

Submission to the COVID-19 Response Inquiry

January 2024

About ACOSS

The Australian Council of Social Service (ACOSS) is a national voice in support of people affected by poverty, disadvantage and inequality and the peak body for the community services and civil society sector.

ACOSS consists of a network of approximately 4000 organisations and individuals across Australia in metropolitan, regional and remote areas.

Our vision is an end to poverty in all its forms; economies that are fair, sustainable and resilient; and communities that are just, peaceful and inclusive.

Summary

ACOSS welcomes this Government inquiry into the COVID-19 Response and appreciates the opportunity to respond.

While the vaccination rollout was poorly managed, the broader COVID social and economic policy response was a remarkable policy experiment with profound, but sadly not durable, social and economic impacts. The Federal Government took decisive action to provide necessary financial support to people and organisations adversely affected by the pandemic and to preserve employment relationships via the boost to Jobseeker and the introduction of Jobkeeper payments. These two payment systems were largely responsible for the fact that, in stark contrast to previous economic recessions, poverty and income inequality were both sharply reduced during COVID lockdowns. The major weakness in the policy response was the exclusion of around 1 million people (temporary visa holders) from any form of government assistance.

The Treasury estimates that JobKeeper Payments alone preserved between 300,000 and 800,000 jobs, that would otherwise have been lost during lockdowns.¹ In this way, it helped sustain growth in the economy and incomes and avert a prolonged economic downturn. The doubling of Jobseeker transformed lives, especially for people reliant on meagre government allowance payments prior to the pandemic, whose incomes effectively doubled.

¹ Australian Government (2023), *Independent evaluation of JobKeeper Payment*. Canberra.

Major housing policy initiatives effectively eliminated rough sleeping and the moratorium on evictions provided protection from homelessness to many vulnerable tenants.

However, these reforms were largely impermanent, ending before the COVID lockdowns at a time when vaccinations were still largely unavailable. Crisis governance mechanisms should have included active collaboration and regular advice from community leaders and services themselves, to ensure that responses were tailored to the needs of disadvantaged communities and that no one missed out on assistance.

This submission outlines priority recommendations for reforms to improve community preparedness and responsiveness to future health and economic crises. It contains two attachments: (1) a summary of evidence in support of the recommendations and (2) a full list of the large body of work ACOSS produced during the COVID crisis, including research reports produced with UNSW and other external research partners.

RECOMMENDATIONS

Recommendation 11

Future crisis governance arrangements should involve active collaboration at the national level with community leaders and services and leverage existing local community structures and leadership.

Recommendation 2

Governments should regularly and transparently publish disaggregated data on crisis impacts and access to assistance to inform crisis responses as they evolve, including by reference to household income level (where possible) and other appropriate indicators of socioeconomic status.

Recommendation 3

The Federal Government should strengthen the capacity of community health organisations to deliver effective health services, including health promotion and education programs to people and communities experiencing disadvantage. This includes funding the full cost of service delivery and improved contractual arrangements.

Recommendation 4

Given the transformative impacts of lifting the payment during the pandemic, increase JobSeeker, Youth Allowance, Parenting Payment and related income support to parity with pensions (currently \$78 a day) and index these payments in line with wages as well as prices at least twice per year.

Recommendation 5

Ensure temporary migrants with no other means of assistance have access to crisis support and financial assistance.

Recommendation 6

A national wage subsidy scheme should be quickly implemented in pandemics, natural disasters or other national crises or major economic disruptions and sustained for as long as necessary, with the following features:

- A two-tier payment structure for full and part time workers respectively;
- Payment through the employer to sustain the employment relationship;
- A turnover test to assess need for the subsidy;
- Capacity for refund of subsidies by businesses to government where no reduction in turnover occurs;
- A public register of recipient businesses, amounts received, and the profile of workers assisted;
- Provisions that take account of the special circumstances of charities;
- Eligibility that extends to employees with temporary and bridging visas and a wider range of workers employed on a casual basis.

Recommendation 7

Sustained and comprehensive policy responses should be introduced to address longstanding housing issues, including:

- A major boost to homelessness service funding and ongoing effort to eliminate rough sleeping through provision of adequate crisis accommodation with pathways to secure tenancies.
- Further reforms to rental regulation to impose rent caps and strengthen protections from forced evictions.
- A 10-year plan to boost social housing stock benchmarked to housing need.
- A substantial boost to Rent Assistance for private tenants with low incomes to ease housing stress. The supplement should be benchmarked and indexed to actual rents paid.
- A national First Nations housing strategy to boost the stock of community housing, along with a new remote housing agreement, to address housing stress, homelessness and overcrowding in remote communities.

ATTACHMENT 1: Discussion

1. Crisis governance

As part of the response to the COVID-19 pandemic, the In March 2020, the National COVID-19 Coordination Commission (NCC) was established within the Department of Prime Minister and Cabinet to advise the Prime Minister on all non-health aspects of Australia's pandemic response.² The Commission was ostensibly to mobilise a whole-of-society and whole-of-economy effort "to anticipate and mitigate the economic and social effects of the global coronavirus pandemic."³ However, Commission membership was too narrow to facilitate such an effort, with several members directly linked to gas and manufacturing industries at the expense of a truly nationally represented group. The expertise, perspectives and advice of essential and other community services were marginalised from the beginning. Australia's initial non-health policy responses thus skewed to the background and interests of NCC members. Appointees lacked the expertise that could have been gained through the addition of a representative from the community services sector.

In May 2020, the Commission set up a not-for-profit working group to consider government and sector responses to issues affecting the people most vulnerable during the pandemic.⁴ In July 2020, the Commission was repurposed as the National COVID-19 Commission Advisory Board (NCC). The not-for-profit working group remained. However, it was unclear at the time, and remains so now, how the advice of this working group influenced government decision-making, priorities and responses.⁵

As the pandemic progressed over several years, critical voices remained on the outskirts of Federal Government engagement and discussions. Through national challenges such as the impact of public health orders and various lockdowns on communities, vaccination rollout problems and shortages of medical equipment, many voices that could have provided important advice were not heard by National Cabinet. ACOSS wrote to Prime Minister Scott Morrison in January 2022

² Research Branch, Parliamentary Library (2020), *COVID-19 Australian Government roles and responsibilities: an overview*. Parliamentary Library, Canberra. Available: https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1920/COVID19AustralianGovernmentRoles

³ Australian Local Government Association (2020), *National Covid-19 Coordination Commission*. ALGA, Canberra. Available: <https://alga.com.au/national-covid-19-coordination-commission/>

⁴ Michael, L (2020), *NFP working group survives COVID-19 commission shake up* Pro Bono Australia. Available: <https://probonoaustralia.com.au/news/2020/08/nfp-working-group-survives-covid-19-commission-shake-up/>

⁵ Hicks, E (2020), *Private Actors & Crisis: Scrutinising the National Covid-19 Commission Advisory Board*. Governing During Crises Policy Brief No. 4. Melbourne School of Government, University of Melbourne. Available: https://government.unimelb.edu.au/data/assets/pdf_file/0006/3457725/GDC-Policy-Brief-4_Private-Actors-and-Crisis_final.pdf

seeking to remedy the failings in governance structures that genuinely tapped into national expertise by suggesting the formation of “a civil society COVID Rapid Response Group consisting of ACOSS, unions, business peaks and public health experts to work closely with you over the next period in devising and implementing policy responses.”⁶ This proposal sought to address gaps in expertise that National Cabinet failed to draw upon.

The HIV crisis that Australia navigated in the 1980s and 90s showed us that a cohesive leadership plan where all levels of government trusted and listened to the leaders of affected communities is vital,⁷ and this was lacking in much of the COVID governance. It should be noted that, where local community leaders were a part of the COVID response, as in remote Aboriginal and Torres Strait Islander communities, there was generally a successful outcome, as in the prevention of the spread of COVID through these communities in 2020.

Recommendation 1

Future crisis governance arrangements should involve active collaboration at the national level with community leaders and services and leverage existing local community structures and leadership.

2. Health measures

The focus of ACOSS’ pandemic health policy work was on the health and mortality of people experiencing poverty, disadvantage and hardship, including cohorts such as people with disability, people in aged care facilities, people from culturally and linguistically diverse backgrounds, and Aboriginal and Torres Strait Islander people – all of whom were adversely affected.

Pandemic deaths in Australia have followed a social gradient. In 2021, the number of people who died due to COVID-19 was 6 times higher for those in the most disadvantaged quintile than those in the least disadvantaged, according to the ABS index of socio-economic status (SEIFA). This ratio has declined over time to 2.5 times higher in 2023.⁸

⁶ ACOSS (2022b), *Response to address the ongoing COVID-19 crisis in 2022*. Letter to the Prime Minister, all State Premiers and territory Chief Ministers, 12 January 2022. Available: <https://www.acoss.org.au/wp-content/uploads/2022/01/ACOSS-Letter-to-National-Cabinet-Wed-Jan12-2022.pdf>

⁷ ACOSS & AFAO (2020), *Learning from one pandemic to live with another*. Available: https://healthequitymatters.org.au/wp-content/uploads/2020/11/2887_afao_jointAFAO_ACOSS_report_webart.pdf

⁸ Australian Bureau of Statistics (2023), *COVID-19 Mortality in Australia: Deaths registered until 30 September 2023*. ABS, Canberra. Available: <https://www.abs.gov.au/articles/covid-19-mortality-australia-deaths-registered-until-30-september-2023>

People born overseas who died of COVID-19 had an age-standardised death rate 1.4 times higher than that of people who were born in Australia (16.0 deaths per 100,000 people compared with 11.7 deaths per 100,000 people). This mortality rate varied considerably during the pandemic, peaking in 2021 when it was 3.9 times higher. It is now lower (at 13.0) than that of those born in Australia (13.7).⁹

Vaccination

Australia's vaccination rollout has already been the subject of critique and scrutiny. The various issues plaguing the rollout were summarised in *Fault Lines: An independent review into Australia's response to COVID-19*:¹⁰

"The rollout of Australia's vaccination program was afflicted by bad luck, bad communication and bad decisions... The AstraZeneca vaccine was struck down by bad communication from officials and politicians who through their statements unnecessarily magnified concerns over the low risks associated with a vaccine generally regarded as safe and effective. Bad decision-making meant that Australia was too reliant on too few vaccine options. Regulatory approvals were too slow when vaccines had already been approved by the world's most trusted regulators. We reinvented the wheel on vaccine distribution instead of using the existing, proven state-based networks normally relied upon."

Throughout the rollout period, ACOSS was primarily concerned with inequities in ease of access to the vaccination. The social gradient outlined in the previous section can in part be explained by these inequities in the rollout of COVID-19 vaccines, including how and where people could seek a vaccination. The rollout lacked enough investment in community-led health initiatives. The effective rollout in low areas of vaccination was hampered by a lack of enough data on vaccination rates by group or local area. ACOSS emphasised to the Vaccination Taskforce the need for urgent action to address gaps in vaccination coverage, expressing our concerns that certain high-risk groups were not adequately covered by the vaccination efforts.¹¹

ACOSS proposed that priority be given to those at risk, through population-specific and local-level vaccination targets based on public health advice, rather than the national targets for vaccination that were in place. We also urged that data on vaccine availability and rollout be made public in a timely fashion, and

⁹ Australian Bureau of Statistics (2023), *ibid*.

¹⁰ Shergold, P; Broadbent, J; Marshall I; Varghese, P (2022), *Fault lines: An independent review into Australia's response to COVID-19* Available: https://assets-global.website-files.com/62b998c0c9af9f65bba26051/6350438b7df8c77439846e97_FAULT-LINES-1.pdf p 26

¹¹ ACOSS (2022c), *Further urgent recommendations to address the ongoing COVID-19 crisis*, letter to the Prime Minister, Premiers and Chief Ministers, 27 January 2022. Available: <https://www.acoss.org.au/wp-content/uploads/2022/01/270122-Second-Letter-to-National-Cabinet-re-actions-for-Omicron-FOR-MEDIA.pdf>

that vaccination rate data be made available to help formulate the best response, as a targeted vaccination plan would depend on speedy data about vaccination rates.¹²

In July 2021, ACOSS published a set of vaccination principles to inform the next stages for Operation COVID Shield, drawing on the expertise and experiences of community health and other social service organisations in working with at-risk and vulnerable cohorts. This framework is available in the reference list for the Inquiry's consideration.

ACOSS also suggested that home vaccination visits be increased for people unable to travel to receive vaccinations for health, safety and wellbeing reasons. This would serve the dual purpose of helping to alleviate concerns about vaccination through direct interpersonal communication and increasing the vaccination rates. Again, our January 2022 letter to National Cabinet detailed further recommendations to achieve this end.¹³

Recommendation 2

Governments should regularly and transparently publish disaggregated data on crisis impacts and access to assistance to inform crisis responses as they evolve, including by reference to household income level (where possible) and other appropriate indicators of socioeconomic status.

Community-led health initiatives

Where community-led health initiatives were used prudently, rapid feedback was provided to government and other health policymakers about how they could improve the rollout in specific communities, as well as identifying ongoing health risks. Particularly successful initiatives were seen in Aboriginal and Torres Strait Islander communities, communities of people with diverse cultural backgrounds, disability communities and the LGBTQI community.

However, for most of the pandemic, there was insufficient investment in community health services actively working with the at-risk and vulnerable cohorts. Community service organisations were frontline, essential responders, undertaking a litany of tasks, often without adequate resourcing from government. The community sector was too often sourcing medical and vaccine-related supplies themselves or redirecting limited funds out of other essential programs due to lack of government resourcing.

In January 2022, ACOSS wrote to the National Cabinet urging immediate action to better protect people from the ongoing health risks posed by both the

¹² ACOSS (2021), *Vaccination targets & data transparency leave no-one behind*. ACOSS briefing 19 August 2021. Available: https://www.acoss.org.au/wp-content/uploads/2021/08/210819_ACOSS-Briefing_Vaccinations-Targets-and-Data-Transparency_Final-for-Release.pdf

¹³ ACOSS (2022b), *op.cit.*

Omicron and Delta variants. We drew on the extensive, first-hand experience of community service organisations working to ensure people’s health, safety and wellbeing, and detailed a suite of health policies, amongst other proposals. This letter and its recommendations are available in the reference list for the Inquiry’s consideration.

A key element within our proposals was to ensure that community organisations could act as distribution outlets for essential medical supplies and equipment including Rapid Antigen Tests (RATs) and Personal Protective Equipment (PPE), while offering similar support to people unable to leave their home for health reasons. Specific additional investment should have been made in Aboriginal Community Controlled Health Organisations across the country to support the needs of their local populations.

The lack of resources made it incredibly challenging for service providers during the pandemic. They regularly had to cross-subsidise their COVID-19 response programs from other funding sources given the lack of resourcing by government. The chronic under-funding of community health organisations continues and should be actively addressed at the Federal level to strengthen the capacity of community health organisations to deliver vital health services currently and to be prepared for future emergency responses. We refer the Committee to our submission, *A Stronger, More Diverse and Independent Community Sector*, for further information and policy recommendations on these issues (see reference list).

Recommendation 3

The Federal Government must strengthen the capacity of community health organisations to deliver effective health services, including health promotion and education programs to people and communities experiencing disadvantage. This includes funding the full cost of service delivery and improved contractual arrangements.

Sustained effort to combat the social determinants of poor health.

Governments can protect people on low incomes ahead of a future crisis such as COVID-19 by tackling the social determinants of poor health. This will ensure, as much as possible, that people can face such challenges from a more equal foundation. This can be done through systemic measures such as improving income support payments and the provision of adequate housing.

3. Financial support for individuals

Coronavirus Supplement

Introduction of the Supplement

In March 2020, when COVID restrictions were first applied and the border was closed, the total number of paid work hours nationally decreased by 10% and the effective unemployment rate rose from 5% to 17%.¹⁴ 2.7 million people lost their paid work or capacity to undertake paid work almost overnight.¹⁵ It was clear that any economic response must support employers, employees and people without paid work. The Federal Government acted quickly to introduce additional support payments for people without paid work as well as a wage subsidy to keep people tied to their employment. It also removed several barriers to social security including waiting periods and relaxed income tests to expand support for people affected by the lockdowns. By August 2020, the number of people receiving JobSeeker and related payments had increased to 2.2 million.

Despite the relaxation of JobSeeker eligibility criteria, 28% of people who lost their job were ineligible to receive income support payments.¹⁶ People on temporary visas including international students and people seeking asylum, were excluded from income support, despite being locked down in Australia. This remained a significant gap in the Government's policy response which must be addressed.

In addition to the Coronavirus Supplement, the Federal Government provided two separate lump sum payments of \$750 to people receiving income support. The first of these payments went to people receiving pensions, allowances as well as concession card holders in March-April 2020. The second was received by pensioners and concession card holders, who did not benefit from the Coronavirus Supplement. Two additional Economic Support Payments of \$250 were provided to people in the income support system not receiving the Coronavirus Supplement in 2020 and February 2021.¹⁷

¹⁴ Davidson, P. & Bradbury, B. (2022), *The wealth inequality pandemic: COVID and wealth inequality* ACROSS/UNSW Sydney Poverty and Inequality Partnership, Build Back Fairer Series Report No. 4, Sydney. Available: https://povertyandinequality.acoss.org.au/covid-inequality-and-poverty-in-2020-and-2021-2/#new_tab

¹⁵ Australian Bureau of Statistics (2020), *People who lost a job or were stood down: flows analysis, April 2020*. Available: <https://www.abs.gov.au/articles/people-who-lost-job-or-were-stood-down-flows-analysis-april-2020>

¹⁶ ACROSS (2020b), *Taking the Temperature: COVID-19 Update from ACROSS and its members*. Briefing paper 1, 5 June 2020. ACROSS, Sydney. Available: <https://www.acoss.org.au/wp-content/uploads/2020/06/ACOSS-COVID19-Briefing-Paper-Taking-the-Temperature-5-June-2020.pdf>

¹⁷ Australian Government (2020), *Payments to support households: COVID-19 Economic response*. Australian Government, Canberra. Available: https://treasury.gov.au/sites/default/files/2020-10/Fact_sheet-Payments_to_support_households_0.pdf

The major reform, however, was the doubling of income support payments like JobSeeker with the introduction of the Coronavirus Supplement. The swift introduction of the Supplement was transformative in its impact; without the Supplement, it is estimated that poverty would have doubled.¹⁸ It changed the lives of people who were receiving income support prior to the pandemic, who were living well below the poverty line. People receiving JobSeeker told us:

Getting the extra \$550 [a fortnight] has helped me in a lot of ways. Not worrying about when I'm going to eat the next time or falling behind bills and getting kicked out, as after being homeless for 10 years and getting my own flat I never want to go there again.

SAFE, we are safe. We are safe now. Please don't ever force us back to Newstart [JobSeeker]. We won't survive.¹⁹

The Supplement reduced financial hardship and stress, enabled people to eat fresh fruit and vegetables, and pay their bills on time. Women told ACOSS the Supplement enabled them to escape domestic violence. ACOSS also heard from people who could take up education and training that had previously been out of reach because their income was insufficient.

Removal of the Supplement

The Coronavirus Supplement was reduced to \$125 a week on 25 September 2020, then to \$75 a week by February 2021, and finally withdrawn in April 2021. Once the Coronavirus Supplement was withdrawn, the Federal Government permanently increased base rates of JobSeeker, Youth Allowance and related payments by \$25 a week.

While the Coronavirus Supplement had a profound effect on people receiving income support payments by alleviating financial pressure and providing breathing space, this gradual decrease of the Supplement had a damaging effect:

The [removal of the] supplement in many respects was like death of a thousand cuts.²⁰

¹⁸ Phillips, B; Gray, M. & Biddle, N. (2020), *COVID-19 JobKeeper and JobSeeker impacts on poverty and housing stress under current and alternative economic and policy scenarios* ANU Centre for Social Research and Methods, Australian National University, Canberra. Available: https://csrcm.cass.anu.edu.au/sites/default/files/docs/2020/8/Impact_of_Covid19_JobKeeper_and_Jobseeker_measures_on_Poverty_and_Financial_Stress_FINAL.pdf

¹⁹ ACOSS (2020a), *The impact of financial distress on mental health during COVID-19*. Briefing note, ACOSS, Sydney. Available: https://www.acoss.org.au/wp-content/uploads/2020/09/2020_08_28_ACOSS-Briefing-Paper_Impact-of-financial-distress-on-mental-health-re-COVID-19-2.pdf

²⁰ Naidoo, Y; valentine, k; and Adamson, E (2022) *Australian experiences of poverty: risk precarity and uncertainty during COVID-19* Australian Council of Social Service (ACOSS) and UNSW Sydney. Available: https://bit.ly/3AFmXRk#new_tab

At the time, ACOSS recommended that the payment continue until a 'social security system is put in place that keeps everyone out of poverty.'²¹ The prospect of removal of the Coronavirus Supplement was terrifying for many:

I have lost sleep, my mental health has deteriorated dramatically, and I have considered suicide. I don't know if I will be able to survive the lowered rate of JobSeeker. I have been trying to find someone to adopt my cat so that she can be taken care of should I completely lose hope and end my life.

I'm worried about not being able to afford my medication again. I will miss fresh food, and I am not looking forward to being in debt again.²²

The pandemic reinforced the need for a permanent and substantial increase to income support payments such as JobSeeker because the government's swift doubling of the payment in April 2020 all but confirmed people could not live on \$40 a day (the rate of payment at the time). Despite the \$25 a week permanent increase (and subsequent \$20 a week increase delivered in the May 2023 Budget), people receiving these payments continue to be unable to cover basic costs. ACOSS continues to call for JobSeeker, Youth Allowance and related payments to be increased to at least \$78 a day.

Recommendation 4

Increase JobSeeker, Youth Allowance, Parenting Payment and related income support to at least \$78 a day (in line with pensions) and index these payments in line with wages as well as prices at least twice per year.

Recommendation 5

Ensure temporary migrants with no other means of assistance have access to crisis support and financial assistance.

Other financial support measures

Coronavirus support payments

Coronavirus support payments were one-off payments paid to people receiving income support payments. The first one-off payments of \$750 were made in March 2020 and went to all people receiving income support. Three subsequent one-off payments were paid to pensioners, Commonwealth Seniors Health Card holders and others ineligible for the Coronavirus Supplement.

²¹ ACOSS (2020c), *Media release: Extend JobKeeper & JobSeeker to ensure nobody is left behind*. 25 May 2020. Available: https://www.acoss.org.au/media-releases/?media_release=extend-jobkeeper-jobseeker-to-ensure-nobody-is-left-behind

²² ACOSS (2020a), *op. cit.*

COVID disaster payments

COVID-19 disaster payments were introduced in June 2021 following further state-based lockdowns and the end of JobKeeper and the Coronavirus Supplement. Initially, the payments were \$600 a week for people who had lost at least 20 hours a week of paid work, and \$325 a week for those who had lost under 20 hours a week of paid work. The payment was only available to people living in locked-down areas, and people receiving income support were initially ineligible. Changes were made in July 2021 to increase the payment to \$750 a week for people who had lost over 20 hours a week of paid work, and \$200 a week for people who lost at least one day's pay and were receiving income support payments (162,000 recipients). People who had not lost at least one day's paid work still had to survive on the inadequate rate of JobSeeker or related payments while being locked down, which exacerbated financial hardship for many.

JobKeeper

JobKeeper Payment, announced in late March 2020 provided a temporary 'floor' under people's wages while they were unable to participate in paid employment. It was provided via employers who were eligible to claim if they were expecting a significant decrease in turnover. It also importantly acted as a means of keeping employees and employers connected.

JobKeeper was paid at the rate of \$750 a week. This was equivalent to the minimum full-time wage or around 70% of the national median wage. It was paid to eligible employees who, in the four weekly pay periods before the reference period, were employed for 20 hours or more a week²³.

JobKeeper Payments insulated people from income losses, working in tandem with JobSeeker Payments and Coronavirus Supplement to ensure that people both in and out of paid work received some part of the Government's COVID income supports. These two payment systems were largely responsible for the fact that, in stark contrast to previous economic recessions, poverty and income inequality were both sharply reduced during COVID lockdowns.²⁴ The Treasury estimates that JobKeeper Payments alone preserved between 300,000 and 800,000 jobs, that would otherwise have been lost during lockdowns.²⁵ In this way, it helped sustain growth in the economy and incomes and avert a prolonged economic downturn. A proper assessment of its fiscal costs should take full account of the counterfactual – the substantial deterioration in the Commonwealth Budget which a prolonged downturn would bring.

²³ Initially, JobKeeper was crudely targeted due to the need for a speedy implementation, and to make use of the newly-introduced Single Touch Payroll system. Later refinements included making a lower payment per fortnight available to employees who were working fewer than 20 hours a week.

²⁴ Davidson, P. & Bradbury, B. (2022), op. cit.

²⁵ Australian Government (2023), *Independent evaluation of JobKeeper Payment*. Canberra.

JobKeeper payments also supported workers maintaining an ongoing connection with their employers, and in this way differed from similar policies in other countries such as the UK and the US, where income support for workers suspended from their employment during lockdowns (above and beyond unemployment payments) was provided directly by the government as wage subsidies (UK) or tax credits (US) regardless of their connection with their employer. Consequently, there was much more 'churn' in jobs in these countries when lockdowns ended and many more remained out of paid work. As a result, Australia was less impacted by labour shortages in the first few years after COVID lockdowns.

Jobkeeper's major flaw was the exclusion of temporary migrant workers and those with bridging visas and casual workers employed for less than 12 months. These exclusions meant that many thousands of people who could access neither JobSeeker nor JobKeeper were thrown into poverty or destitution, putting considerable pressure on emergency relief services. In future, consideration should also be given to people employed on a casual basis for less than 12 months, since many do have an ongoing relationship with their employer despite their casual status.

Another weakness of JobKeeper Payments was deadweight cost. Many employers who estimated losses and who received the subsidy in the first round, actually sustained their turnover. This ultimately affected public support for the payment. Options to avoid this problem include adjusting payments to changes in employer turnover in real time, or clawing back payments made to employers who did not experience reductions in turnover.

Finally, in our view, the system of Jobkeeper Payments was dismantled too soon. This meant the Government had to hurriedly assemble a new 'COVID Disaster Payment' when the Delta strain of COVID spread later in 2021. The Disaster Payment was paid through the income support system, so did not help sustain people's connections with their employers. A better option would have been to suspend the JobKeeper Payment system but leave the payment infrastructure (and legislation) in place to meet future need.

Recommendation 6

A national wage subsidy scheme should be quickly implemented in pandemics, natural disasters or other national crises or major economic disruptions and sustained for as long as necessary, with the following features:

- A two-tier payment structure for full and part time workers respectively;
- Payment through the employer to sustain the employment relationship;
- A turnover test to assess need for the subsidy;
- Capacity for refund of subsidies by businesses to government where no reduction in turnover occurs;
- A public register of recipient businesses, amounts received, and the profile of workers assisted;
- Provisions that take account of the special circumstances of charities;

- Eligibility that extends to employees with temporary and bridging visas and a wider range of workers employed on a casual basis.

4. Housing and homelessness measures

The initial COVID emergency housing policy innovations prevented a surge in homelessness, effectively eliminated rough sleeping and protected people experiencing homelessness from infection. Eviction moratoriums and rent relief frameworks also provided increased protection for tenants from homelessness and rental stress. The main weaknesses of these responses was their short-term nature and the failure to transition people experiencing homelessness from temporary accommodation into long-term housing.

Emergency accommodation programs successfully housed over 40,000 people and reduced street homelessness, but only temporarily. While the collaboration between government and non-government organisations to house people experiencing homelessness during COVID, the follow-on transition to longer-term housing did not prove as successful in Australia as overseas, especially in the UK. The number of people experiencing homelessness rose again after emergency accommodation ended, exposing the challenges in maintaining support for rehoused people previously experiencing homelessness when government-funded assistance expires.

The income support measures outlined earlier, including JobSeeker and JobKeeper, played a significant role in stabilising the rental sector. The introduction of eviction moratoriums were generally well-received, but rent variation frameworks were criticised due to the uncertainties associated with them.

Mortgage payment deferrals were also introduced, which along with income support, eviction moratoriums and emergency accommodation for those experiencing homelessness contributed to avoiding a housing market collapse.

The eviction moratoriums, rent variations and relief schemes implemented in 2021 were not as robust as those introduced in 2020. Only NSW and the ACT reintroduced restrictions on evictions, whilst rental relief schemes were undersubscribed, potentially due to reliance on federal income support.

The early hopes for significant policy resets to address housing inequalities resulting from the pandemic have largely gone unfulfilled. Housing affordability pressures are now even more acute, indicating a need for sustained and comprehensive policy responses to address longstanding housing issues.

Recommendation 7

That sustained and comprehensive policy responses be introduced to address longstanding housing issues, including:

- A substantial boost to funding to homelessness services;
- A 10-year plan to boost social housing stock benchmarked to housing need.
- A substantial increase in Rent Assistance for private tenants with low incomes to ease housing stress, with the supplement benchmarked and indexed to actual rents paid.
- A national First Nations housing strategy to boost the stock of community housing, along with a new remote housing agreement, to address housing stress, homelessness and overcrowding in remote communities.

ATTACHMENT 2: Key COVID-19 documents

Income support & economy

ACOSS (2020), *Who missed out on access to Australia's safety net under COVID-19* Briefing, 21 April 2020. ACOSS, Sydney. Available:

<https://www.acoss.org.au/wp-content/uploads/2020/04/Who-misses-out-Briefing-ACCESSIBLE-FINAL.pdf>

ACOSS (2020) *Taking the Temperature: COVID-19 update from ACOSS and its members*. Briefing paper 1: 5 June 2020, ACOSS, Sydney. Available:

<https://www.acoss.org.au/wp-content/uploads/2020/06/ACOSS-COVID19-Briefing-Paper-Taking-the-Temperature-5-June-2020.pdf>

ACOSS (2020) *Taking the Temperature: COVID-19 update from ACOSS and its members*. Briefing paper 2, 22 June 2020, ACOSS, Sydney. Available:

<https://www.acoss.org.au/wp-content/uploads/2020/06/ACOSS-COVID19-Briefing-Paper-2-Taking-the-Temperature-22-June-2020.pdf>

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<https://www.acoss.org.au/wp-content/uploads/2020/07/ACOSS-COVID19-Briefing-Paper-3-Taking-the-Temperature-6-July-2020.pdf>

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