



PREMIER OF TASMANIA

4 AUG 2020

The Hon Ivan Dean MLC  
Chair  
Public Accounts Committee  
Parliament House  
Email: [pac@parliament.tas.gov.au](mailto:pac@parliament.tas.gov.au)

Dear Mr Dean

Thank you for the opportunity to make a submission to the Public Accounts Committee's Inquiry into the Government's financial response to the COVID-19 pandemic.

Please find attached the Tasmanian Government's submission, which outlines measures taken by Government to respond to COVID-19 such as implementing restrictions, increasing capacity to deal with COVID-19 within the health system and providing support measures for individuals, households and businesses during this period. The submission builds on the input I provided in the public hearing on 29 June 2020.

The Department of Health is currently reconciling health expenditure related to the COVID-19 response as part of end of year processes. Updated health expenditure will be provided once that process is completed.

Thank you again for providing the opportunity to make a submission. As previously stated, I welcome opportunities to regularly engage with this process.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Peter Gutwein', written over the 'Yours sincerely' text.

Peter Gutwein MP  
**Premier**

Attachment



# Tasmanian Government Submission

INQUIRY INTO THE GOVERNMENT'S FINANCIAL RESPONSE  
TO THE COVID-19 PANDEMIC

JULY 2020

## 1 INTRODUCTION

The Tasmanian Government welcomes the opportunity to provide further information about the Government's response to the COVID-19 pandemic (COVID-19) to the Public Account Committee's Inquiry. This submission builds on the information provided by the Government at the Inquiry's hearing on 29 June 2020.

The Tasmanian Government acted quickly to contain the spread of the virus and implemented tough restrictions to protect Tasmanians. These actions have had consequences and altered the way of life for all Tasmanians. In addition to the health response, it was important that the Government provide economic and social support through this challenging time.

Tasmania has recorded 227 cases (sadly, 13 deaths) and has conducted 66,375 tests (as at 20 July 2020). Between 12 June and 20 July 2020, Tasmania recorded zero active cases of COVID-19. On 20 July 2020, one new case of COVID-19 was confirmed in Tasmania. Despite low active cases, the impacts of COVID-19 and its associated restrictions continue to evolve.

This submission addresses the Inquiry's Terms of Reference by outlining measures taken by the Tasmanian Government to respond to COVID-19 such as implementing restrictions, increasing capacity to deal with COVID-19 within the health system and providing support measures for individuals, households and businesses during this period.

## 2 RESPONSE MEASURES

The Tasmanian Government introduced two social and economic support packages in response to COVID-19. The two packages, totaling approximately \$1 billion, encompass initiatives across the health sector, businesses and jobs, households and individuals, industry and the community.

These measures were allocated directly to impacted agencies in the same manner as an ordinary appropriation bill. The Supplementary Appropriation Act in relation to 2019-20 and the Supply Act in relation to 2020-21 also included significant provisions allocated to Finance-General to meet unforeseen COVID-19 related costs, comprising \$150 million in 2019-20 and \$180 million in 2020-21. The situation continues to evolve, with significant additional Social Economy Support Measures (SESM) expenditure being already allocated against these provisions. In addition, other SESM announcements impact on agencies through the provision of waivers, rebates, refunds and other process measures. Attachment A provides the funding and administration arrangements for these measures.

The two packages complement the Australian Government's stimulus measures of over \$320 billion, including the JobKeeper Payment program. The support measures announced in the two packages were based on knowledge and advice about the impacts of COVID-19 at the time.

On 17 March 2020, the first package, totalling approximately \$420 million, was announced. This coincided with the declaration of a public health emergency in Tasmania, under the *Public Health Act 1997*. The first package focused on providing immediate relief and assistance to individuals, households and businesses. This included assistance for people required to isolate.

As the impacts of COVID-19 were unfolding rapidly the Government determined that a second package was required to support the broader economy and health system. The second package, totaling approximately \$565 million, was announced on 26 March 2020. At that stage a 'state of emergency' had been declared under the *Emergency Management Act 2006*. The second package included more economic and social support measures targeted at the health system, businesses and jobs; households and individuals; and community organisations.

The support measures across the two packages represent direct expenditure, the removal of the efficiency dividend requirements for agencies, funding set aside for loans, reductions in State revenues, and grants provided directly to those in need.<sup>1</sup> Research has shown that the Tasmanian Government's assistance has exceeded all other states and territories on a per capita basis when benchmarked against gross state product.<sup>2</sup>

Major initiatives announced through the two packages include:

- \$150 million to meet health costs associated with managing COVID-19;
- \$68 million in additional expenditure reflecting the Government's decision to remove agency efficiency dividends in 2020-21 (and future years);
- \$60 million for the Small Business Emergency Support Grants Program;
- \$50 million to fund the Government Maintenance Program;
- \$6.3 million for the Rapid Response Skills Initiative;
- \$5 million for the Community Support Fund;
- \$5 million for Primary Health Support;
- \$2.7 million for Family Violence initiatives; and
- \$2.5 million for the Child Safety System.

The *Tasmanian Social and Economic Support Measures Update* (refer to Attachment B) provides more information about the support measures announced through the two stimulus packages and a progress update on the implementation of these measures, where data are available.

In addition to financial assistance, Tasmanian Government agencies and funded community organisations have implemented operational measures to ensure continuity of services and support despite the implementation of necessary restrictions. For example, adjustments were made to provide alternative learning options in primary and secondary schools such as providing devices and hardcopy learning materials for learning to occur at home. These measures were critical to ensuring continuity of student engagement during the period of increased restrictions.

Some of these support measures have also been complemented with additional funding from the Australian Government including through the *National Partnership on COVID-19 Domestic and Family Violence Responses*, the *Project Agreement for COVID-19 Legal Assistance Funding* and the *Project Agreement for the National Infection Control Training Fund*.

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<sup>1</sup> Department of Treasury and Finance (2020), *Economic and Fiscal Update Report – May 2020*, available at: <https://www.treasury.tas.gov.au/Documents/Economic-and-Fiscal-Update-Report-May-2020.pdf>

<sup>2</sup> L. Minshull, the Australia Institute (2020), *Great Southern Hand – State Emergency economic responses to COVID-19*, available at: <https://www.tai.org.au/sites/default/files/P922%20Great%20Southern%20Hand%20%5BWeb%5D.pdf>

### 3 HEALTH AND OTHER EXPENDITURE

Ensuring that Tasmania's health system has the capacity to respond to COVID-19 is crucial to stop the spread of the disease in the community and protecting Tasmanians. To prepare for, and respond to, demand the Tasmanian Government outlaid additional expenditure across the health system and redirected existing resources (where appropriate). This reflects the importance of the health system's ability to maintain critical healthcare services in this period.

As part of the second package, \$150 million was allocated to meet increasing health costs associated with managing COVID-19. Funds could be spent on both purchasing essential equipment and supplies and providing additional staff. Increased funding has also been provided for primary healthcare and mental health support to meet increasing demand and to adapt to alternate methods of delivery.

The Tasmanian Government signed the *National Partnership on COVID-19 Response* which establishes a 50-50 shared funding arrangement between the Commonwealth and the states and territories to meet the costs incurred by state health services. The Agreement is expected to cover costs including, but not limited to, public hospitals, primary care, aged care and any other community expenditure. Through this Agreement, Tasmania received an advance payment of \$2.1 million (of \$100 million nationally) to prepare the health system. The Australian Government makes a 50 per cent contribution for costs incurred by Tasmania on a monthly basis.

Costs have been incurred across Government to prepare for, and respond to, COVID-19 and its associated restrictions. For example, hotel quarantine and related support services continues to be a key area of expenditure. These expenses form part of the health response.

### 4 RECOVERY

Given that Tasmania remains under a 'state of emergency' declaration (until 31 August 2020) and response activities remain ongoing, the full impact of COVID-19 in Tasmania is unknown. As Tasmania moves from response to recovery, it is important the Government provides clear direction and support targeted at businesses and jobs to assist in rebuilding the economy, as well as social support to individuals and households.

Early recovery measures have commenced with some recovery activities already underway. On 8 May 2020, the Tasmanian Government released *Our Plan to Rebuild a Stronger Tasmania*<sup>3</sup> (the Plan) which sets out Tasmania's roadmap to recovery including core safeguards and three stages to easing restrictions. The three stages to easing restrictions align with those agreed by National Cabinet. Economic recovery and social support during recovery are identified through the Plan as the two distinct areas of recovery going forward.

The Tasmanian Government was able to ease restrictions earlier than projected in the Plan, on the basis of public health advice. This result demonstrates that the actions taken by the Government, including introducing tougher restrictions, were necessary to prevent the spread of COVID-19 in Tasmania and have been effective in mitigating its spread.

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<sup>3</sup> Tasmanian Government (2020) *Our Plan to Rebuild a Stronger Tasmania*, available at: [http://www.premier.tas.gov.au/data/assets/pdf\\_file/0020/535115/Our\\_Plan\\_to\\_Rebuild\\_a\\_Stronger\\_Tasmania.pdf](http://www.premier.tas.gov.au/data/assets/pdf_file/0020/535115/Our_Plan_to_Rebuild_a_Stronger_Tasmania.pdf)



Continuing to pursue infrastructure projects will be an important part of recovery activities in Tasmania. The Tasmanian Government intends to bring forward projects as well as identifying new project opportunities to assist in rebuilding the economy and support jobs.

On 4 June 2020, the Tasmanian Government announced its Rebuilding Tasmania Infrastructure Investment program which includes the following initiatives:

- 1,000 Social Housing Dwellings: an additional \$100 million under new agreements with Community Housing Providers to deliver up to a further 1,000 new social houses.
- Fast tracking 220 Affordable Houses: the bringing forward of funding of \$14 million and new funding of \$10 million to deliver 220 social houses by 2022 – a year earlier than planned.
- Expansion of the HomeShare Program: income and asset eligibility limits will be increased to enable more households to access the Program. The Government equity contribution has also been increased to a maximum of \$100,000 per house. It is estimated uptake will result in 150 home purchases including 75 new builds over two years.
- Tasmanian HomeBuilder Grant: it will provide new eligible owner occupier home builders with \$20,000 towards the cost of a new build or the purchase of new house and land package. This Grant complements the Australian Government's HomeBuilder Program.

The Tasmanian and Australian Governments recently announced a new package worth \$46 million for nine infrastructure projects and urgent road safety upgrades across Tasmania. The Australian Government is contributing \$34.3 million and the Tasmanian Government is contributing \$11.7 million to this package. This announcement is in addition to the \$40 million that has already been announced by the Tasmanian Government in new roads funding.

The Tasmanian Government announced a \$10 million School Revitalisation Maintenance Program at the beginning of the pandemic to fast-track projects across our schools, libraries and kindergartens. General maintenance projects have so far been approved across 118 school sites. A total of \$2.8 million worth of projects have already been completed across 74 sites. An additional \$6.5 million was recently announced for more maintenance upgrades.

Along with construction, the Tasmanian Government will focus on agriculture, the visitor economy, aquaculture, renewable energy, advanced manufacturing, skills and education, as well as trade. On 14 July 2020, the Government announced an Interim Trade Action Plan, supported by an additional \$2.65 million, to help producers, exporters and manufacturers.

Given the COVID-19 response is ongoing, the Tasmanian Government's recovery plan over the short, medium and long term is yet to be fully determined, and is subject to further advice. The recovery plan will be informed by advice from the Premier's Economic and Social Recovery Advisory Council (PESRAC) and the latest public health advice.

PESRAC has delivered its first report to the Premier with advice on immediate actions and recommendations to inform the 2020-21 State Budget (refer to Attachment C). The Government is currently considering the report and will respond to the recommendations shortly. More information about PESRAC is available at: <https://www.pesrac.tas.gov.au/home>

## 4 CONCLUSION

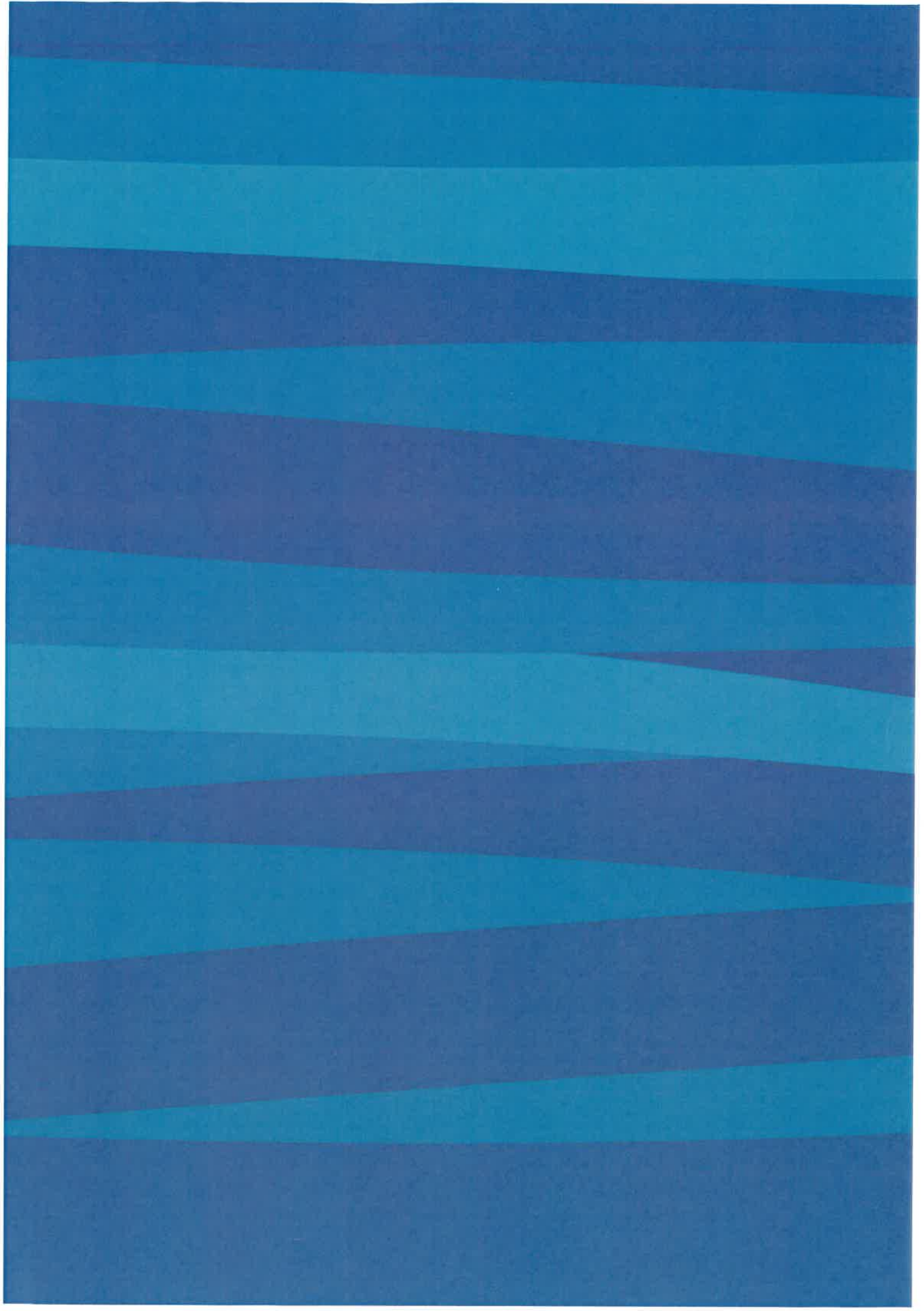
The Tasmanian Government, like other Governments, has made tough decisions to prevent the spread of COVID-19. The COVID-19 pandemic and its associated restrictions have caused major disruptions in Tasmania. The impacts of COVID-19 continue to evolve and the full extent of the impacts on Tasmania will not be known for some time.

To mitigate these impacts and provide support during this challenging period, the Tasmanian Government is spending more across the health system and is delivering a range of support measures to industries, businesses and individuals in need.


As the State moves into recovery, the Tasmanian Government will continue to explore actions to stimulate Tasmania's economy and to provide social support during recovery.

## 5 ATTACHMENTS

- A *Report to Treasury Secretary – COVID-19 Expenditure, Refund, Rebate, Waiver and Streams (July 2020) and Table 1: Approved and Pending COVID-19 SESM Expenditure Allocations*
- B *Tasmanian Social and Economic Support Measures Update as at 30 June 2020*
- C *Premier's Economic & Social Recovery Advisory Council's Interim Report (July 2020)*







# Report to Treasury Secretary: COVID-19 Expenditure, Refund, Rebate, Waiver and other Streams

Funding and Administrative  
Arrangements

July 2020

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## **I. Introduction**

The COVID-19 pandemic has had a significant global, national and local impact. In response, the State Government announced a range of social and economic measures to support the health of Tasmanians and the broader community, and support the Tasmanian economy.

A number of initial Social and Economic Support Measures (SESMs) were endorsed by State Parliament through the passage of a Supplementary Appropriation Act in relation to 2019-20 and a Supply Act in relation to 2020-21. These measures were allocated directly to impacted agencies in the same manner as an ordinary appropriation bill. These Acts also included significant provisions allocated to Finance-General to meet unforeseen COVID-19 related costs, comprising \$150 million in 2019-20 and \$180 million in 2020-21. The situation continues to evolve, with significant additional SESM expenditure being already allocated against these provisions. In addition, other SESM announcements impact on the Department through the provision of waivers, rebates, refunds and other process measures.

In the context of these unprecedented times, this document seeks to outline the significant current expenditure, refund, rebate, waiver and other measures impacting on the Department, how the funding was approved and the administrative arrangements in place. These administrative arrangements will continue to be reviewed and updated as required.

For the purposes of this report, the following streams impacting the Department have been identified:

1. Supplementary Appropriation and Supply Acts - SESMs provided directly to agencies;
2. Supplementary Appropriation and Supply Acts - \$50 million Public Building Maintenance Fund SESM - provided to Finance-General
3. Supplementary Appropriation and Supply Acts - Unforeseen Expenditure Provision Funding SESM - provided to Finance-General
4. Supplementary Appropriation and Supply Acts - Department of Health COVID-19 General Provision - Provided to Finance-General
5. National Partnership Agreement on COVID-19 Response;
6. Unfunded COVID-19 Expenditure not Eligible to be claimed under the National Partnership on COVID-19 Response;
7. Tasmanian Government HomeBuilder Grants of \$20 000;
8. Australian Government HomeBuilder Grants of \$25 000;
9. \$150 million in Interest Free loans for Local Government - Including additional \$50 million;
10. Payroll Tax Waiver - Hospitality, Tourism and Seafood Businesses for 2019-20;
11. Payroll Tax Waiver - Other Businesses with Payrolls of up to \$5 million for 2019-20;
12. 50 per cent discount of Annual Liquor Licence Fees for Off-Licences and waiver of all of other Liquor Fees for calendar year 2020, backdated to 1 January 2020;
13. Waiver or Refund of Other Gaming Fees;

14. Small Business Electricity Bills Waived - 1st Quarterly Bill received after 1 April 2020;
15. Waive Lease Payments from Private/Commercial Tenants in Relation to Properties let by Government for a period of 6 Months from 1 March 2020; and
16. Rebuilding Tasmania Infrastructure Package: 'Construction Blitz.

Streams 1-4, whilst being funded in a similar manner through the Supplementary Appropriation and Supply Acts, have slightly different administrative arrangements and are therefore considered separately.

It also is important to note that, following initial approval of funding for streams 1 to 4, there have been some changes to the timing and amount of funding to meet current and forecast SESM requirements.

## **2. Expenditure, Refund, Rebate, Waiver and other Streams**

### **Stream I - Supplementary Appropriation and Supply Acts - SESMs provided directly to Agencies**

#### **Summary of Stream**

In response to the initial stages of the COVID-19 pandemic the Premier made a Ministerial Statement on 17 March 2020 which announced a range of SESMs with further details being provided by the Premier's Office which clarified the allocation of specific measures and anticipated timing of expenditure.

#### **Approval of Funding**

This first tranche of these commitments was funded through the *Appropriation (Supplementary Appropriation for 2019-20) Act 2020* and the *Supply Act (No.1) 2020* which were approved by both Houses of Parliament and received Royal Assent on 6 April 2020.

#### **Allocation of Funding**

Funding has been allocated to agencies in accordance with the legislative allocation.

#### **Administrative Arrangements**

##### *Output Structure*

On 2 April 2020, the Secretary of the Department of Treasury and Finance approved the creation of new COVID-19 Output Groups and Output codes to enable the allocation of a unique Output and Purpose for each SESM to facilitate specific Budget funding. These Output codes can be used regardless of the source of the funding.

In addition, this approach allows for the Budget Information Management System (BIMS) and the Public Account Reporting System (PARS) to share these codes to facilitate the monitoring of actual expenditure directly against Budgeted expenditure on a regular basis.

The Output Group for this Stream is 90. Agencies will spend their budget allocation for each measure against each allocated Output consistent with the agency's existing expenditure control processes.

##### *Reporting*

Actual expenditure from the PARS monthly cash file compared to budget funding, is monitored on a regular basis.



## **Stream 2 - Supplementary Appropriation and Supply Acts - \$70 million Public Building Maintenance Fund SESM - Provided to Finance-General**

### **Summary of Stream**

The Public Building Maintenance Fund was included in the first tranche of SESMs, announced through Ministerial Statement on 17 March 2020 and totalled \$50 million. Its purpose is to fund critical maintenance on public buildings and other publicly owned assets, in an effort to support regional employment and trades.

This was funded through the *Appropriation (Supplementary Appropriation for 2019-20) Act 2020* (\$12 million in 2019-20) and the *Supply Act (No.1) 2020* (\$38 million in 2020-21) which were approved by both Houses of Parliament and granted Royal Assent on 6 April 2020.

Agencies were invited to provide submissions for funding and final allocations were approved in consultation with the Treasurer by the Secretary of the Department of Treasury and Finance on 2 April 2020. Approval was provided either on a project basis or on a dollar allocation basis with agencies to determine the most appropriate projects to meet the Government's objectives.

On 4 June 2020, The Government announced a further \$20 million for the Public Building Maintenance Fund, taking the total to \$70 million.

Final allocation to agencies for the full \$70 million was approved by the Treasurer on 19 June 2020.

### **Allocation of Funding**

Funding of \$50 million was appropriated to Finance-General. Agencies invoice Finance-General based on expenditure.

Initial funding for the additional \$20 million is expected to be met from the Provision in Finance-General. The full costs of the initiative will be considered as part of the 2020-21 Budget development process.

### **Administrative Arrangements**

#### *Output Structure*

On 2 April 2020, the Secretary of the Department of Treasury and Finance approved the creation of new COVID-19 Output Groups and Output codes to enable the allocation of a unique Output and Purpose for each SESM to facilitate specific Budget funding. These Output codes can be used regardless of the source of the funding.

In addition, this approach allows for the Budget Information Management System (BIMS) and the Public Account Reporting System (PARS) to share these codes to facilitate the monitoring of actual expenditure directly against Budgeted expenditure on a regular basis.

The Output Group for this stream is 89. Each agency is to code all Public Building Maintenance Fund related expenditure to Output Group 89 - within their agency. Agencies will spend their budget allocation for each measure against the allocated Output consistent with the agency's existing expenditure control processes.

### *Invoicing Arrangement*

The following approach was approved by the Secretary of the Department of Treasury and Finance.

Agencies/Authorities will incur expenditure in SPA accounts, and seek reimbursement via invoice from Finance-General.

All payments associated with Public Building Maintenance Fund projects will be coded against the specifically allocated Output Group and Output to allow tracking through BIMS and PARS.

Agencies will periodically provide invoices to Treasury seeking reimbursement for expenditure incurred. Treasury officers will then verify expenditure against PARS data to ensure that it reflects year to date expenditure and remains within the annual allocation for each project for the Agency. Once this verification has occurred, a memorandum will be prepared for approval by the Director, Budget Management Branch who will then authorise the Government Finance and Accounting Branch to pay an invoice from the Finance-General allocation. For efficiency, the payment of invoices will occur in batches, on a monthly basis.

### *Reporting*

Monthly reports on Public Building Maintenance Fund projects and expenditure are supplied by agencies and form the basis of a monthly summary report that is completed by Budget Management Branch. The information provided by agencies is cross checked against PARS monthly cash file information prior to approving invoices for payment from Finance-General.

## **Stream 3 - Supplementary Appropriation and Supply Acts - Unforeseen Expenditure Provision Funding SESM - Provided to Finance-General**

### **Summary of Stream**

In addition to the first tranche of commitments and Public Building Maintenance funding, the Supplementary Appropriation and Supply Bills allocated a significant provision for unforeseen costs to Finance-General. The purpose of this funding was to provide funding flexibility in a rapidly changing environment.

In a further response to the Pandemic, the Premier made a Ministerial Statement on 26 March 2020 which announced a range of new and updated SESMs. Further details were provided by the Premier's Office which clarified the initial allocation of specific measures and anticipated timing of expenditure. This second announcement represents the extent of the currently approved utilisation of this stream of funding.

Any new or updated measures to be allocated against the provision will be identified through Government announcements and/or advice from Agencies and subject to the Secretary of Treasury's approval of the transfer of funding from Finance-General to the relevant agency. The Budget Management Branch is tracking new commitments and will provide advice, as required, to the Secretary, Department of Treasury and Finance and the Treasurer as to the level of available funding.

### **Approval of Funding**

*Appropriation (Supplementary Appropriation for 2019-20) Act 2020* provided funding of \$150 million for unforeseen costs in 2019-20.

*Supply Act (No.1) 2020* provided funding of \$180 million for unforeseen costs in 2020-21.

Delegations, under Section 50 of the *Financial Management Act 2016*, provide the Secretary of the Department of Treasury and Finance the authority to approve Transfers of funding between agencies under Section 20 of the Act.

### **Allocation of Funding**

Funding was appropriated to Finance-General. Where new commitments have been announced by the Government, funding has been transferred to the relevant agency.

### **Administrative Arrangements**

#### *Output Structure*

On 2 April 2020, the Secretary of the Department of Treasury and Finance approved the creation of new COVID-19 Output Groups and Output codes to enable the allocation of a unique Output and Purpose for each SESM to facilitate specific Budget funding. These Output codes can be used regardless of the source of the funding.

In addition, this approach allows for the Budget Information Management System (BIMS) and the Public Account Reporting System (PARS) to share these codes to facilitate the monitoring of actual expenditure directly against Budgeted expenditure on a regular basis.

The Output Group for this Stream is 90. Agencies will spend their budget allocation for each measure against each allocated Output consistent with the agency's existing expenditure control processes.

Following identification of any new or updated measures, the Budget Management Branch will seek formal approval of the Transfer of funding from the Secretary of the Department of Treasury and Finance under the *Financial Management Act 2016*.

If required, a new Output is created and funding is then transferred to the appropriate agency.

#### *Reporting*

Actual expenditure from the PARS monthly cash file compared to budget funding, is monitored on a regular basis.

A report on all expenditure from the Finance-General provision, in 2019-20 and 2020-21, will also be produced based on information from PARS and the original Budget allocation for each initiative (Output). This includes expenditure of the provision relating to the health funding initiative as detailed below.

## **Stream 4 - Supplementary Appropriation and Supply Acts - Department of Health COVID-19 General Provision - Provided to Finance-General**

### **Summary of Stream**

Included in the significant provision for unforeseen costs allocated to Finance-General was a substantial COVID-19 General Health provision that has been allocated as \$50 million in 2019-20 and \$100 million in 2020-21. The purpose of this funding was to provide support for health services in a rapidly changing environment and was included in the Government's Ministerial Statement on 26 March 2020. Further details were provided by the Premier's Office which clarified the allocation and anticipated timing of expenditure.

### **Approval of Funding**

Funding has been allocated for this purpose from the \$150 million Finance-General provision allocated in the *Appropriation (Supplementary Appropriation for 2019-20) Act 2020* and the \$180 million Finance-General provision allocated in the *Supply Act (No.1) 2020*.

Delegations, under Section 50 of the *Financial Management Act 2016*, provide the Secretary of the Department of Treasury and Finance the authority to approve Transfer of this funding to the Department of Health under Section 20 of the Act.

### **Allocation of Funding**

\$43.2 million funding has been approved for transfer to the Department of Health in 2019-20.

### **Administrative Arrangements**

#### *Output Structure*

On 2 April 2020, the Secretary of the Department of Treasury and Finance approved the creation of new COVID-19 Output Groups and Output codes to enable the allocation of a unique Output and Purpose for each SESM to facilitate specific Budget funding. These Output codes can be used regardless of the source of the funding.

In addition, this approach allows for the Budget Information Management System (BIMS) and the Public Account Reporting System (PARS) to share these codes to facilitate the monitoring of actual expenditure directly against Budgeted expenditure on a regular basis.

The Output Group for this Stream is 90 and has been allocated to Output 003. The Department of Health will allocate expenditure against this Output consistent with the Agency's existing expenditure control processes.

#### *Reporting*

The Department of Health provides a spreadsheet to Treasury on a weekly basis that provides detailed information on agency expenditure. The information provided by the Department of Health is cross checked against PARS cash file information.



## **Stream 5 - National Partnership Agreement on COVID-19 Response**

### **Summary of Stream**

Tasmania has entered into the *National Partnership on COVID-19 Response* with the Australian Government. Through the Agreement, the Australian Government will provide funding to the States and Territories for additional costs incurred by state health services in responding to the COVID-19 outbreak from 21 January 2020. The arrangements include:

- an upfront advance payment to the States upon signing the Agreement (Tasmania to receive \$2.1 million);
- Hospital Service Payments - the Australian Government will provide a 50 per cent contribution for costs incurred by States for the diagnosis and treatment of COVID-19, including suspected cases; and
- State Public Health Payments - the Australian Government will provide a 50 per cent contribution for costs incurred by States for other COVID-19 activity undertaken by State public health systems for the management of the outbreak.

In addition, the Australian Government has confirmed that some types of additional expenditure incurred by other State and Territory agencies in responding to the COVID-19 outbreak will be claimable under the NPA. These include:

- public health communications, operations and telehealth;
- additional cleaning of schools and public transport;
- personal protective equipment; and
- costs relating to testing clinics and call centres.

On 25 May 2020 the Department of Health sought and received confirmation from the Australian Government that it would accept proof of eligible COVID-19 costs incurred by agencies other than State Health departments. This means that the Department of Health would not necessarily be required to incur these costs in order to claim reimbursement (but would still seek the reimbursement as it is managing the State's reimbursement process). It is considered that this will facilitate an approach that does not require Health to reimburse the Agency in the first instance.

The full extent of claimable costs under the NPA is not yet clear. The States are continuing to seek clarification from the Australian Government however it is noted that Schedule A to the NPA states that: The Commonwealth and states will agree further activities on an as needs basis, as the COVID-19 outbreak evolves.

At the time of writing, it is expected that some funding provided through the Supplementary Appropriation and Supply Acts will be eligible for reimbursement through the NPA.

### **Administrative Arrangements**

On 30 April 2020, the Secretary of the Department of Treasury and Finance approved that the Department of Health would be responsible for administration of State claims, and payments on the basis that the agency has the most extensive knowledge of the operation of the agreement and what expenditure qualifies for a contribution from the Australian Government.

It was also approved that, whilst the NPA will cover a proportion of expenditure, funding of residual expenditure not reimbursed through the NPA will be funded through the SESM Health COVID-19 general allocation funding provision. This funding is included as part of the stream 3 to Finance-General discussed above and transferred to the Department of Health.

On 15 May 2020, Agencies were advised of the NPA, and informed that the Department of Health would be the central point of contact for agencies with NPA eligible costs. Specific instructions to agencies included that agencies were to raise an invoice to the Department of Health for 100 per cent of eligible costs and also provide a copy of the invoices that the agency has paid for the underlying COVID-19 related expenditure as evidence. At the time this advice was provided, it was understood that the Commonwealth was only accepting invoices demonstrating that the costs were ultimately incurred by State health departments.

Details of the NPA together with a “What can be claimed - Questions and Answers” document were also provided to Agencies.

In addition, it was noted in the communications that some expenditure funded under the SESM packages may also be eligible if it meets the criteria and that agencies were to discuss eligibility with the Department of Health prior to submitting an invoice for these costs.

Since this communication, an additional process has now been agreed and communicated with agencies through an email on 12 June 2020. The premise of a separate process was to ensure that agencies did not receive reimbursement through the Department of Health for expenditure already funded.

The email requests that for any SESM or other NPA eligible expenditure where an agency has received or will receive additional funding through Finance-General, agencies are asked to supply the Department of Health with evidence of costs being incurred (which will enable claiming under the NPA), and asked not to invoice the Department of Health for these costs.

The Australian Government has confirmed that it will accept evidence of costs incurred by agencies other than State Health Departments for claiming NPA eligible costs which has enabled agencies to submit evidence of costs to the Department of Health without the need to invoice the Department.

#### *Reporting*

Health are maintaining a record of all invoices received from agencies which is available to be provided to Treasury on request, as well as invoices paid and reimbursements from the Australian Government.

The Department of Health provide a weekly report of COVID-19 expenditure which separately identifies SESM expenditure being claimed and invoiced.

## **Stream 6 - Unfunded COVID-19 Expenditure not Eligible to be claimed under the National Partnership on COVID-19 Response**

### **Summary of Stream**

In addition to the current support provided by the Government through SESMs, other costs may be incurred by agencies as a result of the COVID-19 pandemic that are not covered under the National Partnership on COVID-19 Response.

On 2 April 2020 the Treasurer approved the transfer of \$50m from the Crown Land Administration Fund Specific Purpose Account in the Department of Primary Industries, Parks, Water and Environment to the COVID-19 Funding Management SPA in Finance-General. These funds represented funding such as accumulated asset sales proceeds which were not required for other purposes. The funds that have been transferred are now available to fund the future delivery of COVID-19 related Social and Economic Support and other Stimulus measures to offset the impact of the coronavirus.

The Treasurer's Reserve has received a substantial allocation in 2020-21 in the Supply Act of \$70 million to meet additional costs including possible COVID-19 related costs.

### **Approval of Funding**

It is expected that agencies will, in the first instance, seek to manage these costs within existing agency funding. In this regard, it is noted that agencies may have accrued savings in some areas as a consequence of the COVID-19 pandemic.

*2019-20*

Funding mechanisms available include:

Request for Additional funding must be approved by the Treasurer under Section 21 of the *Financial Management Act 2016*.

Transfer of Savings from within or across agencies. Delegations, under Section 50 of the *Financial Management Act 2016*, provide the Secretary of the Department of Treasury and Finance the authority to approve Transfers between agencies under Section 20 of the Act.

Transfer of Finance-General provision for unallocated costs. Delegations, under Section 50 of the *Financial Management Act 2016*, provide the Secretary of the Department of Treasury and Finance the authority to approve Transfers between agencies under Section 20 of the Act.

The utilisation of agency Financial Management Account Specific Purpose Accounts.

Transfer from the COVID-19 Funding Management SPA. Delegations, under Section 50 of the *Financial Management Act 2016*, provide the Secretary of the Department of Treasury and Finance the authority to approve SPA Transfers between agencies under Section 17(5) of the Act.

*2020-21*

These matters will be addressed during the development of the 2020-21 Budget with the opportunity to transfer any remaining Finance-General provision for unallocated costs, utilise the additional funding provided to the Treasurer's Reserve or transfer funding available from the COVID-19 SPA Account.

Options detailed above for 2019-20 are also available.

### **Administrative Arrangements**

Consideration for the provision of additional funding to agencies to address unforeseen costs arising from the COVID-19 pandemic will occur through the End of Year and Budget Processes.

#### *Reporting*

In addition to actual output expenditure information, agencies are continuing to provide the Budget Management Branch with regular monthly reports that provide details on Budget risks being experienced by the agency.

Agencies have been requested to separately identify any risks or expected costs that relate to responding to the COVID-19 pandemic.

#### *Ongoing announcements*

Budget Management Branch continues to track ongoing announcements through media monitoring. New announcements are confirmed with the Treasurer's Office to ensure that all expenditure is being captured appropriately and consistently.

## **Stream 7 - Tasmanian Government HomeBuilder Grants of \$20 000**

### **Summary of Stream**

On 4 June 2020, the Tasmanian Government announced that it would establish a Tasmanian HomeBuilder Grant of \$20 000 for an eligible person that builds a new home.

The Tasmanian HomeBuilder Grant is available for eligible comprehensive building contracts, including off the plan contracts and speculative homes, commencing from 4 June 2020 until 31 December 2020.

Treasury has estimated that the Tasmanian HomeBuilder Grant will cost up to \$20.68 million. This figure is dependent on the take up of the grant.

The Tasmanian Government program is time-limited and the number of grants available under the program is uncapped.

### **Approval of Funding**

On 9 June 2020, Cabinet approved the drafting of new legislation to enact the Tasmanian HomeBuilder Grant.

Initial funding for the initiative is expected to be met from the Provision in Finance-General. The full costs of the initiative will be considered as part of the 2020-21 Budget development process.

### **Administrative Arrangements**

New legislation is required to administer the grant. The HomeBuilder Grant Bill 2020 contains provisions to establish the Tasmanian HomeBuilder Grant.

The State Revenue Office will be responsible for assessing eligibility, paying the grant and undertaking compliance activities.

#### *Details of the process to make payments*

Applications will be entered into a database. At this stage, the SRO is unclear which database this will be. It may be a module of the National FHOG database or the grants and rebates section of Client View.

Payments will be made via the relevant database to the applicant.

#### *Reporting arrangements*

The State Revenue Office will collect relevant data and report on the number and value of Tasmanian HomeBuilder Grants paid.

Reporting arrangements are dependent on which database is used to administer the scheme. Reporting via a module in the National FHOG database will replicate Commonwealth reporting requirements for that scheme.

Additional reporting that may also be available either via Client View or via the SRO data warehouse will include number of:

- recalled grants (including penalties and interest if they are applicable); and
- value of outstanding debt for recalled grants.



## **Stream 8 - Australian Government HomeBuilder Grants of \$25 000 -**

### **Summary of Stream**

On 4 June 2020, the Australian Government announced that it will provide eligible owner-occupiers (including first home buyers) with a HomeBuilder grant of \$25 000 to build a new home or substantially renovate an existing home.

In Tasmania, the State Revenue Office (SRO) will be responsible for administering HomeBuilder on behalf of the Australian Government.

Tasmania will be reimbursed by the Australian Government for HomeBuilder payments, made under its program, to eligible owner-occupiers.

There is no additional funding for administration or compliance undertaken by the SRO, although these costs are anticipated to be minor.

### **Approval of Funding**

On 19 June 2020, the Premier signed the National Partnership on HomeBuilder. The Agreement establishes the HomeBuilder grant program and formalises administrative, funding and reporting arrangements with the Australian Government.

On 9 June 2020, Cabinet approved the Premier to sign the HomeBuilder NP and the drafting of new legislation to enact the Australian Government HomeBuilder Grant.

### **Administrative Arrangements**

Administration and reporting for the provision of Australian Government funding will occur through the State Revenue Office, with support from IGFP.

Legislation is required to administer the grant. The HomeBuilder Grant Bill 2020 contains provisions to establish the Australian Government HomeBuilder Grant.

The SRO are maintaining a record of all Australian Government HomeBuilder grants paid which will be provided to the Australian Government Treasury in accordance with the reporting requirements under the NP on HomeBuilder.

### *Reporting and Payment*

The SRO will provide a summary report to the Australian Government by the fifteenth of every month, commencing 15 July 2020 and ending 31 December 2022. The report will include:

- total number of recipients in the reporting period; and
- total value of eligible contracts for which payments were made in the reporting period, split between new builds and substantial renovations.

The monthly report will also include information of any discretionary decisions regarding construction deadlines made by the Commissioner for State revenue.

The Australian Government will pay Tasmania in arrears through monthly payments, based on the monthly summary reports provided by the SRO.

The Australian Government will make its payments on the seventh of every month. Final payments will be no later than 31 December 2022.

The SRO will also provide a weekly summary to the Australian Government on the number of applicants and a breakdown of new builds and substantial renovations.

## **Stream 9 - \$150 million in Interest Free loans for Local Government - including additional \$50 million**

### **Summary of Stream**

The Local Government Loans Program was announced as part of the Government's response to the impact of the Novel Coronavirus (COVID-19). The LGLP initially provided \$150 million in interest free loans over three years to local government authorities to encourage investment in infrastructure and to provide assistance for all measures taken by LGAs as a response to, or as a result of, the impacts of COVID-19. This was extended to \$200 million in June 2020

Examples of the types of projects which will be considered under the Program include, but are not limited to:

- roads, bridges and footpaths;
- upgrading community halls and other town facilities and amenities;
- development of waste transfer stations;
- improvements to local parks;
- other building works;
- rates relief programs; and
- any other measures responding to, or as a result of, the impacts of COVID-19.

Funding of a maximum \$150 million was made available through the Program, on a first-come first-served basis. On 4 June 2020, the Treasurer announced that, as part of the Rebuilding Tasmania Infrastructure Investment, the LGLP has been increased by \$50 million to \$200 million.

The Program will be open until 1 August 2020.

All Tasmanian councils and joint authorities are eligible for the Program.

To be eligible for assistance under the Program, local government authorities will be required to demonstrate that each nominated project:

- will be undertaken during the 2020-21 financial year;
- will provide Tasmanian employment opportunities;
- is procured through appropriate processes that deliver value-for-money outcomes; and
- is to be financed through an approved loan from the Tasmanian Public Finance Corporation.

The provision of assistance under the Program will be determined against the above eligibility criteria, the quantum of applications received and the contribution the projects will make.

Under the *Local Government Act 1993*, the Treasurer is required to approve all borrowings undertaken by local government authorities in each financial year, whether new borrowings or refinancing.

Applications by local government authorities for new borrowings are assessed based on benchmark ratios to ensure its ability to service new and existing debt as stipulated in the *Local Government Act*.

## **Approval of Funding**

Funding for the initial announcement of the interest subsidies was provided to Finance-General through the *Appropriation (Supplementary Appropriation for 2019-20) Act 2020* (\$7.5 million over three years) which was approved by both Houses of Parliament and granted Royal Assent on 6 April 2020.

Funding for the cost of interest associated with the extension of the Loan Program by \$50 million will be met from the Treasurer's Reserve until the 2020-21 Budget Process is finalised.

## **Administrative Arrangements**

Projects to receive assistance through the Program will be considered and approved by the Treasurer as part of a council's 2020-21 borrowing program.

- Initial applications were due to Treasury by close of business, Friday 24 April 2020. Applications after that date can be provided any time prior to Saturday 1 August 2020.
- Applications will be assessed as they are received and, following consideration by the Treasurer, Treasury will advise each Council of the outcome of their application.
- If a Council's application is successful, the Council will need to contact Tascorp to arrange the finance (i.e. Settlement date, Maturity Date, and Interest rate).
- On drawing down the loan, Tascorp will provide a repayment schedule for the interest payments (usually six-monthly instalments). Treasury will need a copy of that schedule to confirm interest rates and maturity. The Council will need to pay interest instalments to Tascorp and Treasury will then reimburse the interest paid.
- To claim the interest rebate, the Council should Invoice Treasury as the interest is paid and Treasury will process the reimbursement.

## **Stream 10 - PRT Waiver - Hospitality, Tourism and Seafood Businesses for 2019-20**

### **Summary of Stream**

The Government has waived payroll tax for the 2019-20 financial year for Tasmanian employers who employ employees that solely or predominantly work in one or more of the Hospitality, Tourism or Seafood industries.

### **Approval of Funding**

*Payroll Tax (Pandemic) Order 2020*

### **Administrative Arrangements**

*Details of process to effect this measure/make payments.*

The State Revenue Office has published on its website details outlining the process for claiming the payroll tax waiver, including eligibility criteria and guidelines to assist with the application process.

The SRO developed a standard protocol for its employees to follow to assess employer applications.

*Reporting arrangements*

Total Number of applications processed and value of refunds are reported to the Executive weekly.

## **Stream 11 - PRT Waiver - Other Businesses with Payrolls of up to \$5 million for 2019-20**

### **Summary of Stream**

The Government has waived payroll tax for the 2019-20 financial year for all approved Tasmanian employers with wages of up to \$5 million in 2019-20, where the employer can demonstrate that their operations have been affected by COVID-19.

### **Approval of Funding**

*Payroll Tax (Pandemic) Order 2020*

### **Administrative Arrangements**

*Details of process to effect this measure/make payments.*

The State Revenue Office has published on its website details outlining the process for claiming the payroll tax waiver, including eligibility criteria and guidelines to assist with the application process.

The SRO developed a standard protocol for its employees to follow to assess employer applications.

*Reporting arrangements*

Total Number of applications processed and value of refunds are reported to the Executive weekly.

## **Stream 12 - 50 per cent discount of Annual Liquor Licence Fees for Off-Licences and waiver of all of other Liquor Fees for calendar year 2020, backdated to 1 January 2020**

### **Summary of Stream**

The Tasmanian Government's economic and social measures to respond to the impact of COVID-19 includes financial support for the hospitality, liquor and gaming industries. Financial assistance is in the form of licence and permit fee waivers and reductions for the 2020 calendar year.

The support and stimulus package announced by the Government on 17 March 2020 provided for a 50 per cent discount on all liquor licencing fees and a waiver of all application fees for the calendar year 2020, back dated to 1 January 2020.

The package was expanded on 3 April 2020 for all but off-licences (discount remains at 50 per cent) and now provides for the following liquor related fee waivers and reductions.

#### **Liquor licence fees waived or reduced from 1 January 2020:**

- General, on, club and special licences waived:
  - application;
  - grant;
  - application for variation of conditions;
  - annual liquor licence;
  - application for the transfer of a licence; and
  - application for authority to act as interim licensee.
- Adjustments for off-licences:
  - the application fee is waived; and
  - the annual liquor licence fee has been reduced by 50 per cent.
- Special permit fees waived:
  - application; and
  - application for variation of conditions.

### **Approval of Funding**

The fee waivers were enabled through a notice under section 23 the *COVID-19 Disease Emergency (Miscellaneous Provisions) Act 2020*. The reduction in off-licence fees was implemented through the discretion available to the Commissioner for Licensing under section 26A(8) of the *Liquor Licensing Act 1990*.

No additional funding is required to implement this support measure, however revenue will reduce. Waiver of most liquor licence and permit fees and reduction of off-licence fees for the 2020 calendar year is estimated to reduce revenue by approximately \$1.5 million

## **Administrative Arrangements**

As part of the process for delivering the fee waivers, reductions and refunds, a quality assurance process with reviews and various levels of approval was implemented prior to payments being made or fees being waived. The Liquor and Gaming Branch emailed all affected licence and permit holders and provided information on its website.

Where a refund is required for fees already paid an application form from the licence holder is required. Refunds are then checked and processed directly into bank accounts.

Where fees are waived, the application is assessed as per standard processes and the fee is not applied.

Weekly reports of the number and value of liquor fees refunded or waived are provided to the Deputy Secretary and included in an internal report on COVID-19 support measures.



## Stream 13 - Waiver or Refund of Other Gaming Fees

### Summary of Stream

The Tasmanian Government's economic and social measures to respond to the impact of COVID-19 includes financial support for the hospitality, liquor and gaming industries. Financial assistance is in the form of licence and permit fee waivers and reductions for the 2020 calendar year.

The package of gaming related fee waivers and reductions comprises:

#### Gaming licence fees **waived** from 15 March 2020:

- Licensed premises gaming licence:
  - application;
  - renewal;
  - request for amendment to a licence; and
  - annual licence fee.
- Special employees and technicians, the renewal fee if payable during the 2020 calendar year.
- Minor gaming permit application.
- Application for redefining the boundaries of a casino or a gaming operator's premises.

#### Casino licence fees **waived** from 31 March 2020:

- Monthly licence fee.

### Approval of Funding

The fee waivers were enabled through a notice under section 23 the *COVID-19 Disease Emergency (Miscellaneous Provisions) Act 2020*.

No additional funding is required to implement this support measure, however revenue will reduce. The total cost of gaming licence fee waivers is estimated at \$1.6 million.

The waiver of the casino licence fee will have the largest impact on revenue. With a combined monthly fee for both casinos of \$324 400, the revenue reduction amounts to nearly \$1 million for the three months to 30 June 2020. This will continue to increase at \$324 400 per month until the notice is amended or ceases in accordance with the Act.

### Administrative Arrangements

As part of the process for delivering the fee waivers, a quality assurance process with reviews and various levels of approval has been implemented prior to payments being made or fees waived. The Liquor and Gaming Branch emailed all affected licence and permit holders and provided information on its website.

Where a refund is required for fees already paid an application form from the licence holder is required. Refunds are then checked and processed directly into bank accounts.

Where fees are waived, the application is assessed as per standard processes and the fee is not applied.

Weekly reports of the number and value of gaming fees refunded or waived are provided to the Deputy Secretary and included in an internal report on COVID-19 support measures.

## **Stream 14 - Small Business Electricity Bills Waived - 1<sup>st</sup> Quarterly Bill received after 1 April 2020 (including TasWater Bills)**

### **Summary of Stream**

The Government has put in place measures to waive the payment of the first quarterly electricity (or the first three monthly electricity bills) issued on or after 1 April 2020 to the customer, in respect of energy use in the relevant billing period. Eligible businesses will be provided the bill waiver through arrangements between the Government and electricity retailers. It is estimated that the waiver will apply to approximately 34,000 small businesses. The total estimated cost is expected to be between \$22 million and \$27 million.

Eligible businesses are those whose electricity consumption is less than 150 MWh per annum.

Arrangements have been made with TasWater to waive the payment of the first quarterly water and sewerage bills issued on or after 1 April 2020 of small business customers that are eligible for the electricity waiver. The estimated cost of the bill waiver and the price freeze for 2020-21 is expected to be \$25 million.

### **Approval of Funding**

Finance-General was allocated \$150 million within the Supplementary Appropriation as a provision for unforeseen costs associated with the impact of COVID-19. Funding of \$2 million for the small business electricity bill waiver will be funded from this provision.

### **Administrative Arrangements**

The electricity bill waiver is being provided by electricity retailers and TasWater is providing the water and sewerage bill waiver. Aurora Energy was issued with a Members' Direction to provide the bill waiver and absorb the cost. TasWater agreed to provide the water and sewerage bill waiver. Hydro Tasmania also agreed to provide the electricity bill waiver to eligible businesses on King and Flinders Islands.

Private sector electricity retailers agreed to provide the electricity bill waiver to their eligible customers and are reimbursed for the revenue foregone. The retailers invoice Treasury for the amount to be reimbursed and provide supporting information.

## **Stream 15 - Waive Lease Payments from Private/Commercial Tenants in Relation to Properties let by Government for a period of 6 Months from 1 March 2020**

### **Summary of Stream**

The Government has waived lease payments for commercial tenants in properties let by Government departments for a period six months effective from 1 March 2020.

### **Approval of Funding**

This Government initiative was a directive from the Premier to the Secretary, Department of Treasury and Finance and was approved by the Premier on 16 April 2020. Subsequently the Secretary provided direction to the relevant Heads of Agency.

### **Administrative Arrangements**

*Details of process to effect this measure/make payments.*

Agencies leasing property to non-Government commercial tenants has waived rent for a six month period from 1 March 2020. Agencies have undertaken to provide refunds for any payments already made for this period.

This measure was also applied to the Treasury managed portfolio of properties, including Elizabeth Street Pier commercial tenancies.

*Reporting arrangements*

Agencies report, to Treasury, the number of leases and the value of waived rent resulting from this Government initiative. This information is being collated by the Property Branch.

## **Stream 16 - Rebuilding Tasmania Infrastructure Package: 'Construction Blitz'**

### **Summary of Stream**

The Government has announced a Package of initiatives directed at supporting and underpinning jobs in the construction and associated trades industries in the wake of the coronavirus pandemic.

### **Approval of Funding**

Funding for the initial costs of each of the initiatives announced as part of the Construction Blitz are expected to be met from existing available appropriation in 2020-21, through either the Provision in Finance-General, the Treasurer's Reserve, or through the use of transfers of other approved appropriation.

### **Administrative Arrangements**

The Package comprises various measures and initiatives, including new infrastructure investment as well as extensions to some existing programs. Some of these program extensions are more fully detailed within the balance of this document (for example, additional funding for the Public Building Maintenance Fund, additional loan funding for the Local Government Loan Program, and the HomeBuilder Grant); and therefore have existing processes or arrangements established.

#### *Reporting arrangements*

Many of the initiatives announced as part of the Package will result in direct funding to agencies for the completion of infrastructure works. Treasury has an existing infrastructure monthly reporting arrangement which will ensure that these projects are monitored and are delivered in line with the Government's expectations.

In relation to other package components, and as noted above, there will be some existing reporting arrangements in relation to the extensions to some programs which were announced as part of the Package.

**Table 1 - Approved and Pending COVID-19 Social and Economic Support Measures Expenditure Allocations from FG \$150m and \$180m**

Approved Initiatives	Agency	Portfolio	Output Group	Output	2019-20	2020-21
					\$'000	\$'000
Private Rental Incentive Scheme	DCT	Housing	90	1	250	1 000
Community Support Fund	DCT	Human Services	90	2	2 000	2 000
No Interest Loan Scheme Increase	DCT	Human Services	90	5	500	500
Child Safety System	DCT	Human Services	90	6	1 250	1 250
Family Violence	DCT	Prevention of Family Violence	90	7	1 000	1 700
Sport and Recreation Support	DCT	Sport and Recreation	90	8	500	1 500
Returned Service League Support	DCT	Veterans Affairs	90	9	500	....
State Sector - Casual Worker Support	DPAC	Premier	90	1	1 000	....
Essential Communications	DPAC	Premier	90	2	1 500	500
Creative and Cultural Industries Support	DSG	Arts	90	1	500	1 000
Rapid Response Skills Initiative	DSG	Education and Training	90	2	3 150	3 150
Small Business \$50 million Interest Free Loans	DSG	Small business, hospitality and events	90	3	150	450
Tourism and Hospitality financial counselling	DSG	Small business, hospitality and events	90	6	100	100
Small Business Grants Program	DSG	State Growth	90	8	30 000	10 000

Approved Initiatives	Agency	Portfolio	Output Group	Output	2019-20	2020-21
					\$'000	\$'000
Digital Ready for Business program	DSG	State Growth	90	9	100	50
Small Business Continuity Advice	DSG	State Growth	90	10	500	250
Rural Financial Counselling Service	DSG	State Growth	90	11	100	100
Supporting our local Chamber of Commerce	DSG	State Growth	90	12	100	....
Critical Airfreight Support - Bass Strait Islands	DSG	State Growth	90	13	1 600	....
Critical Airfreight Support - Time sensitive air freight including seafood	DSG	State Growth	90	14	1 000	....
Local Government \$150 million Interest Free Loans	FG	Treasurer	90	2	400	1 600
Primary Health Support	Health	Health	90	1	1 500	1 500
Health COVID-19 general allocation	Health	Health	90	3	35 000	....
Mental Health Program	Health	Mental Health and Wellbeing	90	4	1 500	1 500
<b>Approved Allocations to Date</b>					<b>84 200</b>	<b>28 150</b>
Finance-General Provision (Supplementary Appropriation and Supply Bills)	FG	Treasurer	90	3	150 000	180 000
<b>Balance Available</b>					<b>65 800</b>	<b>151 850</b>

Additional Initiatives Identified	Agency	Portfolio	Output Group	Output	2019-20	2020-21
					\$'000	\$'000
Small Business Electricity Waiver	FG	Treasurer	90	4	2 000	....
Community Support Fund	DCT	Human Services	90	2	10 800	....
Emergency Relief Payments	DCT	Human Services	90	3	....	1 125
Housing and Homelessness Support	DCT	Housing	90	10	2 085	2 165
Temporary Visa Holders	DCT	Disability and Community Development	90	11	2 000	1 000
Additional Health COVID-19 general allocation	HE	Health	90	3	8 200	100 000
Primary Health Support	HE	Health	90	1	1 300	(1 300)
State Sector Casual Worker Support	PC	Premier	90	1	....	1 000
Additional COVID-19 Related Costs (Communication and IT Equipment)	PW	Environment and Parks	8	1	225	....
Small Business Continuity Advice	SG	State Growth	90	10	250	(250)
Small Business Grants Program	SG	State Growth	90	8	30 000	(10 000)
					<b>56 860</b>	<b>93 740</b>
<b>Balance</b>					<b>8 940</b>	<b>58 110</b>
Rollover of Unexpended Funding	FG	Treasurer	90	3	(8 940)	8 940
<b>Closing Pending Balance of Provision</b>					<b>....</b>	<b>67 050</b>



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# Tasmanian Social and Economic Support Measures Update

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July 2020





# I BACKGROUND

The health, safety and wellbeing of Tasmanians is the Government's highest priority. The Government receives daily advice from health professionals in relation to COVID-19 and is acting on that advice. It will continue to manage the risk of the virus based on the best and latest evidence and medical advice available.

While Tasmania has now reached the significant milestone of zero active cases of COVID-19 in the State, the necessary actions taken to reach this milestone have resulted in significant economic and social consequences across Tasmania.

The Tasmanian Government released two stimulus packages on 17 and 26 March 2020 respectively. These packages, combined with further announcements, total over \$1 billion, complementing the Australian Government's multi-billion dollar response, and are of a scale not seen in the history of our State in both the amount of funding and the breadth of measures.

The packages comprise initiatives to provide the health sector, businesses and jobs, households and individuals, and the community with practical support.

The Tasmanian Government consulted with stakeholders, and endeavoured to ensure the packages:

- were proportionate to the developing impact on the economy;
- are scalable and timely, so they can be adjusted appropriately as the situation changes;
- can be delivered quickly providing immediate economic benefit; and
- position Tasmania well for a strong economic recovery.

The *Tasmanian Social and Economic Support Measures Update* separates the supports into Households and Individuals, Community, and Businesses and the Economy to provide an update on the implementation of each measure.



## 2 HOUSEHOLDS AND INDIVIDUALS

### Pandemic Isolation Assistance Grants

The Tasmanian Government is providing financial assistance to low-income individuals and families who are required by Public Health to self-isolate due to COVID-19 risk. A one-off payment is available to those eligible (\$250 per adult, \$125 per child, with a maximum of \$1,000 per household).

As at 30 June 2020, 284 grants have been paid to Tasmanians totalling \$118,395.

### Emergency relief and support to people in government quarantine and self-isolation

The Government has funded community sector organisations such as The Salvation Army, Rural Business Tasmania and the Australian Red Cross to provide food hampers, financial counselling, and psychosocial support to people in self-isolation.

Red Cross has also provided wellbeing checks and psychosocial support to those in government quarantine, and are offering this service to those who are now self-isolating at home. The Salvation Army has been providing food parcels to those in self isolation, and those arriving at airports/TT Line terminal. Rural Business Tasmania is supporting rural communities with essential items. As at 2 July 2020, 12,024 wellbeing calls have been made by the Red Cross.

The Government is also providing emergency accommodation to vulnerable individuals and families on low incomes who are required by Public Health to self-isolate due to COVID-19 risk, but who are unable to stay at their regular place of residence or are homeless. As of 1 July 2020, 80 people have been provided with emergency accommodation.

Under the Local Emergency Food Relief COVID-19 Grants Program, funding of up to \$10,000 was available to eligible organisations to deliver emergency food relief to Tasmanians in need in their local community. This Grants Program will enable them to deliver much-needed support to local communities, while operating within the current restrictions. Grants were available in two categories: Category 1 for organisations which provide low-cost ready-to-eat meals following current restrictions; and Category 2 for organisations which have new or changed food hamper services as a result of COVID-19 restrictions.

A total of 39 applications requesting \$331,103 were received by the closing date of 31 May 2020. On 26 June 2020, it was announced that 28 applications would receive a total of \$211,035.

### School Levy Relief

As at 30 June 2020, the Government has refunded approximately \$9 million to parents through the School Levy Relief. This has supported approximately 21,000 parents.

A further decision was made in June to waive individual historical debts totalling approximately \$2.8 million, to further support families in resetting their financial plans during the recovery phase.

### Utility costs

In order to assist households and businesses on regulated electricity tariffs, the Government has capped regulated electricity prices for 2020-21 to ensure that they do not increase over 2019-20 prices.

### Rent relief

The Government has not increased rent for social housing tenants, and will not count Australian and Tasmanian Governments' emergency payments as income for the purposes of calculating rent contributions. This will provide around 11,500 households across Tasmania in social housing with more money in their hands during these difficult times, at a cost of around \$6.7 million to the Government.



Targeted support of up to \$2,000 or four weeks rent is available for tenants covered by the *Residential Tenancy Act 1997* who are suffering from extreme hardship. Assistance is available to tenants experiencing COVID-19 related hardship and are in rental stress, that is, they are paying more than 30 per cent of their income in rent and have less than \$5,000 in savings.

As at 3 July 2020:

- The Government has received applications for 1,194 individuals across 1,004 properties;
- 289 applications for 420 individual tenants have progressed for final assessment; and
- 275 individuals been approved and paid so far at a cost of just over \$223,000.

### **Additional housing for Tasmanians**

The Government has increased funding to the Private Rental Incentive Scheme to increase the pool of available houses under the Scheme. This will assist in meeting the needs of those on the housing register. The additional \$2 million will allow a further 75 properties to be provided under the Scheme. As at 30 June 2020, 136 households have been approved funding under the Scheme.

In addition, the Government has committed:

- \$2.62 million to expand the current Safe Night Space pilot, which currently provides a safe, overnight place for those sleeping rough in Hobart. The program is being extended to cover Launceston and Burnie as well as Hobart, and from an overnight service into a 24/7 full wrap around support service.

The Hobart Safe Space provided assistance to 1,150 people in June 2020, this included assistance to 511 people overnight and 639 people during the day.

The Safe Space in Launceston's day-time service has provided assistance to over 300 individuals during June 2020. The night time service commenced from 6 July 2020.

The Safe Space in Burnie commenced its day-time service from 6 July 2020 and its night-time service from 14 July 2020.

- \$1.19 million towards uncapped brokerage to assist Housing Connect's capacity to provide statewide brokered emergency accommodation, including increased mental health and wrap around support services during the emergency period.
- \$513,760 to support young people who are under 16 and at risk of homelessness by increasing capacity to deliver services. To support the delivery of this an under-16 Homelessness Working Group has been established to oversee the implementation of the recommendations of the U/16 Homelessness Taskforce. The Working Group comprises government and non-government representatives and held its first meeting on 24 June 2020.

### **Halt on residential evictions for a 90-day period and rent increases**

The *Residential Tenancy Act 1997* was amended for an 'emergency period' to put in place a halt on residential evictions and rent increases until 30 September 2020.

### **Code of Conduct for commercial tenancies**

On 13 May 2020, the *COVID-19 Disease Emergency (Commercial Leases) Act 2020* received Royal Assent. The Act gives effect to the Code of Conduct for commercial tenancies agreed upon by National Cabinet on 7 April 2020.

The purpose of the Code is to govern the conduct of commercial tenants and landlords, and provide additional protections and rent reductions for tenants experiencing financial hardship. Measures include:

- the protection of commercial leases for eligible tenants (a tenant who is eligible for the JobKeeper program and has a turnover of less than \$50 million per annum);



- a freeze on rent increases (a lessor must not, unless agreed by the lessee, increase rent for a protected lease during the financial hardship period);
- rent reductions (the lessor must provide the lessee of a protected lease a reduction in rent in line with the provisions provided in the Code); and
- the establishment of mediation services and a Code Administration Committee to support the Code.

### **No Interest Loan Scheme (NILS)**

The Government has provided \$1 million to NILS to support low income families to obtain affordable finance for goods and services. The Government investment has enabled NILS to respond to the urgent need for vulnerable families to purchase technology to enable online learning for their children. NILS Tasmania and its 66 community organisation partners, such as Neighbourhood Houses, The Salvation Army and City Mission, have worked hard to quickly adapt to enabling loan applications via the phone rather than face to face due to lockdown restrictions so that no one missed out at this important time.

As at 30 June 2020, loans to the value of \$500,000 had been provided.

### **Support to Temporary Visa Holders**

Temporary Visa Holders are being supported by the Government through the provision of emergency assistance grants; emergency relief services through partner organisations; assistance to return to their country of citizenship; and employer assistance payments.

#### ***Emergency relief***

As at 30 June 2020, 3,960 grants have been paid to Temporary Visa Holders totalling \$1,275,525.

Funding of \$500,000 has been split between non-government organisations CatholicCare Tasmania, Migrant Resource Centre Tasmania, Migrant Resource Centre North, St Vincent de Paul and Multicultural Council of Tasmania to provide emergency relief, assistance and information to temporary visa holders statewide.

#### ***Assistance to return to country of citizenship***

Temporary Visa Holders facing hardship who wished to return to their country of citizenship are being provided with assistance.

A total of 135 applications (128 individuals, six couples and one family) for assistance were received. As at 27 July 2020:

- 23 applications have been finalised, with 26 people provided with assistance to return to their countries of citizenship;
- a further 11 applications have been assessed as eligible, pending availability of flights;
- 96 applications were withdrawn (where applicants have funded their own travel, or selected to remain in Tasmania, or were unable to be contacted); and
- five applications have been assessed as ineligible.

#### ***Skilled Employee Assistance Program***

Employers of Temporary Visa Holders have access to the Temporary Visa Holder Skilled Employees Assistance Program. Under this program grants of \$2,000 help skilled temporary visa holders maintain a connection with their employers during COVID-19. The focus is on employees with skills and experience that make them critical to the business continuing or resuming trade as COVID-19 restrictions are eased.

Applications opened on 3 June 2020 and closed on 16 June 2020 for employees and 19 June 2020 for employers.



### *Fee relief for international students*

The Department of Education has also foregone \$288,000 in revenue to provide a COVID-19 Fee Relief Program for Temporary Residents, introduced to offer financial support for migrant families who are experiencing hardship.

The Fee Relief Program provides fee paying Temporary Residents with a 25 per cent discount on their Term 2 and Term 3 tuition fees.

In addition, 36 requests have been received for further financial support including payment pauses and fee waivers. \$250,000 has been allocated to support current and future requests.

## 3 COMMUNITY

### **Emergency relief and assistance**

The Tasmanian Government has partnered with a network of emergency food relief providers.

As at 30 June 2020:

- \$130,000 has been paid to Volunteering Tasmania which has allowed it to increase the numbers of volunteers registered in the Emergency Volunteer crew database from 1,242 to 2,430 (91 per cent increase as at 10 July 2020).
- \$144,000 has been paid to Hamlet to provide ready to eat meals to Hobart City Mission, and in particular the Safe Night Space.
- Loaves and Fishes has increased production of hampers and ready to eat meals by approximately 600 per cent based on additional government funding of \$156,000 (statistics vary from week to week).
- \$100,000 has been paid to Waterbridge Food Company and it has increased food boxes to the Bridgewater community.
- \$250,000 has been allocated to Meals on Wheels to enable the upscaling of business operations to respond to the increased demand as a result of COVID-19. This includes, but is not limited to, meal production and storage, workforce, transportation, client services and business surety. The payment is expected to occur in 2020-21.
- \$100,000 has been provided to increase FoodBank's supplies and deliveries to those in need. Supply has been increased by approximately 100-200 per cent (statistics vary from week to week).

The Council on the Ageing (COTA) continues to work with the Government's Public Information Unit (PIU) to develop communications materials for older Tasmanians – including ensuring that critical information is provided in multiple formats such as by paper, over the phone, and radio. COTA has also been part of the development of a national hotline for older people. The Youth Network of Tasmania (YNOT) has been working with the PIU to develop communication materials for younger Tasmanians.

The Government has provided \$260,000 to Community Transport Services Tasmania to continue to maintain essential transport and deliveries for our most vulnerable people and meet the increased demand as a result of the pandemic.

TasCOSS, on behalf of the Department of Communities Tasmania, has awarded 62 grants to eligible community sector organisations to support the purchase of IT infrastructure and connectivity. Given the success of the program an additional \$100,000 was allocated to this program, bringing the total cost to \$350,000.





## Mental Health Support

### *Lifeline*

The Government committed \$875,000 to establish a dedicated 1800 phone number to allow Tasmanians to call and receive specific support regarding the impact of COVID-19, as well as a proactive call out service to reach out to at-risk communities and industries.

The new Lifeline Service (1800 98 44 34 – A Tasmanian Lifeline) commenced on 1 May 2020. The service provides wellbeing support for Tasmanians, many of whom would not have previously sought support and who are experiencing psychological distress during the pandemic. The service continues to see increases in the call volume, particularly for those who are experiencing social isolation and loss. Loss is experienced in many forms including job loss, loss of normality, loss of contact with loved ones and loss of plans and hopes.

The end of the second month of operations has seen the calls increase to over 250 calls. Women continue to be the main users of the service (nearly 70 percent of all calls).

Older Tasmanians are still the most likely to make a call, and increasingly there is a trend for the older demographic to be located in regions outside of Hobart, Burnie and Launceston. The smallest group of users, aged 18-25, are more likely to be living in inner city areas of Launceston and Hobart.

### *Rural Alive and Well*

\$240,000 has been provided to Rural Alive and Well (RAW) to increase capacity to provide mental health advice, support and referral for vulnerable Tasmanians living in rural areas during the pandemic.

RAW has increased its workforce by two full time staff members, one based on the North West Coast and the other in the Central and Southern Highlands. RAW has had 1,657 interactions with clients across Tasmania in the period between 1 April and 15 July 2020, compared to 1,131 interactions for the same period last year.

RAW staff have been actively engaging with communities to provide assertive outreach and to ensure that RAW is highly visible, approachable and accessible for those that require its support that otherwise would fall through the gaps and potentially become a suicide statistic because they didn't know where to go for help.

### *Migrant Resource Centre*

\$120,000 has been provided to the Migrant Resource Centre to provide targeted support to Tasmania's migrant community during the pandemic.

The Cultural Community Connections (CCC) Program, delivered in collaboration with the Phoenix Centre and the Migrant Resource Centre Tasmania, has produced a number of Mental Health Resources ('Be Kind to your Mind,' 'Staying Emotionally Healthy at Home' and 'Parenting in Uncertain Times'). These resources have been translated into 12 languages, with another three language translations in development. A translated Mental Health information booklet is also being developed. These resources have been widely distributed via email networks to organisations supporting CALD communities and updated on the Migrant Resource Centre Tasmania/Phoenix Centre website and the Multicultural Access Point. CCC organised for Migrant Resource Centre Tasmania Bi-Cultural staff to participate in consultation sessions and training around the impact of COVID-19 on their communities, and provided them with resources to assist them in directing community members to appropriate linkages and support, such as A Tasmanian Lifeline, and the Phoenix Centre.

From these consultations, it was identified that more resources were needed in the languages of some of our emerging communities and that audio resources were preferred due to limited literacy from some CALD communities. Consequently, CCC sourced and shared audio resources already produced by Red Cross and Settlement Engagement and Transition Support program and made these available on the Migrant Resource Centre Tasmania and Phoenix Centre websites. The CCC Program will continue to develop information in necessary languages and audio recordings of important information will continue to be prioritised.

Phoenix Centre staff working on the CCC Program liaised with A Tasmanian Lifeline to offer training for their staff. The training will focus on 'culturally appropriate case coordination' and 'working with interpreters'.



### *Mental Health Council of Tasmania*

\$450,000 has been provided to the Mental Health Council of Tasmania to support Community Managed Mental Health and Alcohol and Other Drug Providers that are funded by the Tasmanian Department of Health or Primary Health Tasmania to use technology to adapt to alternate methods of delivery for existing services.

A grant process was run by the Mental Health Council during April 2020 with 52 organisational applications received, of which 36 were successful. Common technology items purchased included laptops and iPads (for staff and clients), videoconferencing hardware, mobile data (for staff and clients) and telehealth or videoconferencing software.

In evaluating the technology fund:

- 83 per cent of organisations indicated the technology fund addressed the need they had to a great or very great extent in order to continue service delivery.
- 70 per cent said the contribution of the technology fund in ensuring ongoing service delivery was great or very great.
- 95 per cent of organisations plan to continue to utilise service delivery methods adopted during the pandemic as a result of capabilities established or enhanced with the technology fund.

### **Family Violence**

Safe at Home is the Tasmanian Government's integrated criminal justice response to family violence. It involves a range of services working together to protect and support victims of family violence, including young people and children, while making offenders responsible for their behaviour. The Government has provided \$1.9 million across Safe at Home services, including:

- increased staffing for the Court Support and Liaison Service to support survivors navigate and engage in the court process thereby holding offenders accountable;
- continuation of a dedicated Safe at Home Legal Practitioner in the North-West of Tasmania to support and advise survivors of family violence;
- increased capacity for the Family Violence Counselling and Support Service to deliver the extended hours service; increased staffing of the Adult Program to proactively engage with victim-survivors of family violence and enhance their safety; and continuation of increased staffing for the Children and Young Persons' Program to support children to recover from family violence;
- increased resources for the Magistrates Court to support the efficient progress of family violence matters through the criminal justice system and engagement with Safe at Home;
- additional specialist Safe at Home Police Prosecution in the South and North-West to support the criminal justice process; and
- increased capacity for the Safe at Home Coordination Unit to increase the efficiency of Safe at Home.

The Rapid Rehousing program is an existing Government policy under the *Affordable Housing Action Plan* and the *Safe Homes, Families, Communities: Tasmania's action plan for family and sexual violence 2019-2022*. The Department of Communities Tasmania is working with Centacare Evolve to find and lease an additional 20 properties. As at 30 June 2020, one family has been rehoused in this scheme.



Flexible Support Packages (FSPs) were launched on 27 April 2020 and as of 30 June 2020, 35 applications totalling \$99,967 have been approved across the State. FSPs provide up to \$6,000 to victim-survivors of family violence to purchase basic items such as food or clothing, to pay utilities or phone bills, to cover medical or pharmaceutical costs, for relocation costs, furnishings and whitegoods or emergency accommodation.

Community-based specialist family violence support services received funding to increase their operational capacity and respond to increased demand for services. A total of \$310,000 (\$62,000 per service) was provided to Yemaya Women's Support Service, Engender Equality, Huon Domestic Violence, Anglicare (Relationship Abuse of an Intimate Nature) and Safe Choices.

The new Safe from Violence website ([www.safefromviolence.tas.gov.au](http://www.safefromviolence.tas.gov.au)) was launched on 16 June 2020, to provide a central portal of information and links to support services for those impacted by family and sexual violence, and/or seeking support for themselves or others. The website includes a suite of resources developed to support those impacted by family and sexual violence during the COVID-19 pandemic including posters, postcards and fact sheets. \$100,000 was allocated to support primary prevention and awareness raising efforts that communicate COVID-19 does not cause, justify or excuse family and sexual violence and to promote specialist services available to provide support.

### Supporting vulnerable children

As at 30 June 2020:

- \$250,000 has been paid to foster and formal kinship carers to support cleaning and hygiene measures;
- \$70,000 has been allocated to Foster and Kinship Carers Tasmania (FKAT) to liaise with Kin Raising Kids Tasmania to develop and support advocacy and training services to informal kinship carers and improve FKAT's service of support and assistance to informal kinship carers.
- \$130,000 has been allocated for review and implementation of an informal kinship care liaison and support function. Terms of reference are being finalised for this project.
- The ICT Fund had received 72 applications and 58 were approved. The majority of the applications have requested laptops or iPads.
- The Carer Support Hotline and the After Hours Response Service has been extended. Current demand for after-hours support is being monitored to ensure an appropriate response can be provided when required.
- Sixteen applications have been received for the Flexible Active Family Fund. Thirteen applications have been approved totalling \$3,250.
- A funding agreement for enhanced engagement and advocacy for children in care has been prepared with CREATE for 1 July 2020 - 31 December 2020. The purpose of the funding is to contribute to the delivery of 32 care placements and crisis accommodation statewide.
- The Department of Education, partnering with the Department of Communities Tasmania, is providing students who do not have access to a computer or internet access with a computer and sim card/internet dongle.

### Rebate on rent for early education and care providers

The Department of Education has waived, for the six months from March to August 2020, 70 rent agreements for Early Education and Care (ECEC) providers co-located with Schools and Child and Family Centres. These rent agreements total \$192,701, of which \$23,694 has been refunded for payments made by ECEC providers.

A further nine agreements totalling \$49,087 between other businesses and Libraries Tasmania or the Professional Learning Institute or TasTAFE have been waived, of which \$16,254 has been refunded.

The total amount waived as at 12 June 2020 is \$346,358. The total amount refunded is \$43,307.



## **Neighbourhood Houses**

The Tasmanian Government recognises that Neighbourhood Houses provide essential voluntary community programs, and a need for this will continue during this time. Therefore, additional funding of \$700,000 was allocated to the Neighbourhood House Network to support ongoing community development work during the pandemic response.

This means each of Tasmania's 34 Neighbourhood Houses has received an additional \$20,000 to support their community, and the peak body Neighbourhood Houses Tasmania received \$20,000 in recognition of the work it is undertaking to support the network in adjusting to the COVID-19 business requirements and their participation in the emergency response and future recovery.

The additional funding is being used to add capacity to Neighbourhood Houses to meet the needs of their local communities, with a focus on connection, information resourcing, wellbeing and community resilience.

## **Sport and Recreation Support**

Under the Sport and Recreation COVID-19 Grants Program Tranche 1, 29 applications were received, requesting a total of \$4,382,333. Twenty-five grants were approved totalling \$1,915,218 to support a total of 187 jobs, with four applications unsuccessful due to Jobkeeper covering employee costs. Deeds have been finalised with all recipients.

Tranche 2 opened on 29 June 2020, providing funding of up to \$3,000 to sport and active recreation clubs for the purchase of equipment or supplies necessary to ensure a safe return to play under the organisation's COVID-19 safety or Return to Play plan.

## **Racing Industry**

The Tasmanian Racing industry was ordered to cease operations as of 2 April 2020. In response, the Government, through Tasracing, has announced a support package of \$2 million per month, which is broadly equivalent to the continuation of the full value of stakes money foregone.

As at 12 June 2020, payments had been made for 2,720 racing animals in work over all three codes via 76 thoroughbred trainers, 111 harness trainers and 126 greyhound trainers. Payments ceased on the 13 June when racing resumed.

## **Support for commercially trading RSL sub-branches and ex-service organisations**

The Supporting Our Veterans – COVID-19 Grants Program is providing up to \$500,000 to eligible RSLs and ex-service organisations. Applications for the grants closed on 31 May 2020 with 44 applications requesting \$413,107 received. Forty two grants totalling \$331,490 were approved, with \$168,510 remaining in the funding pool. Of these, a total of \$224,620 has been paid to 27 organisations as at 30 June 2020.

The Grants Program was reopened by the Minister for Veterans' Affairs, Guy Barnett MP on 25 June 2020. From the remaining funding pool, \$100,000 is available to applicants. The Grants Program closed on 12 July 2020.

## **Accommodation for frontline workers**

Emergency hotel accommodation is available for frontline workers who directly deliver essential health, welfare and biosecurity services if they need to stay away from home. To date, approximately 36 frontline workers have been assisted, totalling approximately 182 accommodation nights.



## 4 BUSINESSES AND THE ECONOMY

### Government fees and charges for small business

The Government has frozen, waived or capped fees and charges for small businesses including waiving the roads component of motor tax and vehicle registration where a business has been significantly impacted by measures taken to manage COVID-19. Businesses looking to suspend or are experiencing significant trading restrictions due to the COVID-19 can access the Business Vehicle Registration Relief Package. For heavy vehicles they can apply to freeze or extend for 12 months and for light vehicles apply to freeze the vehicle registration. To date:

- 135 businesses have applied for heavy vehicle registration extensions and 633 vehicles have been processed.
- 298 businesses have applied for light and/or heavy vehicle fee relief and 2,307 vehicles have been processed.

Registrations can be reactivated at no cost to the business when it restarts. For heavy vehicles (over 4.5 tonnes) the Government will waive fees for registration and the road component of motor tax for 12 months. Operators will still need to pay the regulatory component of motor tax which goes to fund the operations of the National Heavy Vehicle Regulator.

### Utility costs for small businesses

The Government has put in place measures to waive the payment of the first quarterly electricity (or the first three monthly electricity bills) issued on or after 1 April 2020 to the customer, in respect of energy use in the relevant billing period. Eligible businesses will be provided the bill waiver through arrangements between the Government and electricity retailers. It is estimated that the waiver will apply to approximately 34,000 small business connection sites covering around 22,000 small business customers. The total estimated cost is expected to be between \$22 million and \$27 million. As at 30 June 2020 around \$18 million in bill waivers had been applied.

Arrangements have been made with TasWater to waive the payment of the first quarterly water and sewerage bills issued on or after 1 April 2020 of small business customers that are eligible for the electricity waiver. The eligibility criteria is the same as that for the small business electricity bill waiver. The estimated cost of the bill waiver and the price freeze for 2020-21 is expected to be \$25 million. As at 30 June 2020, around \$4 million in bill waivers had been applied.

### Payroll tax relief

As at 2 July 2020:

- 406 applications had been received by the State Revenue Office for the payroll tax waiver for Tasmanian employers with wages of up to \$5 million with a total refund of approximately \$12.2 million paid to date;
- 66 applications had been received by the State Revenue Office for the payroll tax waiver for Tasmanian hospitality, tourism, and seafood industry employers with a total refund of approximately \$13.1 million paid to date;
- there are 14 registrants for the payroll tax rebate for wages for employees aged between 15 and 24 who commence between 1 April 2020 and 31 December 2020. The rebate applies for one year for youth employees and two years for apprentices and trainees; and
- the Government has waived payroll tax due on wages attributable to the JobKeeper payments, commencing from 30 March 2020 and ending on 27 September 2020.





### **Relief for commercial property owners and tenants**

The Government is waiving land tax for 2020-21 for commercial property owners that have been adversely financially impacted by COVID-19. The actual reduction in revenue will be identified when land tax assessment notices are calculated throughout the 2020-21 financial year with an estimate of up to \$43 million. As at 30 June 2020, 416 applications for deferral of land tax due to financial hardship have been received, of which 406 had been processed.

### **Government leases**

For Government leased property (to private/commercial tenants) the Government has waived rents for six months. The rent waiver will apply to almost 1,500 leases impacted by COVID-19, providing rent relief to the value of approximately \$4.8 million. The waiving of rent is applied from 1 March 2020 for a period of six months with refunds for rent already paid across the State.

### **National Parks and Wilderness Areas lease and license relief**

The rental relief provided for Crown assets also applies to all commercial and private lessees and licensees on reserved and Crown land managed by the Department of Primary Industries, Parks, Water and Environment, and equates to six months rental waiver for over 1,160 businesses.

### **Additional support for small businesses**

As at 30 June 2020:

- 691 applications have been submitted for the Small Business Interest Free Loan;
- \$150,000 has been allocated over two years for the successful Digital Ready for Business program. In addition, 360 Tasmanian businesses have taken advantage of their free two-hour session with a Digital coach since January 2020;
- More than \$30 million has been paid out under the Small Business Emergency Support Grant program, which has provided 13,298 small businesses grants of \$2,500;
- 2,080 grants have been approved and paid for the Small Business Continuity Grants of \$750 to support businesses to access continuity planning and advice;
- Under Round One of the Small Business Hardship Grant program, a total of 1,330 businesses have received funding of \$15,000. Round Two of the grants has seen 1,540 small businesses receive \$4,000 to support them in recovery;
- A grant of \$200,000 over two years has been provided to Rural Business Tasmania to extend the Rural Financial Counselling Service to further support rural businesses.
- \$100,000 is being provided to local Chambers of Commerce.

The Government has provided funding of \$65,000 for the online Agfest portal (Agfest in the Cloud).

### **Local Government Loans Program**

On 4 June 2020, the Government announced that, as part of the Rebuilding Tasmania Infrastructure Investment, the Local Government Loans Program has been increased from \$150 million to \$200 million.

As at 30 June 2020, total approved borrowings of \$142.3 million have been provided to 20 Local Government Authorities under the Program. Applications received at that date include infrastructure projects such as upgrades to roads, bridges and jetties, stormwater improvements, and car park redevelopments. The cost of individual projects range from \$5,000 to \$6 million. Approval has also been provided to fund rates relief programs for the business and community sectors, and cash flow shortfalls and other operational initiatives.

The Program is open until 1 August 2020. Details of all approved projects are published on the Department of Treasury and Finance's website.



## Primary Healthcare Grants

As at 30 June 2020, 449 GPs and pharmacies have received grants of up to \$10,000 to support the continuation of essential primary healthcare services during the COVID-19 emergency.

### Telehealth capacity

To increase Telehealth capability, 20 virtual rooms have been expanded to accommodate up to 5,000 virtual appointment bookings. This expansion has resulted in improved provision of care statewide. These services enable patients to connect via Telehealth from their local health service, through to their clinicians who may be sitting in a clinic at the other end of the State. This has resulted in:

- 1,200 per cent increase in the delivery of appointments using telehealth from March to June 2020;
- 369,000 kilometres of patient travel saved;
- 4,488 hours of travel time saved for patients;
- 34 flights intra and interstate saved; and
- 67 metric tonnes of carbon emission saved from reduced travel.

### Tourism and hospitality support

The Government has partnered with Collins SBA to provide business continuity and cash flow advice to tourism and hospitality businesses affected by COVID-19. Grant deeds to provide funding are currently being developed. The Tasmanian Hospitality Association (THA) has individually contacted a total of 2,226 hospitality businesses in Tasmania, both members and non-members. The THA is now moving into a second phase of support, which includes an online coaching forum with a series of modules on how to ensure businesses are enabled to maximise profitability in this new environment. The TICT has a target of assisting 200 tourism operators during the shut-down period.

### Seafood and fishery support

There are 680 wild fisheries licence holders that are eligible to receive fee relief from the \$4.3 million of stimulus support for the wild fisheries sectors. To date, 664 eligible fishing licence holders have applied for a refund of fees already paid and 630 have been refunded. There are 16 eligible fishers who have not yet applied for the refund and the Department of Primary Industries, Parks, Water and Environment is in contact with these fishers. Fees covered by this initiative for fishers whose licence renewals have not fallen due will not be invoiced.

Licence fee relief for shellfish farming was fully implemented as at 30 April as this fee was not charged during the licence renewal process. 152 shellfish farmers applied for, and have received, the 12 month rental waiver; confirmation emails will be sent out by the end of July.

Every shellfish marine farming licence holder, subject to the ShellMAP levy, has received advice that the levy for the coming year has been waived. This amounts to over \$7,000 in levy waivers per licence and collectively this relief amounts to \$770,000 across the shellfish marine farming industry.

The annual accreditation fee required under the *Primary Produce Safety (Seafood) Regulations 2014* will also be waived for the 2019-20 financial year. The estimated cost of waiving the fee is approximately \$39,000 and it will benefit seafood producers including approximately 66 bivalve mollusc producers and 65 abalone divers.

### Cultural and creative industries

#### *Arts and Screen Digital Production Fund*

To support screen practitioners, artists and arts organisations whose work has been cancelled, postponed or disrupted by COVID-19, grants of up to \$10,000 for individuals and \$50,000 for organisations is available through the Arts and Screen Digital Production Fund. This funding will help artists and arts organisations to work with Tasmanian screen professionals to make content in Tasmania for digital distribution and promotion.



Applications for the Arts and Screen Digital Production Fund closed on 4 May 2020. Seventy eight applications were received, with 29 being supported to the value of \$506,396. This will provide direct employment to 168 arts and screen professionals.

#### ***Additional Screen Development Fund***

The Government also committed \$250,000 of additional screen development funding, which is being delivered through Screen Tasmania's Project Development Program. To date, 25 applications have been received. The adaptation of an award-winning Tasmanian novel and the prequel of one of Australia's most successful television series are among the 13 successful projects to benefit from the Tasmanian Government's additional development round which were announced in June 2020.

#### ***Tasmanian Contemporary Music Fund***

To support Tasmanian contemporary musicians whose engagements have been cancelled due to COVID-19 to record music and music videos for digital distribution and promotion, grants of up to \$15,000 are available. Projects must take place in Tasmania and support Tasmanian musicians to work with other Tasmanian artists and production professionals.

Applications closed on 4 May 2020 with 97 applications received. Twenty-two applications have been successful, to the value of \$255,041. This will provide direct employment to 150 music and music production professionals.

#### ***Support to arts organisations***

The Government has also committed \$500,000 to support arts organisations impacted by COVID-19. Applications for this funding closed on 13 July 2020.

#### ***Critical air freight for industry and our islands***

Sharp Airlines is now receiving direct support of up to \$112,577 per week to maintain freight and passenger services to the Bass Strait Islands. The financial support provided to Sharp Airlines is subject to an agreed flight schedule and passenger revenue.

The Tasmanian Government is providing direct support of up to \$11,000 per week to TasFast to deliver essential air services between Tasmania and King Island for continue supply of essential health supplies and live seafood.

The Tasmanian and Australian Governments are co-funding two additional freight flights per week between Hobart and Sydney to enable Tasmanian producers to connect with flights to international markets.

#### ***Taxi licence fees***

The Government has waived annual taxi licence fees for the calendar year 2020 at a cost of \$240,000. As at 23 June 2020, 282 licence fee refunds have been processed.

In addition, a number of additional taxi support initiatives have been adopted by the Government including Taxi free rebates which has seen administration fees contained in the *Taxi and Hire Vehicle Industries Act 2003* waived and not payable for 2020. Refunds of fees already paid are being progressed.

The Taxi Industry registration relief for vehicle registration falling between 1 March and 30 September 2020 means taxi operators can either 1) continue operating a vehicle or apply to have their vehicle registration extended for a 12 month period, at no charge or 2) 'pause' the registration of their taxi and later reinstate the registration at no cost, with the 'paused' period being added to the reinstated registration period. Taxis will not be required to pay Public Passenger Vehicle safety inspection (around \$130).





### Public building maintenance program

\$50 million has been allocated to fund critical maintenance on public buildings and other publicly owned assets, to support the construction sector with 'screw-driver and paint-brush ready' projects. The Government subsequently provided an additional \$20 million to the fund as part of the Construction Blitz Package for economic recovery.

As at 30 June 2020, \$9.65 million has been spent in relation to the projects announced as part of this Program, including over \$4.7 million for work on Housing Tasmania properties around the State.

Projects are being delivered across a range of service delivery areas around the State, with large programs of work underway in schools, hospitals, health centres, ambulance stations, and public housing; as well as public amenities within Tasmania's national parks and reserves.

### Liquor and gaming response measures

As at 2 July 2020, 1,098 applications for liquor licences and permit refunds have been received, resulting in refunds of \$508,268; and 199 special permits have been issued at no cost, saving permit applicants \$44,323. As at 30 June 2020, fee waivers in relation to gaming have amounted to \$1,073,907.

### Rapid Response Skills Initiative

On 27 March 2020, the Government announced that an additional \$6.3 million was being made available through the Rapid Response Skills Initiative (RRSI) to support individuals who have lost their jobs as a result of COVID-19. Eligible individuals can apply for up to \$3,000 to get career advice, reskill or obtain licences they need to get their next job.

561 applications for subsidised training were received between 1 March 2020 and 16 July 2020, and 403 have been assessed and approved at that date.

To help move workers into new jobs as quickly as possible, a Skills Matching Service has been established to help match job ready workers with industries and businesses who need staff now. A Grant Deed (\$200,000 for the period April-November 2020) has been enacted with Searson Buck Group Ltd to provide this service. As at 30 June 2020:

- 219 job seekers had registered with the service; and
- 74 displaced workers had been connected with local employers.

This funding will also support the \$1.5 million Train Now Fund that provides subsidised training to:

- ensure employers who have urgent training needs can access funding support;
- improve the likelihood of businesses remaining sustainable;
- increase the future productivity of the business to support economic recovery and growth; and
- increase the skill level and future employability of employees who remain with their employer, through completion of nationally recognised training.

### HomeBuilder Grants

The \$20,000 Tasmanian HomeBuilder Grant was announced by the Government on 4 June 2020, to apply from the date of announcement, subject to meeting the eligibility requirements. This grant complements the \$25,000 Australian Government HomeBuilder Grant which was also announced on 4 June 2020 and commenced on that date. The Australian Government HomeBuilder Grant is funded by the Australian Government and administered by the Tasmanian Government, as per the National Partnership on HomeBuilder, signed by the Tasmanian Government on 19 June 2020. The eligible period for both Grants expires on 31 December 2020.



### Tasmanian Economic and Social Investment Fund

On 4 June 2020, the Tasmanian Government announced an infrastructure investment package in response to the economic impact of COVID-19.

One of the measures announced was a proposal to implement arrangements whereby up to 10 per cent of the Retirement Benefits Fund's investment portfolio (\$200 million) will be invested in Tasmania to ensure an economic and social return for the State. The Department of Treasury and Finance is currently developing options to deliver this measure.

### Government fees and charges

The Government is freezing all fees and charges subject to the *Fee Units Act 1997*. For 2020-21 the Fee Unit rate will be the same as in 2019-20. Accordingly, all fees and charges which are based on Fee Units will be frozen for 2020-21. The estimated cost in revenue foregone is approximately \$430,000.





COVID-19 RESPONSE

PREMIER'S ECONOMIC & SOCIAL  
RECOVERY ADVISORY COUNCIL  
Interim Report | July 2020

This report was produced by PESRAC for the Tasmanian Government.



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Samantha Hogg

Leanne McLean

Paul Ranson

Brett Torossi

\*\*\*\*\*

In preparing this first Report, we have had the benefit of considerable data and information from Tasmanians. Our thinking has been informed by:

- published and unpublished data and information available to us;
- our targeted consultation with Government agencies and peak bodies; and
- additional information contained in other submissions provided to us.

We have made available on our website ([www.pesrac.tas.gov.au](http://www.pesrac.tas.gov.au)) the submissions that we have received during the first phase of our work, and also provided a list of those that we have consulted with.

\*\*\*\*\*

The Council would like to thank the team that comprises our Secretariat in supporting us in our work, and the Departments that have made these people available to us.

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*We acknowledge the ancient history of the Tasmanian Aboriginal people as the First People of lutriwita/Tasmania. For over 2 000 generations, the health and well-being of Tasmanian Aboriginal peoples has been, and continues to be based on a deep and continuous connection to family, community and the land, sea and waterways.*

# Chapter 1: The Task

## Introduction to the Council's Work

Like other Australians, in early 2020, Tasmanians watched the novel coronavirus (COVID-19) rapidly spread throughout the world. We prepared for when the virus would inevitably arrive on our island.

COVID-19 has impacted all our lives, none more than the families and communities who have lost loved ones. We are particularly saddened by this loss of life, made more difficult by physical distancing where families and friends were not able to farewell their loved ones as they would have wished.

COVID-19 is challenging our society in so many ways.

Thousands of Tasmanians have lost their jobs, perhaps for the first time, or had their hours significantly reduced. Some have experienced business failures, placing financial, emotional, and mental stress on individuals and households. For frontline and essential workers, going to work became stressful and demanding in ways we had never experienced before. Temporary visa holders have been 'stuck', unable to work or return home, and were excluded from national income support measures.

The Tasmanian way of life that makes this place so unique has been suddenly disrupted. Lifestyle choices we so often take for granted were temporarily unavailable to us, from heading to the 'shack' or camping for Easter, to calling in for a chat at the Neighbourhood House or dropping in for a beer at the local RSL Club.

Families have been separated through border closures or other restrictions. Babies have been born without visitors in hospitals and without the traditional 'home visit' from a child health nurse.

Children have felt the impact as individuals, through isolation from family, friends, school, support services and community involvement. They have also felt the impacts of the concerns or stresses of the adults who care for them.

Parents and carers have taken on additional caring responsibilities, often under challenging circumstances. They have balanced working from home and home schooling or dealing with employment loss and reduced income while, at the same time, facilitating their children's education.

Older people were isolated from their families, communities and support mechanisms, and many were genuinely scared for their lives.

Tasmanians who have been used to accessing support and services face-to-face, have had to shift to more online service delivery. For some people this has provided greater access and flexibility, for others, it has resulted in the loss of an essential human interaction. It has exposed the digital divide between those who have access and can use technology and those who don't or can't.

The uncertainty surrounding the virus and the restrictions put in place to contain it have all had an impact on the well-being of Tasmanians. Together, we have been resilient in the face of these challenges. That resilience will be key to recovery.

Our governments, health system and community acted quickly to suppress COVID-19. Tasmanians have shown strength, compassion and kindness. We have followed the rules in difficult circumstances. This is an achievement we should all be proud of.

While the immediate actions taken were required to save lives, they will have longer-term impacts on our economy and our well-being. As we see COVID-19 cases still rising around the world, and measures being re-implemented in Victoria to control the recent outbreak, we know we will continue to live with this virus for some time to come. However, while COVID-19 is not yet behind us, we must continue to work together in new ways to give our State the best chance of recovery and being prepared for future uncertainty.

On 30 April 2020, the Premier set up his Economic and Social Recovery Advisory Council to provide him with advice on how best to support Tasmania's short, medium, and longer-term recovery from COVID-19. As a first step, he asked us to quickly bring him any actions for immediate implementation that we see as important in the journey to recovery. Those recommendations are listed in Chapter 6.

In approaching the first phase of this task, the Council sought first to listen and learn. We initially reached out to Government agencies and peak bodies, as well as drawing on a wide range of available economic and social indicators, to understand the broad impacts of COVID-19 on Tasmanians.

Through submissions and data review, we have learned a lot and begun to understand the impacts of COVID-19 on Tasmanians. We understand some impacts will particularly affect those already disadvantaged and, by doing so, risk increasing the socio-economic divide for some people and places. We know impacts will also be felt disproportionately for particular industries, small businesses, and regional areas.

Just as it took all of us to work together to 'flatten the curve', it will take a whole-of-Tasmania approach to recover from COVID-19's impacts. The Government must lead, but cannot shoulder the responsibility alone for recovery. Every Tasmanian has a part to play in working together to build a better Tasmania - right down to simple things such as making the choice to buy Tasmanian. All three levels of Government have important, but different, roles to play in returning Tasmania to the pre-COVID-19 situation that saw Tasmania and Tasmanians the envy of many.

In developing our first-phase recommendations, we have considered the impacts on all aspects of people's lives. We see well-being for Tasmanians as a key measure of our recovery. A well-being focus balances the importance of the things that make a good life in Tasmania. These include having a job or income security, accessing the basics such as food and housing, being healthy, loved and safe, having access to learning, connecting with culture and family, and participating in all our State has to offer. It highlights the importance of jobs in supporting people in Tasmanian communities throughout all other aspects of their lives.

We intend to carry this well-being approach through to the second phase of our work, which is to develop medium and longer-term recovery measures. We note this approach is consistent with the existing State Government commitment to develop Tasmania's first-ever strategy to improve the well-being of Tasmanian children and



young people. This is a strategy we wholeheartedly support as a key driver of economic and social recovery in the medium and longer-term.

To understand the ongoing effects of the pandemic on Tasmanians as we enter the recovery phase, we must identify and address gaps in data which helps us understand the impacts of COVID-19. This data will also inform further actions we recommend to mitigate impacts and will ensure our responses remain informed and evidence-based.

In this report, we look broadly at Tasmania's economic and social structure and the relevant impact of COVID-19. We consider the measures introduced to protect lives and to suppress the virus and the impacts these measures have had on Tasmanians and, more broadly, the communities they call home. We acknowledge the work of governments to date to mitigate these impacts and support our recovery. We look to the future - to how we can continue to manage the virus and ensure a stronger recovery. In doing so, we take an aspirational approach to ensure that the Tasmania that emerges has a strong foundation in equity - a healthy, educated population with the skills to take up new jobs underpinned by our entrepreneurial spirit.

To achieve this, we have identified a set of strategic priorities to shape the immediate recovery response:

1. Rebuilding local demand, by:

- ❖ *Building confidence* - because this will embed resilience.
- ❖ *Building capacity* - because this will provide the platform for growth and jobs, as well as strengthening our ability to support those in need.
- ❖ *Increasing local demand and keeping the pipeline flowing* - because this will provide economic momentum over the short and medium-term.
- ❖ *Supporting enterprise recovery* - because this will provide private sector and not-for-profit organisations the assistance required to move forward.

2. Addressing structural issues, by:

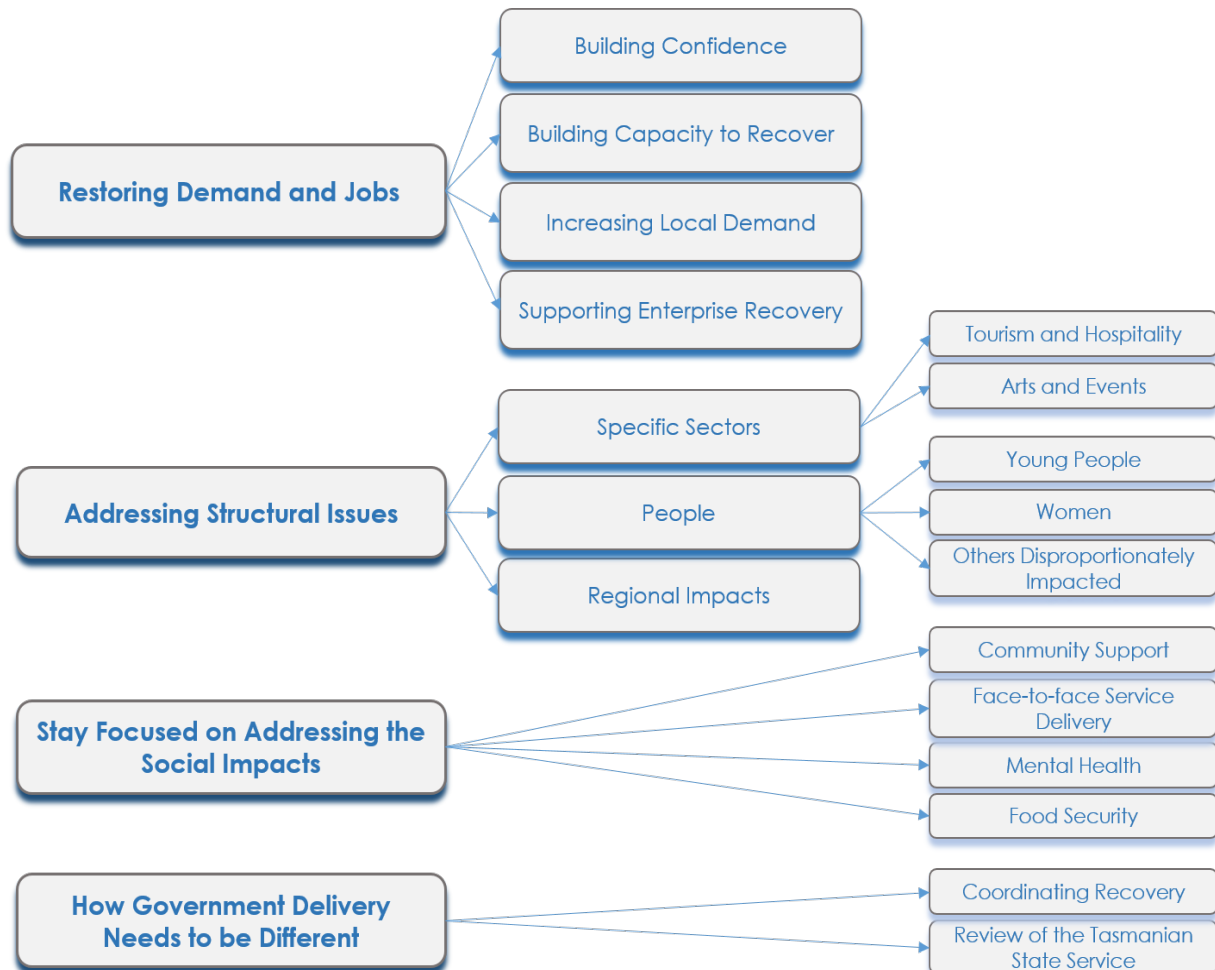
- ❖ *Tackling the immediate structural impacts of COVID-19* - because the earlier the action, the better the mitigation.
- ❖ *Staying focused on addressing the social issues* - because there have been deep social impacts.
- ❖ *Encouraging government to deliver differently* - because we all have to focus on improvement.

Our recommendations address these priorities, and they will shape the approach we will take to the second phase of our work. Our intention in undertaking that second phase is to work collaboratively with Tasmanians to develop medium and longer-term recovery arrangements. We expect that this consultation will take place during August to October 2020.

This is an opportunity to reset and create a stronger, flourishing future for Tasmania. Recovery is in all our hands. As Tasmanians we can all work towards our future together.

## Overview of Recommendations

The picture below sets out an overview of the categories our recommendations address. More details and rationale for our recommendations can be found in Chapter 6. A complete, compiled list is provided at Appendix 1.



## Immediate Priorities

The recommendations set out in Chapter 6 are intended for short-term implementation, including through the State Budget scheduled for 12 November 2020.

The Council will soon commence a second phase of its work, which will focus on medium and longer-term issues, culminating in a final report anticipated to be delivered to the Premier in early 2021.

The Council suggests the State Government should give immediate attention to the following recommendations. They are highlighted throughout Chapter 6 with this ★.

## Restoring Demand and Jobs

The State Government should:

Immediately modify contracts with community service providers to extend the duration of the arrangements for an appropriate period to provide funding certainty, where performance has met expectations (Rec #12)

The State Government should further support small and medium business to access private-sector financial/business advice to assist them adapting to the post-COVID-19 environment (Rec #6)

Include in its standard government contracts framework a requirement that government contractors use local suppliers on a 'if not, why not' basis (Rec #19)

Fully resource areas of government that are responsible for planning decisions, permits and related approvals to ensure timely decision-making (Rec #22)

Explain to the community its future COVID-19 management strategy, including how any future outbreaks will be handled (Rec #2)

Require agencies to purchase from Tasmanian businesses on an 'if not, why not' basis for at least the next two years (Rec #18)

Subject Government businesses to as strong buying local requirements as government agencies (Rec #20)

Carefully manage the roll-out of its 'Construction Blitz' program. The flow of housing construction should be scheduled to deliver the intended stimulatory effect without over-heating the industry (Rec #28)

## Start Addressing the Structural Issues

The State Government should:

Take a leadership role in collaborating with all Tasmania's elected representatives, to ensure a common voice in lobbying the Australian Government to continue key business and individual support arrangements (Rec #35)

Prioritise work, including shared data capability, to identify, support and engage vulnerable cohorts that may have ongoing disproportionate adverse impacts during recovery, including through disruptions to education, training, and employment (Rec #50)

Build on the current intrastate and interstate marketing campaign by developing additional cost-effective practical initiatives to drive spending (Rec #38)

Review how the additional COVID-19 government funding for mental health; family violence; and emergency food relief has been used and also review the outcomes delivered (Rec #57)

## Chapter 2: The Current Situation

The Tasmanian economy has done well in recent years and many Tasmanians have benefited from its growth. Tasmania entered 2020 with a sense of confidence, reaping the benefits of growth in employment and wealth. Our extraordinary environment, culture, heritage and produce had been discovered by the world, with 1.35 million visitors coming to the State and international goods exports of \$3.6 billion annually.

Tasmania's recent growth has been the envy of the nation:

- our economy grew by 3.6 per cent in 2018-19, compared with the national growth rate of 1.9 per cent, and per capita, it grew by 2.3 per cent against national per capita growth of 0.3 per cent;
- in February 2020, our unemployment rate was below the national average at 4.9 per cent;
- over the period 2015 to 2019, Tasmania's business survival rate was the strongest in the nation; and
- our population growth was 1 per cent during 2019, in contrast with the 10-year average of 0.6 per cent, with strong net interstate migration over the period 2017 to 2019.

Tasmania's growth has been reasonably broad, with health care and social assistance, primary industries, construction, retail, ICT, and tourism, all growing in real terms over the past 20 years. Tasmania has also undergone a structural transition towards service sectors, with health care and social assistance now being by far the largest sector in Tasmania; 20 years ago that position was held by manufacturing.

In employment terms, the growth in services has been even stronger, with retail, tourism and accommodation - key parts of the visitor economy - being especially large employers, along with education, public administration, health care and social assistance, as shown in Figure 2.1.

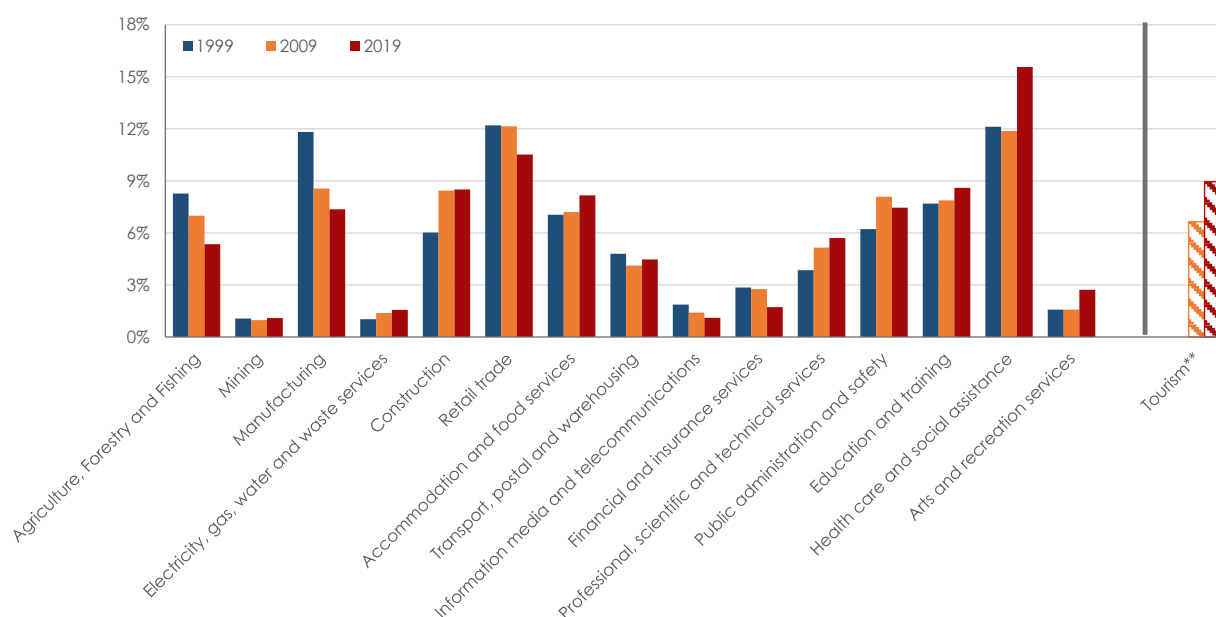
A key feature of the Tasmanian economy is the prevalence of small business: 61 per cent of our businesses are non-employing, and a further 36 per cent have fewer than 20 employees. Nonetheless, many of these depend on large businesses or their employees as customers.

Where Tasmanians have succeeded, it has often been the result of a perseverance against the odds to create something unique. This can be seen in a highly diverse range of new and evolving products and services economy-wide, drawing from our natural resources, creative talents and commitment to excellence. This spirit of perseverance and strong bonds between our people and communities will serve the State well in recovery.

However, some features of our economic and social structure create vulnerabilities. These are now playing a significant role in shaping the way COVID-19 suppression measures are impacting Tasmania. These are discussed below.

**Figure 2.1 – Employment by Industry in Tasmania\***

Share of total employment, selected industries



\*ABS series are a four-quarter average of original quarterly data.

\*\*Annual estimate by Tourism Research Australia from the ABS' Tourism Satellite Account. The ABS System of National Accounts does not capture tourism as a single industry and tourism-related goods and services are embedded in other industry classifications featured above.

Sources: ABS, Tourism Research Australia

## Sector-specific Dependence

One of the features of the Tasmanian economy is that it is particularly dependent on some sectors. Chief among these is tourism and hospitality. According to Tourism Tasmania, visitors to Tasmania spent \$2.54 billion on accommodation, attractions, tours, transport and other goods and services in 2019, representing an average of about \$1 880 per visitor.

Compared with Australia as a whole, tourism makes up a larger share of value-add and employment in Tasmania. Tasmania's tourism sector as a share of the economy is almost twice the industry's contribution nationally (see Figure 2.2). In addition to the direct jobs created by tourism, there are many other jobs and businesses that are dependent on serving the tourism sector and its supply chain.

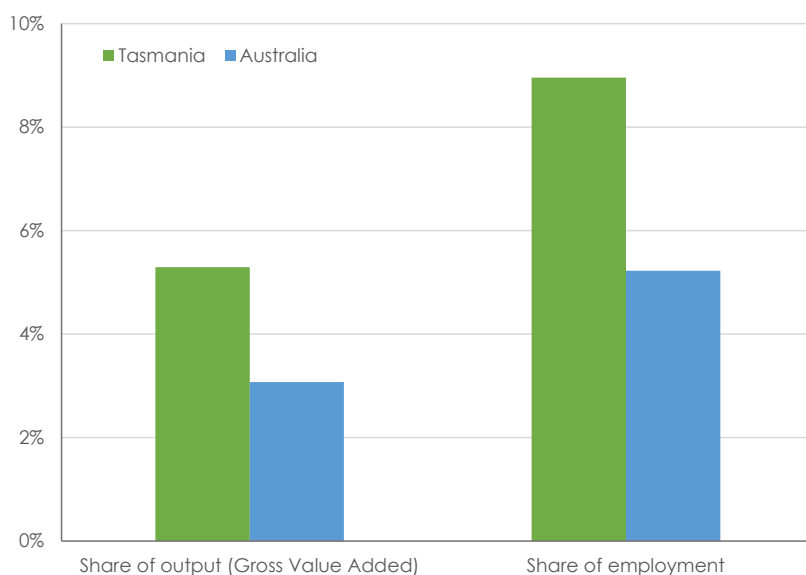
Between 2009 and 2019 the number of visitors to Tasmania increased by 48 per cent from 0.91 million to 1.35 million. Prior to COVID-19, Tasmania was receiving more visitors from each of Victoria, New South Wales and Queensland than it was from any one international market. While interstate tourism makes up most of the visitors to the State, international visitors tend to have slightly higher levels of spending relative to interstate visitors.

All tourism and hospitality operators were highly affected during the pandemic suppression period. As suppression measures gradually unwind - relaxed physical

distancing requirements, the opening of first interstate borders and eventually international borders - there will be varying paths to recovery for the sector.

**Figure 2.2 – Importance of the Tourism Industry**

2018-19



Source: Tourism Research Australia

## High Levels of Casual and Part-time Work

Pre-COVID-19, there was a high proportion of the workforce in casual employment. In Tasmania, 51 per cent of people working less than 35 hours a week (that is, part-time) were casual in 2019. By contrast, only 12 per cent of employees working full-time hours were in casual roles. While this is broadly consistent with national trends, 42 per cent of Tasmania's workforce was part-time, compared with 33 per cent nationally.

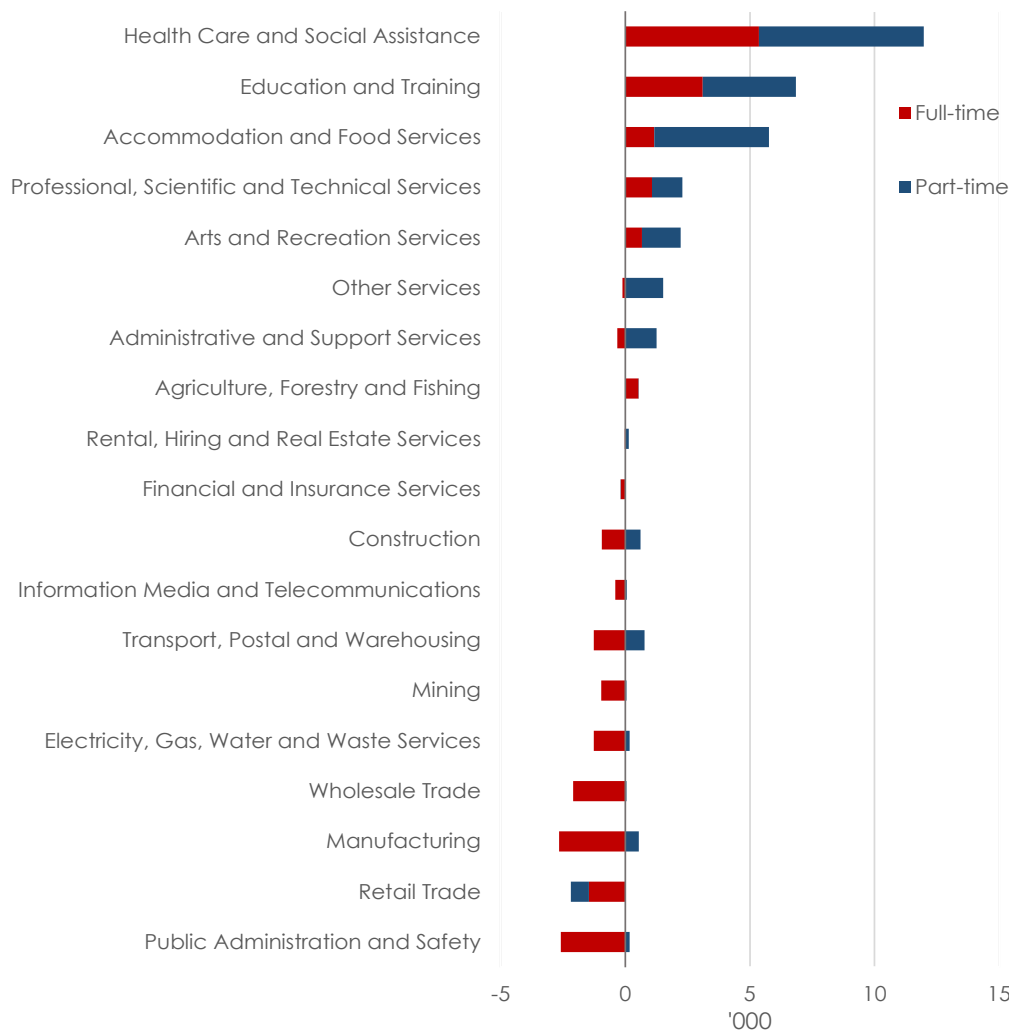
The strong growth in employment Tasmania has seen in recent years has been predominantly part-time (Figure 2.3).

Tasmania's relatively high rate of part-time employment reflects several factors. For example, part-time work suits lifestyle choices for some, such as our older population. However, perhaps the major disadvantage of a casual employment arrangement is the greater likelihood of facing irregular hours of work and fluctuation of earnings. Data from the Australian Bureau of Statistics demonstrates that 28 per cent of part-time employees are likely to want more hours per week. The structure of the Tasmanian economy also plays an important role, with large employing sectors tending to have a high proportion of part-time workers. For example, the accommodation and food services sector has the highest share of part-time workers in Tasmania, with about 65 per cent part-time employment.

Although there has been strong growth in employee compensation over the past two years, particularly in the private sector, Tasmania still has the lowest average hourly rate of pay nationally.

**Figure 2.3 – Change in Employed Persons by Industry\***

February 2010 to February 2020



\*Four-quarter average of February and three prior quarters' original values.

Source: ABS

## Inter-generational and Regional Disadvantage

While there has been recent strong economic growth, not everyone has enjoyed its advantages. Many Tasmanians face daily challenges in their financial, social and health outlook. While numbers don't speak to the human realities of those challenges, they do give a sense of its scale in Tasmania:

- 35 per cent of Tasmanian households receive the majority of their income from government payments, compared to 24 per cent of Australian households;
- the number of people on the social housing register increased from 2 054 to 3 330 between 2014 and 2019, with the average wait time from priority applicants being over one year;
- 17 per cent of Tasmanian households do not have access to the internet, and in some regions this is as high as 32 per cent; and
- Tasmanians have worse than national average rates of health risk factors such as obesity, smoking, excessive alcohol consumption and low exercise levels.



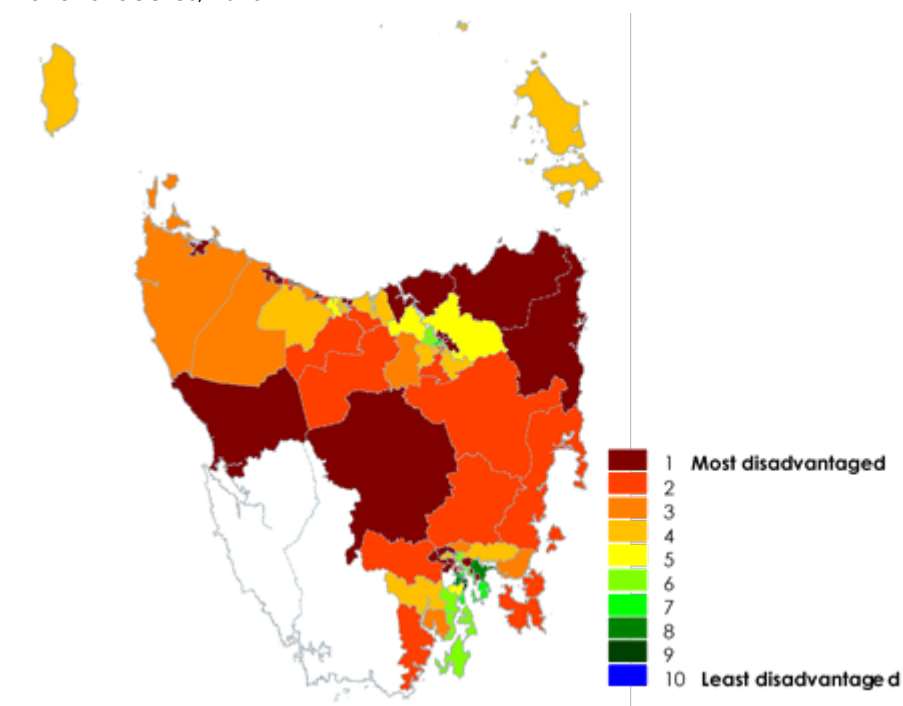
What compounds this disadvantage is that much of it is both inter-generational and focused in specific parts of Tasmania.

The inter-generational disadvantage reaches beyond the lowest socio-economic groups in Tasmania. For example, children in Tasmania's mid-range socio-economic areas are more likely than their interstate counterparts to live in a household where nobody is in work (a known risk factor for long-run disadvantage) and more likely to live in households where the main source of income is government payments.

When it comes to the way disadvantage is focused in Tasmania, the map in Figure 2.4 shows the picture very clearly, with areas coloured dark red indicating the most disadvantaged places.

**Figure 2.4 – SEIFA Index of Relative Socio-economic Advantage and Disadvantage**

National deciles, 2016



Source: ABS

Mirroring what we see in other places in Australia, advantaged areas tend to be in inner-city parts of metropolitan areas like Hobart and Launceston. At the edges of those cities, there are areas of real hardship and disadvantage. Moving to areas that are more remote, and which have less access to employment opportunities, contemporary infrastructure like the internet, and government and community services, the disadvantage typically deepens.

This clustering of disadvantage in particular places suggests the importance of a geographic lens when considering both COVID-19 impacts and government responses. Of course, pockets of individual disadvantage can also co-exist in otherwise affluent areas.



Where inter-generational poverty exists and disadvantage is focused in particular places, the resilience to shocks such as the COVID-19 pandemic is further weakened by:

- fewer networks for financial, employment or service support;
- no residual, long-term financial resources to draw down on in tough times;
- generational and ongoing chronic illness; and
- the compounding impact of low educational attainment and low levels of literacy and numeracy, magnified by a lack of support for children in their learning.

Despite these inter-generational and regional challenges, many Tasmanian families and communities have a culture of determination, resilience, resourcefulness, and connectedness. In planning for COVID-19 recovery, it is important that we understand the challenges, reinforce our strengths and unite our efforts.

### Lower Education Attainment Among Young People

Our young people have significantly lower levels of education and training attainment than the rest of the country. We have the highest proportion of people in Australia with no schooling past year 10. While this is reflective of the long-term nature of the problem, the challenge is a persistent one, with Tasmania's year 12 completion rate still 20 percentage points lower than the national average.

One of the key challenges of this low educational attainment is that it is a major driver of youth unemployment. Young people without year 12 attainment are twice as likely to be unemployed as those with a diploma or higher qualification. Immediately prior to COVID-19, Tasmania's youth unemployment rate was already 12.9 per cent.

Part of what has made this such a tough challenge for Tasmania to address is the mutually reinforcing relationship between inter-generational disadvantage, geographic clustering of disadvantage and low educational attainment rates.

Inevitably a cycle of disadvantage produces major impacts on the overall well-being of young people in Tasmania. This impact is bad, but, it also means young people are more vulnerable when large-scale socio and economic disruptions occur.

There are a range of initiatives already in place to address low levels of education attainment. This includes changes to the Tasmanian *Education Act 2016* which, from 2020, will require students to stay in education or training until they finish year 12, achieve a Certificate III or turn 18. However, this is still a major challenge for Tasmania, which will be magnified by the impacts of the COVID-19 suppression measures.

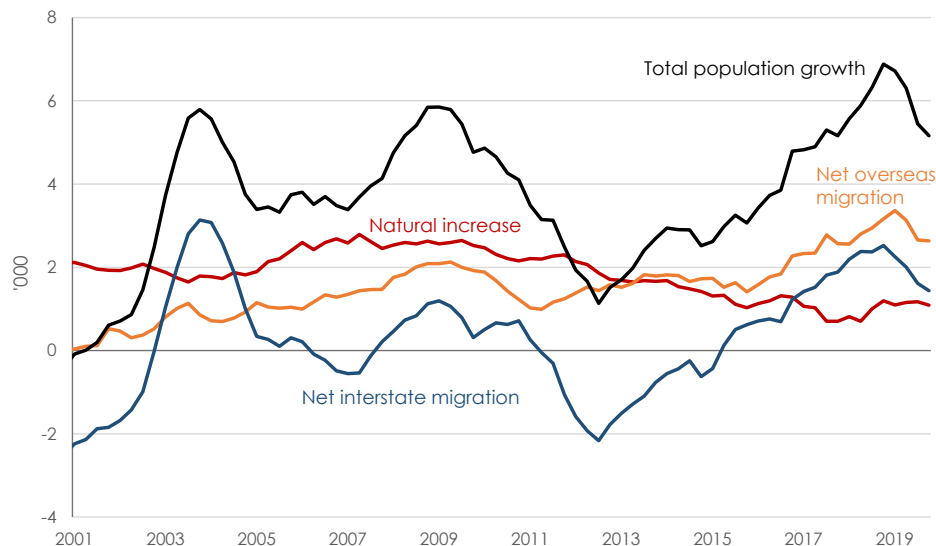
### Demographic Challenges and a Dependence on Migration

Tasmania faces natural population decline this decade. Our population is the oldest in Australia and is ageing at a faster rate than the national average. The North East, North, North West and Western regions of Tasmania are at risk of declining in total population due to natural decline and inter-regional migration, despite overall growth in migration to Tasmania from interstate and overseas.

In recent years, a reversal in net interstate migration and increased inwards migration from overseas (Figure 2.5) have contributed to our economic growth. This is why population growth is such a key driver for the State's future - the virtuous cycle of attracting migrants and economic growth benefiting the State.

**Figure 2.5 – Components of Population Growth - Tasmania**

Four-quarter rolling sum



Source: ABS

Increased migration from interstate and overseas has driven most of our population growth, and because of the age profile of those migrants, our rate of ageing has slowed marginally. Migration has also supported filling critical skills shortages, including in the health sector.

International students have been a key source of growth, with annual overseas student arrivals in Tasmania growing by 94 per cent from 2015 to 2019. The sector was worth over half a billion dollars in 2019, including student fees, rent and retail spend. International students often stay to live permanently in the State.

Population trends are impacting some regions far more adversely than others. For the decade until June 2019, 12 local government areas (LGA) experienced population decline. 11 experienced population growth above the State 10-year average of 0.6 per cent per annum. 16 are experiencing hyper-ageing, whereby 20 per cent of the population is aged over 65 years, pointing to imminent natural decline.

In light of these factors, our State will face many and varied challenges in overcoming the consequences of COVID-19, there are reasons to be optimistic that we will recover and that our economy and community can emerge stronger; as long as we address our weaknesses and leverage our strengths.

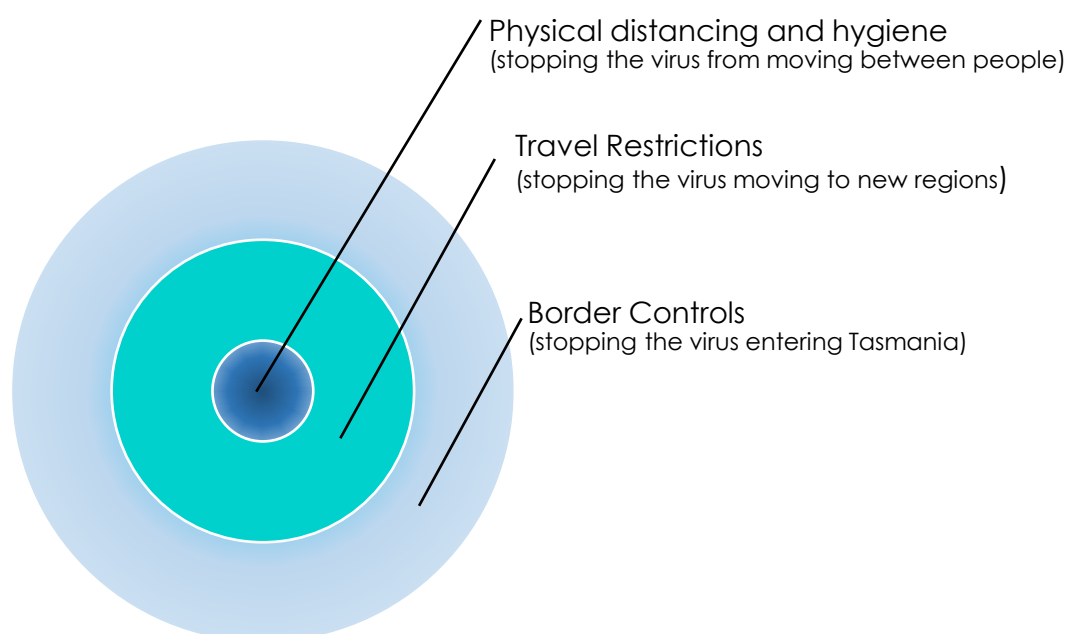
## Chapter 3: Suppressing COVID-19

When COVID-19 emerged as a substantial threat to the health and lives of Australians, public health advice was that strong measures would be needed to control its spread. Without them, there was a risk of grave loss of life and for the health system to be overwhelmed, particularly if high numbers of acute cases of COVID-19 developed.

To manage the threat to public health, the Australian and Tasmanian Governments implemented three measures (Figure 3.1), which we refer to as 'COVID-19 suppression measures' throughout this report. These were:

- a range of border controls to limit the arrival of new cases into Australia or into states - to stop the virus getting in;
- travel restrictions within Tasmania - to stop the virus moving to new regions; and
- physical distancing - to stop the virus moving between people.

**Figure 3.1 – Australian and Tasmanian Government COVID-19 Suppression Measures**



A key focus was avoiding community transmission in Tasmania.

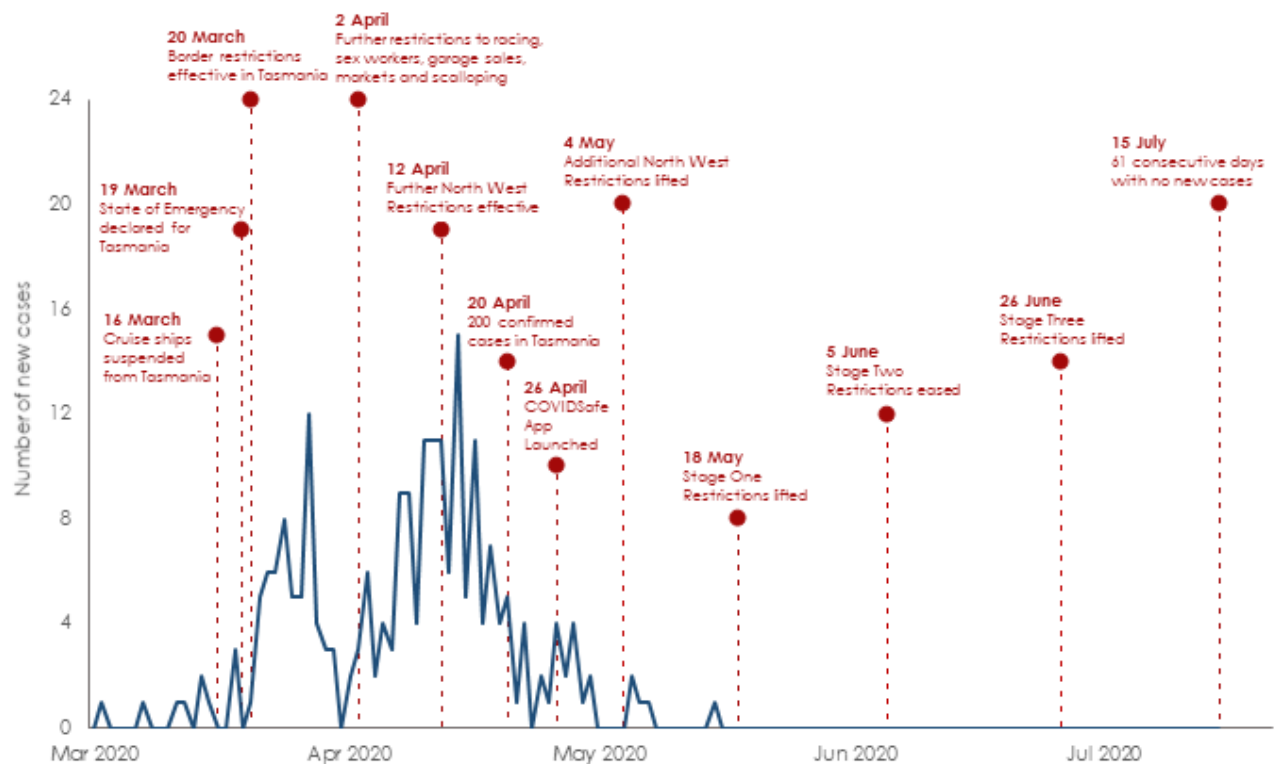
As the health risk grew, the Tasmanian Government increased the extent of physical distancing measures in a bid to control the spread of the disease. The strategy was aimed at 'flattening the curve', that is, slowing the transmission of the virus.

Cases that arrived in Australia, from international travellers, were managed initially through self-isolation. As the threat intensified, a system of compulsory quarantine was introduced. The same strategy was used to manage interstate and overseas arrivals into Tasmania.

As a result of the COVID-19 suppression measures, and the willingness of the vast majority of the community to comply with them, Australia and Tasmania have so far largely avoided the scale of health impacts seen internationally.

Nevertheless, at the time of writing, 226 cases of the disease have been detected in Tasmania, 13 people have died and there has been major disruption to the lives of Tasmanians. The rise and fall in the number of new cases over time is shown in the Figure 3.2.

**Figure 3.2 – Timeline of COVID-19 in Tasmania\***



\*Date of notification to Public Health Services.

Sources: Department of Premier and Cabinet, Public Health Services

While all three regions across the State have recorded COVID-19 cases, the North West region experienced the largest outbreak, with 149 of the State's 226 cases and 12 of the State's 13 deaths.

The outbreak in the North West in April 2020 drove the peak in new cases shown in the Figure 3.2. It began among health workers from the North West Regional Hospital (NWRH) who were treating patients that contracted COVID-19 on board the Ruby Princess cruise ship, and quickly spread to their close contacts.

Factors that may have contributed to the transmission of the virus in this setting and actions to help mitigate future risk in the Tasmanian Health Service are set out in the *North West Regional Hospital Outbreak - Interim Report*. A separate independent review into the outbreak is also underway with a report expected in October this year. The lessons that come from these reviews should provide a strong foundation for confidence that a similar outbreak will be well-managed should it occur in the future.

The Government (with assistance from the Australian Defence Force and an Australian Medical Assistance Team) brought the North West outbreak under control with strong suppression measures. This included quarantining all NWRH and North West Private Hospital staff and discharged patients and their households for 14 days, closing

businesses where there was a risk of people gathering and restricting the movement of people within the region.

The success of the strategies adopted in the North West is demonstrated through the State's infection levels, which have diminished over time. As at 15 July 2020, there had been no active cases in Tasmania for 61 days.

In addition to the direct impact on the health of Tasmanians infected, there were broader health impacts on the Tasmanian community. Some services, such as elective surgery and dental procedures, were put on hold or deferred. Face-to-face delivery of many other health and social services was reduced and more services shifted to an online or Telehealth mode of delivery. While some face-to-face services have returned to normal, others continue to be constrained. Some members of the community were also less willing or unable to attend appointments due to restrictions or concerns around contracting the virus.

The Australian Government expanded Telehealth services to allow continued access to health care advice, particularly for vulnerable people and where face-to-face services were not practical. As health services return to normal, there will likely be a pent-up demand for health services deferred during the higher risk period of the pandemic.

The measures that were introduced by the Australian and Tasmanian Governments have saved lives and to date, enabled our health system to cope with the case load.

Governments around the country have increased capacity in the health care system to be able to treat a greater number of patients with the virus.

Global efforts to better understand the virus and develop treatment regimes are ongoing, as is the search for a vaccine. Until these efforts bear fruit - and this may take considerable time - the only realistic approach is to develop strategies to co-exist with COVID-19 in a way that appropriately manages the health risks and costs alongside the economic and social costs arising from those management strategies.

In Australia, governments moved quickly to tighten the grip on the virus with increasingly severe suppression measures. This has proven highly successful in containing the spread of the virus to date. However, it has also come at an enormous cost, both in economic and social terms. We consider this in more detail in Chapter 4.

By contrast, a much more gradual approach has been taken to removing those suppression measures. Australian States and Territories have moved at different rates and there has been considerable debate about the pace of change. There is also anxiety about the potential for the re-emergence of active cases in Tasmania, particularly looking to the experience of other places where outbreaks of the virus are emerging after a reasonably successful initial suppression.

Around the world other governments have, to varying degrees, implemented similar measures with different levels of success. The struggles other countries are having in maintaining measures to suppress COVID-19 has major implications for Australia and Tasmania's recovery. It increases the risk of further outbreaks, limits travel and migration and will impact their economies, with likely flow on effects for Tasmania's economy.

# Chapter 4: The Economic and Social Impact of COVID-19

## Broad-based and Structural Impacts on the Economy from Suppression Measures

COVID-19 suppression measures have had a substantial impact on the economy in two ways: a broad-based drop in demand and the structural impact on specific sectors, people and places.

These economic impacts, combined with other restrictions and physical distancing measures, have in turn led to significant social impacts. We deal firstly with the economic impacts.

## Impact on Businesses and Employment from Broad-based Drop in Demand

The first major impact of the COVID-19 suppression measures has been a sudden and broad-based drop in demand, which has been driven by a combination of:

- lockdown and physical distancing measures, which have constrained opportunities for economic activity;
- households reducing discretionary expenditure (and increasing savings where possible) in response to reduced incomes and uncertainty about the future;
- businesses hibernating and closing;
- medium and longer-term business confidence falling away in light of uncertainty, leading to deferral or cancellation of investment activities (impacting on services at the 'front end' of the pipeline, such as professional services); and
- unemployment and under-employment rising across all industry sectors.

Demand has been further reduced by supply chain disruptions caused by production issues across the globe and issues with air and sea freight services. International shipping costs have increased, and service frequency has reduced. Air services on and off the island - vital to tourism, hospitality and agricultural and aquaculture exports - practically stopped, and there has been uncertainty around when (and which) airlines will schedule flights and their frequency, and at what price.

Because of the time lags, we are only now starting to get detailed and comprehensive data on the economic impacts of COVID-19 suppression measures. For many Tasmanian businesses, revenues have fallen significantly and the COVID-19 Safe workplace requirements have increased operational costs and impacted efficiency and scale. Lower revenues, higher costs and declining cash flow mean that many have had to draw down working capital reserves and/or increase borrowings to stay viable in the short-term.

Small businesses (which employ almost half of Tasmania's total private-sector work force) are finding it particularly challenging to survive these difficult times; many have



limited reserves and face obstacles in accessing capital. The difficulty in gaining additional financial support is further exacerbated by the fact that many Tasmanian businesses operate in service industries with limited tangible assets (property, plant and equipment) that they can offer as security.

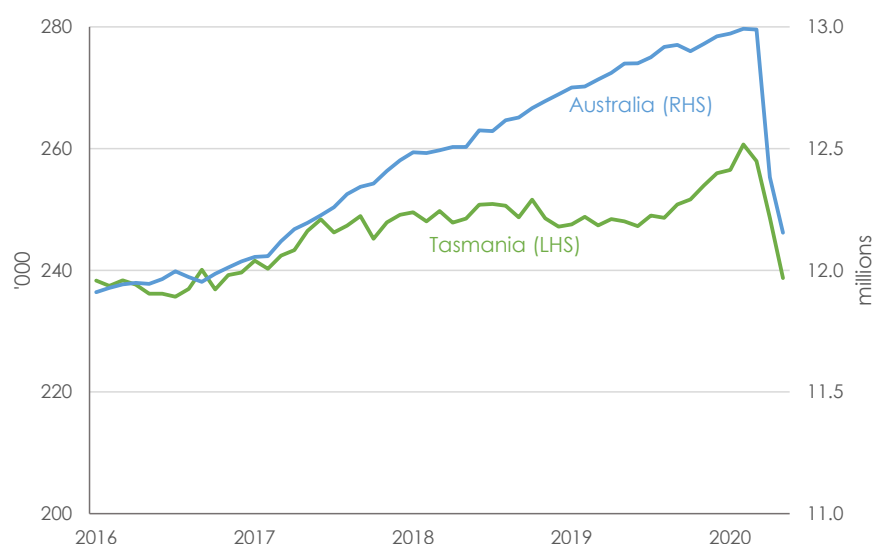
Many community service organisations are also experiencing challenges; uncertain revenue streams (such as short-term funding arrangements and suspensions in fundraising activities and donations), and increased demand for services. Further, many organisations are finding it difficult to attract and retain volunteers. It has been reported that around 70 per cent of volunteer programs have been suspended and about 240 000 volunteer hours have stopped being delivered every week.

In response, enterprises have had to reduce costs, hibernate, change business models or close. In turn, many people have been made redundant or are working reduced hours.

Nationally, between March and May 2020, employment fell by about 835 000 persons. Over the same period, about 19 200 Tasmanians lost their employment (Figure 4.1).

**Figure 4.1 – Employment**

Seasonally adjusted



Source: ABS

The reduction in the number of people employed has not translated into a substantial increase in the unemployment rate in Tasmania. Tasmania's unemployment rate has increased by a relatively modest 1.4 percentage points to 6.4 per cent (Figure 4.2). Nationally, the unemployment rate has increased 1.9 percentage points to 7.1 per cent.

However, Tasmania's relatively low unemployment rate does not fully reflect the impact that COVID-19 suppression measures have had on employment and economic capacity more broadly, for two key reasons.

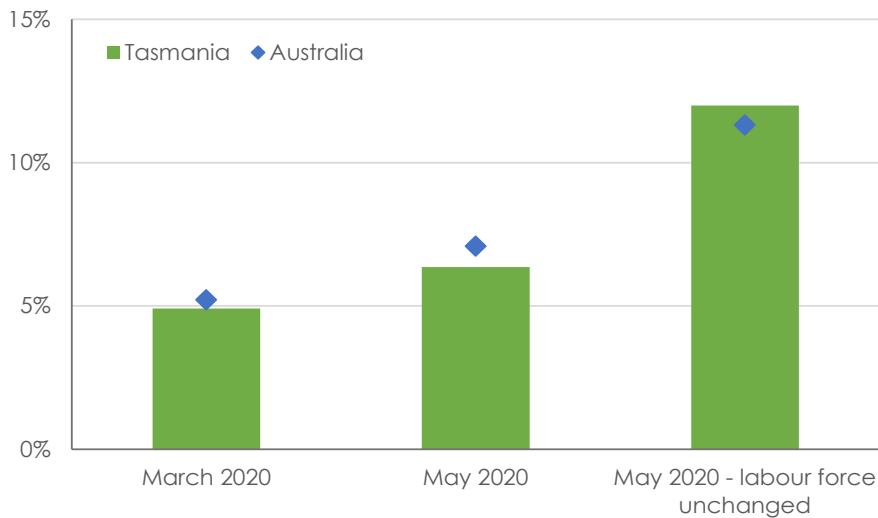
- Firstly, about 85 per cent of people who have lost their employment in Tasmania since March have left the labour force. If those people had remained in the labour force, Tasmania's unemployment rate would be close to 12 per cent.

- Secondly, there are people who are not working but are receiving JobKeeper support and therefore are considered to be employed.

Both factors, alongside reduced working hours and the use of paid leave entitlements, mean the unemployment rate, in Tasmania and Australia, has remained relatively low. There is a very real risk that unemployment will rise when the current support measures cease.

**Figure 4.2 – Unemployment Rate**

Seasonally adjusted



Sources: ABS, PESRAC calculations

Consistent with the estimated underlying unemployment rate of about 12 per cent, hours worked in Tasmania have declined by almost 14 per cent since March 2020, the largest decline of any state or territory.

While already the lowest in Australia, Tasmania's participation rate has fallen by 3.7 percentage points to 57.3 per cent since March 2020 - again the largest decline of any jurisdiction.

The increasing number of unemployed people, combined with the growing number of people who have given up looking for jobs, highlights the State's major challenges - the need to stimulate demand, create jobs and draw people back into the labour force, while supporting people to upskill and reskill.

Given the rapidly developing situation, we are not yet seeing impacts on the long-term unemployed. Tasmanians who have been looking for work for an extended period of time will find it even harder to secure work in a much more competitive labour market, where people with very recent job experience are also competing for the pool of available jobs.

Along with the immediate and broad-based drop in demand across the economy, there are numerous factors that are likely to lead to further suppression of demand in coming months, including:

- significant reductions in forward orders and capital expenditure by businesses;



- potential reduction in exports due to supply chain disruption, and uncertainty in, and access to, global markets; and
- withdrawal of, or major changes to, current stimulus measures and other policy responses.

The impacts on demand and employment have been so significant that the national economy is expected to go into recession for the first time in almost 30 years and the drop in economic activity may be comparable with the largest falls seen in the last 100 years. This provides a sense of the magnitude of the challenge in restoring our economy to its pre-COVID-19 levels.

## Structural Impacts on Specific Sections of the Economy

The measures governments have introduced to protect public health, combined with pre-existing features of our economy as described earlier, have resulted in specific sectors, people and places being hit particularly hard.

### Specific Sectors

Sectors that are highly exposed to people's ability to travel and gather have been especially impacted. Between February and May 2020, 58 per cent of all employment losses nationally were in accommodation and food services, arts and recreation services, and education and training.

As shown in Figure 4.3, all sectors of Tasmanian industry, bar one, have recorded job losses during the pandemic. Of the 19 industry sectors, eight recorded a decline in jobs greater than 7 per cent between 14 March and 13 June 2020.

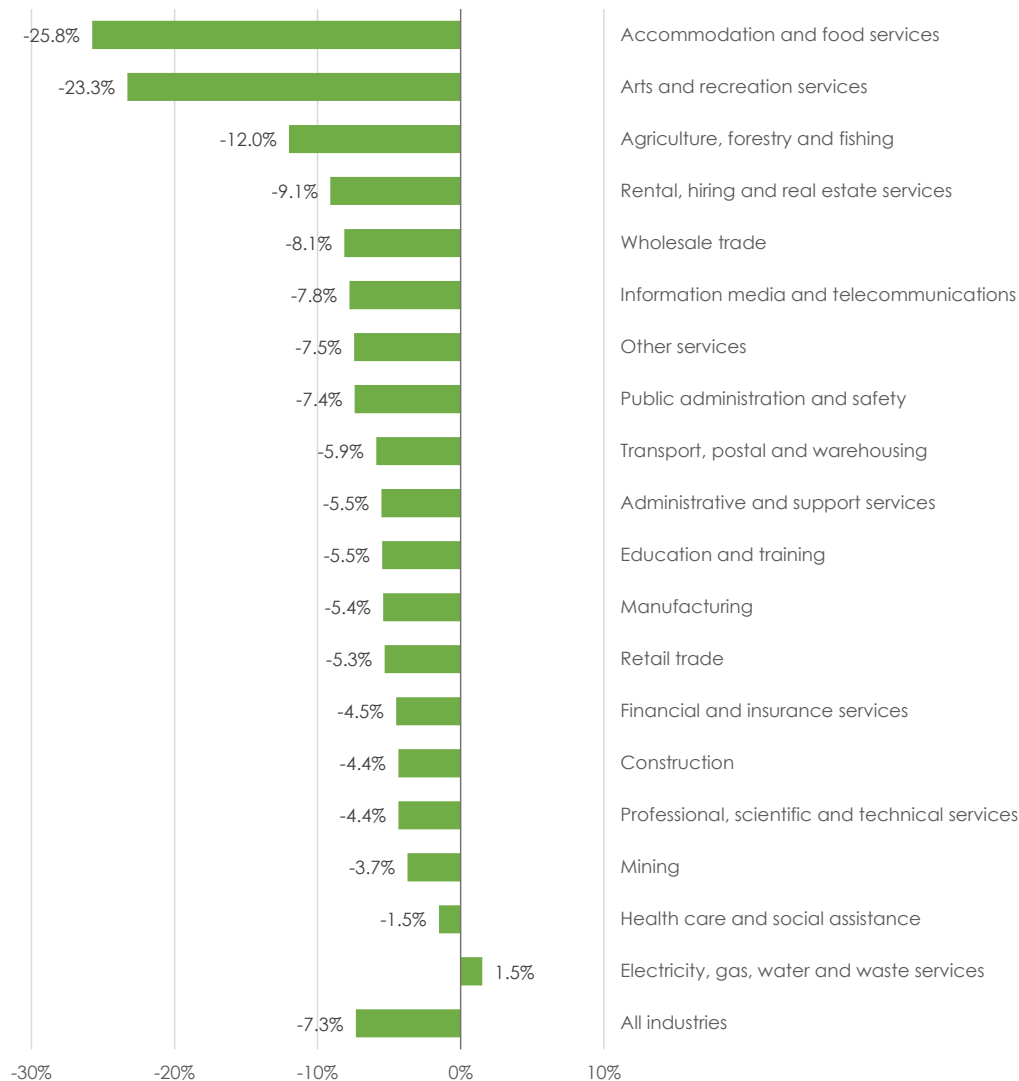
Jobs in the accommodation and food services sector contracted by over a quarter between March and June 2020, the largest contraction of all sectors. This reflects the immediate pause of interstate and overseas visitors, restrictions on intrastate travel and the forced closure of many food-based businesses.

International border controls by Australia and other countries are expected to remain in place for an extended period, and the willingness of people to travel long distances in aircraft is as yet untested. Once restrictions are relaxed, it will take significant time for travel to return to pre-COVID-19 levels, meaning these impacts are likely to be structural and long-term. There is also the risk that we will continue to see outbreaks like those that have occurred in Melbourne that might constrain interstate tourism.

Tourism will be reshaped not just by border restrictions but also by physical distancing requirements. While COVID-19 continues to be a threat, there will be restrictions on large gatherings, which will limit tourism that is built around major events. Already major festivals such as Dark MoFo, the Festival of Voices, the Taste of Tasmania and the Falls Festival have been cancelled.

**Figure 4.3 – Change in Payroll Jobs - Tasmania**

14 March 2020 to 13 June 2020



Source: ABS

While it is a relatively small employing sector, the arts and recreation services sector has also been heavily impacted. Jobs fell by almost a quarter between March and June 2020, which is not surprising given the high degree of inter-connectivity with the tourism sector, and the fact that physical distancing measures means that these activities simply can't be conducted.

## People

### Children and Young People

Children have felt the impact as individuals, through isolation from family, friends, school, support services and community involvement. They have also felt impacts arising from the concerns and stresses of the adults who care for them.

In some instances, children's engagement in quality education and play opportunities has also been impacted. Face-to-face options, such as play groups, have either hibernated or shifted to online delivery modes. Many parents also decided to remove

children from early childhood education and care. Access to these services may continue to be compromised due to concerns around the ongoing viability of early childhood education and care service providers, particularly smaller centres in regional areas.

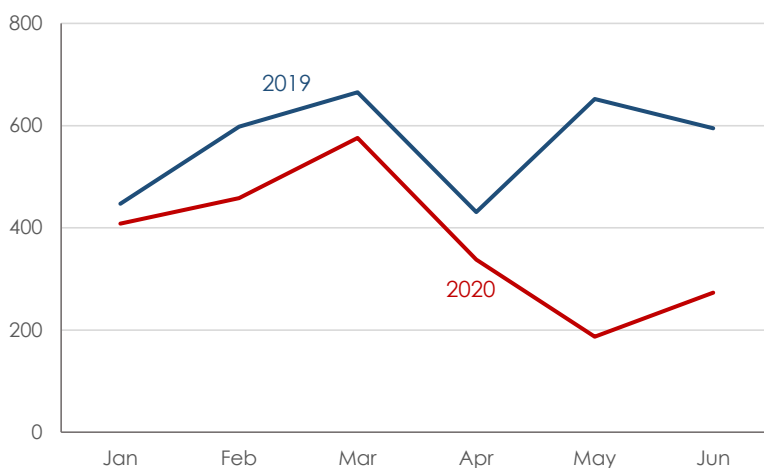
Students of all ages have been impacted to varying degrees, due to a range of factors such as access to online learning and the ability to attend school. Upheaval in routines has also limited access to support for children and young people, as physical attendance at schools and face-to-face contacts with trusted adults within a child's networks have been limited. Engagement with social and/or child safety services may also have been impacted.

Young people are particularly vulnerable to the disruptions the pandemic has caused, and some are now at risk of being left behind in education, economic opportunities, and health and well-being during a crucial stage of their life development. Young people have had stressful life events like studying for their year 10 or 12 certificates significantly disrupted.

Young people have also been particularly hard hit by the job losses. While total employment in Tasmania fell by 7.4 per cent from March to May, nearly one-in-five Tasmanians aged 15-24 lost their employment. New apprenticeships have dropped dramatically in most sectors (Figure 4.4). Appropriate courses and training pathways will be critical in supporting young people to find jobs in a shrinking and competitive labour market.

**Figure 4.4 – Apprentice and Trainee Contracts Registered in Tasmania**

As at 7 July 2020



Source: Skills Tasmania

## Women

In many ways, women have been disproportionately impacted by COVID-19. The reasons for this include:

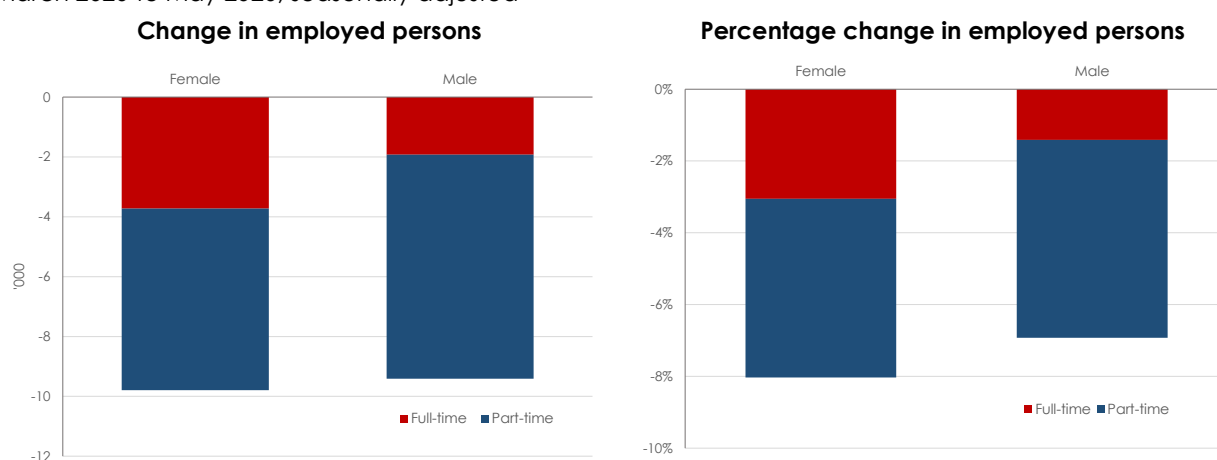
- women heavily dominate the industries that are on the 'frontline' of the COVID-19 crisis, including health care, social assistance, education, retail and cleaning;
- social norms mean women are more likely to take on additional household and caring responsibilities arising due to COVID-19, such as home-schooling and

caring for older family members, those with a disability and those who are unwell;

- women are over-represented in casual work as well as in industries that are suffering in the crisis, such as accommodation and food services, which makes their re-employment opportunities vulnerable depending how these industries recover; and
- a higher proportion of women have lost jobs, compared with men - between March and May, female employment in Tasmania fell by 8 per cent while male employment fell by 6.9 per cent (Figure 4.5). While more women lost full-time employment than men, total employment lost by men and women is broadly the same.

**Figure 4.5 – Change in Employment in Tasmania**

March 2020 to May 2020, seasonally adjusted



Source: ABS

### Casual Workers

Those in casual work have been hard-hit due to the high dependence on casual workers in sectors most impacted (especially accommodation and food services), as well as employers generally taking advantage of the flexibility afforded to them through this type of employment arrangement.

Some casual workers do not qualify for JobKeeper support (although a proportion of those would qualify for JobSeeker), and many have found themselves in a vulnerable situation with no ongoing engagement with their employer.

### People Disproportionately Impacted

There is a risk that some groups already living in a range of vulnerable circumstances or social disadvantage before the pandemic are disproportionately impacted.

The full impact on Tasmanians including children, Tasmanian Aboriginals, people with disabilities, LGBTIQI+, people from cultural and linguistically diverse backgrounds, older Tasmanians and those already living in poverty are yet to be fully understood. In addition, many people living in Tasmania on temporary visa arrangements are vulnerable as they too have been left with no income for an extended period.

It will take time for us to fully understand the short, medium and possible long-term impacts for all Tasmanians, and specifically these groups. It is likely many people within these groups may have already experienced disproportionate impacts. We are seeking a deeper understanding of the effects.

There are a multiplicity of services assisting socially disadvantaged Tasmanians because there are often specialised solutions required according to individual background. The data required to fully understand the emerging needs is often fragmented. Access to and interrogation of data, including government administrative data, throughout recovery will be important in gaining this understanding to inform responses.

## The Regions

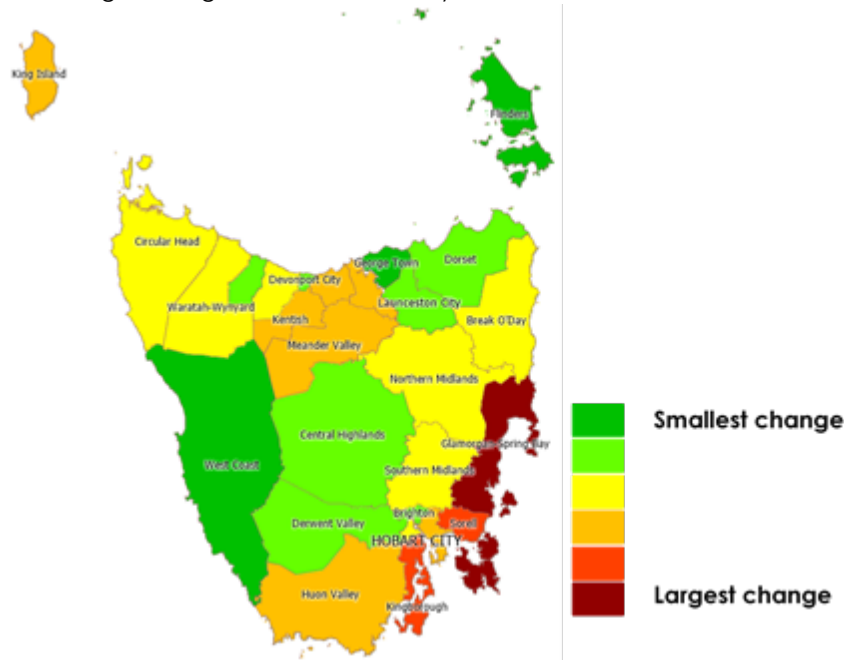
All regions in Tasmania have been impacted to varying degrees by COVID-19 and the suppression measures.

However, some regions, such as the East Coast, have been disproportionately impacted because of their reliance on tourism and because those regions had large proportions of their workforce in less secure jobs.

An analysis of the Australian Government's employment services program (Jobactive) caseload data by LGA reveals that almost all LGAs have experienced greater than a 50 per cent increase in the number of people looking for work and using the employment service (Figure 4.6).

**Figure 4.6 – Jobactive caseload**

Percentage change between February 2020 and June 2020



Source: Australian Government Department of Education, Skills and Employment

The data also highlights that LGAs that had the highest proportion of people using an employment service before COVID-19 - West Coast, Break O'Day and George Town - remain at the top of the list.

However, two LGAs on the East Coast of Tasmania - Glamorgan-Spring Bay and Tasman - recorded the largest increase in the number of people using the employment service since COVID-19 hit, as both a share of their resident populations and also their pre-COVID-19 caseloads.

## The Social Impact

COVID-19 suppression measures have impacted people's health, well-being and quality of life. The economic impacts have, in turn, added to the social impacts already being felt from physical distancing requirements and other restrictions.

To understand the broader social impact on people's well-being, we have used the OECD's Better Life Initiative well-being framework. The framework sets out, as drivers of well-being, health, access to material basics such as food and housing, social connectedness, safety and security, learning and skills and employment and income. These have all been affected by COVID-19 and the suppression measures in Tasmania.

While we do not have a comprehensive picture of social impacts due to lags in data, during times of stress and hardship across society there is generally a corresponding increase in anxiety, mental health issues, psychological distress, alcohol consumption, and family violence. For people who have pre-existing experiences of one or more of these circumstances, the impact is likely to be exacerbated.

Those in precarious employment or financial circumstances, living in poor quality housing, socially or digitally isolated, needing access to face-to-face services, or already struggling with health or mental health issues have been particularly impacted during the suppression period.

Sudden and dramatic changes in people's financial position have resulted in increased demand for social supports such as food relief and emergency housing. These sudden impacts, as well as isolation, loneliness, uncertainty, anxiety and a loss of purpose, have driven increases in those seeking support for mental health.

These social impacts have the potential to pose new service delivery challenges for the government and community sectors in planning, preparing, pre-empting and responding to the issues.

### Increased Insecurity Around Life Basics: Food, Housing, Heating

The COVID-19 lock-down resulted in many Tasmanians facing the reality that they could no longer afford to support themselves or their families, some for the very first time. The loss of income has had direct impacts on people's security, particularly access to material basics such as food and housing. Many Tasmanians, who before the pandemic considered themselves financially stable, are being hit by rental or mortgage stress for the first time. Social service providers have noted an increase in people seeking emergency accommodation, particularly women and young people. Temporary visa holders, students and those receiving disability supports have also been among those seeking food relief and housing support.

Emergency food relief has emerged as an immediate and ongoing concern. Food insecurity through the pandemic was caused by numerous factors ranging from not having enough money due to sudden job loss through to local stores being closed or not accessible. While many of these acute needs during the suppression period will have passed, the current and anticipated levels of unemployment suggest that more Tasmanians will be seeking food relief into the medium-term.

As people's income and financial circumstances continue to be placed under pressure, many social services are particularly concerned about the capacity of vulnerable Tasmanians to secure appropriate housing (and homelessness services) and to pay for heating during Tasmania's cold winter months.

### Increased Mental Health Challenges

The demand for mental health services has increased in our community. Providers have reported increased anxiety and mental health issues among children, young people and families in financial distress. People who have not accessed social support services in the past are now seeking help for a range of reasons. Service providers have reported that 67 per cent of those seeking support for psychological distress are new clients.

The Lifeline Tasmania COVID-19 response call-centre continues to receive calls from Tasmanians experiencing psychological distress. A high proportion of callers name as the dominant reason for their call:

- fear and anxiety about the future;
- lack of control;
- financial distress; and
- isolation and loneliness.

Callers describe these concerns resulting in:

- impacts on their physical health and mental health;
- lack of motivation and purpose; and
- loss of connectedness often related to their loss of employment.

The increase in demand for services supporting people with mental health issues is anticipated to continue into the foreseeable future. Isolation, loneliness, lack of connection and anxiety are the most significant causes, however, parenting issues, alcohol and drug issues, unemployment and relationship problems are all increasing demand for mental health support.

With anticipated increases in unemployment and underemployment the social impacts are likely to expand across our society and regions, with increases in anxiety and mental health issues.

### Family Violence

The burden of stress and anxiety arising from the pandemic - either the virus itself, the suppression measures or the loss of jobs and income - combined with people being confined in homes have contributed to many social impacts, including variability in



reported rates of family violence and an increase in demand for family violence support services. Tasmania Police reporting data on family violence shows the number of reportable incidents dropped during the lock-down period. Figures in May 2020 rose above the three year average and levelled in June 2020 to be consistent with average reporting rates.

As with all social areas of health and well-being, anecdotal evidence from service providers demonstrates many individuals may have experienced increased levels of coercion both emotionally and financially, and increased levels of emotional and physical abuse during this period. The reduced ability to safely contact support services during this period is also expected to impact in ways not captured in the data.

Restrictions on households and individuals, reduced access to schools, workplaces or social interactions and support systems has changed the way services are providing support and how family violence is being reported during COVID-19. We are still building our understanding of the impact it has had on family violence.

## Changing Attitudes and Practices that will Shape How We Recover

Business and individuals have responded to COVID-19 and the suppression measures by redesigning their ways of working and providing services. This has led to some significant and interesting changes in work practices and social attitudes, which will play an important role in our recovery.

Until a vaccine becomes available or rapid treatments are developed, we will need to adapt to live with COVID-19 in our society. During the recovery period, it is important that organisations, governments, communities, and individuals remain flexible, adaptable and resilient.

### Changes in Work Practices

Public, private, and not-for-profit sector organisations have changed work practices, and in some instances introduced significant changes, in a very short period of time.

Changes in work practices that have been introduced over the past several months include:

- large proportions of workforces working from home or remotely;
- reducing travel and face-to-face meetings and using video conferencing;
- embracing physical distancing measures in the workplace and implementing new travel arrangements;
- adopting new service delivery models (for example, Telehealth);
- re-tooling to produce goods in short supply (for example, hand sanitiser);
- adopting new business models (for example, re-assessing the 'just-in-time' delivery approach and building relevant inventories);
- increasing web presence and online sales, in part as businesses discourage the use of cash sales; and



- adopting new purchasing arrangements (for example, introducing flexible purchasing arrangements for social services to allow them to meet new and growing demands with a responsive and agile approach).

Many of the work practice changes represent a positive dividend from our COVID-19 experience. A reversion to 'the way things used to be' during recovery might not be the best approach in all cases, and we may have unlocked permanent improvements in the way business is conducted - for the environment (for example, less business travel), for work-life balance (for example, flexible working arrangements) and for business bottom lines (for example, new revenue lines).

### Changes in Social Attitudes

COVID-19 has impacted all Tasmanians, but the impacts on individuals differ and people have responded in a variety of ways.

People have embraced some of the new ways services are being provided. Many Tasmanians say they would continue using Telehealth and other online or telephone support services. Such changes in practices and attitudes will do much to support these being lasting and positive changes.

But not all changes in attitude have been so positive. Some Tasmanians have reported that they do not feel safe in public or shared spaces. Some are reluctant to go back to social activities they used to participate in, even as restrictions are relaxed. This concern may ease if COVID-19 cases in Tasmania continue to be minimal but should we see outbreaks like in Victoria or other places where restrictions have eased, these attitudes could become more permanent.

Some Tasmanians have reported that the pandemic has changed them as a person. Others have indicated that it has changed their life priorities. We do not yet know where this will lead but there are some interesting early hints. For example, some Tasmanians have reported that they have started to grow their own food and many are interested in learning how to grow, catch or hunt their own food. This may reflect a shift in perspectives on food. Some Tasmanians have reported that they think that local produce is now more important as a result of the pandemic.

A survey by the University of Tasmania suggests that many people are hoping that a different Tasmania will emerge as part of the recovery process. Respondents strongly supported improvements in affordable housing, health care, education and sustainability.

As we reflect on 'what are we looking for from the recovery' it appears that Tasmanians are focused not just on seeing our economy start up again and jobs return but seeing us find ways to improve the well-being of all Tasmanians.

### The Situation Remains Dynamic, and That's Not Likely to Change

COVID-19 was first reported in China on 31 December 2019. It took just nine weeks for Tasmania to record its first case. Tasmanian borders were effectively closed about three weeks after that, and three weeks later, the whole of the North West was under the then strongest lockdown arrangements in the country.

The three-stage unwinding strategy commenced in May and, based on health advice, has since been accelerated.

Just as Australia was beginning to emerge from the crisis, during late June, outbreaks of COVID-19 re-emerged around Melbourne. Other States have responded by closing their borders to Victorians. People's anxiety about a second wave is on the increase.

Some of the impacts that we have observed through the acute suppression phase will have passed as we move towards 'a new normal', while some will be longer lasting. There may well be new impacts in Tasmania as circumstances shift. We are still to see the impacts arising from unwinding of the Australian Government's key hibernation strategies, which are likely to have masked or delayed the real impacts from COVID-19.

In the recovery phase, restoring confidence and economic growth are key ingredients in assisting the thousands of Tasmanians who now find themselves looking for work and living on inadequate income levels - the same hurdles as Tasmanians who were already socially disadvantaged.

The situation will remain fluid, and the impacts of COVID-19 are dynamic, and in many cases, not yet observed. This situation is likely to remain for some time and it is important that Government responses are designed and implemented in context of the longer-term recovery.

## Chapter 5: Governments' Response to COVID-19

COVID-19 has presented once-in-a-lifetime challenges for governments at all levels. Rapid responses were required to both suppress the spread of the virus and to deal with the immediate economic and social consequences of those COVID-19 suppression measures.

The Tasmanian Government initially announced a series of stimulus and support initiatives exceeding \$1 billion designed to mitigate the impacts of COVID-19 suppression measures and provide relief to businesses, individuals, households and the broader community. In parallel with this, the Australian Government also announced about \$270 billion in response with the same purpose and broad scale approach. Tasmanian councils too have played an important role, committing in the order of \$40 million in response initiatives.

The swift responses from governments were needed in light of the rapidly evolving crisis that had no precedent. The result was a wide-ranging set of initiatives - some overlapping, and some with gaps - to offset the impacts of COVID-19 suppression measures. Due to the insulating effect of many of these temporary stimulus and support initiatives, some of the medium and longer-term implications of COVID-19 remain masked.

The recovery now needs to build on the good work already undertaken.

In this Chapter, we have mapped the responses against the broad economic impact, the sector-specific impact and the social impact. Chapter 6 sets out the areas for immediate action that we considers will strengthen responses in each of these areas in the short term, as we embark on the recovery journey.

### Economic Impact

#### Response to Fall in Broad-based Demand and Employment

As discussed in the previous Chapter, COVID-19 suppression measures have had a significant global impact, including a broad-based decline in economic activity. Household consumption, business activity and international trade of goods and services have all been severely affected.

With demand falling and, as a result, revenue declining, businesses have had to cut costs substantially. The scale of the drop in revenue has meant that many businesses have had to look to their payrolls and stand down people, which has only further depressed demand throughout the economy. Even then for many businesses, survival has become a real challenge.

On the economic front, governments' responses have sought to address these challenges by supporting demand, maintaining people's connection to employment, and supporting business to manage through this period of depressed demand.

#### Supporting Demand

To support demand, governments have delivered a broad range of payments to businesses, households and individuals. These have included:

- The Australian Government announced a series of stimulus and support initiatives for households and individuals impacted by COVID-19 suppression measures. This included \$14.1 billion in funding for supplementary income support payments under JobSeeker, \$8.8 billion in targeted economic support payments for households and in excess of \$1 billion for the early release of superannuation.
- A centre-piece of the recovery strategy by the State Government was its \$3.1 billion 'Construction Blitz', announced on 4 June 2020, which will support increased activity in the home-building (about 2 300 new dwellings) and commercial construction sectors, as well as roads and other infrastructure.
- The State Government provided \$200 million in Local Government loans and \$70 million in funding for the Government maintenance program.

### **Supporting Employment**

To maintain people's connection to employment the Australian Government announced several initiatives aimed at mitigating job losses and providing some protection to the business sector, specifically, the \$70 billion JobKeeper program to support businesses to retain staff.

The State Government made a number of changes to payroll tax to support employment directly, including waiving 2019-20 payroll tax for businesses with payrolls up to \$5 million, waiving payroll tax for 2019-20 for businesses in the tourism, hospitality and seafood businesses, waiving payroll tax on JobKeeper wages, and introducing a 12-month payroll tax rebate for new youth employees.

### **Supporting Business Survival**

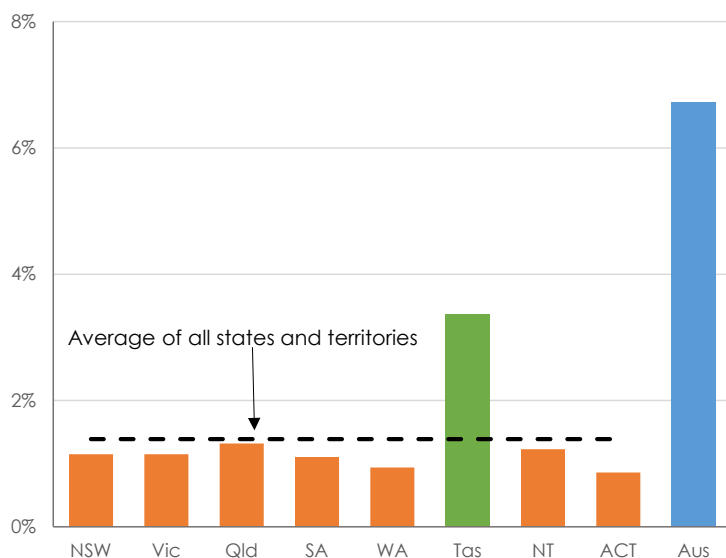
To support business to survive through this period the Australian Government provided \$32 billion to boost cash flow for employers, and in excess of \$125 billion to support the flow of credit in the Australian economy. Similarly, the Tasmanian Government announced approximately \$120 million in funding for small business loans, continuity grants and training programs, which delivered much-needed immediate support to the small-business sector. The measures introduced by the financial services sector to enable businesses (and individuals) to defer loan repayments for a six-month period was also a key business survival initiative. In early July, this was extended for a further four months.

The level of stimulus and support initiatives provided by the Tasmanian Government has so far been an order of magnitude larger than other States and Territories and reflects both the level of impact on the State and the Government's commitment to support Tasmanians and to maintain enough momentum in the economy to increase the chances of a more rapid recovery (Figure 5.1).

We are now at a point where we need to transition from government partially filling the gap in demand and providing support to seeing businesses grow again and take on employees.

**Figure 5.1 – Government COVID-19 Fiscal Response Measures**

Share of pre-COVID-19 GSP/GDP



Source: Grattan Institute

## Responses to Structural Impacts

Governments' responses have recognised some of the structural impacts.

### Sectors Disproportionately Impacted

We saw in Chapter 4 the way particular sectors have been disproportionately impacted, especially the tourism and hospitality sector. Governments' have been very alert to these more severe sectoral impacts. As a way of encouraging Tasmanians to support tourism and food businesses who were required to close during COVID-19, the Tasmanian Government committed \$1 million in funding to the *Holiday at Home* campaign.

It has also provided a range of support to the creative and cultural industries, taxi operators, seafood and fisheries and the recreation sector, especially sporting clubs, who have been particularly impacted.

### Children and Young People

As discussed in Chapter 4, children and young people have been widely recognised as being particularly impacted by the pandemic, and for some, the impacts of the pandemic have been quite significant.

In addition to the Australian Government's income and business support initiatives, the Tasmanian Government committed \$65 000 in funding to the Youth Network of Tasmania to develop a campaign and communication strategy for young Tasmanians in response to COVID-19. They have also provided a series of rental packages for low-income persons and households, and increased the capacity of existing services that provide support for homelessness, mental health, family violence and young people in care.

Providing employment and training opportunities for young people will be critical in the recovery process. Work is already underway within Government to promote effective, agile and accessible training pathways that will help leverage the growth potential of sectors such as infrastructure, renewable energy, advanced manufacturing, health and care services.

The Tasmanian Government also committed \$2.5 million in funding to enhance child safety and well-being systems, including expanding the *After Hours Response Service* for children and families at risk and provided grants for the purchase of hygiene and basic essential cleaning products.

## **Women**

Women are over-represented in casual and part-time work and make up large proportions of the workforce in sectors that are particularly suffering in the crisis (such as hospitality, retail, childcare and social support services). The major infrastructure and construction stimulus initiatives delivered by the Australian and State governments will have an indirect positive impact on female dominated sectors, but the major initial incidence of the stimulus will be on sectors in which female employees are under-represented.

The health and community services sector is dominated by female employment, and therefore additional resources that have been deployed into this sector in response to COVID-19 will contribute to potentially creating additional jobs for women.

The Australian Government also committed \$1.6 billion in funding support for the child care sector, protecting the high female representation in that sector's workforce and also providing opportunities for parents to continue working.

As with all employment, the most effective way to rebuild the sectors that have higher levels of female employment and continue to be adversely impacted will be the unwinding of the COVID-19 suppression measures. There are some additional measures we consider should be implemented to enhance employment opportunities for women, and these are discussed in Chapter 6.

## **Regional Impacts**

The full extent of the social and economic impacts on regions - particularly those that rely heavily on tourism and hospitality - are expected to be experienced once the current stimulus and support initiatives end (specifically JobKeeper and JobSeeker).

We know that regional economies are more inter-dependent than larger cities and significant economic shocks are felt far more acutely in people's day-to-day lives and livelihoods due to the smaller population bases. Until such time as borders reopen and physical distancing measures are significantly relaxed, there will be a continued lag in demand and the recovery in regional areas will be slow.

In the meantime, the Tasmanian Government's *Holiday at Home* campaign to help the tourism sector will also benefit the regions of Tasmania.

The Government's \$200 million loans scheme for local government will bring a regionally dispersed stimulus, while the roll out of the housing and infrastructure programs can shape stimulus in a way that meets regional objectives.



Finally, the individual responses of each municipality will help deliver support and stimulus right across Tasmania.

## Social Impact Responses

The extent of lasting social impacts resulting from increased disconnection and the widespread restrictions on movement during the suppression period remain largely unknown. Our expectation is that these may have been more prevalent for those from low socio-economic cohorts, the elderly and young people and particularly for those groups living in smaller regional Tasmania and other minority groups.

In relation to immediate acute impacts, responses from the State and Australian Governments, reflected an awareness that, in times of crisis and hardship across society, there is a corresponding increase in anxiety, mental health issues, psychological distress, alcohol consumption, and family violence.

To ease the financial burden on families and individuals, the Tasmanian Government provided \$13 million in waivers and refunds of school levies for 2020, emergency relief payments for low-income persons, \$20 million in fees and charges relief by capping electricity prices and freezing water bills for 2020-21, and \$3 million in funding assistance for temporary visa holders facing financial hardship, the latter addressing a gap in the Australian Government's enhanced income support initiatives.

The Tasmanian Government provided strong protections for renters by enacting a moratorium on residential evictions, preventing rent increases up to 30 June 2020 (recently extended through to 30 September 2020), while providing immediate assistance to low-income persons and households through a rent relief fund.

### **Insecurity Around Life Basics: Food, Housing, Heating**

The COVID-19 suppression period resulted in many Tasmanians facing the reality they could not afford, or could not access, the food they needed to feed their family. As part of a \$3 million emergency relief package, the Tasmanian Government committed increased funding to several providers (including *Foodbank*, *Meals on Wheels*, *Loaves and Fishes* and *City Mission*), to provide meals for people facing hardship.

The Tasmanian Government also committed \$6.7 million in rent relief for social housing tenants, as well as \$2.6 million in funding support to the existing *Safe Night Space* pilot program, which provides a safe, overnight place for those sleeping rough in Hobart, Launceston and Burnie. The Tasmanian Government also committed to a series of rental programs for low-income persons and households, as well as implementing caps and freezes on water and electricity prices for 2020-21 (estimated to help 244 500 households).

Nationally, the Australian Government provided \$200 million for organisations providing emergency food relief a proportion of which will be allocated to Tasmania.

### **Mental Health Challenges**

It is anticipated that mental health issues will increase due to the compounding effects of isolation, economic stress, poverty and social disruption associated with COVID-19.

In response, the Tasmanian Government committed approximately \$4 million in funding to support those experiencing mental health difficulties arising from the COVID-19 crisis. This included expanding the *Lifeline Service*, increasing the capacity to provide support for vulnerable Tasmanians living in rural areas and, providing additional non-clinical services state-wide in response to COVID-19 through the *Migrant Resource Centre*.

Nationally, the Australian Government delivered \$74 million to support mental health services, and \$48.1 million (co-funded) for mental health plans, a proportion of which will be allocated to Tasmania.

### **Family Violence**

In times of crisis, when there are increased levels of unemployment and economic stress on families and households, there tends to be an increase in severe social impacts. This applies to family violence and elder abuse, which tend to increase in times of stress.

The Tasmanian Government has provided \$2.7 million to address a range of issues associated with family violence, including expanding the *Safe at Home* and *Rapid Rehousing* programs - both programs aimed at providing services which protect and support victims of family violence, including young people and children.

Nationally, the Australian Government provided \$150 million for family and sexual violence, a proportion of which will be allocated to Tasmania.

### **The Recovery Ahead**

In Chapter 6, we set out a package of immediate actions that we believe are key to starting the recovery journey.

All three levels of Government have an important part to play, and these roles will necessarily be quite different from each other.

The Australian Government control of many of the levers that will be required to drive national (and Tasmania's) economic performance, and has set out a reform agenda, referred to as its *JobMaker Plan*, with a series of reform priorities, that aims to have 'Australia emerge from the pandemic with a stronger, more resilient and more competitive job-making and income-generating economy'.

Clearly, the future of the hibernation strategies the Australian Government introduced will be extremely important in shaping the longer-term impacts of the COVID-19 crisis in Tasmania, and we make some points about that in the next Chapter. Given the importance of these initiatives for Tasmania, perhaps more so than other jurisdictions, there is a clear role for all Tasmanians and the State Government to advocate for a sensible transition in these support arrangements.

With limited financial flexibility, the State Government's recovery measures should place a high priority on areas that are outside the domain of the Australian Government. Perhaps the best leverage the State Government has in recovery is making changes to the way it conducts its own business, and in removing obstacles to economic growth. This theme sits behind many of our recommendations for immediate action in Chapter 6.



As the level of government closest to the community, local government has an important role to play in the recovery journey. A partnership-based approach with the State Government will be required to avoid duplication and the development of competing measures. Again, a focus on supporting economic growth through the removal of barriers to growth is key. Using broad-based untargeted support approaches, such as general rate relief (as opposed to hardship arrangements for dealing with specific cases) will mean that councils will not have the resources that they would otherwise have to address specific areas of need in their local community. The LGAT submission highlighted that because of the financial impacts of COVID-19 suppression measures, Tasmanian councils will likely need to refocus their activity onto core legislatively-required service delivery. However, many non-legislative functions are likely to be even more important in recovery than prior to COVID-19, so preserving the financial capacity of local government will be important.

## Chapter 6: The Recovery Journey and Immediate Priorities

The Premier has asked us to identify:

- additional immediate and short-term actions to mitigate the impacts of the COVID-19 suppression measures; and
- the medium and longer-term issues to be addressed by government, the community, and the private sector to facilitate sustainable economic growth and mitigate the social impacts of COVID-19 suppression measures and their ongoing influence on Tasmania.

This chapter recommends immediate and short-term actions.

The priority is to start restoring overall demand in the Tasmanian economy and starting to address the structural issues that need to be tackled on Tasmania's recovery path. Recognising the extent of social impacts, support will also be needed for those who have been more heavily impacted by the COVID-19 suppression measures through transition.

Beyond this, our planned Phase 2 consultation is the key to us developing recommendations for medium and longer-term recovery measures for our Final Report.

Nonetheless, our recommendations for immediate action signal our current thinking in relation to the strategic priorities that will shape our work during Phase 2. These are signalled by a ★.

Our strategic priorities are:

1. Rebuilding local demand, by:
  - ❖ *Building confidence* - because this will embed resilience.
  - ❖ *Building capacity* - because this will provide the platform for growth and jobs, as well as strengthening our ability to support those in need.
  - ❖ *Increasing local demand and keeping the pipeline flowing* - because this will provide economic momentum over the short and medium-term.
  - ❖ *Supporting enterprise recovery* - because this will provide private sector and not-for-profit organisations the assistance required to move forward.
2. Addressing structural issues, by:
  - ❖ *Tackling the immediate structural impacts from COVID-19* - because the earlier the action, the better the mitigation.
  - ❖ *Staying focused on addressing the social issues* - because there have been deep social impacts.
  - ❖ *Encouraging government to deliver differently* - because we all have to focus on improvement.

The economy after COVID-19 will not have the same shape as it did before the pandemic. Support will be needed to enable Tasmanians and Tasmanian businesses to adjust over time. Any major structural adjustments will likely have social impacts and careful support will be needed to assist people through this period of change.

Job creation will not be a 'silver bullet' in relation to the social challenges we are facing. But the best way of preventing deeper social consequences is by creating as fast a path as possible back to work. That's why our top priority is focused on rebuilding demand.

Our economy performed well in recent years and many Tasmanians benefited – socially, culturally, as well as financially. However, there are some structural features that are now significantly shaping how COVID-19 suppression measures are affecting Tasmanians.

Some of the changes we propose in this Report would have been desirable for Tasmania even if COVID-19 had not landed with such sudden impact. Other changes relate entirely to the novelty and severity of the COVID-19 threat.

Those structural features mean that the recovery journey will be challenging for Tasmanians. But they also mean that there is the opportunity for lasting improvement that builds on our strengths and ensures we emerge more resilient.

Despite our recent and relative prosperity, many Tasmanians still remember times when our economy was weak and jobs were limited, forcing our young people to leave for opportunity. There will be concerns about Tasmania once again being defined by what Tasmania lacks, rather than what it has.

These memories and concerns are real.

But Tasmanians have faced many challenges as a community, and we have risen to them before. Tasmanian Aboriginals have survived colonisation, and today play a foundational role in defining our sense of a Tasmanian identity at home and beyond. For more than 200 years, waves of immigrants from across the world and wider Australia have built homes, businesses and social capital in our island State in a way that has made Tasmania stronger. Tasmanians have dealt with earlier pandemics, wars, economic downturns, shifting social norms and cultural trends – emerging all the more resilient. Generations of old and new Tasmanians have found something to cherish and protect in this special place that we continue to share. This COVID-19 recovery journey is part of a much larger and evolving whole.

## Restoring Demand and Jobs

Restoring demand will be a long-term journey. Our trade-exposed economy means that there are limits on the momentum we can generate. While we cannot swim against national and international economic tides, there are actions that will make a difference in rebuilding business and community confidence. These actions will drive the Tasmanian economy forward and create some momentum towards growth.

### Building Confidence

Tasmanians need to be confident that while governments had to work very quickly to put good plans in place to respond to COVID-19's initial strike, we are now much better prepared and able to co-exist with the virus until a vaccine or rapid treatments are found. The first step to restoring demand and the jobs that follow is to help people and businesses regain their confidence to spend and invest. Tasmanians need to regain their confidence to re-engage in the economy, to reconnect to community and to take a step forward in business.

There was sharp and clear messaging supporting the strategy of 'flattening the curve' - 'Stay home, Save lives' and 'unless it's essential, stay home'. These are simple messages, and they were effective. The Government went to considerable lengths to engage with the community (including daily updates from the Premier) and there was transparency about the extent and nature of the COVID-19 outbreak.

The much longer era that is before us of living with COVID-19 also requires strong messaging and open communications. In making decisions about removing restrictions, and potentially imposing them again when an outbreak does eventuate in Tasmania, the Government will be making decisions to manage the health risks. In doing so, it will be balancing those health risks against economic and social risks arising from the imposition of controls.

The community needs to understand the Government's strategy for managing COVID-19 into the future – is it a continuation of suppression or another approach more accepting of a limited number of outbreaks? Is the intention to 'stamp' quickly on any outbreak or manage it within a containment area? Without an understanding of the strategy, there may not be strong community support for the measures the Government takes to manage outbreaks and that likely means lower levels of compliance with restrictions than is needed.

Similarly, the community needs to understand – in advance of any occurring – what the Government intends to do in the event of an outbreak. Following a pre-announced process and strategy will engender community confidence and promote acceptance of the measures needed to deal with the outbreak. In the initial crisis, events were moving very quickly, and the community was accepting of surprises as new measures were imposed, sometimes daily. For future outbreaks, that level of acceptance cannot be assumed unless the Government's intentions are carefully explained – in advance.

An important part of rebuilding community confidence and the willingness of business to again move onto a positive footing is giving the community an insight into how those decisions are being made.

One well-established crisis-management method to help people plan is to have a limited number of scenarios that provide people with an understanding of how things might play out. A number of organisations around the State have already created and used these and they have proved very helpful in planning responses to what is a changing situation.

As we are finalising this report, the outbreaks in Victoria and the re-imposition of 'hard lock-downs' and previously un-seen border controls are dominating the news cycle. These developments are again raising the levels of concern about COVID-19 re-emerging in Tasmania, and concerns about the borders re-opening. Communication of the type we have outlined above is key in maintaining confidence that we can continue the path of recovery.

### Recommendations

1. The State Government should continue delivering clear and consistent messaging to shift the community's mindset from 'stay home, save lives' to the importance of all Tasmanians working towards recovery.
2. The State Government should explain to the community its future COVID-19 management strategy, including how outbreaks will be handled. ★
3. The State Government should explain the risk management basis of COVID-19 restrictions as those decisions are being made - including any reimposed or new restrictions.
4. The State Government should pay special attention to building public confidence in the capacity of Tasmania's health system to deal with future COVID-19 outbreaks.
5. The State Government should give confidence to Tasmanians that control mechanisms to manage COVID-19 risks are being rigorously applied, particularly in the context of relaxing interstate border restrictions.

### Building Capacity to Recover

One of the challenges of any recovery is that it takes time. There is a saying that 'economies descend in the elevator and return by the stairs'. Integral to what slows recovery is the damage to the ability of businesses and organisations to grow.

In Chapter 4 we highlighted some of the important ways in which that was occurring, such as a serious reduction in working capital. Therefore, it is important we help restore this capacity quickly.

## **Building the Capacity of Small and Medium Businesses**

Small businesses, which make up about 97 per cent of all Tasmanian businesses, have been particularly impacted in Tasmania by COVID-19. Many continue to rely on a wide range of business supports from all levels of government, as well as a more accommodative banking system.

And while many businesses were adaptable and resilient through the suppression period, the medium and longer-term implications of COVID-19 will require further adaptation. Where business loan repayments and creditor payments have been deferred, new business and financial plans will be required to put them onto a secure footing.

One of the State Government's immediate initiatives was to assist businesses to access third-party financial advice through Business Continuity programs. This approach should be extended during the recovery period, leveraging the capacity of the financial/business advisory sector, industry associations and regional chambers of commerce to work with business.

Depending on the Australian Government's decisions on the future of JobKeeper, some small and medium businesses may be caught mid-transition towards a sustainable post-COVID-19 business model. A well-targeted and administratively simple grants or loans program could also provide a necessary bridge to sustainability and jobs preservation. A condition of the program should be that businesses access independent expert financial advice.

The Tasmanian Development Board plays an important role in managing such loans programs to support business in Tasmania and providing financial assistance for expanding businesses in areas that are not met by the commercial banking sector.

During the COVID-19 recovery phase, it is important that the Board has sufficient capacity within its loans programs to provide the support needed by businesses that are viable and have the capacity to grow and prosper. A key part of the Board's role is to establish that businesses meet those criteria before assistance is provided.

Information provided to us is that under some scenarios, the capacity of the Board to meet the needs of business could be limited by the Board's current aggregate loans cap.

As the headroom under the current loans cap is constrained, timely consideration is required of the potential to increase it. This can support recovery and development of businesses in sectors where Tasmania has a demonstrable competitive advantage.

### **Recommendations**

6. The State Government should further support small and medium business to access private-sector financial/business advice to assist them adapting to the post-COVID-19 environment. ★

### **Recommendations cont.**

7. The State Government should provide a round of small business sustainment grants, or a loans program, for businesses transitioning to a sustainable post-COVID-19 operating model.
8. The State Government should ensure that the Tasmanian Development Board has the capacity to support viable recovering and growing businesses by making timely decisions regarding the level of the Board's Loans Cap.

### **Supporting Small and Medium Enterprises Working Capital**

The Government is a large purchaser and has already moved to update the purchasing requirements to require 14-day terms with its direct suppliers. This should be a consistent rule across the whole of our public sector, including government businesses.

The standard contracting framework should be amended to require the benefit of improved trading terms to be passed onto Tasmanian suppliers of Government contractors.

### **Recommendations**

9. The State Government should continue and extend the requirements implemented during COVID-19 for Government agencies and Government businesses to pay their Tasmanian suppliers on 14-day terms.
10. Government agencies should seek the agreement of existing major contractors to agree on 14-day terms with their Tasmanian suppliers.
11. The State Government should amend its standard contracting framework to require contractors to trade on 14-day terms with their Tasmanian suppliers.

### **Building the Capacity of the Community Services Industry**

The community services industry is a large employer that has not only experienced major financial impacts from COVID-19, but also has limited funding certainty due to the short-term nature of many government contracts. Some contracts are on 12-month roll-overs, others are renewed on a regular basis with little or no contract review due to the ongoing nature of the community services the government is purchasing.

The duration of these contracts is intended to allow the Government to maintain flexibility and provide incentives for performance. In practice, however, these contracts are often routinely rolled. Critically, short duration does not provide



longer-term funding certainty, and consequently, service providers in this sector are unable to provide on-going employment tenure to their staff. As a result, this large labour-intensive industry has a high level of casual and/or short-term employment arrangements.

In light of the COVID-19-related financial impacts across the sector, extending medium-term funding certainty to community sector entities that have an established record of effective service delivery is sensible.

Building on experiences of COVID-19, designing contracts with flexibility in the way services are delivered (for example, face-to-face versus online) would allow organisations to respond to a changing situation to prioritise services as they are needed by Tasmanians.

This will strengthen the capacity of the sector to respond to emerging social issues from the pandemic. It will also strengthen job security within the sector, enabling the workforce to adopt a more confident outlook in their own spending decisions, thereby reinforcing the Tasmanian economy.

### Recommendations

12. The State Government should immediately modify contracts with community service providers, where performance has met expectations, to extend their duration to provide appropriate funding certainty. ★
13. Contracts should provide flexibility in the nature of service delivery, reflecting new models developed during COVID-19.

### **Skills and Training - Resourcing for Sectors that are Driving Recovery**

Upskilling and re-skilling Tasmanian workers will be critical in recovery. While this will feature in our second-phase work, there are immediate actions required to respond to the current situation.

Given the rapid shift in labour demand created by suppression measures and subsequent stimulus spending, there needs to be ongoing support for workers transitioning between sectors, particularly into construction. There also needs to be a concerted response to the rapid decline in new apprentices and trainees across a range of sectors, pointing to future skills shortages.

The Government has already provided several training initiatives to support worker transition, including the Rapid Response Skills Initiative, and contestable training funds for existing workers provided through User Choice and the Skills Fund. TasTAFE has also established a range of free short courses.

Furthermore, Skills Tasmania and the Tasmanian Building and Construction Industry Training Board have been tasked with developing an Action Plan for ensuring skilled workers are available to the construction sector. The State Government has also



established the Tasmanian Energy and Infrastructure Workforce Advisory Council to advise Skills Tasmania on the best use of industry training funds. There is similar workforce development activity occurring in other sectors.

Nonetheless, employers remain concerned that TasTAFE and the training system more broadly will not be able to provide the responsiveness, agility and industry-relevant training required to support Tasmanians into emerging job opportunities, as well as improving the flexibility and productivity of existing workers.

Our recommendations for immediate action will start addressing these issues.

### **Recommendations**

14. The State Government should fund a program of free VET courses in qualifications directly related to demonstrated jobs growth. These should be delivered rapidly and flexibly by TasTAFE and other training providers endorsed by industry.
15. Group training organisations, labour hire firms, and other job matching services should be funded to support recruitment, mentoring and rotation of apprentices, trainees and short-term workers across employers that cannot currently commit to long-term employment contracts.
16. The State Government should fully fund the Rapid Response Skills Initiative past 2020.
17. The State Government should enable TasTAFE to implement an internal workforce transition plan to ensure TasTAFE's trainers have up to date and contemporary industry skills.

### **Increasing Local Demand and Keeping the Pipeline Flowing**

The State Government has the opportunity and responsibility to contribute to the rebuilding of local demand through its industry capability building and purchasing frameworks. It has a leadership role in encouraging all Tasmanians - individuals and businesses - to do the same.

The Government should prevent blockages emerging that would stymie the positive impact of the substantial stimulus packages already announced by the Australian and State Governments - which aim to drive economic activity and generate jobs in the short and medium term.

Beyond the immediate term, we see major projects and larger-scale private sector investment being integral to recovery, and this will be an important part of the second phase of our work. Investment and other initiatives should balance ongoing support for established or recognised 'market winners' with emerging sectors and market leaders that best align with the Tasmanian brand.

The attraction of new private sector investment in medium and larger scale labour-intensive businesses will be an important component of recovery - for the direct impact these projects have, and because they will also contribute to an uplift in confidence.

But we are also mindful that the Tasmanian brand is synonymous with the artisanal, and the pursuit of quality over quantity. Culture can power economic opportunity. Micro and small-business entrepreneurs will also play an important role in recovery, alongside facilitation of traditional larger-scale businesses, and we also expect to explore this in the second phase of our work.

### **Public Sector Purchasing - Supporting Tasmania**

Given the importance of economic recovery, the full weight of Tasmanian public sector procurement should be behind Tasmanian business.

The Government announced on 1 June 2020 that the Department of Treasury and Finance was to consider how the weighting towards Tasmanian content could be enhanced in the Government's procurement rules and how the investment that is being made locally by firms to substitute for imports can be recognised more fully in the Buy Local policy.

Now more than ever, the concept of 'value for money' must not be solely based on 'lowest price', but it must include an assessment of the 'value to Tasmania' of having economic activity undertaken within the State. This includes the longer-term benefits to the agencies themselves in having a more capable and responsive local industry in support of their outsourced tasks, which may be missed in a short-term transaction-by-transaction procurement approach.

Pre-procurement industry engagement in partnership with agencies such as the Department of State Growth can assist in ensuring strong local participation whilst maintaining arms-length procurement contestability. The State Government can adopt similar local industry services as those provided by the Australian Government's defence industry programs.

The boundaries of Treasury's procurement review should be extended as far as possible, and pressure brought to bear on Government's suppliers to adopt similar arrangements. Government businesses should also be under the same arrangements that apply to agencies in relation to buying local.

### **Recommendations**

18. The State Government should require agencies to purchase from Tasmanian business on an 'if not, why not' basis for at least the next two years. ★

### Recommendations cont.

19. The State Government should include in its standard government contracting framework a requirement that government contractors use local suppliers on a similar 'if not why not' basis. ★
20. Government businesses should be subject to as strong buying local requirements as government agencies. ★

### **Tasmanians Supporting Tasmanian Business**

There have been several Buy Tasmanian initiatives launched during the past few months, including the *Buy Something Tasmania* website, initiatives by the RACT to extend its Rewards program, and an advertising campaign on commercial TV.

While there are good resources available that support Tasmanians to find local suppliers, there is a need to drive a sustained behavioural change by individuals and business to generate material levels of demand. Government has a key role to play in encouraging the required behaviours - work that should be strongly aligned with Brand Tasmania's strategic 'Tasmanian lens' response to COVID-19.

### Recommendation

21. The State Government should work in a consultative way – including across relevant State government agencies and government businesses – with peak business groups, industry and sector leaders to support initiatives across sectors to 'Buy Tasmanian' products and services including the Brand Tasmania 'Showcase Initiative'.

### **Keeping the Pipeline Full and Moving - Facilitating Development**

The Australian and State Governments have provided substantial funding packages to stimulate short and medium-term economic activity and job creation, particularly in building and infrastructure.

It is now critical that there are not roadblocks through inadequate resourcing or red-tape in the planning, permit and approval functions of local and State governments.

The State Government has already undertaken some work in this area, including committing to increase resourcing of the Land Titles Office, and introducing the *Building and Construction (Regulatory Reform Amendments) Act 2020*. Among other things, this Act provided a basis for statutory timeframes for TasWater and TasNetworks permits. Further work to reduce regulatory burdens, including setting those statutory timeframes, should be progressed as a priority.

LGAT's submission highlights planning resource constraints, particularly in their capacity to attract and retain planning officers. Every effort must be made by councils to make sure planning matters are given the tightest attention. Statutory timeframes should be viewed as a binding deadline to be bettered to ensure they do not impede timely consideration of development applications.

Alternative arrangements should be developed to use non-Council planning resources to alleviate potential blockages. One approach would be to provide a tailored certification approach for projects that are aligned with strategic priorities (such as social housing) and fall into the categories of either 'no permit required' or 'permitted use'.

### Recommendations

22. Areas of government responsible for planning decisions, permits and related approvals, including the Land Titles Office, should be fully resourced to ensure timely decision-making. ★
23. The State Government should fast-track the implementation of statutory timeframes for TasNetworks and TasWater to deliver infrastructure permits for development projects.
24. Reforms under consideration to deliver a fit-for-purpose building and construction regulatory framework should be given the strongest-possible mandate and priority for completion.
25. Local government should prioritise the resourcing of development applications and planning approvals to ensure that legislative timeframes are met, if not bettered.
26. The State Government should change the regulatory framework for developments that fall within 'no permit required' and 'permitted use' under planning schemes to deliver an efficient and timely approach for dealing with planning outcomes.

### Major Project Facilitation

The Office of the Coordinator General was established in 2014 to be the primary point of access to government for investors. The Office is responsible for attracting and securing investment in major development projects that maximise their contribution to Tasmania's economy.

We have been briefed by the Coordinator General as part of our Phase 1 work, and are aware of the sector strategies that have been mapped and are being progressed by the Office to attract new investments of scale to Tasmania.

The State Government also has a number of industry strategies designed to build on underlying industry capabilities in Tasmania, including advanced manufacturing, defence and renewable energy.

The second Bass Strait electricity interconnector - Project Marinus - is another major project being progressed by the State Government, with substantial financial support from the Australian Government. In July 2020, the project moved into the Design and Approvals phase, which will see the completion of activities required to achieve an investment decision and the supporting Tasmanian transmission development. The project is targeting an investment decision in the mid-2020s so the link can commence service from the late 2020s.

As a part of its COVID-19 stimulus response, the Australian Government has identified the project as one that will have streamlined national approvals processes applied.

As we move into the recovery phase from COVID-19, the urgency and priority applied to major project attraction and facilitation cannot simply return to that which existed in early 2020. Projects face tight capital markets, globally suppressed economic conditions, and increased competitive tension between jurisdictions to attract mobile capital. In this environment, the willingness of the State Government to actively engage with project proponents to find paths to bring projects to reality becomes doubly important.

This need not mean direct funding of projects - the streamlined assessment process for Marinus by the Commonwealth is an example of how governments can take direct action to remove barriers that otherwise inhibit major projects.

### **Recommendation**

27. The Government should take a much more active approach to engaging with the private sector to facilitate major projects in Tasmania.

### **Keeping an Eye on Construction**

The combined construction stimulus measures of the Australian and State governments - particularly those aimed at housing - are very large relative to the size of Tasmania's construction sector. The total housing package delivered by the State Government alone is broadly equivalent to a typical year of housing construction.

At an aggregate level, neither development approvals nor building approvals have fallen dramatically through the COVID-19 suppression period. Total dwelling approvals during March to May 2020 were 4.5 per cent higher than the corresponding period one year earlier.

Considering the underlying level of activity in the construction sector - particularly housing - there are severe risks of unintended consequences if the construction pipeline is not carefully managed. Higher prices, unavailability of tradespeople for normal maintenance activities and crowding out of private-sector construction activity are among the risks. These can be avoided by careful monitoring of the leading indicators of the pipeline of work available to the industry and putting out contracts for construction work at the rate which will sustain the industry without over-heating it.

Stimulus spending to deliver 1 000 new affordable housing units should be managed to stimulate economic activity in regional areas more heavily impacted by COVID-19. By considering the housing waiting list in planning these developments, those most in need can be assisted first and with solutions tailored to their needs.

### Recommendation

28. The State Government should carefully manage the roll-out of its 'Construction Blitz' program. The flow of housing construction should be scheduled to deliver the intended stimulatory effect without over-heating the industry. ★

## Supporting Enterprise Recovery

A great many organisations - businesses, community sector and volunteer based — have been left financially weaker as a result of the COVID-19 suppression measures. Taking immediate actions to support their recovery is a key step on the broader recovery journey.

### COVID-19 Safe Workplace Requirements

The feedback we have received regarding COVID-19 Safe requirements and the way in which they have been rolled out has been consistent across the business sector, the community services sector and from volunteer organisations: that it is a material burden for enterprises.

Recent market research undertaken by EMRS demonstrates that Tasmanians are demanding businesses adopt COVID-19 Safe requirements. We know that employees also have high expectations that their organisations will implement measures to guard against the virus's spread. Feedback confirms a strong desire by organisations to meet these expectations.

However, there is broad concern that the fear of punitive measures being applied to organisations struggling to comply due to difficulty accessing tools and limited understanding of their specific obligations is adding unnecessary stress in an already difficult operating environment.

A pragmatic and practical approach can and should be taken during recovery to assist all organisation adapt to co-existing with COVID-19.

### Recommendations

29. The State Government should further support all enterprises adapting to new COVID-19 Safe Workplace requirements.
30. The compliance arrangements need to be clear and as simple as possible, and penalties limited to genuinely recalcitrant non-compliers.

### Recommendations

31. Simple templates and tools should be made widely available and small organisations given proactive assistance to meet their minimum requirements.
32. Common approaches for common situations should be encouraged, not bespoke arrangements for each situation.

### **Support for Volunteering**

Tasmania's volunteer sector is carrying an especially onerous and unmanageable compliance burden relating to COVID-19 Safe requirements and developing their COVID-19 Safe Plans. That sector comprises about 200 000 volunteers, half of whom work in organisations that are either entirely run by volunteers or have fewer than five staff. A conservative estimate indicates 250 000 volunteering hours have been lost in Tasmania since the COVID-19 outbreak. This is impacting heavily on Tasmania's social and economic recovery, and on the mental health and well-being of many Tasmanian volunteers.

### Recommendations

33. The State Government should engage with Volunteering Tasmania to develop support measures to enable organisations to retain and attract volunteers.
34. Workplace Standards should make special efforts, including by providing simple templates, to assist volunteer-based organisations develop COVID-19 Safety Plans.



## Start Addressing the Structural Issues

As we embark on the economic recovery journey, there will be a need for ongoing support for those that have been impacted by structural changes arising from COVID-19.

In the next phase of our work, we will examine measures needed to address the structural issues in the longer-term but there are some steps that can be taken now to address structural issues.

In the immediate term, the future of the Australian Government's COVID-19 support measures will be particularly important for supporting Tasmanians and our economy.

Considering that some of the impacts of COVID-19 are yet to be fully felt, the State Government will need to adopt a flexible and scalable approach to quickly respond to emerging needs. Caution is required to preserve the Government's capacity to respond to an escalating situation, as is now evident in Victoria.

Importantly, the timely collection of data and information on social indicators must guide the implementation of support mechanisms as the longer-term implications emerge.

### Specific Sectors

#### ***Transitioning the Australian Government's Support Measures***

In Chapter 4, we identified how some sectors have been particularly damaged by the COVID-19 suppression measures. As shown in Chapter 5, the Australian Government quickly delivered a package of broadly-based strategies that shielded individuals and businesses from some of the worst impacts of COVID-19. On current plans, these measures are expected to end or be adjusted in September 2020.

Some sectors, particularly those that continue to be heavily impacted by international border closures and ongoing physical distancing requirements, may require longer support to transition to sustainable business models, or simply survive until suppression strategies are no longer required.

Given a high proportion of Tasmanians are routinely or recently dependant on Australian Government income support as their primary form of income, the level of income support payments will play a key role in supporting the local economy.

Tasmania needs to have a strong voice in calling for an appropriate extension of these arrangements.

The Australian Government announced on 3 July 2020 that the International Freight Assistance Mechanism (IFAM) would be extended until the end of 2020. But as we move into summer, there will be increased competition nationally for access to the scheme from seasonal fruit and other products. The future of international airline travel remains highly uncertain, and the ongoing support by the Australian Government of the IFAM for as long as there is a material reduction in airfreight capacity into Tasmanian export markets will be key in sustaining market access for our primary industry sector.



## Recommendations

35. The State Government should take a leadership role in collaborating with all Tasmania's elected representatives, to ensure a common voice in lobbying the Australian Government to:
- provide a transition path for COVID-19 income supplements;
  - provide a transition path for JobKeeper for all sectors, and particularly those most exposed to closed international borders and physical distancing requirements;
  - continue the International Freight Assistance Mechanism while there is a material reduction in air capacity into key markets; and
  - extend beyond September the current relaxed insolvency measures for enterprises. ★

At the same time as calling for those measures to be extended, we need to be working on specific measures to support the structural changes needed.

### Restoring Demand in Tourism and Hospitality

#### Co-existing with COVID-19

For the tourism and hospitality sectors, it will be a significant period before international demand is restored, so we need to support the structural shift to focus the sector for the immediate and medium-term to Tasmanian and interstate tourism.

The domestic and international border controls introduced in response to COVID-19 had an extreme and immediate impact on the viability of a wide range of businesses in this key sector. With the removal of intrastate travel restrictions, relaxation of physical distancing requirements, and the imminent reopening of interstate borders, the tourism and hospitality sector has begun the recovery journey. However, parts of the sector that are more dependent on international visitors are a long way from returning to normal. Air access remains highly uncertain and ongoing physical distancing measures will have a lasting impact on this sector.

#### Visitor Access

Aviation access is vital for Tasmania - for the tourism sector, for our fresh-export sectors that require rapid access to markets, and for our social connection to the remainder of Australia. While opening the borders to some or all Australian jurisdictions is a necessary step to bringing visitors back to Tasmania, without appropriate air access, the gains will be severely limited.

We are aware of the work by specialists within government on access. The direct involvement of the Premier with the airline industry CEOs is key in sending the signal about the importance of air-access for our Island.

In the absence of materially improved air access, the TT-Line's service is the only other access point to the State. The TT-Line Board and management have a charter and obligation to act in a commercially prudent manner, and decisions about the sailing schedules of the *Spirits* must necessarily consider those obligations.

Relatively high capacity is required to make crossings financially worthwhile. In the absence of sufficient air services to the State, a lower weighting should be given to the commercial viability of capacity decisions, and a higher priority applied to maintaining access for tourism (and freight).

### Recommendations

36. The State Government should take all appropriate steps to re-establish visitor access to Tasmania at maximum feasible capacity once border controls allow demand to resume. This should include appropriate liaison with the Access Working Group, and should focus on both air and sea access, as well as the best evolving balance between them.
37. The State Government should provide clear direction to the TT-Line Board that it is to lead not lag passenger capacity into Tasmania, particularly in the absence of substantial air access.

### Community-driven Events

The *Make Yourself at Home* campaign has been a key initiative to stimulate intrastate visitation. Tourism Tasmania has also developed a marketing campaign to continue to rebuild Tasmania's share of the interstate tourism market that will be released coinciding with borders being re-opened.

In addition to this work, the development of community-driven COVID-19-compatible (scale) events run state-wide is an opportunity to address community reconnection and psychosocial recovery, as well as encouraging intrastate and interstate visitors into regional areas.

Innovative and creative promotions and initiatives could supplement the marketing campaigns developed by Tourism Tasmania to incentivise regional visitation and spending.

Tourism Tasmania and Brand Tasmania should, consistent with T21, amplify existing strategic alignment to capture our interstate market share. The focus on the 'yield and dispersal' strategy should be strengthened to attract potential new interstate and intrastate visitors into regional areas across Tasmania.

### Recommendation

38. The State Government should build on the current intrastate and interstate marketing campaign by developing additional cost-effective practical initiatives to drive spending. ★

## Restoring Demand in Arts and Events Sector

COVID-19 suppression measures had an extreme and immediate impact on the viability of a wide range of arts and event businesses. They severely impacted the livelihood of artists, performers and the multitude of other freelance and casual workers who support activities in this sector – a sector vital to Tasmania's growing creative economy. Ongoing requirements around physical distancing are likely to continue to affect the sector, perhaps more than any other.

Having developed the Community Arts and Cultural Development (CACD) strategy, the Government should now progress its implementation with a priority on initiatives that deliver regional balance and address areas of systemic social disadvantage. Being collaborative and aiming to build local skills and capacity by creating opportunities for community members and artists, the CACD strategy is well suited to the recovery process. It can deliver long-term improvement in social health and well-being, while generating much needed employment. International and national research and examples over 50 years indicate that participation in community arts gives rise to positive social impacts, provided project design clearly takes into consideration larger social policy goals.

### Recommendation

39. The State Government should implement and fund the Community Arts and Cultural Development strategy.

## People

With a sharp increase in the number of people without work, the highest priority needs to be given to creating pathways to work. This should include those who have recently lost work, those who have been without work for some time, and the next generation who are charting their future work-lives.

### Job Placement Services

Feedback from employers suggests that before COVID-19, the Australian Government's Jobactive model was not working well for either employers or people looking for work. In response, the Tasmanian Government has been piloting new job matching services in regional Tasmania. Initiatives have included the Jobs Action Package and more recently through the Strategic Growth agenda as well as with the support of the Tasmanian Community Fund. These seek to enable cross-sector approaches to find local solutions to local issues that impact on employer and employee barriers and enablers to employment. A Sorell Jobs Hub has been established, and the Glenorchy Jobs Hub is due to commence shortly.

The State Government needs to work with the Australian Government to deliver an enhanced regionally appropriate employment service system (Jobactive model) for Tasmania. This approach needs to include job placement payments and incentivise local solutions to employment for COVID-19 impacted jobseekers, industries and businesses. This work should also examine specific barriers to employment (such as

transport) and engage with community, education and training organisations with a specific focus on young people, women and small-medium enterprises. Lessons from Tasmanian Government funded programs could be adapted into a broader Australian Government Jobactive model, using Tasmania as a pilot.

### **Recommendation**

40. The State Government should drive the development of effective job placement approaches that enable regional led solutions and provide for employer and job-seeker matching at a local level.

### **Education Pathways - Connecting Education with Work**

A key element of the recovery journey and a foundation for our State's future prosperity is better connecting the education system with the workforce. We need our young people to engage in an educational/vocational pathway that is linked to real workforce opportunities in the State, and which fosters entrepreneurship and a resourceful and adaptable mindset towards both education and work.

We are aware that significant work is underway through the 'Years 9 to 12 Project', a cross-sectoral approach that will include all Tasmanian school sectors, TasTAFE, the University of Tasmania, Skills Tasmania and the Office of Tasmanian Assessment, Standards and Certification. It is important that this project is prioritised and supported, including bringing Tasmanian industries and employers together as key partners in our education and training system.

### **Recommendation**

41. The State Government should accelerate existing strategies to deliver improved educational opportunities that meet individual student needs as well as providing clearer pathways to jobs in identified post-COVID-19 industry priority areas, the training system and university.

## **Young People**

### **Apprenticeships and Traineeships**

The Government recognises the leverage it has for the employment of apprentices through its capital works program by mandating within its procurement rules that, for Government building and construction projects over \$250 000, 20 per cent of labour hours must be by apprentices.

What is less clear is how those requirements are documented within building and construction contracts as a binding requirement, and the way these requirements are enforced to ensure that contractors uphold their obligations.

The payroll tax 'Youth Employment Incentive' is limited to a one-year period from the date of employment between 1 April and 31 December 2020. This policy should be extended for at least another 12 to 18 months. This would provide enhanced medium-term certainty to employers taking on new young workers.

The apprentice and trainee payroll tax incentive operates between July 2019 and June 2021 and is limited to three sectors - building and construction, tourism and hospitality and manufacturing. Extending this scheme to all sectors and extending its duration for an extra 12 to 18 months would provide an incentive for business to take on young employees.

A similar apprentice labour requirement to Government building and construction should be applied to the capital projects of government businesses and as a part of the affordable housing element of the 'Construction Blitz' program, which currently has no apprenticeship requirements.

The State Service comprises about 24 000 Full Time Equivalents, of which less than 12 per cent are under 30 years of age (about 25 per cent are aged over 60). A structured approach to workforce renewal and the employment of young people in the State Service will not only support the structural change arising from COVID-19 but assist in shaping the Government's workforce of the future.

### **Recommendations**

42. The State Government should rigorously monitor and enforce apprentice requirements for government building and construction works as required in the Building and Construction Training Policy.
43. A similar model should be applied to capital work programs for government businesses.
44. The roll-out of the affordable housing stimulus as part of the 'Construction Blitz' program should contain apprenticeship requirements on a similar basis to those that apply to the Government's own construction program.
45. The State Government should extend the payroll tax rebate schemes for youth employees, and for apprentices and trainees.
46. The State Government should implement a structured approach to increasing the share of its own workforce represented by young people.

### **Women**

Given the male-dominance of the construction and infrastructure sectors, and the ongoing risks to the childcare sector, the short-term employment environment for women has not been sufficiently mitigated.

Long-term growth sectors such as community services, health care and education have very strong representation of women in the workforce, and, over time, this is likely to see jobs opportunities increasingly become available. We also note that over 70 per cent of the State Sector is made up by women.

Nonetheless, there remain cultural barriers to women seeking and gaining employment in stable, high-paying and diverse industry roles. The Government has already supported sector-specific projects to encourage and mentor women into non-traditional roles such as the TasICT Women in ICT Program. This approach can be extended more widely.

### **Recommendations**

47. The State Government should support further industry programs to enhance workplace cultural change and development pipelines for women.
48. The Tasmanian State Sector should create traineeship pipelines within Government and maintain at least gender parity in recruitment.
49. Government agencies should embed flexible working arrangements delivered successfully through the COVID-19 suppression period, to support the recruitment and advancement of women in the State Service.

## **Other People Disproportionately Impacted**

### ***Capturing the Right Data to Track COVID-19 Impacts***

As discussed in Chapter 4, the full social impacts on people including children, Aboriginal Tasmanians, people with disabilities, people from cultural and linguistically diverse backgrounds, LGBTQI+, and older Tasmanians are still being understood.

Data is patchy and fragmented, and not available in a timely way to ensure pre-emptive action can be taken across a range of COVID-19 impacted areas. The development of an overarching data set for monitoring the longer-term impacts of COVID-19 on people's housing, mental health, family violence, drug and alcohol and a range of other critical social services and policy responses will be essential to inform an integrated evidence-led recovery.

### **Recommendations**

50. The State Government should prioritise work, including shared data capability, to identify, engage and support vulnerable cohorts that may have ongoing disproportionate adverse impacts during recovery, including through disruption to education, training, and employment. ★

### **Recommendations cont.**

51. Vulnerable Students Panels across all sectors should be continued, appropriately resourced, embedded within the education system and bolstered by a comprehensive case management system.

## **Regional Impacts**

### **Prioritising Regional Infrastructure**

Infrastructure Tasmania is reviewing input from all public sector infrastructure providers, including government agencies, government businesses, TasWater and local government to inform the '10-year infrastructure pipeline'.

A different lens needs to be applied to that pipeline of projects post-COVID-19, which shifts the focus onto smaller-scale regionally diverse projects that offer the prospect of high social outcomes in regions particularly disrupted. In particular, there is an opportunity to invest in development of infrastructure that promotes access to nature and increased physical activity, such as walking and cycling, serving the needs of both local communities and visitors alike.

The State Government should encourage other public sector providers to reconsider the application of a 'business as usual' framework for establishing capital project priorities.

### **Recommendations**

52. The State Government should review its capital program and place a higher weighting on distributing activity towards smaller-scale regional projects.
53. The State Government should use its influence to encourage government businesses and other public-sector infrastructure providers to establish capital project priorities that place a higher weighting on distributing activity towards smaller-scale regional projects.

### **Addressing the Digital Divide**

COVID-19 has amplified the need to have digital access recognised as an essential service for all Tasmanians. Tasmania performs poorly on all three measures of digital inclusion – accessibility, affordability and overall ability to use digital technology for work, study and day-to-day access to essential services.



## Recommendations

54. The State Government, with the support of the Australian Government, should address digital inclusion and equity across Tasmanian communities, including by:
  - addressing critical regional mobile and internet black spots; and
  - making available at little or no cost, devices and other resources needed to enable disadvantaged Tasmanians to engage in education, employment and to seek the assistance they may require from support services, regardless of location.
55. The State Government should expand the roll out of digital literacy initiatives in communities around Tasmania utilising existing networks such as Libraries Tasmania and Service Tasmania.

## Mobility

With the structural dislocation of employment opportunities in some regional areas, there is likely to be an increasing need for people to travel to take up jobs. Rather than seeing a population shift away from these communities, an alternative approach is to increase people's mobility and ability to gain employment without having to relocate. This is particularly important where structural dislocation is more likely for a limited period.

There are innovative transport models already in operation across Tasmania, such as Community Transport Services Tasmania, and the Derwent Valley 'Jobs Bus' initiative (currently a pilot scheme) that provide flexible transport options for those who do not have their own transport. These are relatively low-cost models by comparison with the full public-transport offering that should be explored to meet emerging mobility needs linked to employment and training opportunities.

## Recommendation

56. The State Government should work with regional councils to explore innovative approaches to community transport to better connect people living in regional areas to education and work opportunities.



## Stay Focused on Addressing the Social Impacts

As we look to the longer-term structural adjustments required in a time when there will be high levels of unemployment and underemployment, there is a need to ensure that basic life-needs supports (food, warm and appropriate housing), mental health, and safety in the family are adequately provided for.

### **Preparing for More Community Support**

We have received many submissions that point to the likely need for more funding of core social supports, anticipating potential outcomes during recovery. There is much less information available to us detailing specifically what those additional needs will be.

The needs will be shaped by future patterns of COVID-19 infections, the duration of suppression measures and the future of the key additional Australian Government income supports that have thus-far been provided.

The Government acted quickly in the emergency response to provide additional funding for key social needs. However, during our first phase of work, we have not been able to ascertain:

- how effectively those additional funds have been applied;
- the outcomes delivered;
- the extent to which the funding has been fully exhausted; and
- the capacity that remains to deal with new and emerging COVID-19-related social needs, having regard to pre-COVID-19 base funding levels.

Our view is that these areas need to be quickly understood by the Government to inform additional funding requests to meet emerging needs.

### **Recommendations**

57. The State Government should quickly review how the additional COVID-19 government funding for mental health, family violence, and emergency food relief has been used and the outcomes delivered. ★
58. Monitoring and rapid contingency planning should be undertaken to ascertain if further additional funding is needed across these important community impact areas.

### **Restoring Face-to-Face Delivery of Community Support Services**

The rapid acceleration of suppression measures required community support providers to quickly switch from face-to-face services to online or telephone-based services and in some cases, temporarily suspend services.

According to submissions received, some of these service changes have delivered better outcomes for clients (for example, Telehealth for some doctors' appointments,

some sexual health and counselling services). But it has not worked well for all, an example being supporting parents, newborns and infants. While there is a need to ensure the safety of workers and clients in physical settings, returning to the option of face-to-face services should now be a priority.

### Recommendations

59. In developing COVID-19 Safe Workplace approaches, the State Government should prioritise restoring face-to-face service delivery (directly and through purchased services), particularly for community support services.
60. Where digital service delivery has delivered improved outcomes from a client perspective, those changes should be maintained.

### **Mental Health**

During the peak of the suppression period, many people experienced higher levels of anxiety, confusion, frustration, uncertainty, worry or anger. Evidence suggests that for many people, these feelings will reduce over time without the need for any intervention. However, the ongoing high levels of uncertainty in health, jobs and general day-to-day life will impact people in different ways. Through public awareness campaigns, it is important to let people know that these feelings are normal and simple strategies can provide quick outcomes.

There will be substantial ongoing job losses because of COVID-19. For some, this will be the first experience of being without work. For others, it will add to the despair of their long-term unemployment in a labour market with substantially more applicants and less jobs. For business owners, unexpected business failure will be a shock to previously successful people. We are concerned about the mental health of these individuals.

Research from past pandemics and mass trauma events indicates that mental health and well-being are impacted. Those who currently experience issues with alcohol may be more vulnerable to using alcohol as a coping mechanism during times of stress.

Additionally, for some high-risk population groups, including people with existing mental health issues, people newly experiencing mental health issues, health workers and young people, there may be lasting and possibly a significant increase in depression, anxiety, and other conditions.

### **Recommendation**

61. The State Government should develop and provide Tasmanians with a 'whole of population screening tool' so the general public can 'check in' on their mental health and seek help early if needed. This should be supported by a public awareness campaign to prevent long-term impacts and raise awareness of the newly-funded access points for help.

### **Food Security**

Recent data from University of Tasmania research reveals the percentage of Tasmanians experiencing food insecurity rose to 26 per cent or about 130 000 people from pre-pandemic levels as low as 6 per cent.

Both the university research and evidence from food relief providers suggest that food insecurity has occurred across all household types and those employed and unemployed.

The long term-nature of recovery makes continual 'emergency food relief' unsustainable. One element of building community resilience is to shift from 'emergency food relief' to community-based food security models where the need is the greatest. Such a transition would need to be undertaken while maintaining a demand-based level of emergency food relief in the interim.

### **Recommendation**

62. The State Government should plan and transition from increased emergency food relief provision towards community-based and school-based food security models.

## How Government Delivery Needs to be Different

Successful recovery will be greatly aided not just by what we do but how we do it. The suppression measures have forced businesses and Tasmanians to suddenly shift from 'business as usual' and adopt fundamentally different ways of operating. We believe there is a need for the Tasmanian public sector to do the same.

### **Coordinating Recovery**

One of the strengths of the emergency management framework that guided the response during the suppression period was the coordinated approach to the immediate response. This approach saw State and local government cooperation and integration in meeting urgent needs and delivering the 'on the ground' responses. Regional approaches were taken to target interventions, and very high levels of interagency cooperation, including data sharing and resource coordination were evident.

While the intensity of the recovery process will be materially less than required in managing the acute crisis, we believe that a regionally based approach to coordinating recovery needs to be maintained.

### **Recommendation**

63. The State Government should implement a regionally-based model for coordinating the recovery journey.

### **Review of the Tasmanian State Service**

Dr Ian Watt AC, is conducting the Review of the Tasmanian State Service, announced in November 2019. The purpose of the Review is to ensure the Tasmanian State Service is fit-for-purpose, agile and able to provide the services that Tasmanians require now and in the future.

COVID-19 and the resulting consequences for the State Service have brought an even sharper focus to its challenges. There are many lessons to be learnt from the rapid deployment of new capabilities required to meet the community's needs during the pandemic. The economic and social impacts of the pandemic will also necessitate new ways of working as a State Service, in partnership with the profit and non-profit sectors and the community. Moreover, the fiscal implications of COVID-19 for the State's finances means now more than ever, the State Service and its governance model must be fit-for-purpose.

While progress on the State Service Review has slowed because of COVID-19, our view is that it should not be overtaken by other priorities. It is even more important that the work be completed in a timely manner to provide a platform for enabling the Government, through the State Service, to respond to the very considerable challenges of recovery.

### **Recommendation**

64. The State Government should accelerate the Tasmanian State Service Review.

## Appendix 1

<p><b>Restoring Demand and Jobs</b></p>	<p>Building Confidence</p>	<ol style="list-style-type: none"> <li>1. The State Government should continue delivering clear and consistent messaging to shift the community's mindset from 'stay home, save lives' to the importance of all Tasmanians working towards recovery.</li> <li>2. The State Government should explain to the community its future COVID-19 management strategy including how any future outbreaks will be handled. ★</li> <li>3. The State Government should explain the risk management basis of COVID-19 restrictions as those decisions are being made - including any reimposed or new restrictions.</li> <li>4. The State Government should pay special attention to building public confidence in the capacity of Tasmania's health system to deal with future COVID-19 outbreaks.</li> <li>5. The State Government should give confidence to Tasmanians that control mechanisms to manage COVID-19 risks are being rigorously applied, particularly in the context of relaxing interstate border restrictions.</li> </ol>
	<p>Building Capacity to Recover</p>	<ol style="list-style-type: none"> <li>6. The State Government should further support small and medium business to access private-sector financial/business advice to assist them adapting to the post-COVID-19 environment. ★</li> <li>7. The State Government should provide a round of small business sustainment grants, or a loans program, for businesses transitioning to a sustainable post-COVID-19 operating model.</li> <li>8. The State Government should ensure that the Tasmanian Development Board has the capacity to support viable recovering and growing businesses by making timely decisions regarding the level of the Board's Loans Cap.</li> <li>9. The State Government should continue the requirements implemented during COVID-19 for Government agencies and Government businesses to pay their Tasmanian suppliers on 14-day terms.</li> <li>10. Government agencies should seek the agreement of existing major contractors to agree on 14-day terms with their Tasmanian suppliers.</li> <li>11. The State Government should amend its standard contracting framework to require contractors to trade on 14-day terms with their Tasmanian suppliers.</li> <li>12. The State Government should immediately modify contracts with community service providers, where performance has met expectations, to extend their duration to provide appropriate funding certainty. ★</li> <li>13. Contracts should provide flexibility in the nature of service delivery, reflecting new models developed during COVID-19.</li> </ol>

		<p>14. The State Government should fund a program of free VET courses in qualifications directly related to demonstrated jobs growth. These should be delivered rapidly and flexibly by TasTAFE and other training providers endorsed by industry.</p> <p>15. Group training organisations, labour hire firms, and other job matching services should be funded to support recruitment, mentoring and rotation of apprentices, trainees and short-term workers across employers that cannot currently commit to long-term employment contracts.</p> <p>16. The State Government should fully fund the Rapid Response Skills Initiative past 2020.</p> <p>17. The State Government should enable TasTAFE to implement an internal workforce transition plan to ensure TasTAFE's trainers have up to date and contemporary industry skills.</p> <p>18. The State Government should require agencies to purchase from Tasmanian business on an 'if not why not' basis for at least the next two years. ★</p> <p>19. The State Government should include in its standard government contracting framework a requirement that government contractors use local suppliers on a similar 'if not why not' basis. ★</p> <p>20. Government businesses should be subject to as strong buying local requirements as government agencies. ★</p> <p>21. The State Government should work in a consultative way – including across relevant State government agencies and government businesses – with peak business groups, industry and sector leaders to support initiatives across sectors to 'Buy Tasmanian' products and services including the Brand Tasmania 'Showcase Initiative'.</p> <p>22. Areas of government responsible for planning decisions, permits and related approvals, including the Land Titles Office, should be fully resourced to ensure timely decision-making. ★</p> <p>23. The State Government should fast-track the implementation of statutory timeframes for TasNetworks and TasWater to deliver infrastructure permits for development projects.</p> <p>24. Reforms under consideration to deliver a fit-for-purpose building and construction regulatory framework should be given the strongest-possible mandate and priority for completion.</p> <p>25. Local government should prioritise the resourcing of development applications and planning approvals to ensure that legislative timeframes are met, if not bettered.</p> <p>26. The State Government should change the regulatory framework for developments that fall within 'no permit required' and 'permitted use' under planning schemes to deliver an efficient and timely approach for dealing with planning outcomes.</p> <p>27. The Government should take a much more active approach to engaging with the private sector to facilitate major projects in Tasmania.</p>
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		<p>28. The State Government should carefully manage the roll-out of its 'Construction Blitz' program. The flow of housing construction should be scheduled to deliver the intended stimulatory effect without over-heating the industry. ★</p> <p>29. The State Government should further support all enterprises adapting to new COVID-19 Safe Workplace requirements.</p> <p>30. The compliance arrangements need to be clear and as simple as possible, and penalties limited to genuinely recalcitrant non-compliers.</p> <p>31. Simple templates and tools should be made widely available and small organisations given proactive assistance to meet their minimum requirements.</p> <p>32. Common approaches for common situations should be encouraged, not bespoke arrangements for each situation.</p> <p>33. The State Government should engage with Volunteering Tasmania to develop support measures to enable organisations to retain and attract volunteers.</p> <p>34. Workplace Standards should make special efforts, including by providing simple templates, to assist volunteer-based organisations develop COVID-19 Safety Plans.</p>
<p><b>Starting to Address the Structural Issues</b></p>	<p>Specific sectors</p>	<p>35. The State Government should take a leadership role in collaborating with all Tasmania's elected representatives, to ensure a common voice in lobbying the Australian Government to:</p> <ul style="list-style-type: none"> <li>• provide a transition path for COVID-19 income supplements;</li> <li>• provide a transition path for JobKeeper for all sectors, and particularly those most exposed to closed international borders and physical distancing requirements;</li> <li>• continue the International Freight Assistance Mechanism while there is a material reduction in air capacity into key markets; and</li> <li>• extend beyond September the current relaxed insolvency measures for enterprises. ★</li> </ul> <p>36. The State Government should take all appropriate steps to re-establish visitor access to Tasmania at maximum feasible capacity once border controls allow demand to resume. This should include appropriate liaison with the Access Working Group, and should focus on both air and sea access, as well as the best evolving balance between them.</p>

		<p>37. The State Government should provide clear direction to the TT-Line Board that it is to lead not lag passenger capacity into Tasmania, particularly in the absence of substantial air access.</p> <p>38. The State Government should build on the current intrastate and interstate marketing campaign by developing additional cost-effective practical initiatives to drive spending. ★</p> <p>39. The State Government should implement and fund the Community Arts and Cultural Development strategy.</p> <p>40. The State Government should drive the development of effective job placement approaches that enable regional led solutions and provide for employer and job-seeker matching at a local level.</p> <p>41. The State Government should accelerate existing strategies to deliver improved educational opportunities that meet individual student needs as well as providing clearer pathways to jobs in identified post-COVID-19 industry priority areas, the training system and university.</p>
	<p>People</p>	<p><i>Young People</i></p> <p>42. The State Government should rigorously monitor and enforce apprentice requirements for government building and construction works as required in the Building and Construction Training Policy.</p> <p>43. A similar model should be applied to capital work programs for government businesses.</p> <p>44. The roll-out of the affordable housing stimulus as part of the 'Construction Blitz' program should contain apprenticeship requirements on a similar basis to those that apply to the Government's own construction program.</p> <p>45. The State Government should extend the payroll tax rebate schemes for youth employees, and for apprentices and trainees.</p> <p>46. The State Government should implement a structured approach to increasing the share of its own workforce represented by young people.</p> <p><i>Women</i></p> <p>47. The State Government should support further industry programs to enhance workplace cultural change and development pipelines for women.</p> <p>48. The Tasmanian State Sector should create traineeship pipelines within Government and maintain at least gender parity in recruitment.</p> <p>49. Government agencies should embed flexible working arrangements delivered successfully through the COVID-19 suppression period, to support the recruitment and advancement of women in the State Service.</p>



		<p><i>Other people disproportionately impacted</i></p> <p>50. The State Government should prioritise work, including shared data capability, to identify, engage and support vulnerable cohorts that may have ongoing disproportionate adverse impacts during recovery, including through disruption to education, training, and employment. ★</p> <p>51. Vulnerable Students Panels across all sectors should be continued, appropriately resourced, embedded within the education system and bolstered by a comprehensive case management system.</p>
	Regional Impacts	<p>52. The State Government should review its capital program and place a higher weighting on distributing activity towards smaller-scale regional projects.</p> <p>53. The State Government should use its influence to encourage government businesses and other public-sector infrastructure providers to establish capital project priorities that place a higher weighting on distributing activity towards smaller-scale regional projects.</p> <p>54. The State Government, with the support of the Australian Government, should address digital inclusion and equity across Tasmanian communities, including by:</p> <ul style="list-style-type: none"> <li>• addressing critical regional mobile and internet black spots; and</li> <li>• making available at little or no cost, devices and other resources needed to enable disadvantaged Tasmanians to engage in education, employment and to seek the assistance they may require from support services, regardless of location.</li> </ul> <p>55. The State Government should expand the roll out of digital literacy initiatives in communities around Tasmania utilising existing networks such as Libraries Tasmania and Service Tasmania.</p> <p>56. The State Government should work with regional councils to explore innovative approaches to community transport to better connect people living in regional areas to education and work opportunities.</p>
Stay Focused on Addressing the Social Impacts		<p>57. The State Government should quickly review how the additional COVID-19 government funding for mental health; family violence; and emergency food relief has been used and the outcomes delivered. ★</p> <p>58. Monitoring and rapid contingency planning should be undertaken to ascertain if further additional funding is needed across these important community impact areas.</p> <p>59. In developing COVID-19 Safe Workplace approaches, the State Government should prioritise restoring face-to-face service delivery (directly and through purchased services), particularly for community support services.</p>

	<p>60. Where digital service delivery has delivered improved outcomes from a client perspective, those changes should be maintained.</p> <p>61. The State Government should develop and provide Tasmanians with a 'whole of population screening tool' so the general public can 'check in' on their mental health and seek help early if needed. This should be supported by a public awareness campaign to prevent long-term impacts and raise awareness of the newly-funded access points for help.</p> <p>62. The State Government should plan and transition from increased emergency food relief provision towards community-based and school-based food security models.</p>
<p><b>How Government Delivery Needs to be Different</b></p>	<p>63. The State Government should implement a regionally-based model for coordinating the recovery journey.</p> <p>64. The State Government should accelerate the Tasmanian State Service Review.</p>