



Senator the Hon Michaelia Cash
Minister for Employment, Skills, Small and Family Business
Senator for Western Australia

12 May 2020

TREASURER'S STATEMENT ON THE ECONOMY

Today, the Treasurer outlined in an address to Parliament the devastating impact COVID-19 has had on the Australian economy and the Australian way of life.

The economic data is sobering. Treasury is forecasting:

- GDP to fall by over 10 per cent in the June quarter - our biggest fall on record
- The unemployment rate to reach around 10 per cent, or 1.4 million unemployed in the June quarter – a 5 percentage point increase in 3 months compared to the three years it took to rise by the same amount during the devastating period of the early 1990s.

Australians are showing remarkable resilience and character.

Through the strong and decisive action led by the Prime Minister, together with State Premiers and Chief Ministers, Australia has avoided the fate of many nations. More than 4 million people have contracted the virus globally, with more than 280,000 deaths and most of the world has gone into lockdown. In contrast Australia's mortality rate is one of the lowest in the OECD.

The Treasurer outlined in his address the extensive and historic economic response by the Government - \$320 billion, or 16.4 per cent of GDP. Over \$25 billion of support has already flowed to households and businesses in recent weeks, with more than \$30 billion to flow in the next month. This is the largest and fastest injection of economic support the country has ever seen:

- We effectively doubled unemployment benefits with the introduction of the \$550 coronavirus supplement for jobseekers, with over 1.4 million Australians now receiving the payment
- We announced two \$750 payments, the first payment totalling \$5.2 billion went out from 31 March to more than 7 million income support recipients
- To date 1.29 million early release of super applications, equating to about \$10.6 billion, have been released by the ATO
- More than 835,000 businesses employing more than 5.5 million workers are enrolled in the \$130 billion JobKeeper Program
- Over 450,000 small and medium sized businesses have now received over \$8 billion under our cash flow boost program
- A separate 50 per cent wage subsidy for 117,000 apprentices, is helping to keep the local apprentice baker and hairdresser in work and
- We have partnered with the banks in a \$40 billion SME loan guarantee scheme which to date has already seen over \$1 billion in loans approved to more than 11,000 businesses.

In his statement, the Treasurer repeated this support was only possible because of the position of strength from which we entered the crisis and the proven path for paying back debt is not through higher taxes, which curtails aspiration and investment, but by growing the economy through productivity enhancing reforms.

We know that a strong economy is the foundation for everything else, and only with a strong economy can you provide the health, education, and essential services that Australians rely on.

The Treasurer also outlined the National Cabinet's three step framework announced last Friday to achieve a COVID-safe Australia and the lifting of restrictions by July.

The Treasury estimates that with the restrictions lifted under the three separate stages, 850,000 people will be back at work and GDP will increase by \$9.4 billion each month.

The Treasurer reminded us that the economic benefits from lifting the restrictions will only be realised if we continue to follow the health advice and download the COVIDSafe app.

Our measures are working, protecting lives and livelihoods. The virus will not defeat us. The fighting Australian spirit will see us come through stronger than ever.

To read the Treasurer's full statement, [click here](#).

Regards

A handwritten signature in blue ink, appearing to read 'Michaelia Cash', written in a cursive style.

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