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**Improving future preparedness:
Inquiry into the response to the Covid-19 pandemic**

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Authorisation

This submission has been authorised by the NFAW Board

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Improving future preparedness: Inquiry into the response to the Covid-19 pandemic

This submission is being made by the National Foundation for Australian Women (NFAW).

NFAW is dedicated to promoting and protecting the interests of Australian women, including intellectual, cultural, political, social, economic, legal, industrial and domestic spheres, and ensuring that the aims and ideals of the women's movement and its collective wisdom are handed on to new generations of women. NFAW is a feminist organisation, independent of party politics and working in partnership with other women's organisations.

Improving decision-making around future pandemics requires an understanding of the decision-making that underpinned Australia's COVID-19 response – not only how decisions were made, but also by whom and on what basis. This includes the high-level decisions to focus stimulus on male-dominated occupations, and to exclude higher education and, later, childcare from JobKeeper, and at a more operational level, decisions relating to the procurement of vaccines and anti-virals, the design and conduct of vaccination campaigns and access to and pricing of pharmacy goods such as RATs and hand sanitiser.

As we note below, non-medical decision-making in relation to the COVID pandemic was characteristically conducted behind the screen of Cabinet confidentiality. Accordingly, our submission focuses what can be learned from the policies themselves and from public documentation available to us. We also reflect on the data and observations made at the time in our submission to Senate Select Committee on COVID-19's Inquiry into the Australian Government's response to the COVID-19 pandemic (attached) and on analysis undertaken for the 2020-21 and 2021-22 Gender Lens on the Budget.

In our current submission we will address the following subset of the Panel's Terms of Reference:

1. Governance including the role of the Commonwealth Government
4. Support for industry and businesses
5. Financial support for individuals (including income support payments and early access to superannuation).
6. Mechanisms to better target future responses to the needs of particular populations (including across genders, age groups, socio-economic status, geographic location, people with disability, First Nations peoples and communities and people from culturally and linguistically diverse communities).

Recommendations

1. NFAW recommends that the Panel lay the groundwork for pandemic governance arrangements that are not makeshift and do not rely on a metaphor to sustain dubious executive practices or public support. If government is to claim exceptional executive power, that power should be balanced by clearly understood lines of responsibility and accountability and informed by adequate consultation with civil society. Any such arrangements should also be the agreed outcome of prior expert deliberation and scrutiny.
2. The current Government has progressively introduced a suite of legislative reforms aimed at the long term viability of the Care sector including a draft strategic plan for the Care and Support Economy. We recommend that the Panel call for measures to integrate the sectoral governance function proposed in the draft national strategy with any forthcoming model for governance during a pandemic.
3. We recommend that any programs rolled out to provide support on the basis of estimated business outcomes are designed to compare estimated with actual outcomes, with a claw-back mechanism included where a business did not in fact meet the thresholds to require support.
4. We recommend that the Objectives of Superannuation be legislated.
5. We recommend that if an event arises that is expected to result in a large number of applications to withdraw superannuation on the basis of hardship, a streamlined process be set up to verify eligibility rather than relying on self-certification.
6. We recommend that the Panel call for the integration of established measures for the consultation of women in any forthcoming model for governance during a pandemic.

Discussion

1. Governance including the role of the Commonwealth Government,

In our May 2020 submission to the Senate Select Committee on COVID-19 we emphasised the increasing mismatch between the populations most deeply affected by COVID and those targeted by the decision-making of the Commonwealth government.

By that time there was a growing body of evidence that women were bearing the brunt of the COVID-19 pandemic: as workers in the frontline health and aged care industries, as workers in service industries most exposed to lockdown, as the main carers for children when schools and child care were closed down, as those with the smallest superannuation accounts to be raided, and as those bearing the rise in domestic violence. Social services were being put under heavy pressure from the virus and most social service providers are women: social workers, mental health support workers, frontline domestic and family violence workers, child support workers.

Our attached submission provided the Senate Select Committee on COVID-19 with early data in all these areas and the Panel will be aware that subsequent data has only served to confirm these trends.

Nevertheless – despite women and female-dominated industry sectors bearing the brunt of the pandemic – men and male-dominated sectors were progressively targeted for industry and individual government support. As outlined below, stimulus funding was increasingly focused on

male dominated groups through JobMaker, through changes to JobSeeker and JobKeeper, and through the revival of pre-COVID tax cut proposals in 2020-2021 Budget.

NFAW is not able to extend the Panel's understanding of how these decisions were taken, by whom and on what basis. The usual and lines of government responsibility and accountability, already attenuated by [current practice](#), were suspended in autumn 2020 as Australia went onto a 'war' footing against the pandemic. The deployment of the war metaphor was common in a number of countries and there are a surprising number of studies examining its use and impact. As [REDACTED] and [REDACTED] it was [increasingly deployed to justify 'exceptionalism'](#), which meant, inter alia, that the usual governance arrangements were to be suspended. This was justified because politics as usual was also meant to be suspended aside in favour of a united effort: as the Prime Minister announced, repeatedly, that 'we are in a war against this virus and all Australians are enlisted to do the right thing.'

In war everyone pulls together in the direction indicated by the executive:

Today we act to protect our nation's sovereignty. When Australian lives and livelihoods are threatened, when they are under attack, our nation's sovereignty is put at risk and we must respond. As a Government, as a Parliament, as a nation, together.

... And above all, our sovereignty is sustained by what we believe as Australians, what we value, and hold most dear, our principles, our way of doing things. We will never surrender this. **So make no mistake, today is not about ideologies. We checked those at the door.**

Today is about defending and protecting Australia's national sovereignty. It will be a fight. It will be a fight we will win. But it won't be a fight without costs, or without loss.

Protecting our sovereignty has always come at a great cost, regardless of what form that threat takes. And today will be no different.

So today, we will agree to pay that price. (Prime Ministerial Statement, 8 April 2020 <https://www.ttf.org.au/wp-content/uploads/2020/04/099X1721.pdf>, our emphasis)

Following the early April 2020 employer/union/government roundtables that resulted in JobKeeper funding ("There are no blue teams or red teams. There are no more unions or bosses. There are just Australians now; that's all that matters"), government decision-making progressively retreated to the bunker. The usual governance arrangements remained suspended, but COVID-related consultation dried up, community input was replaced by the NCCC and hand-picked prime ministerial advisers and cabinet-in-confidence decision-making, and executive power was centralised in the hands of ministers—six of whom were the Prime Minister.

- The Prime Minister appointed himself to head five portfolios without advising relevant Ministers, much less the general public (Health (14 March 2020); Finance (30 March 2020); Industry, Science, Energy and Resources (15 April 2021); and (together) Home Affairs and Treasury (6 May 2021)). This violated no procedural rules only because it did not occur to rule-makers that such a rule should be necessary. Ministerial appointments are normally notified to parliament and formally published so members of the public – not to mention ministers -- can know who is entitled to exercise particular powers.
- Appointments to the National COVID Coordination Commission (NCCC), which advised on both immediate and long term COVID responses, were made directly by the Prime Minister without Cabinet consideration and without a conventional governance framework. Community representatives were excluded largely in favour of hand-picked men from the resources industry.

- The deliberations of the NCCC were declared Cabinet-in Confidence. The deliberations of the Commonwealth-State decision-making group (known as ‘Morrison's War Cabinet’) were also declared Cabinet-in Confidence on the ground that the body was called National Cabinet.
- Legislation establishing JobKeeper -- an initiative of the early, pre-NCCC, more consultative phase of COVID decision-making -- was [nevertheless drafted](#) to enable the Treasurer and by delegation, the Commissioner of Taxation (both part of the executive branch of government) to make the rules necessary or convenient for giving effect to the Act. The matters in respect of which the rules could make provision were framed broadly and were justified in terms of the need for flexibility and responsiveness in the environment of uncertainty created by the pandemic and to allow the rules to be modified and updated as circumstances required.

There has been debate as to the legality of many of these practices. Without the justification of the war metaphor many of them fall at least into the provenance of grey corruption -- that is, they would fall outside the rules of good governance if someone had thought it was necessary to draft rules to prevent such conduct.

The potency of the war metaphor, and of the ‘exceptional’ governance arrangements that it was used to normalise, progressively wore off as events made it clear that ideology had not in fact been left at the door where executive decision-making took place. JobKeeper was used to drive the Government’s longstanding deregulation agenda in the interests of flexibility. The 2020 Budget showed that government persisted in its longstanding predisposition to favour hard infrastructure over social infrastructure, despite the talk of heroic frontline services (see ToR 4 below). Politics followed ideology into the room as egregious problems with vaccine/mask/test kit procurement and roll-out finally resulted in the Prime Minister turning on his ‘war Cabinet’ and invoking the rhetoric of the well-worn [Commonwealth-state blame game](#).

NFAW recommends that the Panel lay the groundwork for pandemic governance arrangements that are not makeshift and do not rely on a metaphor to sustain dubious executive practices or public support. If government is to claim exceptional power, that power should be balanced by clearly understood lines of responsibility and accountability and informed by adequate consultation with civil society. Any such arrangements should also be the agreed outcome of prior expert deliberation and scrutiny.

4. Support for industry and businesses (for example responding to supply chain and transport issues, addressing labour shortages, and support for specific industries).

The Health Care and Social Assistance industry is the largest industry by employment in Australia, taking in sectors such as hospitals, GPs and aged and childcare. In 2020 it accounted for 12.6 per cent of Australia’s working population, and was 77.9% female. There was also broad agreement that [care sector bore brunt of covid](#). NFAW and other feminist analysts were accordingly dismayed to find that JobMaker, the centrepiece of the 2020-21 Budget, was comprehensively skewed to favour men’s employment.

The JobMaker Plan was composed of measures including job credits, industry stimulus packages, infrastructure investment, tax write-offs and skills development. It targeted male-dominated industries: construction (87.9 per cent male); manufacturing (72.9 per cent male); electricity, gas, water and waste (74.4 per cent male), and sectors typically investing in big machines – construction (again), mining (84.1 per cent male) and agriculture (70.1 per cent male) (see GL 2020-21 Taxation – Business Overview section).

The budget plan for female-dominated healthcare and essential service industries was to “continue to guarantee the essential services Australians rely on. Without increasing taxes”.

The skewing of the 2020-21 budget towards hard rather than social infrastructure was an early indication that – notwithstanding all pulling together and the war metaphors -- ideology had not been left outside the door at ERC. The government had long decided to leave social infrastructure as a funding problem for the next government, and did, treating women as self-sacrificing [‘heroes of war’](#) and acknowledging ‘personal sacrifice’, but remaining firmly focused only on the psychic rewards of women’s care work. The Aged Care Royal Commission’s call for equal pay in the aged care sector was ignored. In the following Budget critical labour force issues were met with only band aid solutions (such as one-off ad campaigns or sign-on bonuses and scholarships for eligible registered nurses (Gender Lens on the 2021-22 Budget, Social Infrastructure).

Following the change of Government in 2022, there has been some policy movement in the care sector aimed addressing future labour force demand. The Government has introduced a suite of legislative and funding reforms reflecting the recommendations of the Royal Commission on Aged Care, provided some wage supplementation to address equal pay (still in the process of being settled) and more broadly released a [draft national strategy for the Care and Support Economy](#). As part of the priority measures for the strategy the draft plan proposes by June 2024 (p. 52):

the establishment of a governance function to coordinate workforce planning across the care and support economy. This includes leveraging the work of the relevant Jobs and Skills Council; developing and overseeing a data strategy; identifying workforce gaps and work across governments to develop targeted policy responses; monitoring and evaluating actions; and disseminating ongoing learnings. (p. 22)

While most welcome, these are largely works in progress and far from entrenched, much less reviewed and evaluated. **We recommend that the Panel call for measures to integrate the sectoral governance function proposed in the draft national strategy with any forthcoming model for governance during a pandemic.**

Jobkeeper was designed to support business to maintain jobs for employees, including small business owners. The business received the payments as a subsidy to maintain wages at the minimum required level, with eligibility based on estimated changes in turnover. A number of design flaws in JobKeeper have been identified and reviewed in the Independent Evaluation of the JobKeeper Payment. While the Report noted the stability provided by JobKeeper in keeping business afloat and supporting workers, the processes adopted resulted in some employers being overcompensated, with a lack of transparency over the out any mechanism to clawback excess payments, consistent with our earlier comments.

We recommend that any programs rolled out to provide support on the basis of estimated business outcomes are designed to compare estimated with actual outcomes, with a claw-back mechanism included where a business did not in fact meet the thresholds to require support.

5. Financial support for individuals (including income support payments and presumably super).

JobKeeper

The original design of JobKeeper did not distinguish between payments made to full-time workers and those made to part-time workers. Some commentators regarded this as unfair to those who held full-time positions and others described it as a stimulus measure for the lowest paid. The July 2020 Economic and Fiscal Update introduced differential JobKeeper payments for full-and part-time

workers, reducing costs and making way for a refocus on range of stimulus measures targeting high paid men and male dominated industries. Twice as many women as men were affected by the JobKeeper cuts for part-timers. The payment fell again in December and disappeared in March.

JobKeeper 2 continued to exclude support for people working in female dominated industries (universities and childcare) and for casuals not classed as regular and systematic – around 950,000 of them—who also make up a female dominated group. Those over 35 in that group – mainly women -- were excluded from JobMaker payments as will those unable to work 20 or more hours a week because of childcare costs (Gender Lens on the 2020-21 Budget, Jobkeeper).

We note that the [Independent Evaluation of the Jobkeeper Payment](#) considered that overall the scheme provided important support, but that there were a number of design flaws that should have been addressed. We have noted that a number of the findings of the report are consistent with our analysis, including:

- Ensuring that the policy design was more easily adapted to changing circumstances;
- Earlier implementation;
- Structuring the payment as a tiered payment rather than a flat amount;
- Eligibility requirements were too narrow, as discussed above; and
- Enhanced transparency of data and policy outcomes.

JobSeeker

The pre- COVID-19 social security system would not have been able to adequately respond to the huge negative economic shock generated by COVID and the associated job losses. As a result, Australian Government acted swiftly to provide additional financial assistance to people receiving various working-age payment types in response to the influx of new applicants. Specifically, the Australian Government introduced a temporary \$550 per fortnight Coronavirus Supplement from 27 April 2020 for a period of six months to increase nine social security payments: JobSeeker Payment (formerly the Newstart Allowance), Partner Allowance, Widow Allowance, Youth Allowance, Austudy, ABSTUDY, Parenting Payment, Farm Household Allowance and Special Benefit.

For many recipients, particularly those receiving the JobSeeker Payment, which included a significant proportion of single parents whose youngest child was older than 8 years, students and people with health impediments, this effectively doubled their income during the COVID lockdowns. The Supplement was reduced by \$300 to a rate of \$250 per fortnight from 25 September to 31 December 2020 (Department of Social Services, 2021), and ceased on 1 April 2021.

The Coronavirus Supplement and the relaxation of mutual obligations due to the pandemic created an adequate and supportive social safety net. Research indicated that physical and mental health improved, time spent in studies and engaging with paid employment increased, and people were able to envision and plan for their long-term financial security.

While the Supplement was an effective response to COVID in Australia, similar to the overall response, it didn't address the differential impact on women. Social security is a key driver of gender inequality. The system settings fail to account for women's differential employment pathways compared to men, their disproportionate burden of unpaid caring work, the gendered experience of domestic violence, and the ways that older women in particular are discriminated in employment.

However, importantly the response also served as an important experiment in addressing existing flaws in social security and employment services. The response lifted many people,

especially sole parents, out of poverty. Employment outcomes were positive without the imposition of the punitive compliance mutual obligation system. The recent Budget, the review of Workforce Australia, and the governments White Paper on Jobs and Opportunities flag recent initiatives and indicate future directions which could build on lessons from the COVID response.

Australia needs to bring a strong intersectional lens to social security and welfare systems and policy, that enables government to better understand the varied and compounding social, cultural and economic factors that create discrimination and disadvantage. It is a fundamental element to achieving greater gender equality and women's empowerment as well as reducing other inequalities.

Early Access to Superannuation

The changes to allow early access to superannuation enabled a person who anticipated being in financial distress to access their superannuation without needing to go through the existing hardship provisions. Access was allowed in two tranches of \$10,000 between March and June 2020 and July to December 2020. The Australian Taxation Office collected and release data in a timely way in respect of the number and outcome of superannuation applications.

The decision to allow early release to superannuation was consistent with the policy view taken by the Government at the time that superannuation is "your money". This disregarded the longer term policy underlying the superannuation system, and highlights the need for the objectives of superannuation to be enshrined in legislation, as currently proposed in the *Superannuation (Objective) Bill 2023*.

We recommend that the Objectives of Superannuation be legislated.

We acknowledge that there was an expectation that some individuals would experience financial hardship that would not be alleviated by the JobKeeper and the JobSeeker measures, but early access to superannuation was too broad in its scope. Application was self-assessed, which reduced barriers enabling applications from persons who may have met the criteria but were not experiencing financial disadvantage, for example where the other measures were sufficient. [ABS data from Dec 2020](#) shows that 30.9% was spent on mortgages or rents; 29.2% on other household bills; 14.2% on other debts. Notably 7.8% was added to savings, and 6.7% was spent on motor vehicles. It is not known how much of the contribution to mortgages was used for additional payments compared to keeping up with normal payments, but we do know that the recent cycle of RBA interest rate increases was increased as many mortgage holders had made additional payments in offset or redraw facilities. The Federal Government passed legislation to enable the recontribution of amounts withdrawn from superannuation, but the extent of the uptake is not known.

We are also concerned about the number of superannuation account holders who withdrew all of their superannuation. Analysis of APRA data (ASFA, 2022) showed that many low account balance holder withdrew all of their superannuation, and that this disproportionately affected women, single parents and the unemployed. This will exacerbate the financial disadvantage experienced by these groups at retirement.

We recommend that if an event arises that is expected result in a large number of applications to withdraw superannuation on the basis of hardship, a streamlined process be set up to verify eligibility rather than relying on self-certification.

7. Mechanisms to better target future responses to the needs of particular populations (including across genders, age groups, socio-economic status, geographic location, people with disability, First Nations peoples and communities and people from culturally and linguistically diverse communities).

We referred under ToR 1 to the need for governance arrangements that enabled decision-making to reflect mature consultative arrangements and evidence-based decision-making.

We are encouraged by recent developments at the Commonwealth level that could embed the interests of women in Government decision-making. These include:

- a National Strategy to Achieve Gender Equality to elevate and prioritise actions to achieve gender equality. To be released early in 2024, the National Strategy will reflect the advice of a Women's Economic Equality Taskforce. One of the [recommendations of the Taskforce](#) was that government 'establish and resource an independent national women's economic equality advisory body to ... work collaboratively with other gender equality advisory bodies (such as in health and violence prevention), provide independent advice to the government on policy priorities and progress women's economic equality over a 10-year horizon';
- strengthening gender responsive budgeting. Australian Government Departments are now required to undertake gender analysis for all New Policy Proposals (NPPs) and Cabinet Submissions. NPPs will need to include a Gender Impact Assessment if: the proposal has a significant positive or negative impact on gender equality; the proposal targets cohorts of people who can be typically disadvantaged; the proposal relates to a gender segregated industry; the proposal establishes a National Partnership Agreement (or like agreement); and the total value of the proposal is \$250 million or more over the forward estimates;
- improving the use of the data that's currently available, collecting new data where needed and building the right tools to present an accurate and nuanced understanding of the dimensions of gendered economic inequality in Australia and the needs of women experiencing disadvantage. According to the 2023-24 Women's Budget Statement, this includes using its Gender Impact Assessment template to set an expectation of evidence-based policy development and investing in the data capabilities of the APS to build, collect and use gender-disaggregated data sets. The ABS has also convened a Gender Data Steering Group whose role is to maximise the impact of the government's major data holdings as an evidence base for gender equality policy. the 2023-24 Women's Budget Statement reports specific data gathering and sharing initiatives in relation to the labour force, health, violence and First Nations the National Plan for Family Safety.

these measures are largely works in progress and far from entrenched, much less reviewed and evaluated. The same observation applies to analogous and overlapping measures at state level. Nevertheless, taken together, they are capable over time of delivering a mature, informed and authoritative women's voice that could be integrated into consultative arrangements for a governance model designed to pandemic response.

We recommend that the Panel call for the integration of established measures for the consultation of women in any forthcoming model for governance during a pandemic.

We recognise that while a number of the proposed datasets incorporate data items relating to groups of women with distinct experiences relating to their cultural background, sexuality, age or location, any pandemic governance model should incorporate consultation arrangements addressing these populations directly. The loss of the Indigenous Voice proposal is particularly distressing in this respect.