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# Conflict grows on restrictions, but financial stress easing

**Matthew Cranston** *Economics correspondent*

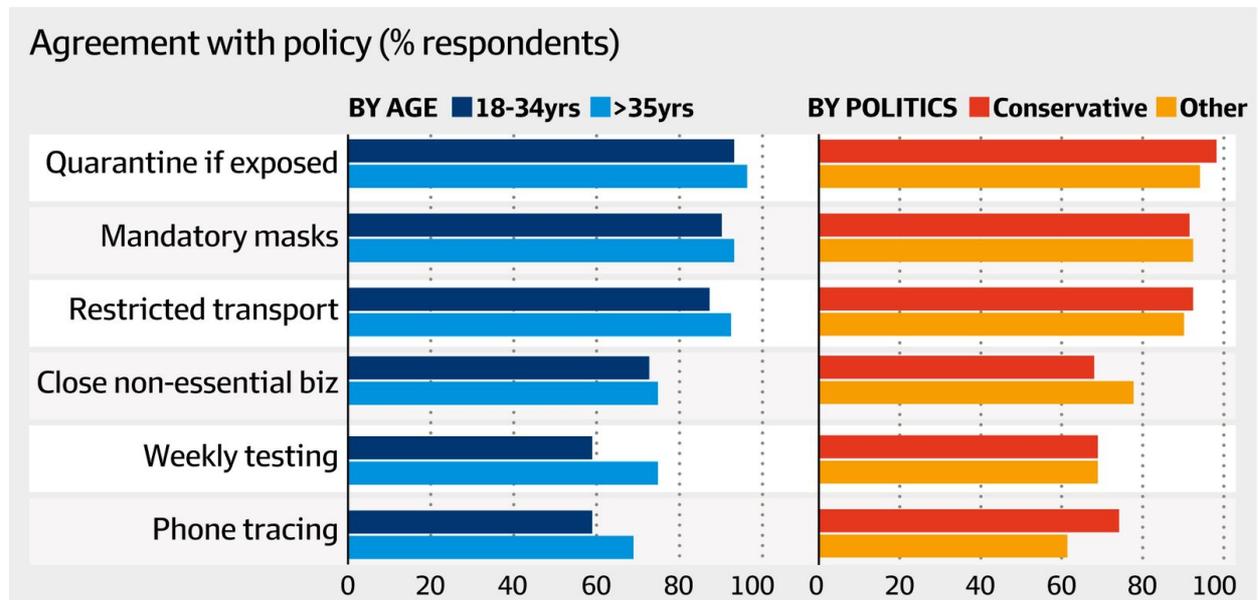


Aug 20, 2020 - 12.00am



Young people and the politically conservative are the most likely to reject tough restrictions that force non-essential business closures due to [COVID-19](#), the latest survey from the Melbourne Institute has found.

Data presented at the Melbourne Economic Forum shows that while support for mandatory 14-day quarantine is high at 93 per cent of those surveyed, only 66 per cent support closing non-essential businesses.



n=1200, Aug 3-8.

SOURCE: MELBOURNE INSTITUTE

People who regarding themselves as conservatives are 8.9 percentage points less likely to support the closure of non-essential businesses, compared with non-conservatives.

While people aged between 18-34 are 2 percentage points less likely to support the closure of non-essential businesses compared to those over the age of 34.

"The divisions on these measures suggest the government needs to invest further in building consensus around more restrictions," Professor Ragan Petrie, an author of the research, said.

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"Strict lockdowns as we're seeing in Victoria are costly and burdensome. In the long run, we need to find ways to increase activity while keeping the virus at bay.

"How willing any group is to accept new restrictions will reflect the costs these policies impose on them."

The survey shows some emerging gaps in opinion by age and education that need to be taken into account as new restrictions are introduced or lifted.

Professor Ross Garnaut, who presented to the Melbourne Economic Forum his ideas on reform including [a cash flow tax that would cost \\$50 billion in its first year](#), also suggested that respective governments needed to better define the restrictions for COVID-19.

"We need to get increasingly nuanced and sophisticated in containment policies," he told the forum.

## Major issue

Forcing the closure of non-essential business has become a major issue with the

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loss of revenue driving decisions on sacking workers and potentially leading to a wave of expected insolvencies later in the year when relief on insolvent trading rules could be removed.

In a speech to be delivered on Thursday, shadow treasurer Jim Chalmers will also raise concerns about the closure of businesses, particularly in regional areas.

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"While the current recession has hit our capital cities first and hardest, regional centres certainly aren't spared, and job losses and firm closures in regional centres are more at risk of becoming permanent," Dr Chalmers will say.

The Melbourne Institute's survey of 1200 people aged 18 and over did reveal some positive results, with one of the lowest recordings of financial and mental stress since the surveys began in early April.

The findings show that extensions of government support had a positive effect on financial and mental distress.

The proportion of people having difficulty paying for essential goods and services has improved to 20 per cent from 25 the week before. It is the second lowest recording of financial stress.

Likewise the proportion of people experiencing depression and anxiety most of the time has also improved to 15 per cent from 18 per cent three weeks ago. It is now the equal lowest level since the survey began.

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