

Australian Response (as at 21 May 2020)

Governance

State and territory governments are mainly responsible for health matters in Australia.

When a major health issue like COVID-19 faces Australia, they work together with the Australian Government, and share information so they can ensure the response is consistent and integrated across the economy.

The Australian Health Protection Principal Committee (AHPPC) coordinates this response. The AHPPC is made up of the Chief Health Officers from each state and territory, the Chief Medical Officer, and representatives from key departments. The Committee meets daily to assess the risk to Australia and recommend public health actions.

The Committee reports to what is called a National Cabinet, comprising the Prime Minister and the leaders of all the states and territories.

The Prime Minister issues regular updates from National Cabinet meetings.

Goal

The goal of the Australian response initially was to 'flatten the curve' of infections, and to continue to slow the speed of the spread of the virus. The goals, more specifically, were to minimise the number of people becoming infected or sick with COVID-19, minimise how sick people become and the mortality rate and manage the demand on Australian health systems. As the number of new cases flatlined, the Government announced a three-step plan to relax COVID-19 restrictions on 8th May. States and Territories have begun easing restrictions to various degrees.

Containment phase

Australians have been asked to stay at home, unless shopping for essentials, travelling to and from work (where it is not possible to work from home), going to school and exercising. Visitors are to be kept to a minimum. The request is not to congregate in groups outdoors. The request is to keep 1.5 metres apart. Many businesses have been closed such as cafes and restaurants (take-away is available), hotels, and other entertainment venues.

National Cabinet has also agreed to limit both indoor and outdoor gatherings to two persons only. Exceptions to this limit include people of the same household going out together; funerals - a maximum of 10 people; weddings - a maximum of 5 people; and family units.

The states and territories apply their own regimes on the movement of people and some have in place barriers to movements across borders. They are also testing people suspected of having the virus, monitoring close contacts of confirmed cases every day, and opening fever clinics.

Only Australian citizens, residents and immediate family members can travel to Australia, and all travellers arriving in Australia will be required to undertake a mandatory 14-day quarantine at designated facilities (for example, a hotel), in their port of arrival. Australian citizens and Australian permanent residents are also restricted from travelling overseas.

Schools have not been closed, but it has been requested that only children of workers for whom no suitable care arrangements are available at home to support their learning, physically attend school. Universities' courses are offered online.

Relief

Both levels of government are implementing macroeconomic relief measures.

The Commonwealth government relief package is valued at the order of 16 percent of GDP. It includes support for business investment, business cash flow, households and regions. Support for business includes wage subsidies, including support for apprentices. Households receive direct payments and can also access their retirement savings. The Australian Taxation Office (ATO) is providing relief through deferrals. Separately, the Commonwealth government has committed to spend an additional \$A5b to strengthen the health system and protect the vulnerable. The Government has also committed to provide free childcare to one million families and other targeted support to the education system.

State governments have also committed to construction spending, tax reductions and payments to households and businesses, cash payments to vulnerable households and support for health spending together amounting to \$A11.5b (0.6 percent of GDP).

The central bank has also decreased its cash rate (on unsecured overnight loans between banks) twice in March to 0.25 percent. It is also providing additional liquidity to the financial system. The Australian dollar has depreciated to below \$US0.58, compared to a highest level in 2020 of \$US.70.

The Australian Banking Association announced that Australian banks will defer loan repayments for small businesses affected by COVID-19 for six months.

Evictions of tenants have been put on hold for 6 months by the states and territories. Landlords and renters are encouraged to talk about short term agreements. Support is provided to expand mental health and telehealth services, increase domestic violence services and provide more emergency food relief.

Re-opening the economy

On May 8, National Cabinet announced a 3-step plan to relax COVID-19 restrictions. Step 1 will allow small groups of people to be together in homes and in the community. Step 2 allows slightly larger gatherings and more businesses reopening. Higher risk activities will continue to have tighter restrictions. Step 2 is a commitment to reopen businesses and community activities with minimal restrictions while continuing to maintain safety precautions.

Other measures

The Foreign Investment Review Board has tightened its screening, so that all proposed foreign investments into Australia will require approval, regardless of value or the type of foreign investor (exemptions previously applied). The Treasurer said

'Even in these uncertain times, Australia continues to welcome foreign investment, which remains vital to our long-term economic success and stability. The Government recognises that foreign investment will play an important part in helping many businesses get to the other side – securing jobs and supporting our economic recovery. However, these measures are necessary to safeguard the national interest as the coronavirus outbreak puts intense pressure on the Australian economy and Australian businesses.'

Australia is not reported to have applied restrictions on exports of medical products. However, the Commonwealth Government is taking action to help prevent 'exploitative price gouging' and exporting of products that are regarded as essential to preventing and controlling the spread of

coronavirus. Individuals will be stopped from purchasing goods including face masks, hand sanitiser and vital medicines and either re-selling them at significant mark-ups or exporting them overseas in bulk. Normal consumer buying of goods, commercial imports and exports, or other bulk sales are not affected.

Trade related measures include support for air freight exports and imports (in the context of the decline in freight capacity that was previously available in passenger aircraft). Tariffs on imports of various medical products remain, but they are less than 5 percent.

Sources

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