



Draft Impact Statement

COVID-19 pandemic

We're all
in this
together.



9 June 2020

Known impacts of the COVID-19 pandemic

On 11 March 2020 the rapid and global escalation of COVID-19 cases led the World Health Organisation to declare a pandemic.

On 15 March 2020 a State of Emergency was declared in Western Australia and measures put in place to prevent the spread of the virus and protect the community.

While the efforts of Western Australians have kept us safe from COVID-19, there have been far reaching impacts on our State.

The Premier has appointed the Public Sector Commissioner, Sharyn O'Neill, as the State Recovery Controller. The Government has also introduced a four-phase roadmap to ease the restrictions over time to get Western Australians back to work safely and begin the process of restarting the State's economy.

The State Recovery Controller is responsible for developing, coordinating and overseeing the recovery process. Recovery is being driven through five recovery areas: health, economic and infrastructure, social, industry and regions. Each area will have a clear focus with articulated impacts and action plans.

This document provides a summary of the known and emerging impacts of the pandemic. It will be further developed in collaboration with stakeholders and is designed to inform recovery activities.

Snapshot of the impact of the COVID-19 pandemic in WA

Compared to other parts of the world, there has been a low number of COVID-19 cases in WA. The State's coordinated response, and the community's adherence to the guidelines and restrictions have protected us all. Without a vaccine, however, the WA community will still be living with COVID-19 for the foreseeable future.

Health

To respond to COVID-19, the health system suspended many clinical activities, reallocated funds to purchase medical supplies and equipment, and increased the health workforce. The health system has built the capacity to respond to surges.

- 570 cases of COVID-19 including 9 deaths.
- Waitlist for elective surgery has grown.
- Increased burden of undiagnosed/untreated disease.
- Calls to mental health helplines significantly higher than normal.

Economic and infrastructure

The WA economy has been severely impacted by the pandemic. The State has seen reduced income and increased unemployment. There have been significant impacts on business and consumer confidence – which both fell to their weakest levels on record.

- Largest monthly decline in employment on record (62,300 people) in April.
- Hours worked fell 10.3% and underemployment rate increased to 14.6%.
- Business confidence and consumer sentiment in WA dropped to their weakest levels on record but have since partially recovered.

Social

The wellbeing impact is still emerging, with increases in family and domestic violence, homelessness and youth unemployment. Ongoing unemployment will exacerbate these concerns alongside mental health impacts and alcohol and drug use. Impacts are most severe for vulnerable and disadvantaged groups.

- Increase in family and domestic violence.
- Absence of arts, culture and sports has taken away critical avenues for people to connect with each other, culture and community.

Industry

A number of key industry sectors has been shut down by the necessary public health response and there has been significant supply chain disruption. Industries most impacted include construction, international education, tourism, culture and the arts, sport and recreation, retail, accommodation and food services.

- Spending on retail, hospitality and personal services, travel and tourism has slowed, leading to a number of closures.
- Resources and agricultural sectors remain largely unaffected but there is a challenging global outlook.

Regions

Regional impact is varied, with issues such as digital connectivity, infrastructure and the sensitivity of local industries to regional travel bans.

- Currently 87,160 (32%) regional jobs lost or put in hibernation.
- Tourism related impacts across regional WA expected to result in up to 25,000 fewer jobs.
- Regional responses have supported remote Aboriginal communities.

Known impacts: Health

COVID-19 cases

As at 26 May, there is no community transmission. WA has had 570 cases including 9 deaths. There are 12 active cases. To date 80,166 tests have been performed in WA.

Health system readiness

Ensuring the capacity within the health system to respond to widespread community transmission led to the suspension of a number of clinical activities including elective surgery, BreastScreen services and dental activities. This increases the burden of undiagnosed and untreated disease (eg significant reduction in cancer screenings).

The health system reallocated resources to purchase medical supplies and equipment and secure capacity and workforce in private hospitals.

Waitlist for elective surgery

At 30 April, the number of waitlisted cases was 12.8% (3,184 cases) higher than April 2019 for elective surgery. WA public and private hospitals recommenced elective surgery the week commencing 27 April 2020. Category 2 and 3 elective surgeries have been prioritised. Further increases in waiting times are likely.

Emergency department attendances

Emergency department activity has been decreasing since December 2019, with a significant drop in April. During April, there were 58,632 emergency department attendances, which is 25.2% (19,953 attendances) lower than April 2019. This has resulted in an improvement in the percentage of patients being admitted, discharged or transferred within four hours – 82.2% in April 2020 compared to 76.9% in April 2019.

Digital health

Digital technology has enabled health care to be delivered in an innovative way across the health system. There has been a rapid escalation of virtual outpatient appointments and digital primary health appointments.

Enabling primary and allied health professionals to use MBS to claim for telehealth appointments has provided the opportunity for patients to continue to see their health care professionals.

Mental health

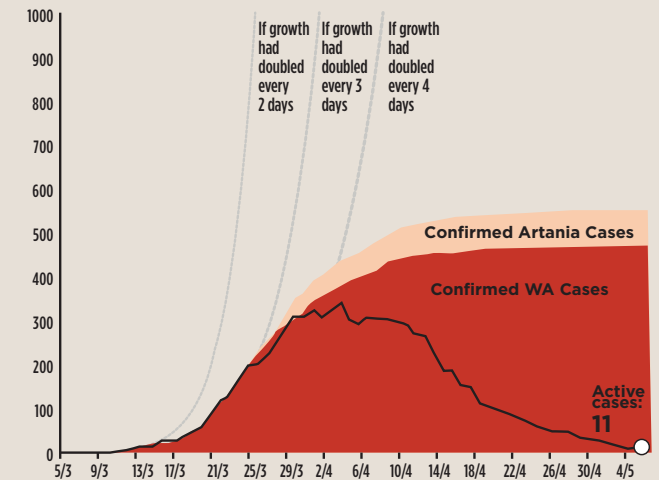
Secondary health impacts such as mental health and alcohol and other drug issues are less known at this stage. It has been reported that calls to mental health helplines, such as the Beyond Blue COVID-19 line, have increased. Kids Helpline has noted an increase in WA contacts across the top eight concern types in March quarter 2020 compared to March quarter 2019. Alcohol and Drug Support Service counselling and support calls remain similar over 2018-19 and 2019-20.

At-risk groups (Aboriginal people and aged care)

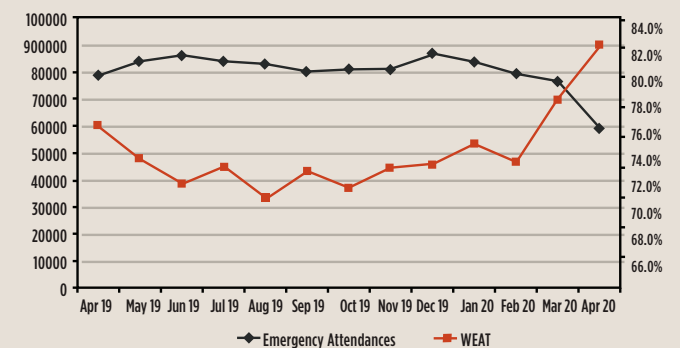
Aboriginal people are at a greater risk during a pandemic due to a number of contributing risk factors. This is reflected in clinical guidelines and planning related to COVID-19.

Older people and residents of residential aged care facilities are among the most vulnerable in WA to COVID-19. As of 15 May there have been COVID-19 cases in staff members of two WA facilities and two cases of residents of a WA facility testing positive.

COVID -19 cases in WA (to 7 May 2020)



Statewide Emergency Attendances and WA Health Emergency Access Target (WEAT)



WEAT measures the percentage of people presenting to an emergency department seen and admitted, transferred or discharged within four hours.

Known impacts: Economic and infrastructure

Economic and fiscal update

Gross State Product had been projected to grow by 3% in 2019-20 which would have been the fastest rate of growth since 2013-14. Due to the COVID-19 pandemic, Treasury's initial baseline modelling indicates the Western Australian economy will grow by just 0.7% this financial year, with a 3.1% contraction in 2020-21.

Total general government revenue over 2019-20 to 2020-21 is expected to be in the order of \$1.8 billion lower under Treasury's baseline estimates when compared to the 2019-20 Mid-year Review.

Increases in expenditure to respond to the pandemic, combined with the reduction in revenues in the June quarter, are expected to considerably lower the forecast net operating surplus for 2019-20, with a much larger impact anticipated in 2020-21.

This is an initial high level assessment of the impact of the pandemic on the

State's finances. Forecasts should be treated with caution given the high level of uncertainty of the depth and duration of the ongoing effects of the pandemic on the global economy.

Jobs

There was the largest monthly decline in employment on record (-4.6% or 62,300 people) in April 2020, hours worked fell 10.3% and the underemployment rate increased to 14.6%. SEEK live job adverts for WA were down from around 14,000 in mid-March to around 5,600 in early May but have since recovered and are now above 8,000.

Business confidence

Business confidence in WA, as measured by the NAB business survey, fell to a record low in March. While it improved in April 2020, it remains weaker than any time before March 2020.

Consumer sentiment

The Westpac-Melbourne Institute Survey shows consumer sentiment dipped to record lows in April but has partially recovered in May.

State Government revenue

State Government revenue is likely to be hit hard by the downturn in economic activity, particularly payroll tax receipts and revenue from transfer duty.

Consumer spending

Consumer spending has returned to growth (in weekly year-ended terms) from the large declines experienced in April 2020. Spending is mixed across categories. While spending on food and household services has supported growth, discretionary spending on cafés and restaurants, and spending on clothing and footwear remain areas of weakness.

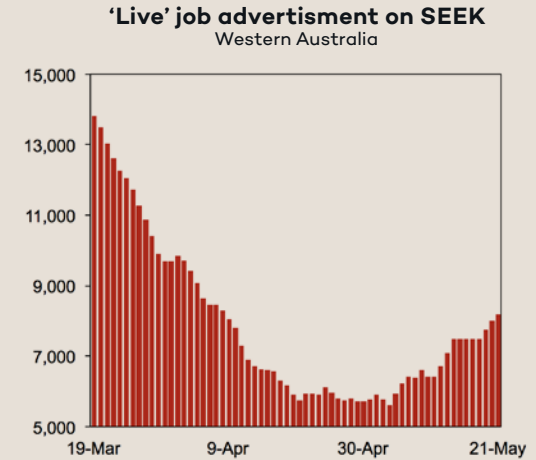
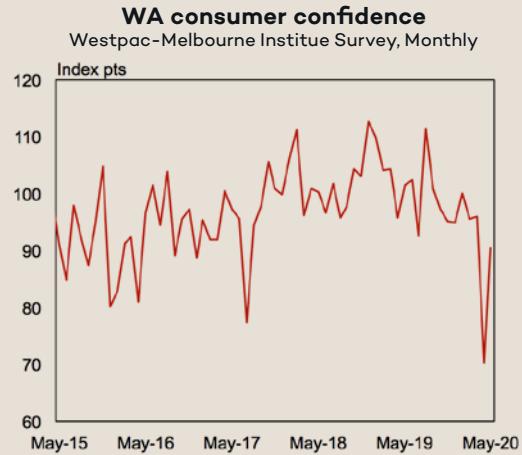
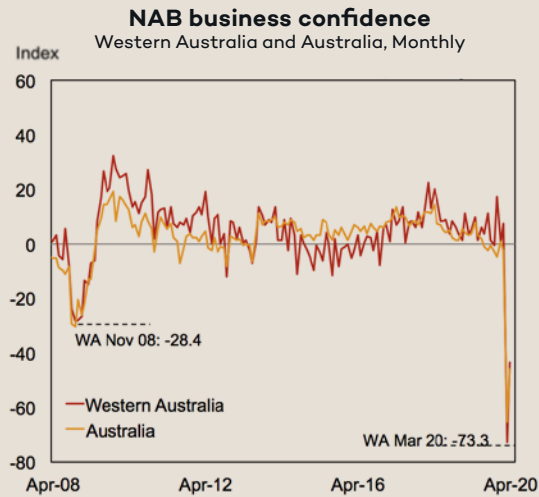
Public infrastructure investment

There is a risk to public infrastructure investment due to supply chain impacts, social distancing requirements and workforce availability.

Infrastructure use

As fewer people commute for work and leisure, demand for transport services (which include public transport, ridesharing and taxis) has fallen, with spend down 30% in the week ending 1 May. This is consistent with trends in public transport passenger journeys which declined by more than 80% over the week ending 20 April compared to a year earlier.

Known impacts: Economic and infrastructure



Known impacts: Social

Family and domestic violence

Women's domestic violence helpline calls increased in February and March but fell in April. This may reflect difficulties in being able to call while partners were at home. WA Police data for March shows that, relative to March 2019, there was a 17.9% increase in Assault (Family) offences, and 28.5% increase in Threatening Behaviour (Family) offences.

Women

Women have been disproportionately affected by the unemployment and economic consequences of the pandemic. There is also anecdotal evidence that women are bearing the burden of increased caring responsibilities (formal and informal, children and others). An increasing number of women will likely begin experiencing increased anxiety and trauma associated with family and domestic violence.

Housing and homelessness

There are early indications of greater social housing demand, with public housing waitlist numbers and priority waitlist numbers both up 3% this calendar year. Calls to homelessness assistance lines have been at elevated levels for the past three months.

Youth unemployment

Youth are disproportionately affected by the economic consequences of the pandemic. ABS statistics for change in employee jobs from 14 March to 18 April show a 18.5% decline for those under 20 years relative to an overall decline of 7.5%. This is particularly significant noting youth unemployment has potential long-term and ongoing impacts.

Community and social capital

Restrictions on arts and culture venues, community facilities, sporting clubs and hospitality venues have affected organisations and experiences that are reliant on people being in close physical proximity. Cancellation of virtually all arts, culture and sports experiences has reduced overall community wellbeing, and threatened the financial viability of organisations and workers in these fields.

Crime and justice

Illicit drug supply in the community has decreased significantly with border restrictions. Adult prisoner numbers are 250 people lower than expected for this time of year.

There has been an overall reduction in children in remand, with efforts to mitigate the number of children travelling from regional areas to Perth for court.

Child protection

The number of children entering care in the metropolitan area increased significantly in April. There is likely to be a lag in this indicator, which may increase as restrictions are lifted and children return to school (a referral source).

Education

School education was severely disrupted. With the State of Emergency declaration on 15 March, on-site attendance dropped dramatically, with 10.6% attendance in week 9 of term 1 and week 10 declared a non-learning week. Week 4 of term 2 marked the recommencement of compulsory on-site school attendance.

Culturally and linguistically diverse communities

Several COVID-19 related instances of racism and racist criminal activity have affected these communities, damaging social cohesion and with a cumulative effect on the mental health and isolation of community members.

Visa holders

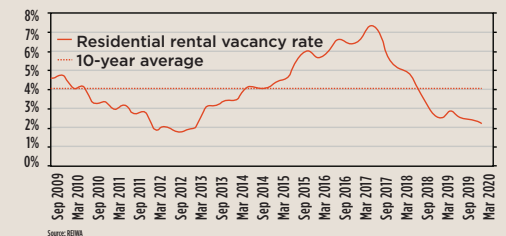
Many visa holders (including asylum seekers, international students and working holiday makers) are ineligible for Australian Government welfare

payments. They have been significantly impacted by travel restrictions and often are employed in industries affected by the pandemic.

Social isolation

Social isolation associated with the public health response has a major impact on a range of vulnerable cohorts (particularly seniors and people with disability) as it perpetuates loneliness which in turn compounds mental health issues. People with disability are disproportionately affected in downturns by lack of job opportunities, with ongoing wellbeing and mental health impacts, and potential need for increased supports.

Perth Vacancy Rate



Known impacts: Industry

Agriculture and primary industries

The State's food supplies and supply chains appear to be functioning within acceptable ranges. Primary industries have been impacted by a fall in demand, concerns around labour supply and a spike in air freight costs for high-value exports.

Retail, accommodation and food

Significant job losses have been experienced in the retail, accommodation and food services sectors, contributing to more than a third of total job loss in WA between 21 March and 18 April.

Construction

Construction has been adversely impacted by a dive in consumer and business confidence, financial difficulties and a surge in DIY projects. Between 21 March and 18 April, the construction industry accounted for approximately 6% of job losses in WA.

Tourism

Travel restrictions have had a significant impact on the tourism industry. Bank card data indicates that spending on travel and tourism activities fell by 86% in the week ending 1 May compared to a year earlier. Tourism Council WA estimates the pandemic has cost the State's tourism industry \$3.1 billion and the loss of 30,500 jobs.

International education

The industry has projected a fall in international student enrolments by up to 95% in new enrolments in 2020.

The pipeline for students enrolling in courses delivered by small education providers and colleges has completely stopped. Education providers have expressed concerns about the impact of the pandemic on the welfare of international students.

Culture and the arts

More than 450 cultural and arts events have been cancelled, postponed or revised. The estimated financial impact is \$12.4 million to 30 June.

Sport and recreation

About 40,000 community sporting fixtures have also been affected. SportWest estimates that sporting associations will have incurred a \$41 million loss in revenue and the loss of 660 jobs.

Manufacturing

Despite a number of companies pivoting their operations to produce Personal Protective Equipment (PPE), manufacturing outside of this area has declined.

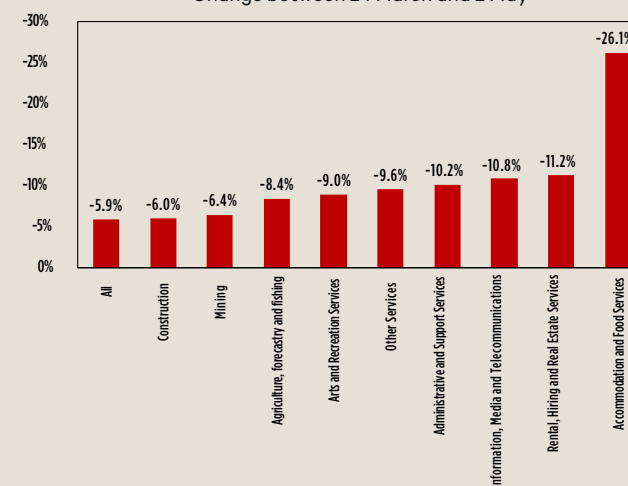
Resources and defence industries

Activities in the iron ore and gold industries, as well as the defence industry remain largely unaffected. Other mining industries and the oil and gas industry are cutting costs and reconsidering future development plans amid falling commodity prices and demand.

Community services

The community services industry is at the frontline of the COVID-19 pandemic response and faces increased demand for services in a resource constrained environment (e.g. loss of donations and volunteers for organisations).

ATO Payroll Data - WA job losses by industry
Change between 14 March and 2 May



Known impacts: Regions

Employment

Based on ABS data releases, the Grattan Institute estimates that 87,160 (32%) of regional jobs have been lost or put in hibernation.

Industry

The mining and agricultural sectors are currently least affected, but the regions are highly dependent upon these sectors, and both are susceptible to international developments beyond our control.

The most affected sectors have been the tourism, hospitality and services sectors, which have already experienced significant job losses and losses to business revenue. It is estimated that the regional tourism sector is losing \$77.16 million a week in gross revenue and tourism related impacts will result in up to 25,000 fewer jobs.

Digital connectivity

Lack of high-quality digital connectivity in some regional areas has reduced the ability for regional businesses to adapt to online models and for the community to make use of digital services such as telehealth.

Health services

Regional health response plans have been developed. These ensure health care professionals are available to support regional health services throughout the pandemic and reflect the needs of remote Aboriginal communities.

Remote Aboriginal communities

Regional travel restrictions particularly affect remote communities. Approximately 1,000 people have been assisted to return to their communities. This has placed more housing pressure on some communities than others, noting some were already overcrowded.

Social impacts

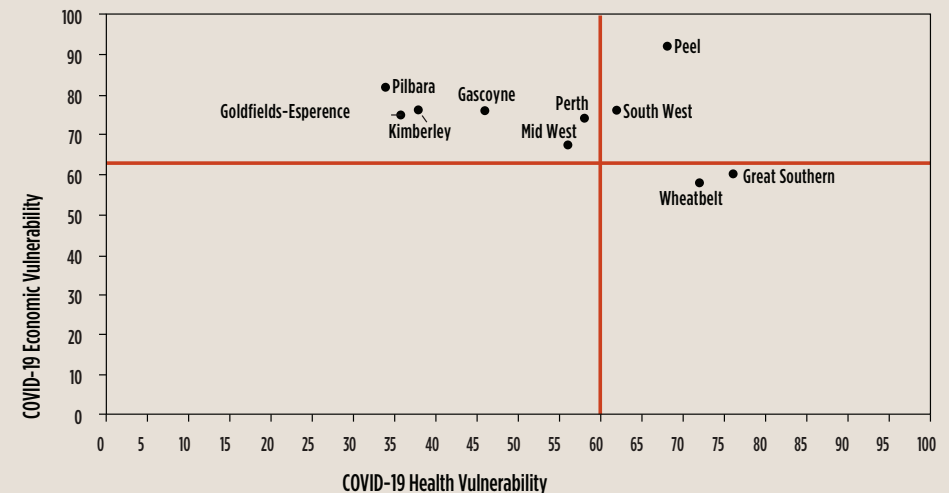
There is a greater prevalence of alcohol and other drugs misuse and unemployment in regional and remote areas, both of which can make mental health issues more prevalent and/or more acute.

There has been an almost complete cessation of arts and sport activities which has negatively impacted public health, pushed clubs and not-for-profit groups to the brink, and resulted in significant revenue loss for local governments.

Local government

Twenty regional local governments have been assessed as having a degree of financial vulnerability taking into account existing debt/loans, revenues, access to reserve funds and potential foregone loss of rates and other revenues.

Region by Region - COVID-19 Economic and Health Vulnerability Assessment





We're all
in this
together.