



Submission to the Commonwealth Government COVID-19 Response Inquiry

Submission by the Department of Infrastructure, Transport, Regional Development, Communications and the Arts

December 2023

The Department of Infrastructure, Transport, Regional Development, Communications and the Arts (the department), on behalf of the Australian Government, implemented a significant response to the COVID-19 pandemic. This submission provides a high-level summary of the main responses managed by the department across its portfolio policy and program responsibilities. The submission also includes lessons learned from the implementation of the responses, which could inform Commonwealth responses to future pandemics and other shocks of this kind.

Portfolio responses to the pandemic and associated review findings

Infrastructure

Infrastructure investment formed a major component of the Commonwealth's economic stimulus response to COVID-19 across a number of initiatives, including:

- \$1 billion for smaller scale, 'shovel-ready' infrastructure projects, and \$500 million for Targeted Road Safety Works (commenced June 2020).
- The terminating Road Safety Program similarly comprised smaller scale projects that could be rolled out quickly (commenced October 2020). The government committed over \$2.8 billion to tranches 1 to 3, which were implemented as a COVID-19 stimulus program. A redesigned program commenced from 1 July 2023 and is focused on road safety infrastructure.
- Phases 1-3 of the Local Roads and Community Infrastructure (LRCI) program provided \$2.5 billion in funding to every Local Government Area for construction, maintenance or improvements to local roads and council assets as a COVID-19 stimulus program. Eligibility criteria provided flexibility to meet local needs and ensured prompt participation (commenced July 2020). LRCI is a terminating program. A further \$750 million is allocated to Phase 4 (from 1 July 2023) as an infrastructure development program.

Recent independent reviews of the Infrastructure Investment Program (IIP) and the National Partnership Agreement (NPA) on Land Transport Infrastructure Projects noted that it is and was appropriate for governments to use infrastructure investment as a response to macroeconomic challenges. Although growth in the IIP commenced before the pandemic, the need for economic stimulus during this period led to a significant increase in demand for labour and materials, and resulted in a misalignment between supply and demand, exacerbated by the inability to utilise international workers. The NPA review also noted the lack of planning for winding back NPA-enabled stimulus spending in a timely way. Implementation of both reviews' findings will consider the lessons learned from the pandemic response.

Transport

Land Transport

Facilitating freight movements was a key responsibility of the department through the pandemic, which was supported by frequent communication between the department, industry, regulators and governments. The COVID Land Transport Working Group was established to inform and support decisions taken through National Cabinet and the Australian Health Protection Principal Committee, and comprised representatives from all jurisdictions, key road and rail industry stakeholders and regulators.

The department worked with jurisdictions to develop COVID-19 principles for public transport and for private bus industry operations, to ensure the safe use of these services as health restrictions were relaxed. Protocols were also developed to ensure access to rest facilities for heavy vehicle drivers.

In June 2022, the department finalised a 'lessons learned' exercise with the working group. It found that the Freight Movement Code provided clear and simple guidance for moving freight across Australia in a COVID-safe way when borders were closed. It also provided greater certainty to freight and transport operators on matters such as interstate COVID-19 testing requirements; supported conversations with health departments at the federal and state/territory levels; and encouraged consistent national processes as far as possible.

Aviation

The COVID-19 pandemic was the largest disruption in aviation history, presenting unprecedented challenges for Australia's aviation sector and the sectors and communities that rely upon its services. The department played a number of key roles in the implementation of the Australian Government's response, including regulating international airline timetable approvals (capping international passenger arrivals), in support of Commonwealth and state health and quarantine policies. The department also designed and delivered a \$5.6 billion suite of aviation support measures to maintain essential domestic and regional air connectivity, and preserve a core international aviation capacity to allow the sector to restart after the pandemic.

In its performance audit of the COVID-19 aviation support measures, the Australian National Audit Office (ANAO) found the department's design of the suite of measures was effective, and implementation of support measures was largely effective. There was one recommendation to the department aimed at improving monitoring and reporting of support measures as a whole, rather than at the individual measures level. The use of international passenger arrival caps was also reviewed by the ANAO which found the arrangements were largely effective and made no recommendations for the department.

Communications

Consistent with the experience in other policy areas, engagement between relevant Commonwealth, state and territory agencies and industry played an important role in shaping and delivering a response to COVID-19 related matters impacting the communications sector. The department used the Communications Sector Group (CSG), one of the critical infrastructure sectors under the Trusted Information Sharing Network, to distribute information to decision makers from jurisdictional agencies. Governments and industry benefited from having a forum in which to discuss practical issues, such as the impact of border restrictions on the communications sector (including impacts on the cross-border movements of specialist technicians). The department developed a paper on how COVID-19 restrictions could be modified to ensure the communications industry continued to operate, whilst protecting workers and the community. The paper was shared with state and territory government representatives on the CSG.

The government provided a package of measures to support Australian media businesses through the early stages of the pandemic, including tax and regulatory relief and additional funding. The government also provided an additional \$10 million in funding in 2020-21, and further resourcing through to 2023-24, to support the ability of the eSafety Commissioner to respond to a sustained increase in demand for its programs and resources as a result of the pandemic.

Regions, cities and territories

The department administered a range of initiatives through the broader \$1 billion COVID-19 Relief and Recovery Fund (the Fund), aimed at supporting regional industries, sectors and communities that were disproportionately affected by the COVID-19 pandemic. Examples of initiatives covered by the Fund included regional aviation support programs, supporting local cinemas and Indigenous visual arts centres, and the \$100 million Regional Recovery Partnerships program.

The department also managed the response to the pandemic in Australia's non-self-governing territories. Facilitating access as early as possible to anti-viral treatments and vaccination stocks was a key priority and a very high rate of vaccination early in the rollout was achieved for the populations of the external territories of Christmas Island, Cocos (Keeling) Islands and Norfolk Island. Close and effective collaboration with the Department of Health was central to the response.

Creative Economy and the Arts

The arts and entertainment sector was heavily impacted by the COVID-19 pandemic, with lockdowns and border closures significantly disrupting performances and attendance at events and cultural institutions. In response, the Australian Government provided a range of targeted supports to the sector, which complemented whole-of-economy assistance measures.

There was over \$900 million in funding for a broad range of programs and initiatives that varied in approach and intended outcomes, supporting ongoing operations of arts organisations, cultural institutions, and Indigenous arts centres and fairs, as well as live performance and events. Separate responses aimed to mitigate the impact of disruptions on film productions and increase incentives for filming in Australia. A number of additional programs focused on regional arts and events, including regional tourism. Leveraging existing programs to provide COVID-relief funding was key to the government's response.

The department conducted an internal audit of the rapid implementation of the COVID-19 arts measures. While monitoring, consultation and evaluation measures were in place, it was noted that there may have been opportunities for greater alignment, standardisation and consistency across areas, including more formal governance structures.

Key lessons learned

The department's role in responding to the COVID-19 pandemic was wide-ranging, however, some common themes are apparent in the lessons learned from implementation of the response measures:

- Flexibility in the design and roll-out of programs is an essential part of planning for uncertainty - for example, using short grant cycles to allow for regular review and refinement of programs over time.
- Relationships with industry played a critical role in identifying issues and developing effective responses, drawing on up-to-date information and on-the-ground intelligence, in a fast-moving environment.
- The need for effective communication between different levels of government, to reduce inconsistencies in processes, as far as possible.
- The need for responsive and agile governance and decision-making mechanisms, whether this be through new and bespoke arrangements, or flexible use of existing mechanisms.
- The value of economic stimulus programs in the face of significant disruptions and events, such as the pandemic, but with awareness of potential capacity constraints (labour, supply chains) that may impact program outcomes and deliverables. Stimulus programs should include indicators that signal in a timely way when emergency settings should end.
- The importance of data collection and information sharing, to inform program design and to evaluate program effectiveness. There may also be potential to evaluate cross-sector measures together to better understand collective impacts and interactions.