



“This Week New South Wales Woke Up In A Police State”

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A new daily email by free market think tank the Institute of Public Affairs, providing the latest economic data and policy measures for journalists, commentators and IPA members.

Daily IPA comment, attributable to Dara Macdonald, Research Fellow at the Institute of Public Affairs:

“This week New South Wales woke up in a police state as with a stroke of a pen Brad Hazzard gleefully signed into law an Orwellian directive.”

“The object of this directive is to enforce social distancing but does so in a manner that is completely disproportionate and leaves excessive power with the police.”

“The Police Commissioner Mick Fuller assured the public that the police would “show discretion”, but the scenes we’ve seen so far have been nothing short of a trashing of civil liberties in NSW.”

This law has given enormous discretionary powers to the police to enforce this directive and equips them with harsh punishments including fines of up to \$11,000 and prison for anyone not complying.

Research prepared by IPA Research Fellows Kurt Wallace and Cian Hussey.

Australia

- 4,800 cases and 21 deaths at 12:00pm. The rate of infection has slowed to 7 per cent per day on Tuesday, down from 9 per cent on Sunday and 20-25 per cent per day last week.
- The commonwealth government is committing \$1.3 billion into underwriting Australia's 657 private hospitals under an agreement that will open up the 35,000 private hospital beds to public patients. The states and commonwealth will split the cost of services provided 50-50, and the \$1.3 billion provides an initial payment on an uncapped "viability guarantee" to offset lost revenue from cancelled elective surgeries.
- Daniel Andrews has announced an additional \$1.3 billion spend on Victoria's health system. The package is estimated to increase the number of ICU beds from 500 to 4,500.
- 370,000 businesses have registered interest for JobKeeper.
- \$110 million from the government's \$1 billion regional fund (established in the first stimulus package) will be allocated to creating a new freight assistance mechanism to recommence local seafood exports to China, Japan, Hong Kong, Singapore and the United Arab Emirates. The government will today confirm if it will waive levies for all commonwealth fishers for the remainder of 2020, at a cost of \$10 million.
- In Western Australia, a new \$1 billion economic and health relief package has been announced, including:
 - Power and water disconnections will not occur, and interest will not be charged on deferred payments until 30 September 2020.
 - Interest-free payment arrangements and late payment penalties waived for transfer duty, landholder duty, vehicle licence duty or land tax.
 - One-off \$2,500 credit on electricity bills for 95,000 small businesses, available for those that consume less than 50MWh per annum.
 - Payroll tax will be waived for four months for businesses with a wages bill under \$7.5 million a year.
 - Range of licence fees will be waived for small and medium businesses.
- The Tasmanian parliament is expected to pass the *COVID-19 Disease Emergency (Miscellaneous Provisions) Act 2020* which will, among other things:
 - Prevent landlords from evicting tenants who are experiencing financial difficulty.
 - Prevent increases in rents.
 - Suspend trading hours restrictions.
 - Enable the Treasurer to refund or waive fees and charges, for example to taxi and hire vehicle drivers.

United Kingdom

- Customs duty and import VAT will be waived on specific medical goods coming from outside the EU. The tariffs, which can be up to 12 per cent, are being removed on ventilators, coronavirus testing kits and a range of protective clothing until 21 July 2020.

United States

- The Trump Administration is poised to announce a 90-day suspension of tariffs on certain imports, including some apparel and light trucks. Medical supplies have recently been exempt from tariffs. The lift will not include the most high-profile tariffs, such as levies on Chinese imports and on imported metals.

Germany

- German researchers plan to introduce coronavirus ‘immunity certificates’ to facilitate a proper transition into post-lockdown life. Under the plan, they will test 100,000 members of the public at a time and issue documentation to those who have immunity to the virus.

Announced stand-downs and layoffs from large companies

This is a running count of announced stand-downs and layoffs and is compiled of companies that have made a public announcement including a specific number of employees let go.

Running total – 119,266

- Qantas 20,000.
- Crown 20,000 (Crown estimates it has 4,000 small businesses that depend on it).
- Myer 10,000.
- Premier Investments 9,000.
- Star Entertainment 8,100.
- Virgin 8,000.
- ALH Group 8,000.
- Mosaic Group 6,800.
- Country Road Group 5,000.
- Accent Group 4,500.
- Flight Centre 3,800.
- Pacific Brands 3,000.
- Michael Hill 2,500.
- Adairs 1,800.
- Helloworld 1,575.
- Kathmandu 1,300.
- Sussan Group 1,300.
- Viva Leisure 1,002.
- Lovista 800.
- RM William 709

- Woodside 650.
- Opera Australia 600.
- Kikki.k 440.
- Colette 210.
- Manly Fast Ferry and Captain Cook Cruises 180.

The IPA estimates an additional 200,000 layoffs from highly impacted industries.

- There is an estimated additional 200,000 layoffs from cafes, pubs and nightclubs, casinos, gyms and fitness centres, and zoos and amusement parks.
- Cafes alone employ 150,000 people, pubs and nightclubs 80,000, casinos 30,000, gyms and fitness centres 22,000 and zoos and amusement parks 12,000.
- These industries have been largely shut down in response to COVID-19.
- Assuming a 50 per cent reduction in cafe workers (some cafes have continued delivery services), and a 90 per cent reduction in the other industries.
- The estimate does not include restaurant workers. Restaurant layoffs will vary significantly based on the ability to transition to delivery models.

Stimulus measures – updated 1 April

Commonwealth

- A \$40 billion discretionary fund has been set aside under the control of the Finance Minister.

Households (\$25 billion)

- \$14.1 billion welfare:
 - Expanded eligibility to income support payments.
 - Additional \$550 per fortnight.
- \$1.6 billion welfare expansion to students:
 - Expands the \$550 per fortnight payment to students not included under the original plan.
- \$8.8 billion handouts:
 - Two rounds (originally one) of \$750 payments to income support recipients.
- \$1.2 billion early superannuation access:
 - Tax-free withdrawal of up to \$20,000 in superannuation.
- Temporary reduction in super drawdown rates:
 - Reduce minimum drawdown rates by 50 per cent for FY19 and FY20.
- \$876 million lower social security deeming rates.

Business (\$38.8 billion)

- \$31.9 billion cash flow boost for employers. Total payment between \$20,000 and \$100,000.
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Temporary relief for financially distressed businesses:

- Changes to requirements around insolvency.
- \$700 million increased instant asset write-off:
 - Lifting asset threshold to \$150,000 (was \$30,000).
 - Businesses eligible with turnover of up to \$500 million (previously \$50 million).
- \$3.2 billion accelerating depreciation deductions.
- \$1.3 billion wage assistance for apprentices and trainees.
- \$1 billion for affected regions.
- \$715 million for airlines and airports:
 - Relief from a range of government taxes and charges.

JobKeeper Scheme

- The scheme is expected to cost \$130 billion across 2019-2020 and 2020-2021.
- A payment of \$1,500 a fortnight (70 per cent of the median income) before tax.
- Available for up to 6 months.
- Businesses will be eligible if they:
 - Have experienced a decrease in turnover of at least 30 per cent due to the coronavirus impact. For businesses with a turnover above \$1 billion, turnover must have fallen by at least 50 per cent.
 - Are not subject to the Major Bank Levy.
- Available for all full-time, part-time, long-term casuals (at least 12 months) and stood-down employees on a businesses' books on 1 March that continue to be engaged by the business.
- Also available to self-employed sole traders.
- Legal obligation for businesses to maintain employees (i.e. they'll have to refund the money received for any employee they fire).
- Payments will be made from May 1 and will be backdated to 30 March.
- Employees making over \$1,500 a fortnight will receive their regular wage, with the jobkeeper payment partially subsidising their wage.
- Employees who earn less than \$1,500 a fortnight will receive the full \$1,500 a fortnight.
- Employees who have been stood down will receive the full \$1,500 a fortnight.
- Employees who have ceased employment, were employed on 1 March, and have subsequently been re-engaged, will receive, at minimum, the full \$1,500 a fortnight.

Lending (\$125 billion)

- \$20 billion SME loan guarantee.
- \$15 billion from the government for SME lending through the banks.
- \$90 billion from RBA for SME lending through the banks.

\$1.1 billion healthcare and vulnerable Australians package, including:

- \$669 million for Medicare support at home (such as telehealth services).
- \$150 million for domestic violence support.
- \$74 million for mental health support.



- \$200 million for charities, community organisations and food relief organisations.

The foreign ownership threshold that triggers government scrutiny of investment through the Foreign Investment Review Board will be lowered from \$1.2 billion to \$0.

Private health insurers will postpone planned April 1 premium increases for at least six months.

More details: https://treasury.gov.au/sites/default/files/2020-03/Overview-Economic_Response_to_the_Coronavirus_0.pdf

Across the country, all pubs, clubs, nightclubs, casinos, gyms, indoor sporting venues, places of worship, cinemas and entertainment venues, beauticians, tattoo parlours, and nail and tanning salons close. Cafes and restaurants to provide delivery or takeaway only. Limit on gatherings has been cut from 10 to 2 people. Weddings will still be allowed 5 people and funerals 10.

Victoria

- Three-stage, \$1.7 billion stimulus announced.
- \$550 million payroll tax refund for 24,000 SMEs with a payroll of less than \$3 million (refunds available from Friday, March 27).
- \$500 million fund for hardship payments, small grants and tailored support.
- \$600 million for a range of measures, including waiving liquor licence fees for 12,500 venues.
- \$1,600 fines for those breaking social distancing requirements.
- An additional \$1.3 billion spend on Victoria's health system. The package is estimated to increase the number of ICU beds from 500 to 4,500.

New South Wales

- \$3.3 billion stimulus package announced.
- \$1 billion Working for NSW fund to create new jobs.
- \$700 million extra funding for NSW Health.
- \$450 million to waive payroll tax for businesses with payroll of up to \$10 million for the next three months.
- \$56 million to bring forward payroll tax cuts by raising the threshold limit to \$1 million in 2020-21.
- \$80 million to waive a range of fees and charges for small businesses.
- \$250 million to employ additional cleaners of public infrastructure.
- \$250 million to bring forward maintenance on public assets.
- \$500 million to bring forward capital works and maintenance.
- 6 month deferral of gaming taxes for pubs, clubs, hotels and lotteries (with the condition that the money is spent on retaining staff).
- Rents for commercial tenants with fewer than 20 employees in government-owned properties will be suspended until the end of September.
- \$34 million boost in funding to prevent homelessness.
- \$30 million boost for the Energy Accounts Payments Assistance scheme.

- \$10 million to support charities.
- \$6 million additional funding for Lifeline's operations in NSW.
- 24 hour trading allowed for supermarkets and pharmacies.

Queensland

- \$4 billion stimulus.
- \$300 million household relief package will give households \$200 off their utility bills.
- \$2.5 billion directed towards workers and businesses, including \$500 million to assist workers who lose their job or income. Liquor licence fees are being waived, rent relief for businesses who rent premises from the state government, and sole traders and SMEs will receive a \$500 rebate on their power bill for the year.
- \$1.2 billion expanding fever clinics, emergency department capacity, acute care services and regional aeromedical services for remote communities.
- Includes two months worth of payroll tax refunded to SMEs and a payroll tax holiday for the April-June quarter. Large businesses can apply to access this payroll tax holiday if they are impacted by coronavirus.
- Other measures:
 - \$500 million in 12-month, interest-free loans.
 - \$27.5 million Immediate Industry Recovery Package to provide relief to affected industries, businesses and workers.
 - \$17 million vaccine package.
 - \$8 million funding relief for the arts sector.
 - Allowed distribution centres and loading bays to operate 24/7 to allow supermarkets to restock shelves.

Western Australia

- \$1 billion economic and health relief package:
 - Power and water disconnections will not occur, and interest will not be charged on deferred payments until 30 September 2020.
 - Interest-free payment arrangements and late payment penalties waived for transfer duty, landholder duty, vehicle licence duty or land tax.
 - One-off \$2,500 credit on electricity bills for 95,000 small businesses, available for those that consumer less than 50MWh per annum.
 - Payroll tax will be waived for four months for businesses with a wages bill under \$7.5 million a year.
 - Range of licence fees will be waived for small and medium businesses.
- \$607 million stimulus package.
- \$402 million freeze on household fees and charges, including electricity, water, motor vehicle charges, emergency services levy and public transport fares.
- \$114 million to support SMEs.
- \$91 million to double the Energy Assistance Package to \$600 for eligible concession card-holders.
- \$1 million payroll tax threshold brought forward to 1 July, 2020.



- SMEs can apply to defer payment of 2019-20 payroll tax until 21 July 2020.
- Require all people arriving after 1:30pm Tuesday 24 March to quarantine for 14 days, effectively closing borders.
- Limit on the sale of alcohol to one carton of beer, cider, or pre-mixed spirits, or three bottles of wine, or one litre of spirits, per person per day. The limit will be reviewed after two weeks.
- Travel between the state's regions is banned. Some exemptions for work and compassionate reasons, but \$50,000 fines will apply to those who breach the rules.

South Australia

- \$1 billion stimulus/support package announced.
- \$650 million "jobs rescue package".
- \$350 million stimulus package, all spending no tax relief:
 - Major road and hospital upgrades, tourism upgrades, increased funding for Economic and Business Growth Fund.
- 24 hour trading allowed for supermarkets and pharmacies.
- \$1,000 fines for those not abiding by social distancing requirements.

Tasmania

- Total stimulus/support package of \$1 billion.
- \$580 million support package includes:
 - \$150 million boost to health spending, a freeze on all power, water and electricity prices for homes and small businesses and the waiving of first quarter utility bills for all small businesses.
 - Interest free loans and tax and charges waivers for businesses shut-down or severely impacted.
 - \$40 million small business grants program and extension of payroll tax relief for hospitality, tourism, seafood and other impacted companies.
 - Plan to negotiate with councils to freeze rates.
- \$420 million stimulus package:
 - \$1 million over next three months to organisations such as Salvation Army, Red Cross to support self-isolated individuals.
 - One off payments of \$250 for individuals and up to \$1,000 for families who are required to self-isolate.
 - \$1 million emergency accommodation support for people who must self-isolate but cannot return to usual residence.
 - \$4 million for primary health and mental health sectors.
 - \$20 million interest free loans for small businesses in certain sectors with a turnover of less than \$5 million.
 - Payroll tax waived for hospitality, tourism and seafood industry businesses. Other businesses must apply for payroll tax waiver.
 - \$50 million to fast track maintenance on public buildings.



- Other small business grants, payroll tax rebates and funds to support training and employment.
- Ordered all visitors to the state to leave by midnight on Sunday 29 March.

Australian Capital Territory

- \$137 million stimulus.
- \$150 rates rebates for every household, \$200 rebate for those on utilities concession.
- Vehicle registration, public transport fares and parking fees frozen.
- \$2,622 credit to commercial rates bill.
- \$750 rebate to small businesses through the next electricity bill.
- Businesses paying up to \$10 million in wages can defer payroll tax for 12 months. “Affected” industries receive a one-off six month waiver.
- Taxi and rideshare fees waived. Food and liquor license fees waived.
- \$20 million fund for simple infrastructure works on public buildings.
- \$500,000 in arts grant funding brought forward.
- \$7 million for non-government organisations to meet increased demand for social services.

Northern Territory

- \$65 million stimulus.
- \$30 million home improvement scheme.
- \$20 million business improvement grant.
- \$5 million immediate work grant.
- \$5 million structural adjustment package.
- All regular increases to government fees and charges, including electricity costs, put on hold.
- Payroll tax exemption for hiring Territory employees extended to 30 June 2021.

United States

\$2 trillion (USD) Stimulus details

- Direct payments:
 - \$1,200 payment for singles and \$2,400 for couples.
 - An additional \$500 per child under 17.
 - Full payment for those earning up to \$75,000. Phased out up to \$99,000.
- Business loans:
 - \$500 billion in loans and loan guarantees.
 - Includes:
 - \$29 billion for airlines.
 - \$17 billion for businesses involved with national security.
 - \$456 billion administered through the Federal Reserve emergency lending facilities.

- Ban on stock buybacks and restrictions on dividends and layoffs for companies receiving loans.
- Unemployment:
 - An additional \$600 a week for four months.
- Student loans:
 - Suspension of payment without penalty through to 30 September.
- Retirement plans:
 - Removal of some restrictions and penalties for early withdrawal from retirement funds for those economically impacted.
- Health:
 - \$130 billion on hospitals and health providers.
- Food stamps:
 - \$25 billion on food stamps.
- State and local governments:
 - \$150 billion.
- Miscellaneous:
 - \$31 billion on education.
 - \$10.5 billion on defense.
 - \$75 million for public television and radio.
 - \$75 million for the National Endowment of the Arts.
 - \$75 million for the National Endowment of the Humanities.
 - \$25 million for the Kennedy Center (performing arts).

The Trump administration has extended its social distancing guidelines through to the end of April.

United Kingdom

- £350 billion government-backed loans, grants and tax cuts for companies.
- £10 billion to pay workers who lose their jobs up to 80% of their wages.
- VAT (GST equivalent) payments suspended for April-June, a £30 billion tax holiday.
- Unlimited 12-month, interest free loans for businesses.
- £7 billion additional welfare support, including increase in universal credit payments.
- £1 billion support for renters.
- £9 billion bailout for nearly 4 million self-employed workers announced.
- Self-employed will be able to claim up to £2,500 a month over a three-month period.
- Open to those with trading profits of up to £50,000 a year and those who earn the majority of their income from self-employment.
- The scheme won't become available until June, and the chancellor has warned that the self-employed will face an increase in national insurance contributions in the future.