



Australian Government
Department of Education

Department of Education submission

Commonwealth Government COVID-19
Response Inquiry

December 2023



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Introduction and Background

The Department of Education (the department) welcomes the opportunity to make a submission to the Commonwealth Government COVID-19 Response Inquiry (the Inquiry) to identify lessons learned to improve Australia's preparedness for future pandemics.

For much of the pandemic, the department was part of the Department of Education, Skills and Employment (DESE). This submission relates to the department's current areas of portfolio responsibility: early childhood education and care, youth policy, schools, higher education, international education, and research. For information related to the Australian Government's pandemic response relating to employment and skills (including Vocational Education and Training or "VET"), please refer to the Department of Employment and Workplace Relations (DEWR).

This submission is divided into sections, each of which relates to one of the three main sectors in the department's portfolio responsibilities:

- Early childhood education and care,
- Schools, and
- Higher education, research and international education.

The Australian education system is complex and involves shared responsibilities across multiple levels of government and with the private sector. Furthermore, responsibilities and governance approaches evolved as the pandemic proceeded. As such, each section of this submission is structured into four sub-sections:

- A description of the roles and responsibilities within the sector, including the governance arrangements used for decision making and how these changed over time.
- A description of the key policy changes and interventions in the sector introduced by the Australian Government during the pandemic.
- A summary of the available research into the impact of the pandemic on the sector and the children and families who use its services.
- A summary of lessons learned and other observations that may be useful given the Inquiry's focus on future pandemic preparedness.

Early Childhood Education and Care

Roles and responsibilities, including governance

Early childhood education and care is delivered by approved providers and services. The Australian Government subsidises the cost of care. State and territory governments ensure the health, safety, wellbeing, and educational outcomes of children.

The Australian Government, through the department and Services Australia, administers the Child Care Subsidy (CCS). Providers must be approved by the department to receive CCS. The department is also responsible for the legislation that underpins CCS, which is known as Family Assistance Law (FAL). All providers that receive CCS must follow the rules under FAL. The department monitors providers' compliance with FAL while Services Australia operationalises CCS with families and providers. The department also delivers grants to help services address barriers to child care participation, in particular, for those experiencing disadvantage, regional and remote communities and Indigenous communities.

Under the National Quality Framework (NQF), the Australian and state and territory governments, and providers are responsible for the health, safety, wellbeing and educational outcomes of children. State- and territory-based education departments regulate services under the Education and Care Services National Law through the NQF. The NQF sets the standards and administers the regulatory system by which education and care is delivered to children. The NQF includes two nationally approved learning frameworks that support and promote children's learning. Providers must be approved by their state government to deliver education and care services under the NQF. The Australian Children's Education and Care Quality Authority (ACECQA) is an independent national authority that supports the administration of the NQF.

State and territory governments are responsible for delivering preschool services. The Australian Government contributes funding to states and territories to deliver preschool. The department delivers this through the Preschool Reform Agreement (PRA).

These responsibilities for early childhood education and care were unchanged during the pandemic.

The Australian Government's response in meeting the needs of families using early childhood and care and services through the pandemic was supported by:

- bespoke internal governance within the department,
- collaboration with other Australian Government agencies,
- continuing governance arrangements with state and territory government officials responsible for early childhood education and care,
- frequent engagement with various representatives of the early childhood education and care sector, and
- surveying services and parents.

Apart from the governance arrangements that were set up to inform National Cabinet, the Australian Government's response in supporting the early childhood education and care sector was largely governed through existing government and sector governance mechanisms via an increase in the frequency and intensity of the department's communication with, and engagement of, existing government and sector governance mechanisms.

Internally, the department set up the Early Childhood and Child Care COVID-19 Response – Implementation and Assurance Committee. This Committee included senior executive staff responsible for early childhood education and care, corporate services and representation from Services Australia and the Department of Finance. The Early Childhood and Child Care COVID-19 Response – Implementation and Assurance Committee:

- oversaw the implementation of the Early Childhood and Care COVID-19 pandemic response packages
- identified and monitored progress against key performance measures and budgets
- established and oversaw appropriate internal governance
- identified and implemented risk controls and treatments
- identified and managed potential and emerging issues
- considered assurance reports and monitored the implementation of any recommendations
- ensured key documentation was up to date
- oversaw planning for the 4 week and 12 week reviews of the relief package, and
- allocated and oversaw resourcing to facilitate timely and effective delivery

The development of the initial relief package in April 2020 highlighted the strength of the department's formal and informal relationships with peak bodies and sector advocates, enabling rapid engagement with key partners to gather input, test assumptions and inform solutions. Similarly, the successful establishment of business continuity payments across the early childhood education and care sector and an online application form for additional payments depended on an agile approach to problem solving and effective collaboration between governments and industry. The strength of external communications, stakeholder engagement, records management, risk identification and management and the fraud and compliance framework for the relief package were key enablers in delivering these outcomes.

The Early Childhood Education and Care Reference Group (ECECRG) is the key mechanism through which the department engages with representatives of the early childhood education and care sector. Matters relating to COVID-19 were discussed with ECECRG starting in early February 2020. From March 2020, ECECRG members held weekly meetings focused on sector issues arising from the COVID-19 pandemic and the implementation of measures to assist the sector.

The department also participated in ongoing Early Childhood Policy Group (ECPG) meetings. These meetings were between officials from the Australian Government and state and territory departments with responsibility for early childhood education and care matters and were key forums for ensuring collaboration across all jurisdictions during the pandemic. In 2020 and 2021, there were ongoing discussions on COVID-19 related impacts on the sector, including government measures announced as part of the COVID-19 response. ECPG agenda matters were informed by the direction of, and sought endorsement of, the Australian Education Senior Officials Committee (AESOC) and the Education Council.

For parts of 2020, CCS data was unavailable.¹ In response, the department commissioned surveys to gain a deeper understanding of the impact of the pandemic on services and families' access to care, gathered and assessed feedback on the impact of the supports and sought suggestions on next steps. Representations to the Minister for Education and the department about the impact of the pandemic on families, educators and the sector also informed policy development and implementation.

Further information about how sector engagement informed policy and implementation of support for the sector during 2020 and 2021 can be found in:

- [Early Childhood Education and Care Relief Package Four Week Review Summary Report](#) published by the department in May 2020
- [Early Childhood Education and Care – Path to Recovery Report](#) published by the department in August 2020

The Early Childhood Education and Care COVID-19 response packages required amendments to the FAL and new ways of delivering support. In April 2020, the CCS funding mechanism (the CCS System) was, in effect, switched off and replaced with business continuity payments to all approved providers. The department also provided supplementary grants to eligible providers. The Services Australia Emergency Management Framework was used to target support by state and local government area. To implement the Viability Package, Parliament passed amendments to the FAL enabling the CCS System to operate concurrently with the business continuity payment system in delivering payments to services. These legislative and technical innovations demonstrated the department and Services Australia's ability to respond to rapidly changing social, economic and health circumstances caused by an unprecedented pandemic threat. Changes to the IT payment systems were informed by the views of the sector and designed and delivered in consideration of the whole-of-government response to the COVID-19 pandemic.

Policy changes during the pandemic

Table 1: Summary of supports in the Early Childhood Education and Care sector

Initiative	Description
Early Childhood Education and Care (ECEC) Relief Package	<ul style="list-style-type: none"> • The Australian Government announced the ECEC Relief Package on 2 April 2020, which was implemented from 6 April 2020 to 12 July 2020. • The main feature of the Relief Package was a Business Continuity Payment calculated to be 50 per cent of fee revenue or 50 per cent of the existing hourly rate cap – whichever was lower – during the fortnight leading into 2 March 2020, at an estimated cost of \$1.9 billion. These payments replaced the CCS and Additional CCS from 6 April 2020 to 12 July 2020.

¹ Normally, information is collected from providers about the care used by individual children to determine CCS payments. In response to the mass withdrawals of children from child care in early 2020, the government introduced a business continuity payment from 6 April 2020 to 12 July 2020 as a temporary rescue measure to replace the CCS System for families and child care providers. The business continuity payment measure did not require the reporting of child care usage information from providers to Services Australia.

Initiative	Description
	<ul style="list-style-type: none"> • The Business Continuity Payment was conditional on services remaining open (unless closed on public health grounds), providing care and not charging families for care. • The Relief Package provided access to free child care with priority for available places given to children of essential workers, vulnerable and disadvantaged children, as well as those with pre-existing enrolments. The Relief Package was intended as a temporary rescue measure. • It was designed to ensure the viability of the child care sector, and guarantee funding, while continuing to make child care accessible to families. • It was designed to work in conjunction with a range of other Australian Government assistance, including the JobKeeper Payment. • Supplementary payments in addition to the business continuity payments were initially only available to services which could demonstrate that they were providing more care than they provided during the reference period. • On 10 April 2020, the Australian Government announced services would be able to apply for exceptional circumstances Supplementary Relief Payment to support services to remain open, for example, if the service was providing more hours of care than in the reference period. • On 1 May 2020, the Australian Government announced that ECEC providers, including non-government schools, large charities and not-for-profit organisations which were not eligible for JobKeeper Payments, would be eligible for an Additional Supplementary Payment under the ECEC Relief Package. Family Day Care and In Home Care Educators who were not eligible for JobKeeper Payments would also be eligible for an Additional Supplementary Payment, so long as the educators applied for an ABN (Australian Business Number) by 1 June 2020. • State and local government services were not able to get extra support on the basis of JobKeeper ineligibility. However, the New South Wales, South Australian and Queensland governments subsequently announced that they would meet the extra costs for local council and state government providers unable to access JobKeeper. • On 20 May 2020, in response to the review of the Relief Package, the Australian Government announced an additional \$12.8 million (including for services with more than 30 per cent of full-time equivalent staff ineligible for JobKeeper Payments) and \$800,000 for In Home Care. • In May 2020, with the support of the Relief Package, of the more than 13,000 child care services nationally, 99 per cent were operational.
Preschool funding for 2021	<ul style="list-style-type: none"> • On 3 April 2020, the Australian Government announced that it would extend the 2018-2020 National Partnership on Universal Access to Early Childhood Education in 2021 to support almost 340,000 children to access preschool, at an estimated cost of \$453.2 million.

Initiative	Description
	<ul style="list-style-type: none"> The extension of the National Partnership relaxed performance requirements for state and territory governments for 2020 and 2021 in recognition of COVID-19 impacts.
\$10,000 Grants for child care services and children	<ul style="list-style-type: none"> On 27 April 2020, the Australian Government announced an additional \$26.2 million in Community Child Care Fund Special Circumstances grants of up to \$10,000 to child care services to ensure they can continue providing care to children of essential workers.
ECEC Transition Package	<ul style="list-style-type: none"> As people began to return to their workplaces and business began to re-open, on 8 June 2020, the Australian Government announced that the CCS (and Additional CCS) would return from 13 July 2020, along with some specific measures to support families and services back to the Subsidy. The Australian Government agreed to make Transition Payments – estimated to cost \$708 million – to early childhood and child care services covering the period 13 July 2020 to 27 September 2020. These payments were instead of JobKeeper Payments (which ceased on 20 July 2020) and were calculated at 25 per cent of fee revenue or 25 per cent of the existing hourly rate cap – whichever was lower during the relevant reference fortnight (which in most cases was the period of 17 February 2020 to 1 March 2020). Other features of the Transition Package were: <ul style="list-style-type: none"> a relaxed activity test until 4 October 2020 to support eligible families whose employment had been impacted as a result of COVID-19 fee capping to the level in the relevant reference period services needed to continue over the transition period to employ and to offer work to the employees who were paid in the fortnight leading up to the end of the Relief Package (or the relevant fortnight for new and vacation care only services) a streamlined application process for Additional CCS (temporary financial hardship), and providers were also required - as one of the conditions of receiving the Transition Payment – to agree not to claim JobKeeper for employees or for themselves.
Additional support to Victorian child care services	<ul style="list-style-type: none"> On 7 July 2020, following a resurgence of COVID-19 in Victoria, the Australian Government announced additional assistance for Victorian services, on top of the transitional measures applying nationally from 13 July 2020. Specifically, services in a location then subject to Stage 3 COVID-19 restrictions had the ability to waive gap fees to 31 December 2020, in circumstances where the service remained open and a child was not attending due to COVID-19. This was later extended to all of Victoria.

Initiative	Description
	<ul style="list-style-type: none"> • On 30 July 2020, the Australian Government announced an additional \$6.85 million would be provided to support Outside School Hours Services in metropolitan Melbourne and Mitchell Shire (which had been affected by the Victorian Government’s decision to scale back school attendance in reaction to the COVID-19 situation). <ul style="list-style-type: none"> ○ Specifically, these services would be offered an additional payment – of 15 per cent of pre-COVID-19 revenue for eight weeks - if they confirmed their attendance levels had fallen below 40 per cent. This was later extended to all of Victoria. • On 5 August 2020, the Australian Government announced that an additional \$33 million would be provided to support services in Victoria: <ul style="list-style-type: none"> ○ across all of Victoria (i.e. where Stage 3 and Stage 4 COVID-19 restrictions applied) <ul style="list-style-type: none"> ▪ Families would receive an additional 30 days of allowable absences. ▪ The gap fee waiver (announced on 7 July 2020) and the Outside School Hours Care (OSHC) payment (announced on 30 July 2020 for metro Melbourne and Mitchell Shire) would be extended. ○ for Melbourne only (where Stage 4 restrictions applied) <ul style="list-style-type: none"> ▪ a higher Transition Payment of 30 per cent of pre-COVID revenue for Melbourne child care services to assist services to keep workers employed (totalling \$16.3 million) ▪ an additional top-up payment for eligible services that were receiving low CCS payments and were experiencing very low attendance (totalling \$16 million).
Extended support for Victoria	<ul style="list-style-type: none"> • On 15 September 2020, the Australian Government announced an additional \$12.6 million to extend the current support measures for Victoria from mid-August until 27 September 2020, in line with Victoria’s roadmap to reopening. <ul style="list-style-type: none"> ○ For Metro Melbourne (extending stage 4 support package) <ul style="list-style-type: none"> ▪ A 30 per cent Transition Payment ▪ Low CCS payment ▪ OSHC 15 per cent payment ▪ Employment Guarantee ▪ Fee freeze ▪ Waive gap fees when not attending was available.

Initiative	Description
	<ul style="list-style-type: none"> ○ For regional Victoria (extending Stage 3 support package) <ul style="list-style-type: none"> ▪ 25 per cent Transition Payment ▪ OSHC 15 per cent payment ▪ Victorian low charged hours special circumstances payment ▪ Employment Guarantee ▪ Fee Freeze ▪ Waive gap fees when not attending was available.
ECEC Recovery Package	<ul style="list-style-type: none"> • The Recovery Package, announced on 20 September 2020, included \$305.6 million in support for Victorian ECEC services up to the end of January 2021, as follows: <ul style="list-style-type: none"> ○ Around \$36.6 million for OSHC services ○ Around \$269 million for all other ECEC services. • For Centre Based Day Care, Family Day Care and In Home Care services in all parts of Victoria, the Recovery Package included a new 25 per cent Recovery Payment with conditions attached, including a fee freeze and Employee Guarantee, to protect families and workers and applied from 28 September 2020 until 31 January 2021. It also included a relaxation of the Activity Test. • On 27 September 2020, the Victorian government announced the bringing forward of dates for the resumption of face-to-face schooling in regional Victoria to 5 October 2020 and in metro Melbourne to 12 October 2020. To support Victorian OSHC in their recovery, at a cost of \$8.6 million, the Australian Government continued Transition Payments to services in regional Victoria up to 12 October 2020 and in metro Melbourne up to 19 October 2020 which was when face-to-face schooling was originally expected to resume. • After that time, OSHC services received the 25 per cent Recovery Payment, plus an additional payment of 15 per cent of their pre-COVID revenue, taking the total support to 40 per cent. <ul style="list-style-type: none"> ○ This was in place until end of the school year for OSHC-only services. ○ Victorian vacation care providers (and OSHC services providing vacation care) qualified for this additional payment too, for any weeks that they were operational, until 31 January 2021. ○ OSHC services continued to be able to waive gap fees when children were not attending due to remote learning while Stage 4 restrictions remained in place. • Whilst receiving Recovery Payments services were required to have in place: <ul style="list-style-type: none"> ○ An Employment Guarantee until 31 January 2021. ○ A Fee freeze until 31 January 2021.

Initiative	Description
	<ul style="list-style-type: none"> • Extra payments including Low CCS, Melbourne metro extra Transition Payment (5 per cent), and low charged hours payments ceased when school began to return to normal from 12 October 2020 for regional Victoria and from 19 October 2020 for metro Melbourne.
Community Child Care Fund (CCCF) Special Circumstances	<ul style="list-style-type: none"> • Until 31 January 2021, services in Victoria at high risk of permanent closure due to COVID-19, despite the Recovery Payment, also had access to funding through CCCF Special Circumstances Grant Opportunity. • For the period 12 October 2020 to 31 January 2021, services outside Victoria also could apply for this Grant Opportunity if they were: <ul style="list-style-type: none"> ○ at risk of temporary or permanent closure due to COVID-19, and ○ operating in or servicing families from disadvantaged and vulnerable communities, or ○ operating in a community with limited or no other child care services. • As at end of October 2023 CCCF Special Circumstances grants worth \$4.3 million have been paid to 144 services (19 Centre Based Day Care, 1 FDC and 124 OSHC services).
Child care Gap Fee Waiver for NSW	<ul style="list-style-type: none"> • From 19 July 2021, child care centres in New South Wales Local Government Areas across greater Sydney, subject to stay at home orders, could waive gap fees on the days that parents choose to keep their children at home. This was announced by the Australian Government on 15 July 2021.
Additional absence days for child care in COVID-19 hotspot locations	<ul style="list-style-type: none"> • Additional absences were available for families with children in child care services located in Commonwealth-declared COVID-19 hotspots of more than seven days. The absences did not count towards a family's annual allocation of 42 allowable absence days and were made available for any lockdown, retrospectively, that met the criteria from 23 June 2021 and onwards. This was announced by the Australian Government on 3 August 2021.
Child care gap fee waiver for COVID hotspots	<ul style="list-style-type: none"> • Child care centres located in any Commonwealth-declared COVID-19 hotspot of more than seven days were able to waive gap fees. Services were able to waive gap fees from day one of the hotspot declaration if a state or territory directs that centres were only open for some children. This was announced by the Australian Government on 16 August 2021.

Initiative	Description
2021 Viability Support Package	<ul style="list-style-type: none"> • The Australian Government introduced the Viability Support Package from 23 August 2021 to 30 November 2021 in response to extended lockdowns across the country. The purpose of the viability support payment was to maintain the viability of services and to retain staff, ensuring there was access to child care for those that needed it. • Under the package, eligible services in Commonwealth-declared COVID-19 hotspots received a business continuity payment (25 per cent of pre-COVID average weekly fees – 40 per cent of pre-COVID average weekly for OSHC services) if: <ul style="list-style-type: none"> ○ the COVID-19 hotspot ran for more than 7 days and the state or territory government had limited who could access child care, or ○ the COVID-19 hotspot extended beyond 28 days. • Eligible services could also waive gap fees and access additional absences. • \$281 million was paid to over 6,300 services in Victoria, NSW, ACT and NT. • These supports were provided until the state or territory lifted restrictions around access to child care (or school in the case of Outside School Hours Care). • Viability support payments were contingent on services: <ul style="list-style-type: none"> ○ having reasonable expectations attendance would fall by 50 per cent ○ not accessing other Australian Government-funded business supports ○ waiving gap fees for all families whose children are not attending ○ maintaining staffing levels, and ○ agreeing to a fee freeze for the duration of viability support payments. • The regions and timeframes for support under the viability support package were published on the department’s internet site. • Enrolments were extended for children who had not attended care for at least 10 weeks. This ensured that enrolments did not automatically cease after 14 weeks of non-attendance. • Community Child Care Fund Special Circumstances grant guidelines were updated to account for COVID-related service closures.
Further support	<ul style="list-style-type: none"> • Following the conclusion of extended lockdowns, some support measures remained in place to help the sector deal with the continued impact of COVID-19.

Initiative	Description
	<ul style="list-style-type: none"> • The following measures were available from 1 December 2021 until 30 June 2023: <ul style="list-style-type: none"> ○ services could waive the gap fee when a child was unable to attend care for one of the following reasons: <ul style="list-style-type: none"> ▪ the child, or a member of their immediate household, had COVID-19 ▪ the child was at a higher risk of severe disease from COVID-19 ▪ the service, or a room at the service, was closed due to COVID-19 ○ all families got 10 extra allowable absences per child in the 2021–22 and 2022–23 financial years. ○ families could receive CCS for absences that occurred in the 7 days before a child’s first, or after their last, attendance when a child had COVID-19. • Families could use evidence of a positive COVID-19 test result from a government agency or pathology service, instead of a medical certificate, to access additional absences. (<i>This additional absence provision continues to be available.</i>)

Pandemic impacts

Impact on children and families

Early insights into the effects of the pandemic on children’s development suggest that impact may not have been as substantial as expected with modest increases in developmental vulnerability.² The impact, however, does not appear to have been evenly felt, with larger increases in developmental vulnerability seen for Aboriginal and Torres Strait Islander children, children with pre-existing additional needs (including those with disability) and children living in the most disadvantaged areas of Australia.³ It may also be too early to know longer term implications of the pandemic on children’s development.

Impact on ECEC providers

The actions of the Australian and state and territory governments to help keep the sector viable meant that providers and educators could continue delivering support to essential workers and vulnerable and disadvantaged children, assisting to mitigate the broader effects of the pandemic.

² E.g. Murdoch Children’s Research Institute, January 2022, [Impact of the COVID-19 pandemic on children - Murdoch Children's Research Institute - Department of Education, Skills and Employment, Australian Government \(dese.gov.au\)](#)

³ E.g. Department of Education, Skills and Employment 2021 Australian Early Development Census National Report, P25.

Nationally, in the March quarter 2022 there were more children (1,338,660 children) in services approved for CCS than before the start of the pandemic (March quarter 2020 - 1,318,900 children). There were more approved services in the March quarter 2022 (14,034) than in the March quarter 2020 (13,370). The total number of hours attended by children increased 12 per cent in the March quarter 2022 compared to the hours children attended in the March quarter 2020.

While the Australian Government's response in supporting the viability of early childhood education and care sector through the pandemic was a success, the experience of services during the pandemic varied according to where they were located and the type of service they delivered. For instance, the total hours attended by children in services approved for CCS in Victoria dropped by 46 per cent in the September quarter 2020 compared to hours attended in the March quarter 2020. In comparison, the hours attended in services in the rest of Australia only dropped by 2 percentage points by the September quarter 2020. Total hours attended in Victoria later recovered in the June quarter 2021 to be 12 per cent higher than in the March quarter 2020. It should also be noted the department has no data for care provided in the June quarter 2020 as the CCS System was switched off. Attended hours at outside school hours care services nationally reduced by 37 per cent in the September quarter 2020 compared to the March quarter 2020. Attendance hours then rebounded to pre-pandemic levels in the June quarter 2021. In comparison, attended hours at all services approved for CCS nationally rebounded to pre-pandemic levels in the December quarter 2020.

The changes made to the scope of supplementary payments over the course of the relief package provide additional evidence of differential impact. Further investment in understanding the business models of each service type is already underway in the department and is being informed by the insights of Australian Competition and Consumer Commission Childcare Inquiry 2023.

Lessons learned and other observations

If a new pandemic threat emerged, the Australian Government would be well positioned to respond with proven measures of support to the early childhood education and care sector.

The suitability of potential policy responses will depend on the nature of a pandemic threat and could include:

- Additional absence days for children unable to attend child care without penalty to encourage compliance with stay-at-home recommendations
- Gap fee waivers and additional absence days where restrictions are placed on access to child care (i.e. where the restriction is introduced to reduce the movement of people and spread of the health threat)
- Gap fee waivers for child care services that are forced to close due to a health response (waiving gap fees on days parents keep children home) to support sector viability, reduce out of pocket costs and encourage compliance with stay-at-home recommendations
- Grants for eligible services at risk of imminent closure (temporary or permanent) due to health threat and/or response to support sector viability, and
- Depending on the severity or duration of any new pandemic or health threat, a response could also include business continuity payments to services to support sector viability.

The rapid response required at the outset of the COVID-19 pandemic was constrained by the pre-existing legislative and systems framework and highlighted opportunities for enhancements to the department's ability to support access to care for during localised and broader crises. Some of these enhancements were able to be progressed through ad hoc legislative change and the use of Minister's Rules, however an exercise to log the settings that constrained policy and programme choices behind the relief package could help inform a forward change agenda and future emergency planning that contemplates sector wide as well as geographically targeted responses.

The speed with which solutions were required also limited opportunities to stress test policy proposals or engage end users in systems development. This led to manual payment processes and created challenges for providers trying to engage with the application process. Families could be better supported, and the viability of the sector maintained, by increasing investment in emergency response planning and in policy solutions that can be easily understood by stakeholders and translated into practical delivery solutions. Policy and delivery mechanisms should be flexible enough to target support effectively, including by incorporating the capacity to adjust payments for each service as demand rises and falls.

Business continuity payments were a more timely and effective approach to supporting provider and service viability in the ECEC sector than adjusting CCS settings, particularly during extended periods of stay at home restrictions. This is because the CCS is governed by the FAL and the implications of any amendments could have the knock-on implications for families.

Acknowledgement of the role of child care educators during the pandemic

The pandemic highlighted child care as an essential service in meeting the needs of children and in facilitating workforce participation of other essential workers in the economy. The work of child care educators and other front line staff throughout the pandemic, in the face of the known health risks, should be acknowledged by the Inquiry.

Schools

Roles and responsibilities, including governance

Responsibility for policies relating to schools is shared across multiple levels of government in Australia. Consistent with Australia's constitutional arrangements, state and territory governments own and manage government schools and are responsible for registering non-government schools in their jurisdictions. The Australian Government does not own or operate schools.

The Australian Government provides significant funding for schools and is involved in setting national education policies. Decisions regarding the response to COVID-19 in the schooling sector were therefore informed by expert, official, national and state-based public health and education advice.

To assist with this process, the department coordinated and facilitated discussions between jurisdictions and the non-government sector. In some areas, suitable governance mechanisms already existed, such as the Schools Policy Group which supports the Australian Education Senior Officials Committee. In other cases, new governance mechanisms were established.

For example, officials from across jurisdictions established an informal COVID-19 education officials' network to assist with the management of COVID-19 in educational settings and enable collaboration across jurisdictions. Throughout the pandemic the network was valuable for officials to discuss common issues, share best practice approaches and ensure consistent approaches across jurisdictions. The final meeting of the education officials' network was held on 8 August 2023. With COVID-19 cases trending down, most jurisdictions are now focusing on recovery and have integrated COVID management into business-as-usual functions.

In addition, jurisdictions agreed frameworks to help manage the governance of schools policy during the COVID-19 pandemic, both generally and for specific policy areas.

National Framework for Managing COVID-19 in Schools and Early Childhood Education and Care

On 13 January 2022, National Cabinet agreed to a [national framework](#) to promote a nationally consistent approach to the ongoing delivery of high-quality education for all students during COVID-19.

The Framework was based on six national guiding principles:

- ECEC services and schools are essential and should be the first to open and the last to close wherever possible in outbreak situations, with face-to-face learning prioritised.
- Baseline public health measures continue to apply.
- No vulnerable child or child of an essential worker is turned away.
- Responses to be proportionate and health risk-based.
- Equip ECEC services and schools to respond on the basis of public health advice and with support from public health authorities where required.
- Wellbeing of children and education staff to be supported.

State and territory governments were responsible for drafting individual operational plans in consultation with relevant stakeholders and school and ECEC sectors and are available on state and territory government websites.

National Code on Boarding School Students: Supporting the movement of boarding school students during periods of COVID lockdown

Changing state, territory and Local Government Area travel restrictions caused anxiety and confusion for boarding school students and their families as they moved from their schools to their homes and back again. This significantly impacted not only the mental health and wellbeing of students, but that of their families, carers, and the broader school community, including teachers and support staff. Greater national consistency in supporting students, families and their school communities was necessary to address these impacts.

Although the jurisdictions' Chief Health Officers are ultimately responsible for deciding how to manage COVID-19 within their jurisdictions, the discussions and liaison between the department and the state and territory health and education departments highlighted the vulnerability of the boarding community (some who were only 12 years old).

The Regional Schools Policy Team developed a National Code on Boarding School Students (the National Code) to address the barriers and inconsistent arrangements experienced by families in moving across state borders when travelling between their homes and their children’s boarding schools. The National Code was developed following consultation with key education community stakeholders.

It was subsequently considered by the Australian Health Protection Principal Committee and endorsed by National Cabinet in September 2021.

Policy changes during the pandemic

Table 2: Summary of supports in the schools sector

Initiative	Description
School Hygiene Assistance Fund	<ul style="list-style-type: none"> \$9.4 million was paid to 2,765 of 2,857 (97 per cent) non-government schools in 2020 through the School Hygiene Assistance Fund.
Ministers Statement of Intent	<ul style="list-style-type: none"> Flexibility was provided to the schools’ sector in regard to assurance and compliance requirements under the <i>Australian Education Act 2013</i> and the <i>Australian Education Regulation 2013</i> through the Minister’s Statement of Intent in 2020 and 2021.
Early access to recurrent funding entitlements	<ul style="list-style-type: none"> \$815.3 million was paid under the early access measure to approved authorities in respect of 693 schools for the bringing forward of their July 2020 recurrent funding entitlements into May and June 2020.
Capital Grants Program (CGP)	<ul style="list-style-type: none"> The Australian Government leveraged the CGP to underpin economic stimulus activity in 2020 and 2021 by prioritising projects which could be delivered in the immediate term. Additionally, in January 2021, CGP payments were brought forward to provide Block Grant Authorities effectively 6 months of payments in advance.
Schools Upgrade Fund	<ul style="list-style-type: none"> \$275.2 million was provided for the Schools Upgrade Fund for government and non-government schools to improve equitable access to resources and facilities to keep staff and students safe following COVID-19 disruptions, including assistance with better ventilation among other things.
Emerging Priorities Program	<ul style="list-style-type: none"> Funded projects that assist school communities to respond to emerging priorities in school education, including recovery from COVID-19.
Nationally Consistent Collection of Data on School Students with Disability Guidelines	<ul style="list-style-type: none"> The Nationally Consistent Collection of Data on School Students with Disability Guidelines was revised for 2020 to incorporate special provisions due to the impact COVID-19 had on schools’ operations. The evidence of adjustments required was reduced from a minimum of 10 weeks to a minimum of 6 weeks, in the 12 months preceding the reference date.

Initiative	Description
	<ul style="list-style-type: none"> Evidence requirements were revised for specific cohorts of students with disability, including foundation year students, new enrolments, students with newly diagnosed or newly imputed disability, and students attending special assistance schools.
National Mental Health and Suicide Prevention Plan	<ul style="list-style-type: none"> \$2.3 billion was invested in the National Mental Health and Suicide Prevention Plan in the 2021-22 Budget.
Student Wellbeing Boost	<ul style="list-style-type: none"> \$203.7 million was provided for the Student Wellbeing Boost which includes \$192 million in additional one-off funding for every school, to support their students' mental health and wellbeing, and \$10.75 million for a new voluntary mental health check tool to enable schools to ensure students get the support they need. This funding was in addition to other ongoing programs and support the Australian Government provided to help address the mental health and wellbeing needs of young Australians through other programs, such as the Be You Program, the National Student Wellbeing Program and the Student Wellbeing Hub.
Headspace Services	<ul style="list-style-type: none"> \$3 million was provided to support young Victorians to access mental health support through Headspace services. Baseline public health measures continue to apply. \$3.5 million was provided to support young Australians in NSW to access mental health support through Headspace services, particularly for Year 11 and 12 students. This package of urgent mental health support also included \$300,000 to Kids Helpline to extend online wellbeing sessions into secondary schools.
Rapid Antigen Tests (RATs)	<ul style="list-style-type: none"> At the National Cabinet meeting of 20 January 2022, the Australian Government offered financial assistance to states and territories for the use of RATs in schools. The offer included a 50:50 cost sharing arrangement with the states and territories under the National Partnership on COVID-19. State and territory governments were responsible for the purchase and supply of RATs.
Expansion of the Smith Family's Catch-up Learning program	<ul style="list-style-type: none"> \$3 million was invested over 2021-22 and 2022-23 to support the expansion of the Smith Family's Catch-up Learning program to strengthen the literacy and numeracy skills of disadvantaged students who were struggling in these areas.
National Teacher Workforce Action Plan	<ul style="list-style-type: none"> On 15 December 2022, Education Ministers agreed to the National Teacher Workforce Action Plan, which sets out a clear pathway to addressing teacher workforce shortages. This was, in part, intended to address workforce shortages that developed due to COVID-19.

Initiative	Description
	<ul style="list-style-type: none"> • During the pandemic jurisdictions employed various methods to address such workforce shortages, including: <ul style="list-style-type: none"> ○ targeted recruitment of retired teachers and final-year teaching students ○ utilising relief teachers and casual support staff ○ registered teachers who were working in corporate roles on standby to be redeployed to schools.

Pandemic impacts

Enrolments, attendance and retention

Enrolment growth fell in 2021, in part because the closure of international borders due to COVID-19 affected enrolments of international students and migrants in 2021. In relation to enrolment data, the Australian Curriculum, Assessment and Reporting Authority (ACARA) noted that in 2021 school:

Students were considered to be enrolled and active in an education program, even if that program had been temporarily disrupted by COVID-19. This included where programs were temporarily delivered online or remotely and even where schools were temporarily closed for COVID-19 related reasons. Because enrolments were counted in this way, it is estimated that the impacts of COVID-19 on data quality were minor.

Student attendance in Semester 1 of Years 1-10 declined slightly in 2021 (compared to 2019) followed by a larger drop in 2022.⁴ ACARA have noted:

The Key Performance Measures Dashboard in the National Report on Schooling data portal reports a downward trend over the period 2014–2022 of -0.6 percentage points per annum. The lower attendance rates in 2022 can thus be seen as consistent with a long-term trend. This interpretation should be made with some caution, as part of the fall from 2019 to 2022 may have resulted from increased student absences due to illness or suspected illness as COVID-19 continued to spread. Attendance rates in Semester 1, 2022 declined due to the impact of the COVID-19 Omicron variant as well as high Influenza season outbreaks and floods in certain regions experienced across Australia at that time.

Apparent retention rates from Year 10 to Year 12 have declined since 2018. Estimated Year 12 certification rates were lower in 2020 than before COVID-19. However, they returned to the same level in 2021. It is worth noting that Queensland had a “half cohort” complete Year 12 in 2019, which lowered the national Year 12 certification rate for this year.

Other data points suggest falls in retention may have been affected by the strong youth labour market rather than being driven by disengagement from education, training and work. The proportion of 15–19-year-olds who were fully engaged in education, training or work dropped in 2020 before increasing in 2021. While there has been a decline in 2022 and 2023, the 2023 rate is still higher than rates reported in 2018 and 2019, before the COVID-19 pandemic.

⁴ ACARA National Report on Schooling in Australia, as of 23 November 2023. School attendance data for 2020 has not been published due to inconsistencies in the data as a result of the varying health advice and schooling arrangements across the country in response to the COVID-19 pandemic (note: updated data will be available publicly from 15 Dec).

Similarly, the proportion of 20–24-year-olds who were fully engaged in education, training or work dropped in 2020 but has since steadily increased to 77.4 per cent in 2023, the highest level since 2008. The proportion of 20–24-year-olds who had attained a Year 12, Certificate III or higher qualification also increased from 88 per cent in 2019 to 89 per cent in 2020 and has been at 90 per cent from 2021 to 2023.

Educational outcomes

In 2020, the Australian Government commissioned six pieces of research to examine the potential impact of remote learning from home on educational outcomes for vulnerable cohorts of children, and barriers to access and evidence-based actions to respond. These were published on the [department's website](#) (see New Research):

- [Learning at home during COVID-19: Effects on vulnerable young Australians.](#)
- [Ministerial Briefing Paper on Evidence of the Likely Impact on Educational Outcomes of Vulnerable Children Learning at Home during COVID-19.](#)
- [Supporting Vulnerable Children in the Face of a Pandemic.](#)
- [Impact of learning from home on educational outcomes for disadvantaged children.](#)
- [The impact of 'learning at home' on the education outcomes of vulnerable children in Australian during the COVID-19 pandemic.](#)
- [Differential learning outcomes for online versus in-class education.](#)

In December 2021, the department, on behalf of all Education Ministers, asked the Australian Education Research Organisation (AERO) to undertake a research project examining best practice remote and online learning prior to, and during, the COVID-19 pandemic. AERO commissioned the Centre for International Research on Education Systems at Victoria University to conduct the research. The project's final report, [Review of remote and online learning experiences during COVID-19 \(edresearch.edu.au\)](#), was published in March 2023.

In 2022, the department commissioned dandolopartners to undertake research on what worked well in lifting mathematics and numeracy outcomes during COVID-19 and what key aspects could potentially be further explored and developed as enduring augmentations to mathematics teaching. The researchers found that there are a variety of technological tools which can be used to help address some of the key challenges affecting students' maths performance, noting that there is no 'one size fits all' option. More information is available at the [research report and resources page](#).

A [Review of the impact of COVID-19 on school students with disability](#) is underway, gathering feedback received from students, teachers, principals, parents, caregivers, advocates, and other stakeholders, while also exploring significant contemporary reports and research available at the time of writing. It is examining:

- the educational experiences of school students with disability throughout the pandemic
- the impact of those educational experiences on the wellbeing and education-related outcomes of school students with disability; and
- how support for school students with disability has been managed by governments, education authorities and schools.

Australia's 2022 PISA results, the first since the pandemic, showed Australia remains a high performing country with our performance above the OECD average in reading, mathematical and scientific literacy. Australia's results were consistent with the last cycle in 2018, and show a pause in the decline seen in results over time. This is an indication of the resilience of Australia's education system, especially given the sharp and unprecedented declines seen in the results of other countries, especially in mathematics. Detailed PISA results can be found at www.acer.org/au/pisa.

Education ministers cancelled NAPLAN in 2020 due to the pandemic. Students in Years 3, 5, 7 and 9 in 2020 did not undertake the assessment in 2020 and did not do a 'catch-up' test in 2021. NAPLAN results for 2021 and 2022 showed consistency in overall student performance, indicating that the pandemic and other disruptions to schooling, including floods and influenza, had no significant impact on students' literacy and numeracy achievements at the national or state/territory level. Participation in NAPLAN 2021 and 2022 were lower than usual as a result of the pandemic, flu season and floods. Detailed NAPLAN results can be found at www.acara.edu.au. Education Ministers requested AERO to conduct a research report on COVID-19 in December 2021. The report was published in January 2023 and is available on the AERO website at: www.edresearch.edu.au/resources/review-remote-and-online-learning-experiences-during-covid-19. The purpose of the review was to synthesise existing research into best practice remote and online education delivery as well as draw on stakeholder experiences prior to, and during, the COVID-19 pandemic to identify key lessons and inform future remote and online education delivery. The review found that there were a range of strategies in use during the COVID-19 pandemic. The effectiveness of these in supporting student outcomes in remote learning is unclear, with some research suggesting that student outcomes have declined.

School revenue

Between 2019 and 2020 (calendar years) net recurrent income per student increased 3.5 per cent across all schools. One driver of this change was JobKeeper, which was included in total recurrent income for schools in 2020 and 2021.

Lessons learned and other observations

Early collaboration between the Australian and state and territory governments to manage the pandemic in school settings was key to managing the pandemic response, including through establishing frameworks, facilitating information-sharing, undertaking modelling and research, and providing financial assistance. This is consistent with preliminary findings from the yet to be finalised [Review of the impact of COVID-19 on school students with disability](#) which suggests ongoing collaboration between the Australian and state and territory governments will be beneficial to supporting a consistent approach in the development and implementation of future emergency responses. The findings of the review are also likely to encourage continued sharing between governments, education authorities and schools of resources developed during the pandemic.

Higher Education and Research

Roles and responsibilities, including governance

Higher Education Funding

The Australian Government has responsibility for higher education funding arrangements. There was no change to these responsibilities during the pandemic.

Research Block Grants

The Australian Government administers funding to 43 eligible universities to support research and research training through two research block grant (RBG) programs, the Research Training Program (RTP) and the Research Support Program (RSP). The legislative basis for these two programs is provided by the Commonwealth Scholarships Guidelines (Research) 2017 (CSG), and the Other Grants Guidelines (Research) 2017 (OGGs), respectively. There was no change to these responsibilities during the pandemic.

Policy changes during the pandemic

Table 3: Summary of supports in the Higher Education and Research sector

Initiative	Description
Online short courses	<ul style="list-style-type: none"> • In May 2020, the Australian Government provided \$7.1 million through the Higher Education Relief Package to 18 non-university higher education providers (NUHEPs) to subsidise the delivery of 1,000 online discounted short course places, of around six months in duration. • Universities also offered short courses managed from within their existing Commonwealth Grant Scheme (CGS) funding allocation. • A fall in domestic enrolments due to the pandemic would otherwise have led to universities having unused CGS Guarantee funding. • In total, 55 providers offered around 400 online short courses to help Australians upskill or retrain in fields of national priority through the Higher Education Relief Package. <ul style="list-style-type: none"> ○ National priority areas were Education, Nursing, Psychology, English, Mathematical Sciences, Languages, Agriculture, Allied Health, Other Health, Counselling, Information Technology, Architecture and Building, Science, Engineering and Related Technologies, Medical Science, Environmental Studies.
The Undergraduate Certificate	<ul style="list-style-type: none"> • In May 2020, in response to the COVID-19 pandemic, Skills and Education Ministers agreed to temporarily include the Undergraduate Certificate (UC) qualification in the Australian Qualifications Framework (AQF) until 31 December 2021. Unlike other AQF qualifications, the UC is a 6-month undergraduate short course which is designed to be stackable.

Initiative	Description
	<ul style="list-style-type: none"> • The UC offers learners the flexibility to quickly gain new skills and a recognisable exit point after 6 months, with an option to use what they have learned towards a Diploma, Advanced Diploma, Associate Degree, or Bachelor Degree. <ul style="list-style-type: none"> ○ In late 2021, Skills and Education Ministers agreed to extend availability of the UC as a qualification until 30 June 2025. Ministers also agreed to review the UC by the end of 2024 to inform consideration of its ongoing availability beyond 30 June 2025.
Higher Education Relief Program Commonwealth Grant Scheme (CGS) Guarantee	<ul style="list-style-type: none"> • The 2020 Higher Education Relief Program Guarantee was implemented through Chapter 7, Part 5 ('Higher Education Relief Program') of the Other Grants Guidelines (Education) 2012. • It applied to Table A and non-Table A higher education providers who received ongoing CGS funding. • Specifically, it: <ul style="list-style-type: none"> ○ guaranteed providers' maximum basic grant amount (MBGA) for non-designated and designated courses of study, as well as medical student loading, transition fund loading, and performance-based funding grant amounts ○ did not guarantee short courses funding, which was temporary 'bonus' funding.
Loan Fee Exemption	<ul style="list-style-type: none"> • Under normal arrangements, higher education undergraduate students and vocational education and training students who access FEE-HELP at a non-university higher education provider or VET Student Loans (VSL) to defer their tuition fees are subject to a loan fee of 20 per cent. This loan fee is charged to recover part of the implicit subsidy involved in providing these HELP loans. • In response to the COVID-19 pandemic, the Australian Government provided an exemption from loan fees to help these students continue their study or engage in new study during the pandemic.
HELP Charging Measures	<ul style="list-style-type: none"> • The Australian Government introduced two Higher Education Loan Program (HELP) charges for higher education providers in the 2019-20 Federal Budget: <ul style="list-style-type: none"> ○ an application fee for providers seeking approval, and ○ annual charge for all higher education providers whose students are entitled to HECS-HELP or FEE-HELP. ○ The annual charge was delayed as a COVID relief measure from 1 January 2020 until 1 January 2022 with invoicing of providers to commence in 2023.
Deferral of HELP recoveries	<ul style="list-style-type: none"> • The Australian Government guaranteed 2020 HELP advance payments to higher education providers based on the estimates provided late in 2019.

Initiative	Description
	<ul style="list-style-type: none"> • With enrolments expected to fall due to COVID-19, the repayment of any excess advances could be deferred over the period 2022 to 2029. • This complemented the Australian Government’s CGS funding guarantee, giving providers certainty about their teaching and learning resourcing for 2020.
Tuition Protection Services Levies	<ul style="list-style-type: none"> • Payment of Tuition Protection Service levies were deferred for <i>Higher Education Support Act 2003</i> (HESA) approved and Tertiary Education Quality and Standards Agency (TEQSA) Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) registered providers.
Agreement of International Education Regulators and the Secretary of the Department of Education	<ul style="list-style-type: none"> • An agreement was negotiated by the department with the international education regulators TEQSA, Australian Skills Quality Authority (ASQA) and the Secretary of the Department of Education, Skills and Employment for international students on a student visa to be able to study online, not normally allowed under a student visa. • The international education regulators provided guidance to the sector on how this regulatory flexibility would be applied, and its effect from around March 2020 to 30 June 2023.
Bringing students back to Australia	<ul style="list-style-type: none"> • Significant resources across Australian and state and territory governments were invested to try and bring cohorts of students back to Australia to resume their studies. • The Australian Government provided policy leadership through a set of protocols while state and territory governments and universities were responsible for logistics. • However, access to quarantine facilities was major obstacle and only 63 students returned. • Ultimately, these efforts did offer significant scaffolding strategies and learning opportunities for guiding future returns.
Support for international students	<ul style="list-style-type: none"> • Together with education providers and state and territory governments, the Australian Government provided over \$1.5 billion for a range of measures that targeted the needs of international students while in Australia, including: <ul style="list-style-type: none"> ○ \$200 million in funding for 300 charities and community organisations to help vulnerable members of communities, including international students ○ Affected students could access emergency payments and access to services and food relief, along with specific services, including case work support for temporary visa holders from the Australian Red Cross. The Department of Social Services had a database of those community organisations at https://serviceproviders.dss.gov.au ○ New and extended temporary work opportunities in critical sectors to support students experiencing financial hardship to assist them in gaining employment

Initiative	Description
	<ul style="list-style-type: none"> ○ Ongoing access to mental health and other welfare and support services, and ○ A flexible approach in relation to student visa conditions where COVID-19 and associated travel restrictions have prevented conditions from being met, such as attendance at class.
Travel-Ban Exemption	<ul style="list-style-type: none"> ● A travel-ban exemption was developed for Year 11 and 12 international students to allow them to enter Australia in circumstances that satisfied the Australian Border Force Commissioner. ● The department facilitated an application process from states and territories, based on school-level data that captured evidence of COVID status and compliance by the applying students. ● Sign off was needed by state and territory education departments, Chief Health Officers, and the Australian Government Department of Health before the department provided the resulting list of applicants to the Australian Border Force Commissioner. ● This was the largest single program of exemptions from travel bans during border closures.
Waiving regulatory charges for CRICOS-registered education providers	<ul style="list-style-type: none"> ● The Australian Government waived regulatory charges for CRICOS-registered education providers during the pandemic. 2020 charges were refunded, 2021 and 2022 charges were waived. ● \$47.5 million from 1 January 2020 to 30 June 2021; \$17.7 million from 1 July 2021 to 31 December 2021; \$7.1 million in 2022. ● The waiver covered the Annual Registration Charge and Entry to Market Charges and charges from ASQA and TEQSA. ● Savings varied as different ASQA and TEQSA charges were included in different tranches.
Innovation Fund and the Innovation Development Fund	<ul style="list-style-type: none"> ● The Australian Government delivered the \$9 million Innovation Fund 2021 to support private English-language course providers and private higher education providers. Applicants from these groups were each eligible for up to \$150,000 in relief funding where they could demonstrate the effect of Australia’s border closures where they: <ul style="list-style-type: none"> ○ received more than 50 per cent of revenue from international students in 2019, and ○ had international student revenue decline by 30 per cent or more between 2019 and 2020. ● The Australian Government delivered another \$9 million package through the Innovation Development fund 2021-22, and for which private English-language course providers and private higher education providers could apply for funding relief with criteria similar to those under the Innovation Fund 2021, but where international student revenue had declined by 30 per cent or more between 2019 and 2021.



Initiative	Description
	<ul style="list-style-type: none"> Both packages were administered by English Australia and facilitated capacity development and supported a shift in business models to online and offshore delivery.
Research Block Grants	<ul style="list-style-type: none"> Amendments to the CSG enabled universities to grant extensions to RTP scholarship periods of support where a student's course of study was being materially adversely impacted by COVID-19 restrictions. The Australian Government implemented a number of measures to safeguard the university research sector from the effects of the pandemic, including: <ul style="list-style-type: none"> Allocation of an additional \$1 billion through 2021 RSP funding to assist universities with immediate financial pressures and with recovery from the pandemic. Amendments to the OGG to streamline conditions of grant for the RSP to provide universities autonomy in directing funding to areas most needed to address the challenges of the pandemic. Retention of existing RBG funding arrangements designed to even out volatility in annual allocations that were introduced in 2017, for an additional 12 months, until the end of 2021.

Pandemic impacts

Immediate and short-term impacts

The Australian Universities Accord Interim Report (June 2023) notes that the impacts of the COVID-19 pandemic have increased the pressure on students, academics and professional staff, disrupted enrolments and revenues; depleted financial resources for providers and for the Australian and state and territory governments; intensified short-term demand for domestically produced goods and services in key areas; and forced innovation and adaptation in the delivery of curriculum, research, services and support.

The pandemic had significant impacts on enrolments at higher education institutions. Due to limited social and labour market activity, domestic enrolments increased to a record high in 2021 (an increase of 6.4 per cent from 2019). This trend in enrolments was observed across all equity groups. Anecdotally, the expansion of online mode of delivery for higher education courses appears to have increased accessibility for some of these cohorts. Data also shows higher education students were more likely to study fewer units of study during this time. A trend which has continued into 2022. This decreasing student load results in slower average course completion rates.

By contrast international student enrolments declined by 25 per cent in 2021 (the peak year of impact) compared to pre-COVID levels in 2019. This led to significant declines in revenues and resources, placing greater pressure on services. In April 2020 Universities Australia (UA) initially estimated that COVID-19 could result in revenue decline of between \$3 billion and \$4.6 billion and put more than 21,000 jobs at risk in Australian universities.

In June 2020 UA estimated revenue losses from 2020 to 2023 at \$16 billion. Other analyses undertaken at this time estimated possible revenue losses to 2023 of a similar magnitude.

The pandemic also affected university research operations, including disruption to domestic and international research student enrolments and completions, and restrictions on conducting research, teaching and learning on campus. The full impact of COVID-19 is emerging as more data is collected. Higher education staff data for 2021 shows reductions in staff levels for 'research only' staff were lower than for other job functions in the higher education sector. This appears to reflect measures taken to protect the research skills pipeline. However, higher education student data shows that in 2021 commencing enrolments fell in 'higher degree by research' courses whereas commencements in other postgraduate course types increased.

Data on higher education expenditure and research income demonstrates there has been a decline in growth. ABS Higher Education Expenditure on Research and Development (HERD) data from the beginning of the pandemic show expenditure grew slower from 2018 to 2020 (an increase of \$510 million) than from 2016 to 2018 (an increase of \$1.28 billion). Data on unspent funding and expenditure for research block grants shows that universities spent around \$750 million of the Australian Government's 2021 one-off injection of \$1 billion provided through the RSP to alleviate financial pressures due to the pandemic. Research income data from the Higher Education Research Data Collection demonstrates stability in the ability of universities to conduct research over the pandemic. Research income grew 10.7 per cent from 2018 to 2020 compared 5.5 per cent for 2020 to 2022. The long-term impact of the pandemic on university research will become clearer when 2022 ABS HERD data is available in 2024.

Ongoing or long-term impacts

Following the opening of Australia's borders in mid-December 2021, international student enrolments began to recover slowly over the course of 2022, then grew more strongly in 2023. Since July 2023, year-to-date enrolments have exceeded pre-pandemic levels (in 2019) by 2-3 per cent.

For Higher Education providers, the Australian Universities Accord Interim Report found:

- The COVID-19 pandemic accelerated the steady expansion of online learning.
- Many students with disability studied online or through hybrid options during the COVID-19 pandemic, and participation for this cohort rose over the period, demonstrating the success of these models.
- Student ratings of their study experience have been consistently strong for some time but declined sharply during the COVID-19 closures.
- The COVID-19 pandemic had a significant detrimental impact on the social and cultural life of universities.

Lessons learned and other observations

The flexible nature of research funding enabled universities to direct funds to best address the challenges faced as a result of the pandemic. This ensured the quality of the research training system and of Australian research was maintained, allowing Australian researchers to play a significant role in the early response to the pandemic.

The department's National Collaborative Research Infrastructure Strategy (NCRIS) provided effective support in addressing Australia's research-related COVID-19 challenges. The maturity and depth of expertise in NCRIS was able to swiftly pivot to pandemic priorities, including developing vaccines, informing our healthcare system response, designing treatments, and manufacturing protective equipment for frontline health workers.

Other examples of flexible responses within the research system included:

- The NCRIS-funded Australian Centre for Disease Preparedness at CSIRO entered into a partnership with the Norway-based Coalition for Epidemic Preparedness Innovations (CEPI) to prepare for disease outbreaks.
- In January 2020, a CEPI-led consortium including CSIRO and the University of Queensland started developing and testing potential vaccines, aiming to reduce development time from years to weeks. Using the virus strain developed by the Doherty Institute, Australia was the first research organisation outside of China to generate sufficient stock of the virus to enable pre-clinical studies and research on COVID-19.
- In early 2023, further CEPI and Queensland Government funding was announced to support clinical trials to compare how well the NCRIS-funded Therapeutics Innovation Australia's (TIA) molecular clamp vaccine technology works in a COVID-19 vaccine. The clinical batch of this vaccine was manufactured at the University of Queensland's National Biologics Facility, as part of TIA's capability.