



Budget update 2021–22

Mid-Year Economic
and Fiscal Outlook



Recovery and Response Support

Since the onset of the COVID-19 pandemic, the Government has committed \$337 billion in direct economic and health support to manage the pandemic, support businesses and households during lockdowns and now secure Australia's recovery as we transition to living with COVID-19.

This fact sheet outlines the key recovery and response support measures from this MYEFO.

Economic Response

Since the onset of the COVID-19 pandemic, the Government has committed an unprecedented \$314 billion in direct economic support.

The Government's response has enabled activity and employment to bounce back strongly after restrictions have eased, maintained momentum in economic activity more broadly and prevented labour market scarring.

The economic response at this MYEFO has supported individuals, households and businesses through the Delta outbreaks. The response has built the foundation for future growth.

Health Response

The Government has taken decisive action to protect the health of Australians during the COVID-19 pandemic, committing \$23 billion to support the health system and safely reopen Australia.

This MYEFO extends a range of COVID-19 health response measures to increase the community's resilience to COVID-19 and build the health's system capability to meet current and future challenges.

The \$23 billion in COVID-19 health response does not include the full impacts of health funding committed at MYEFO. For example, measures that are not for publication (nfp) due to commercial sensitivities, such as COVID-19 Response Package - vaccine and treatments purchases. It also does not include ongoing health support, including the Medicare Benefits Schedule expenditure for COVID-19 Temporary Telehealth measures.

Recovery and response support since the onset of the pandemic^(a) (as at 2021-22 MYEFO)

| | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 | TOTAL ^(b) |
|--|---------|---------|---------|---------|---------|---------|----------------------|
| | \$m | \$m | \$m | \$m | \$m | \$m | \$m |

Securing the Recovery

| Economic Response | | | | | | | |
|--|---------------|----------------|---------------|---------------|---------------|--------------|----------------|
| As at 2021-22 Budget ^(c) | 50,439 | 136,325 | 49,869 | 32,537 | 13,258 | 8,986 | 291,414 |
| Included in the 2021-22 MYEFO ^(d) | | 26 | 21,469 | 352 | 156 | -84 | 22,333 |
| TOTAL – Economic Response | 50,439 | 136,350 | 71,338 | 32,889 | 13,413 | 8,902 | 313,747 |

| Health Response | | | | | | | |
|--|--------------|--------------|--------------|------------|----------|----------|---------------|
| As at 2021-22 Budget ^(e) | 6,273 | 9,584 | 4,027 | 176 | 8 | 7 | 20,075 |
| Included in the 2021-22 MYEFO ^(f) | | | 2,586 | 362 | 0 | 0 | 2,948 |
| TOTAL - Health Response | 6,273 | 9,584 | 6,613 | 538 | 8 | 7 | 23,023 |

Summary of support since the onset of the pandemic

| 2021-22 BUDGET | | TOTAL |
|--|--|-------------------------------------|
| Direct economic support as at 2021-22 Budget | | \$291 billion |
| Direct economic and health support as at 2021-22 Budget | | \$311 billion |
| 2021-22 MYEFO | | |
| Direct economic support since 2021-22 Budget | | \$22 billion |
| Direct economic and health support since 2021-22 Budget | | \$25 billion |
| TOTAL SUPPORT SINCE THE ONSET OF THE PANDEMIC | | TOTAL |
| Total direct economic support since the onset of the pandemic | | \$314 billion |
| | | 15.2 per cent of GDP ^(g) |
| Total direct economic and health support since the onset of the pandemic | | \$337 billion |
| | | 16.3 per cent of GDP ^(g) |

- (a) 'Support since the onset of the pandemic' is support since the 2019-20 MYEFO.
- (b) Totals as at 2021-22 Budget sum for the period 2019-20 to 2024-25. Total included in the 2021-22 MYEFO sum for the period 2020-21 to 2024-25. Totals may not sum due to rounding.
- (c) Includes measures contained in Appendix A in the Economic and Fiscal Update published in July 2020; Budget Paper 2 for the 2020-21 Budget; Appendix A in the 2020-21 MYEFO; Budget Paper 2 for the 2021-22 Budget and Appendix A in the 2021-22 MYEFO, other than those forming part of the Government's health response (see footnote (f)). It also includes material revisions to financial estimates set out in the 2021-22 Budget Fact Sheet 'Response and recovery support'.
- (d) Includes all measures in Appendix A for the 2021-22 MYEFO which are titled 'Economic response' listed at page 3 of the Factsheet.
- (e) 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; Appendix A in the 2020-21 MYEFO; Budget Paper 2 for the 2021-22 Budget and Appendix A in the 2021-22 MYEFO, other than those forming part of the Government's economic response (see footnote (d)).
- (f) Includes all measures in Appendix A for the 2021-22 MYEFO which are titled 'Health response' listed at page 3 of the Factsheet.
- (g) This calculation refers to 2020-21 nominal GDP.

* Note minor corrections have been made to the "Economic Response" and "Health Response" lines from the originally published version.

Summary of key policy support in the 2021-22 MYEFO^{(a)(b)(c)}

| | \$2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 | TOTAL |
|--|-----------|---------|---------|---------|---------|-------|
| | \$m | \$m | \$m | \$m | \$m | \$m |

Securing the Recovery

| <i>Economic response</i> | | | | | | |
|---|-----------|---------------|------------|------------|------------|---------------|
| COVID-19 Response Package - National COVID-19 Disaster Payment | 26 | 13,221 | 0 | 0 | 0 | 13,247 |
| COVID-19 Response Package — COVID-19 Business Support | 0 | 7,330 | 0 | 0 | 0 | 7,330 |
| Supporting Jobs in the Economic Recovery | 0 | 102 | 378 | 282 | 79 | 841 |
| COVID-19 Response Package — additional aviation support — continued ^(d) | 0 | 314 | 39 | 0 | 0 | 767 |
| COVID-19 Response Package — transitional support for the child care sector | 0 | 362 | 0 | 0 | 0 | 362 |
| COVID-19 Response Package — tourism support — continued | 0 | 58 | .. | 0 | 0 | 59 |
| Financial Relief For Tertiary Education Providers | 0 | 26 | 7 | 2 | 1 | 36 |
| COVID-19 Response Package — additional arts sector support | 0 | 35 | 0 | 0 | 0 | 35 |
| Superannuation — re-contribution of COVID-19 early release superannuation amounts | 0 | 6 | 1 | .. | .. | 8 |
| Supporting Regional Business Recovery from Bushfires, COVID-19 and Flood Emergencies | 0 | 0 | 7 | 0 | 0 | 7 |
| COVID-19 Response Package — Age Pension — extension of income support for people overseas who are unable to return home | 0 | 3 | 1 | 1 | 1 | 5 |
| COVID-19 Response Package — COVID-19 Work Test — Paid Parental Leave amendment | 0 | 2 | .. | .. | .. | 2 |
| COVID-19 Response Package — making COVID-19 business grants non-assessable non-exempt | 0 | 0 | 0 | 0 | 0 | 0 |
| COVID-19 Response Package — Working Holiday Maker program arrangements | 0 | -5 | -20 | -10 | -10 | -45 |
| Reopening the Borders | 0 | 14 | -60 | -120 | -155 | -321 |
| SME Recovery Loan Scheme - extension | 0 | <i>nfp</i> | <i>nfp</i> | <i>nfp</i> | <i>nfp</i> | <i>nfp</i> |
| TOTAL – economic response | 26 | 21,469 | 352 | 156 | -84 | 22,333 |

| <i>Health response</i> | | | | | | |
|--|---|-----|-----|---|---|-------|
| COVID-19 Response Package — COVID-19 Vaccine Program | 0 | 993 | 115 | 0 | 0 | 1,109 |
| COVID-19 Response Package — supporting our hospitals | 0 | 863 | 125 | 0 | 0 | 988 |
| COVID-19 Response Package — guaranteeing Medicare and access to medicines | 0 | 267 | 11 | 0 | 0 | 278 |
| COVID-19 Response Package — ageing and aged care | 0 | 194 | 40 | 0 | 0 | 234 |
| COVID-19 Response Package — strengthening primary care | 0 | 201 | .. | 0 | 0 | 201 |
| COVID-19 Response Package — prioritising mental health | 0 | 34 | 59 | 0 | 0 | 92 |
| COVID-19 Response Package — international COVID-19 vaccination certificate | 0 | 28 | 8 | 0 | 0 | 36 |
| COVID-19 Response Package — NDIS Quality and Safeguards Commission for COVID-19 Vaccination Monitoring and Compliance for Disability Support Workers | 0 | 7 | 4 | 0 | 0 | 11 |

| | \$2020-21 \$m | 2021-22 \$m | 2022-23 \$m | 2023-24 \$m | 2024-25 \$m | TOTAL \$m |
|---|------------------|----------------|----------------|----------------|----------------|--------------|
| COVID-19 Response Package - vaccines and treatments purchases | 0 | <i>nfp</i> | <i>nfp</i> | <i>nfp</i> | <i>nfp</i> | <i>nfp</i> |
| COVID-19 Response Package - Centres for National Resilience | 0 | <i>nfp</i> | 0 | 0 | 0 | <i>nfp</i> |
| TOTAL - health response | 0 | 2,586 | 362 | 0 | 0 | 2,948 |

- (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) Policy support refers to measures published in Appendix A in the 2021-22 MYEFO.
- (c) The financial implications of some Economic and Health response measures are not captured in this factsheet, including COVID-19 Response Package – vaccines and treatments purchases and COVID-19 Response Package – Centres for National Resilience, as they are not for publication (*nfp*) due to commercial sensitivities.
- (d) The financial implications for the Domestic Aviation Network Support and the Tourism Aviation Network Support programs are not for publication (*nfp*) due to commercial sensitivities.