million for Tourism Australia to ramp up domestic marketing to stimulate demand for travel as well as \$51 million for Recovery for Regional Tourism to assist tourism regions highly reliant on international travellers.

In this Budget, the Government has committed to a \$1.2 billion package for the aviation and tourism sectors to keep planes in the air, safeguard jobs and encourage Australians to explore their own backyard.

This includes \$274.6 million in support for travel agents, tour operators, business events, zoos and aquariums. This funding will help these businesses remain viable and ready to welcome visitors as domestic travel activity increases and international travel restrictions are eased.

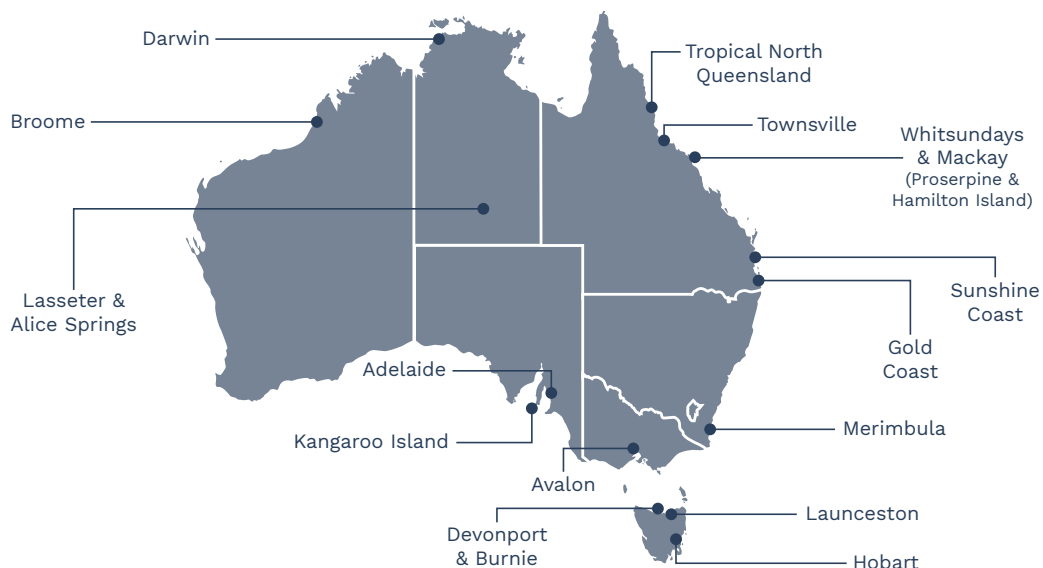
The Government's Tourism Aviation Network Support program is helping to boost tourism regions by providing over 800,000 half-price fares to fifteen regions across Australia.

Already over 660,000 of the tickets have been sold, with Gold Coast, Adelaide, Hobart and Cairns among the most popular destinations.

The Government is also providing a much needed boost to businesses reliant on tourism through two-way safe travel zones with our neighbours.

The first of these arrangements has seen 630 workers in the aviation sector return to work to service flights between Australia and New Zealand.

### Tourism Aviation Network Support Locations



# Support for the aviation sector

## Keeping people and goods moving

In this Budget, the Government is providing additional support to keep planes in the air and to preserve an international airline capability. This builds on the \$2.7 billion of support provided during the height of the crisis.

The Government is extending the successful Domestic Aviation Network Support and Regional Airline Network Support Programs until 30 September 2021.

Already the number of weekly flights on major domestic routes have returned to around 70 per cent of pre-COVID levels and are expected to fully recover by the end of the year.

The Government is also extending the partial Airservices Australia fee waiver and reinstating the domestic aviation security charge rebate,

keeping operators' costs low as the sector continues to recover.

A new \$200 million International Aviation Support payment will preserve an Australian international airline workforce and operational capability. This will protect up to 8,000 jobs and enable international flights to resume when borders reopen.

The Government is also ensuring businesses in regional Australia remain connected to key international markets by extending the International Freight Assistance Mechanism.

So far this support has helped Australian businesses export nearly half a million tonnes of agriculture and seafood products valued at more than \$6.6 billion.

### Major domestic routes, weekly flights



Source: Bureau of Infrastructure and Transport Research Economics, Treasury





**Around \$300 million to help activate and support the successful re-opening of Australia's creative and cultural sector**

---

# Supporting the creative and cultural sector

Helping the creative and cultural sector get to the other side of the pandemic

The effects of COVID-19 on the creative and cultural sector have been severe. It was one of the first sectors to be hit and continues to feel the effects of COVID-19 as social restrictions are eased.

This Budget delivers around \$300 million to help activate and support the successful re-opening of Australia's creative and cultural sector.

An additional \$125 million for Restart Investment to Sustain and Expand (RISE) Fund grants will provide essential seed funding for new productions, festivals and events supporting around 230 projects.

To date the program has supported 176 events in locations across Australia, including the Adelaide and Melbourne Fringe Festivals and the Hamilton production.

The Government is supporting the local screen industry to continue to create quality Australian screen content. The \$50 million Temporary Interruption Fund is being extended for a further six months to provide certainty for productions to secure financing and commence filming. To date, over 40 productions have been supported (such as the TV series *Amazing Grace*), with an average of 290 people employed and 140 businesses supported on each production.



The Producer Tax Offset Rate for film has also been retained at 40 per cent, keeping thousands of jobs and businesses in the local production sector.

In addition, the Government is providing \$20 million for the Supporting Cinemas' Retention Endurance and Enhancement of Neighbourhoods (SCREEN) program for business support to help independent cinemas stay open as audiences return.

Over \$25 million is being provided to a range of programs across the arts sector, supporting artist wellbeing and regional arts recovery.

This package builds on the almost \$800 million in targeted support for the creative and cultural sector.



# Supporting higher education

Additional courses for Australian students and support for the sector

## Providing additional courses for domestic students

As part of the 2020-21 Budget, the Government provided \$903.5 million for more places and support for people wanting to access higher education.

To continue to support non-university higher education providers to attract more domestic students, the Government is investing \$26.1 million to provide an additional 5,000 Commonwealth supported short course places in 2021. These places are in addition to the 2,500 national priority short courses allocated to these providers as part of the 2020-21 Budget.

The additional places will provide opportunities for students and job seekers seeking to reskill to improve their employment prospects.

As part of the 2020-21 Budget, the Government provided a total of 50,000 additional higher education short courses.

## Supporting international education providers

English language course providers are among the most reliant on international students. To support these businesses transform their operating models, grants of up to \$150,000 will be available for eligible providers to invest in expertise and new teaching solutions.

The Government is extending regulatory fee relief for international education providers until 31 December 2021. These measures will provide ongoing support for the higher education sector.



**More than \$53 million  
in targeted support for  
international education  
providers**

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# Australia's international response to COVID-19

International cooperation on the unprecedented health and economic challenges facing our region

## Vaccine delivery

Australia is committed to helping countries in our region to access safe and effective vaccines to protect their populations, help restart economies and promote stability.

The Australian Government is committed to supporting access to safe and effective COVID-19 vaccines for the Pacific and Southeast Asia, including:

- \$523.2 million for a regional Vaccine Access and Health Security Initiative which will fund the provision of vaccines to our neighbouring countries and technical support for vaccine rollouts; and
- \$100 million as part of a landmark vaccine partnership with Quad partners, which aims to provide over one billion vaccines to the Indo-Pacific by 2022.

In partnership with UNICEF, Australia will procure vaccine stocks of up to 6 million doses for the Pacific and Timor-Leste in 2021.

Australia is providing essential medical supplies to support India's response to COVID-19, with an initial support package including over 1,000 ventilators and 43 oxygen concentrators.

## Bilateral financial assistance

We are committed to working with bilateral partners as part of a coordinated international response to overcome the global and regional challenges of COVID-19.

As our neighbours and close partners, the stability, resilience and economic prosperity of Indonesia and Papua New Guinea (PNG) are of fundamental importance to Australia and the Indo-Pacific region.

The Australian Government is collaborating with international organisations and other countries to provide financial support to Indonesia and PNG, including:

- \$1.5 billion over 15 years to the Government of Indonesia to manage fiscal pressures arising from COVID-19; and
- A \$558 million loan to the PNG Government, including to support their COVID-19 response and to support its economic reform activity.