



## Budget 2020-21



# The Economic Recovery Plan for Australia

The 2020-21 Budget advances the Government's plan for Australia's economic recovery.

The first phase of the Government's revised Economic and Fiscal Strategy is the COVID-19 Economic Recovery Plan. It reflects the Government's overarching objective to return Australians to work and boost prosperity as Australia emerges from the COVID-19 crisis.

This fact sheet outlines the key measures from the COVID-19 Economic Recovery Plan. This Budget provides \$98 billion of response and recovery support under the COVID-19 Response Package and the JobMaker Plan, bringing the Government's overall support to \$507 billion, over half of which is direct economic support.

### JobMaker Plan

This Budget provides \$74 billion in measures under the JobMaker Plan to drive stronger economic recovery and drive down the unemployment rate.

The five-year JobMaker Plan focuses on driving sustainable, private sector led growth and job creation, recognising that a stronger economy will strengthen the budget and ensure Australia is well placed to respond to future shocks.

### COVID-19 Response Package

This Budget includes \$25 billion in additional temporary and targeted support in response to the COVID-19 pandemic.

The COVID-19 Response Package continues to be tailored to each phase of the crisis. The Government has deployed temporary and targeted health and economic measures to support those in need, with additional support provided in this Budget.

## 2020-21 Budget – Summary of key policy measures<sup>(a)</sup>

	2020-21	2021-22	2022-23	2023-24	TOTAL
	\$m	\$m	\$m	\$m	\$m
<b>JobMaker Plan</b>					
<i>Supporting aggregate demand to create jobs</i>					
Temporary full expensing to support investment and jobs <sup>(b)</sup>	1,500	11,400	18,100	-4,300	26,700
Bringing forward the Personal Income Tax Plan and retaining the low and middle income tax offset	6,940	16,870	-5,730	-250	17,830
Infrastructure Investment — states and territories <sup>(c)</sup>	653	1,834	2,349	1,908	6,744
Temporary loss carry-back to support cash flow <sup>(d)</sup>	2	3,121	2,271	-540	4,854
Infrastructure Investment — road safety and upgrades	1,003	1,001	1	1	2,008
National Water Grid — investing in a long-term approach to water infrastructure	21	202	326	481	1,031
Local Roads and Community Infrastructure Program — extension	500	500	-	-	1,000
Driving jobs through housing <sup>(e)</sup>	1	-	-	..	1
<b>Subtotal – Supporting aggregate demand to create jobs</b>	<b>10,620</b>	<b>34,928</b>	<b>17,318</b>	<b>-2,699</b>	<b>60,167</b>
<i>Supporting Australians back into jobs</i>					
JobMaker Hiring Credit	850	2,900	250	-	4,000
Boosting apprenticeships wage subsidy	409	822	-9	-7	1,214
Higher education — additional support for students and education providers	178	227	172	326	904
Skills Reform Package	76	100	48	35	259
Second Women’s Economic Security Package	114	55	44	18	231
<b>Subtotal – Supporting Australians back into jobs</b>	<b>1,628</b>	<b>4,103</b>	<b>505</b>	<b>372</b>	<b>6,607</b>
<i>Supporting business to create jobs</i>					
Research and Development Tax Incentive — supporting Australia’s economic recovery	310	450	590	650	2,000
Modern Manufacturing Strategy	79	454	587	389	1,510
Research Package	1,040	38	-89	78	1,067
Investment in new energy technologies	68	104	197	168	537
Commonwealth Scientific and Industrial Research Organisation — supporting essential scientific research	133	113	115	99	459
Digital Business Plan	191	168	14	3	377
Busting congestion for agricultural exporters — improving the ease of doing business	100	112	93	24	328
Securing Australia’s liquid fuel stocks	18	55	94	64	232
Deregulation Package	27	30	24	6	86
Gas-fired recovery	21	19	10	3	53
Simplified trade system	14	18	2	2	36
Global business and talent attraction taskforce	14	16	-	-	30
Improving energy affordability and reliability	35	-	-	-	35
Accelerated Defence initiatives to support COVID-19 recovery <sup>(f)</sup>	-	-	-	-	-
Expanding and diversifying trade <sup>(g)</sup>	-	-	-	-	-
Supporting small business and responsible lending <sup>(h)</sup>	-	-	..	..	..
<b>Subtotal – Supporting business to create jobs</b>	<b>2,049</b>	<b>1,577</b>	<b>1,638</b>	<b>1,485</b>	<b>6,750</b>
<b>TOTAL – JobMaker Plan measures</b>	<b>14,297</b>	<b>40,608</b>	<b>19,460</b>	<b>-842</b>	<b>73,524</b>

## 2020-21 Budget – Summary of key policy measures (continued)<sup>(a)</sup>

	2020-21	2021-22	2022-23	2023-24	TOTAL
	\$m	\$m	\$m	\$m	\$m
<b>COVID-19 Response Package</b>					
<i>Economic response measures</i>					
JobKeeper Payment extension	15,600	-	-	-	15,600
Further economic support payments	2,512	43	3	-	2,558
Child care — Victorian recovery payments and other support measures	372	..	..	..	373
Additional aviation support	227	34	35	33	330
Support to the Pacific and Timor-Leste	202	102	-	-	305
Refunds and waivers of Visa Application Charges	35	90	120	30	275
Other economic response measures	232	54	9	..	295
Subtotal – economic response measures	19,180	324	167	64	19,735
<i>Health response measures</i>					
Access to COVID-19 vaccines and consumables	1,165	704	-	-	1,870
Supporting our hospitals — continuation	1,103	-	-	-	1,103
Guaranteeing Medicare and access to medicines — extension	1,040	..	..	..	1,040
Ageing and aged care <sup>(i)</sup>	697	1	2	-	700
Other health response measures	133	56	2	-	191
Subtotal – health response measures	4,139	761	4	..	4,904
<b>TOTAL – COVID-19 Response Package</b>	<b>23,319</b>	<b>1,085</b>	<b>171</b>	<b>64</b>	<b>24,639</b>
<b>Guaranteeing the essentials and other measures</b>	<b>3,789</b>	<b>4,681</b>	<b>2,725</b>	<b>2,047</b>	<b>13,242</b>
<b>TOTAL IMPACT OF DECISIONS SINCE THE JULY 2020 ECONOMIC AND FISCAL UPDATE</b>	<b>41,405</b>	<b>46,375</b>	<b>22,356</b>	<b>1,269</b>	<b>111,405</b>

- (a) No sign before an estimate indicates a negative impact on the underlying cash balance. A minus sign indicates a positive impact on the underlying cash balance. '..' denotes not zero, but rounded to zero. Figures are rounded to the nearest million, and totals may not sum due to rounding.
- (b) The financial impact of this measure is estimated to decrease receipts by \$3.2 billion over the medium term.
- (c) Sum of Infrastructure Investment — Australian Capital Territory; New South Wales; Northern Territory; Queensland; South Australia; Tasmania; Victoria; and Western Australia.
- (d) The financial impact of this measure is estimated to decrease receipts by \$3.9 billion over the medium term.
- (e) These measures have a fiscal balance impact of \$15.8 million and raise the National Housing Finance and Investment Corporation's cap on total guaranteed liabilities to \$3 billion. The increased guarantee cap is reflected as a contingent liability on the Government's balance sheet.
- (f) This measure provides \$1 billion over two years, met from within the existing resources of the Department of Defence.
- (g) This measure provides \$6.6 million over the forward estimates, the costs of which will be met from within the existing resources of the Department of Foreign Affairs and Trade.
- (h) This measure aims to reduce regulatory burden to ensure a timely flow of credit and lower-cost resolution for financially distressed small businesses.
- (i) Refers to the measure on page 94 of Budget Paper No. 2, which is net of related receipts.

<b>Total recovery and response support since the onset of the pandemic<sup>(a)</sup></b>						
	2019-20	2020-21	2021-22	2022-23	2023-24	TOTAL
	\$m	\$m	\$m	\$m	\$m	\$m
<b>The JobMaker Plan<sup>(a)</sup></b>						
<b>Total JobMaker Plan measures</b>	-	14,297	40,608	19,460	-842	73,524
<b>COVID-19 Response Package(a)</b>						
<i>Economic response measures</i>						
Included in July Statement	50,439	111,815	5,992	-528	-3,611	164,107
Included in 2020-21 Budget	-	19,180	324	167	64	19,735
<b>Total economic response measures</b>	<b>50,439</b>	<b>130,995</b>	<b>6,316</b>	<b>-361</b>	<b>-3,547</b>	<b>183,842</b>
<i>Health response measures</i>						
Included in July Statement	6,273	3,163	-13	-1	-	9,423
Included in 2020-21 Budget	-	4,139	761	4	..	4,904
<b>Total health response measures</b>	<b>6,273</b>	<b>7,302</b>	<b>748</b>	<b>3</b>	<b>..</b>	<b>14,327</b>
<b>TOTAL – COVID-19 Response Package</b>	<b>56,712</b>	<b>138,297</b>	<b>7,064</b>	<b>-358</b>	<b>-3,547</b>	<b>198,169</b>
<b>Key balance sheet support</b>						
Government support for immediate cash flow needs of SMEs (includes \$90 million in concessional loans through the Arts and Entertainment Guarantee Scheme)						Up to \$20 billion
Australian Office of Financial Management – Structured Finance Support Fund						Up to \$15 billion
Reserve Bank of Australia – Term Funding Facility						Up to \$200 billion
<b>TOTAL – Balance sheet support</b>						<b>Up to \$235 billion</b>

<b>Summary of support since the onset of the pandemic</b>	
	<b>TOTAL</b>
JobMaker Plan	\$74 billion
COVID-19 Response Package – economic measures	\$184 billion
<b>Direct economic support</b>	<b>\$257 billion</b>
	<b>13 per cent of GDP</b>
COVID-19 Response Package – health measures	\$14 billion
<b>Direct economic and health support</b>	<b>\$272 billion</b>
	<b>13.7 per cent of GDP</b>
Balance sheet support	\$235 billion
<b>Overall support in the response and recovery</b>	<b>\$507 billion</b>
	<b>25.6 per cent of GDP</b>

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