The Impact and Implications of COVID-19: An Australian Perspective

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Abstract
This article describes and discusses the spread of the coronavirus pandemic in Australia, its impact on people and the economy and policy responses to these impacts. It discusses the implications of these responses for post-pandemic recovery, though noting that the country’s response to the coronavirus disease 2019 (COVID-19) pandemic has, thus far, been among the most successful in the world. Australia’s early physical distancing measures, relatively high per capita testing rates, political stability, national wealth and geographic isolation are among the explanatory factors. This article summarises Australia’s socio-economic responses to the pandemic and shows what this means, especially, for vulnerable groups, and thereby for social inequality, which the pandemic has aggravated and which may become more apparent, still, as debates about paths to economic and social recovery are in some respects already polarising. Although it is relatively early to clearly identify lessons learnt from these responses, it is safe to conclude that further policy development needs to be carefully focused to avoid exacerbating existing inequalities.

Keywords
Australian responses to COVID-19, post-COVID-19 recovery, COVID-19 social and economic responses, COVID-19 and social inequality

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Introduction

Australia is a liberal democracy using a Westminster form of government. It has thus far been among the more successful developed states in the world, in slowing the spread of the coronavirus disease 2019 (COVID-19) virus (Ritchie & Roser, 2020). There is no single explanation, but the combination of its stable political system, national wealth and geographic isolation may be among the contributing factors. Although jurisdictions like the USA and the UK share some of these attributes, they did not take the early physical distancing measures that may also help to explain Australia’s relative success. However, the social and economic impacts of the pandemic have still been severe and are described in this article.

About 16 per cent of the Australian population is in the epidemiologically most at-risk 65+ age group and 18.7 per cent is in the least at-risk 0–15-year age group (Australian Bureau of Statistics, 2019). A total of 30.30 per cent of the national infection rate was among people who were 60 years of age or more. At the time of writing, 27 May 2020, 90 of Australia’s 93 deaths occurred in this age group, while all other deaths were among persons aged 40 years or more (Australian Government, 2020a). Although 18.7 per cent of the population is in the 0–15-year age group (Australian Bureau of Statistics, 2019), no deaths have occurred in this group (Australian Government, 2020), which is significant in light of debates about the safety of opening schools and childcare centres that are discussed in this article. While public support for governments’ initial physical distancing and economic support measures is significant, this article examines some of the ideological tensions that are emerging in public debates, as Australia considers its post-pandemic recovery. These differences especially concern the roles of taxation, industrial relations policy, income support payments and support for some sectors of the economy vis-à-vis others. Their potential impacts on social development, especially for the exacerbation of social inequities, are discussed, and they follow a detailed description of the virus’ impact and policy responses up to the time of writing.

The Constitution of the Commonwealth divides responsibilities between Commonwealth and State and Territory governments. To facilitate national coordination in responding to the coronavirus pandemic, an extra-constitutional National Cabinet was formed in March 2020 (Prime Minister of Australia, 2020c). The Commonwealth government is presently a coalition between the Liberal and National parties. The Liberal party has both socially and economically liberal elements, as well as a strong socially conservative grouping. The National party is a rural party, combining socially conservative thought, along with an assertive focus on parochial rural and small-town interests. The main opposition party, the Australian Labor Party, was founded by the trade union movement and is social democratic in its contemporary policy outlook.

The Commonwealth government is responsible for national border security. It contributes to public hospitals’ running costs through agreements with the states and territories, which are responsible for the greater part of their funding, and are solely responsible for the administration of the regulatory environment (Australian Institute of Health and Welfare, 2019). The Commonwealth subsidises primary
healthcare through its Medicare scheme. The Commonwealth contributes to the funding of both private and public schools, while public schools are owned, managed and principally funded by the states and territories (Australian Government, 2020b).

One of the most contentious aspects of the coronavirus response has been the safety of opening schools for on-site instruction (as opposed to online learning at home). There are also policy differences among the Commonwealth, states and territories on matters such as retail trading and coronavirus testing policies. In addition, Australia’s multicultural demographic profile is a significant factor in the national response to the pandemic. In 2016, of Australia’s almost 23.5 million population (Australian Bureau of Statistics, 2016), 2.8 per cent was indigenous, and 28.5 per cent was born overseas, with the UK (5%), New Zealand (2.5%), China (2.2%) and India (1.9%) being the largest sources of migration (Australian Bureau of Statistics, 2017). These demographic characteristics require careful consideration as longer-term economic and social policy responses are worked out. Keeping this broad socio-economic and political context in mind, this article is organised into five sections. The first section talks about how the Australian Commonwealth, state and territory governments responded to the COVID-19 pandemic. The second section discusses about the pandemic’s impact on individuals and families, and of its disproportionate impact on certain population groups. The third section summarises governments’ policies and programmes to address the pandemic’s social and economic consequences. The fourth section argues that post-pandemic recovery should focus on comprehensive community rebuilding, grounded in inclusive policy development processes. The final section, raises policy lessons for the future.

**Initial Government Responses**

On 23 January, Australia began screening passengers on flights between Wuhan and Sydney. Within 2 days, Australia’s first four cases of coronavirus infection had been detected (Guardian Australia, 2020a). Various border security measures, including restrictions on foreign nationals entering the country from China, were put in place. On 3 March, a warning against citizens and permanent residents leaving the country for non-essential reasons was introduced (Guardian Australia, 2020a). By 21 March, these border restrictions were extended to all non-permanent residents and non-citizens. The restrictions are expected to be incrementally lifted over several months from an as-yet-unspecified date (Prime Minister of Australia, 2020d). The first known cases of community transmission were detected on 2 March (Guardian Australia, 2020a), and the number of new infections peaked at around 400 on 24 March (Guardian Australia, 2020a). On Friday, 13 March, Australia had 156 coronavirus cases (Guardian Australia, 2020a). The day was distinguished by confusion as governments considered introducing strict physical distancing measures, but they explained them inconsistently and incoherently. Later, that day, the prime minister announced that he had agreed with the premiers
(states) and chief ministers (territories) that from the following Monday, there would be a ban on outdoor gatherings of more than 500 people, but that he would still be attending a rugby league match the following night. The uncertain message that this sent to the public about just how seriously to take the physical distancing measures was quickly apparent. Within hours, the prime minister announced that he would not, in fact, be attending the match (ABC, 2020h). Earlier that day, a decision to abandon an international Formula 1 Grand Prix motor racing event in Melbourne was taken only in a matter of hours before the event was to begin.

The public demand for clear and decisive leadership, especially after the prime minister had been widely criticised for not providing such leadership with respect to the bushfire crisis just weeks earlier, was evident. Clarity and decisiveness did later develop, though there has remained disagreement between the Commonwealth and states and territories over the safety of children attending school (Sydney Morning Herald, 2020). There was disagreement between the Commonwealth and the state of New South Wales over whose responsibility it was for allowing a cruise ship to disembark infected passengers in Sydney on 19 March (The Special Commission of Inquiry into the Ruby Princess, 2020). By 17 April, the ship’s passengers, or persons they had infected, accounted for one-quarter of Australia’s coronavirus deaths (7News, 2020). On 15 April, the New South Wales police launched a homicide inquiry into the ship owner’s criminal culpability. A public inquiry into the full circumstances of the decision to allow these passengers to disembark was also established (The Special Commission of Inquiry into the Ruby Princess, 2020). Both Inquiries are ongoing.

On 18 March, school attendance in Victoria had fallen by up to 50 per cent, to show the depth of public concern. The Commonwealth insisted that this concern was unfounded. Its medical advice was that children are unlikely to contract the virus, and that schools are, therefore, safe (Sydney Morning Herald, 2020). The states and territories, which own and determine how schools will operate, have instead insisted that learning programmes can be followed from home. However, there is anecdotal evidence from schools, and from the wider community, that learning at home is not working well for all students (ABC, 2020k). This, they suggest, is exacerbating socio-economic differentials in school achievement and proving especially disadvantageous for people with pre-existing learning difficulties (ABC, 2020k). It is too early to assess the long-term impact, but schools are preparing to address the expected need for additional learning support, to compensate for the time that has been spent away from school (ABC, 2020k). While providing school-based supervision for children unable to stay at home, the states and territories insisted that schools will operate by distance for as long as they, not the Commonwealth, deem necessary (SBS News, 2020). By 10 May, states and territories had begun planning the resumption of on-campus schooling. For example, in the Australian Capital Territory, it is anticipated that schools will resume such instruction by year level, over 3 weeks, and be fully operational by 2 June (ACT Government, 2020c).

Though the Commonwealth’s insistence that it is safe for children to attend school is consistent with medical advice, the idea that stricter physical distancing measures are required elsewhere may have contributed to public uncertainty about
the reliability of that advice. For example, on 22 March, all bars, clubs, cafes, restaurants, gymnasiums, indoor sporting and entertainment venues and cinemas were closed. Two days later, this list was extended, further restrictions on outdoor gatherings were introduced and the earlier warning against international travel became a ban (Guardian Australia, 2020a). The expectation that indigenous Australians are at greater risk of coronavirus infection, due especially to a higher incidence of comorbidities, saw some jurisdictions take additional protective measures. For example, the Northern Territory with an indigenous population comprising 25.5 per cent of its total of almost 229,000 (Australian Bureau of Statistics, 2016b) was among the first jurisdictions to require people crossing its borders to isolate themselves for 14 days. The measure was introduced on 24 March (ABC, 2020j). The Northern Territory has contained its rate of infection to 30 persons and has recorded no deaths (Northern Territory Government, 2020). Like the Australian Capital Territory, it has recorded no infections among its indigenous population (ABC, 2020a).

From 27 March, citizens and permanent residents returning to Australia from overseas were required to enter 14 days of quarantine in publicly funded hotel accommodation under the supervision of police and public health authorities (Guardian Australia, 2020a). By 29 March, the Commonwealth was still repeating its advice that schools were safe, but in all other cases, no more than two people outside the same household could gather (Guardian Australia, 2020a). The inconsistency seemed only to reinforce public fears about schools’ true safety. By this time, the coronavirus curve was beginning to flatten, and governments became worried about public complacency, and all physical distancing measures remained in place. In addition, the Northern Territory, Queensland, South Australia, Tasmania and Western Australia had imposed restrictions on entry into the jurisdictions from elsewhere in Australia (Guardian Australia, 2020a).

On 6 April, the Australian Capital Territory became Australia’s first jurisdiction to report no new coronavirus cases in a 24 hour period (ACT Government, 2020a). On 30 April, the Territory became the first to record no active cases of the disease, which the chief health officer attributed to physical distancing. However, she cautioned against complacency and warned that physical distancing measures were still in place. She encouraged further testing where necessary and noted, as a point of significant contrast with other parts of the world, that ‘we have the capacity to test anyone who has symptoms, regardless of if they were in contact with people who had COVID-19 or not’ (ACT Government, 2020b). Testing criteria fall under the jurisdiction of state and territory governments. By late April, all were actively encouraging anyone with the slightest symptoms to receive a test, which could be done free of charge. At least in large population centres, these were readily accessible (Australian Government, 2020b).

By 30 April, South Australia had tested 29,000 people per million, while New South Wales, the most populous state with the highest infection and death rates, had tested 28,000 per million. Tasmania, the least populous state, had tested just 6,200 people per million (Guardian Australia, 2020a). By 1 May, and by contrast, the USA had tested 19,000 people per million, and the UK 13,000 per million. India had tested just 654 people per million (Guardian Australia, 2020a). These
data suggest a correlation between Australia’s testing rate and tracing capabilities, and its relatively lower infection and death rates. By 1 May, the Northern Territory, Queensland, South Australia and Western Australia had recorded days with no new infections (Australian Government, 2020a). On that date, 63.5 per cent of infected Australian cases had acquired the disease overseas (Australian Government, 2020a), suggesting that internal containment strategies were effective, at least at this point.

On 8 May, the National Cabinet agreed to a three-stage easing of physical distancing measures with the aim of resurrecting 850,000 jobs by July. However, it was acknowledged that as restrictions are lifted, the number of infections is likely to increase. The risks are to be mitigated by ongoing comprehensive testing. The government’s COVIDSafe mobile telephone application is expected to enhance systemic capacity to trace the contacts of infected persons and make self-isolation a more comprehensive and effective practice (Prime Minister of Australia, 2020f).

COVID-19 and Australian Individuals and Families

An Australian Bureau of Statistics survey found that while a majority of Australians were taking a range of precautions to prevent the spread of COVID-19, two-thirds (68%) remained concerned about their health due to its spread. The same survey showed that in the first week of April, around 12 per cent of the employed population, aged 18 and over, were working more hours than usual due to COVID-19, and approximately 24 per cent were working fewer hours (ABS, 2020a). There was heightened anxiety about personal safety and personal job security. The wider social impacts of COVID-19 flow from these concerns, and in this respect, Australia is similar to other countries.

Figures released on 14 May 2020 revealed that Australia’s unemployment rate had increased to 6.2 per cent in April 2020 as the economy shed 594,300 jobs (Cranston, 2020). A further measure of the pandemic’s social impact was the number of calls received by the 24 hour telephone counselling service, Lifeline. This service received an average of 2,500 calls per day, during the summer prior to COVID-19, when Australia was affected by bush fires causing considerable loss of homes and other property. However, during the last 2 weeks of April, the number of calls received increased to an average of 3,000 per day, which was a 20 per cent increase in call volume. This suggested that around one in four calls were about coronavirus (Medhora, 2020).

At another level, COVID-19 stress is straining familial relationships, and family violence has increased. In late March, an advocacy group ‘Women’s Safety NSW’ surveyed 80 domestic violence frontline workers and service providers, who reported a 40 per cent increase in client numbers since the introduction of statewide isolation measures. The Commonwealth acknowledged the likely increase in family violence by allocating an extra A $150 million to domestic violence support services (Carlton, 2020). Similarly, parent-related disputes in
providing safety and care to Australian children have seen a sharp increase. The Family Court of Australia has reported a 39 per cent increase in parenting-related disputes, while the Federal Circuit Court of Australia has reported a 23 per cent increase. This has prompted special arrangements for the courts to hear urgent parenting-related disputes electronically. The Family Court has also noted advice from the Women’s Legal Services of an increase in the number of enquiries related to parenting matters (Family Court of Australia, 2020).

The COVID-19 lockdown coincided with a sharp increase in alcohol consumption. A national YouGov Galaxy poll commissioned by the Foundation for Alcohol Research and Education (FARE) revealed that 20 per cent of Australians purchased more alcohol, and 70 per cent of them were drinking more alcohol than usual. One-third were now using alcohol daily. One-third of the people who purchased more alcohol were concerned about their own drinking, or that of someone in their household. About 28 per cent reported that they were drinking alcohol to cope with anxiety and stress (FARE, 2020).

Legislation in New South Wales, granting the Commissioner of Corrective Services the power to release low-risk prisoners on parole to prevent prison overcrowding, is expected to increase stress-related domestic violence. New arrangements relating to apprehended domestic violence orders also potentially extend the time that perpetrators and victims of domestic violence would remain together at home. Both measures were anticipated to have significant implications for the safety of Indigenous households because of the disproportionately high number of Aboriginal men in the prison population (Klower, 2020).

**COVID-19 and Its Unequal Impact**

While reported figures do not show significant differences in infection rates across class, race or gender, there is other evidence that COVID-19’s effect has differed across social groups. People who were already poor, unemployed or underemployed, with high levels of existing debt, suffering homelessness, or facing existing difficulties with access to health and social services, and people with disabilities, were likely to be further marginalised by increased vulnerability to both physical and mental illness (Friel & Demaio, 2020). At the same time, Philanthropy Australia (2020) argued that economic considerations threatened not-for-profit organisations and charities, and their capacities to assist. As demand for their services increased, the pandemic diminished their ability to fundraise.

People from different cultural backgrounds are being differently affected by the pandemic. The multi-ethnic and multilingual broadcaster, SBS, reported people being misguided by rumoured treatments of no proven effect, for example, using salt water, garlic, vitamins and whiskey as home remedies. Others were reported to be using traditional medicines, and some religious sects were made to believe that devout religiosity would offer protection from the virus. They could, they believed, ignore government public health advice and regulations (SBS, 2020). SBS argued that public information campaigns in languages other than
English have been insufficient and inadequate. Better, culturally targeted information would, therefore, support public messages about hygiene and physical distancing, for example (SBS, 2020). COVID-19 also instigated an increase in complaints of racism to the Human Rights Commission. One-third of all complaints since the beginning of February have been related to the virus. These included complaints of verbal and physical abuse, and vandalism (Human Rights Commission, 2020), with Chinese people especially targeted and, consequently, suffering insecurity, fear and mental ill-health (Fang & Yang, 2020).

International students and temporary visa holders were excluded from emergency COVID-19 economic assistance measures. The prime minister proposed that they should return to their home countries if they were not able to support themselves in Australia (ABC, 2020c). However, by this time, international borders were closing, and options to return home were diminishing. These temporary residents of Australia were forced to stay in the country with no money for basic necessities. Their plight attracted a national debate that Australia should extend particular consideration to international students and temporary visa holders who are significant contributors to the Australian labour force and economy. For example, international education contributed $37.6 billion to the Australian economy in the financial year up to June 2019, and supported 240,000 jobs (ABC, 2020b). The exclusion of international students and temporary visa holders from public financial support may have been partly to minimise the imposition on the Commonwealth budget, but it also played into a nationalistic ‘Australia first’ rhetoric that the prime minister employed for broader political reasons. Many multicultural groups, universities, churches and charities have, instead, provided financial support (SBS Radio, 2020).

In addition, the distribution of access to the Internet and other digital technologies is an important measure of social equality. They are important means of access to government services, from applying for unemployment benefits to online schooling. However, access to these technologies is not universal. For example, Barraket and Wilson (2020) surveyed 400 Western Australians experiencing entrenched disadvantage. They found that only 56 per cent of the respondents had access to the Internet at home. One-third of these had no access because they could not afford it. This survey also found that people with mobile-only Internet access, which typically includes those with lower incomes and people experiencing homelessness, were less digitally active than the population as a whole. The survey indicated that nearly half of those in urgent need of assistance due to COVID-19 were at risk of being excluded from government services. It found that the NGOs working with those surveyed also had difficulties with the cost of access to digital technologies.

People with unstable or no housing were heavily exposed to the virus with no place for self-isolation and inadequate access to proper sanitation such as hand-wash and disinfectants, and food and medical supplies. Some international visitors and backpackers were similarly exposed (Australian Housing and Urban Research Institute, 2020). Crisis accommodation was unsuitable due to the risk of overcrowding and lack of space for physical distancing. Physical distancing requirements may also have made couch-surfing unviable—the practice of
homeless people moving from one temporary home to another. The report predicted that these peoples’ limited housing options may force them into rough sleeping with its associated risks. These risks are, however, mitigated for some people through government provision of temporary hotel accommodation. Though it does remain that the pandemic’s greater impact on some groups of people vis-à-vis others is a significant issue that requires ongoing policy consideration.

**Economic and Social Responses**

At the Commonwealth level, the government and opposition have co-operated on short-term social and economic support measures. However, their philosophical differences are becoming apparent with respect to longer-term measures. The post-coronavirus recovery is resurrecting previous ideological debate over taxation and employment relations policy, in particular. Unemployment is estimated to peak at 10 per cent in 2020 and gradually reduce to around 6 per cent over the next 2 years (Reserve Bank of Australia, 2020a). This increase in unemployment even though there are examples of demand for labour actually increasing in some sectors of the economy. For example, in late March, ‘panic buying’ of essential products like toilet paper and pasta saw supermarket trade and employment increase (ABC, 2020i). Health sector employment increased, and demand for community services increased, including to support refugees and migrants unable to access public unemployment benefits (ABC, 2020i). On 19 March, the Reserve Bank cut the official cash rate to 0.25 per cent (Reserve Bank of Australia, 2020b). However, stimulus measures of this kind take time to achieve material impact, and at this level, there is little room for further monetary policy measures.

In anticipation of significant increases to the rate of unemployment, the Commonwealth, which is responsible for income maintenance, renamed the unemployment benefit (previously called Newstart) the JobSeeker Allowance, and it temporarily doubled its value to $1,115.70 per fortnight (Prime Minister of Australia, 2020e). Loans for small- and medium-sized businesses were also announced, as part of $66 billion package, which the Opposition supported. The JobSeeker subsidy was a significant policy measure because the Coalition had long resisted lobbying from both the welfare and business sectors to increase the unemployment benefit (Guardian Australia, 2019).

The Coalition’s position was also rationalised by the objective of restoring the Commonwealth Budget to surplus. Its capacity to achieve such an objective was presented as a sign of its economic management credentials. It drew a contrast with the former Labor government, led by Kevin Rudd, which had consciously allowed a budget deficit to support stimulatory measures in 2009 in response to the Global Financial Crisis (Sydney Morning Herald, 2009). In its 2019 Budget, the last before the coronavirus pandemic, the government had forecast the first surplus in more than 10 years (Budget, 2019–2020). In the December 2019 quarter, the Australian economy grew by 2.2 per cent (ABC, 2020d), and further
growth was forecast on the strength of personal income tax cuts beginning in 2018–2019, but not taking full effect until 2024 (Budget 2019-2020, 2019). Parliament had also appropriated $100 billion for infrastructural investment (Frydenberg, 2020). There is an argument for bringing forward these tax cuts. On the other hand, the question of whether they would stimulate sufficient economic growth to offset their cost to government revenue is a contested point. The Australia Institute, a social democratic think tank, estimates that it would take at least 21 months to recover from the 10 per cent economic contraction that the Reserve Bank predicts (Bennett, 2020). In contrast to the government’s traditional policy thinking, Stiglitz (2020) argues that significant cuts to welfare spending and labour market deregulation would, instead, have a recessionary impact. The Coalition has long favoured fewer employment protections and a regulatory environment less favourable to collective organisation by trade unions. However, it has not actively pursued this ideological preference since 2007 when public objections to its Work Choices policy contributed significantly to its defeat in that year’s election. Though early in the pandemic response, pronouncements by the prime minister (2020e) and treasurer (Frydenberg, 2020) suggested further labour market deregulation as a possible policy response—the argument being that minimising the costs of labour and making it easier to dismiss workers remove disincentives to contract new staff.

Although the treasurer proposed that labour market flexibility did not mean reducing wages, and on 26 May the prime minister foreshadowed a co-operative approach to industrial relations reform, involving business and trade union interests (Prime Minister of Australia, 2020a), this is inconsistent with the Coalition’s long history of support for a regulatory environment to suppress wage growth and curtail the collective bargaining capacities of working people. Though it is still correct to argue that: ‘The whole economy is a complex ecosystem and if we get one part of the economy back working, that will create jobs in another part’ (Frydenberg, 2020). Stiglitz (2020) also argues that reductions in company tax rates, as a further policy response, would not be stimulatory as the government and Reserve Bank argue, but it would add to the budget deficit without providing sufficient benefit. He argues that reducing tax rates, as an incentive for private sector investment, will also be ineffective because wider economic uncertainties mean that investment carries significant risk. Stiglitz (2020), instead, proposed that ‘well-targeted’ government spending is a more efficacious policy response. This spending could, for example, include maintaining the JobSeeker coronavirus supplement as a permanent measure.

Resurrecting the tourism industry is a matter of significant priority in terms of resurrecting jobs. Discussions between the Commonwealth and the New Zealand government are well advanced on the development of a trans-Tasman COVID-safe travel zone, which is expected to allow the movement of people and goods between the two countries much sooner than it is safe to resume travel to other destinations (Prime Minister of Australia, 2020b). This arrangement is possible because Australia and New Zealand both took early and decisive social distancing measures to minimise infection rates. They have been similarly successful, have advanced public health systems, and comprehensive testing and tracing measures.
The Trans-Tasman travel initiative is expected to have significant benefit for the aviation and tourism industries of both countries and facilitate trade with Australia’s sixth largest trading partner (Prime Minister of Australia, 2020b). Tourism from New Zealand contributed up to $2.6 billion to the Australian economy in 2019 (ABC, 2020g). There is also a benefit to social cohesion and familial relationships, as 570,000 New Zealanders live permanently in Australia (Australian Bureau of Statistics, 2020a), and 70,000 Australians live permanently in New Zealand, while tending to maintain close connections with their home countries.

Local economic development and business support initiatives are also important. There is co-operation among Commonwealth, state and local government to support economic recovery at the local community level. For example, in Cairns, a warm temperate region of approximately 150,000 people in northern Queensland, an Economic Response and Recovery Committee has been established to make recommendations to the three tiers of government on stimulus measures and on a series of business survival initiatives. These measures are focused on immediate and targeted financial support (Cairns Regional Council, 2020). The Cairns Business Survival Initiatives include the recommendation to remove restrictions on student visa holders’ ability to work. This proposal not only supports individuals but also realises the economic benefits of their remaining in Australia to resume studies once it is safe (Cairns Regional Council, 2020).

Education is Australia’s third largest export earner, and due to travel restrictions, several thousand students were unable to return to the country to begin their studies at the beginning of 2020. The higher education sector is unique as one that the government has not sought to protect, even though it is estimated that nationally, the coronavirus puts 21,000 jobs at risk, due to a projected revenue decline of between $3 billion and $4.6 billion (Universities Australia, 2020). The Government’s argument is that universities have sufficient cash reserves to manage the impact without further government assistance (ABC, 2020b). The Commonwealth has not agreed to university and Opposition requests for significant financial support, and the role of higher education in Australia’s economic recovery is likely to remain highly contested. Manufacturing, too, has progressively declined as governments have tried to diversify the economy and develop export industries in place of the heavily subsidised manufacturing sector. COVID-19 has introduced new arguments in favour of higher levels of domestic self-sufficiency, and the Commonwealth Treasurer has argued that impediments to manufacturing, in terms of costs of production, can be addressed through labour market flexibility, reducing taxation and cutting ‘red-tape’ (Frydenberg, 2020).

The hospitality industry, with its disproportionate employment of people on relatively low incomes, is a particular focus of the government’s three-stage plan for the withdrawal of physical distancing measures (Prime Minister of Australia, 2020f). However, there is a fear within the hospitality industry that opening and then having to close, should restrictions need to be re-imposed, would do permanent damage to an industry with very low profit margins. Confidence within the industry is low, and the social distancing measures that restaurants, for
example, will be required to observe during the three-stage plan may compromise their viability. Restaurants unable to open because they cannot operate at full capacity will not be making the contribution to economic recovery that is needed to support the resurrection of 850,000 jobs.

Assuming that there is no second wave of coronavirus infections, the next significant test of the virus’ economic and social impact will occur in October when the JobSeeker supplement is scheduled to be withdrawn, with the level of the unemployment benefit returning to $550 a fortnight. This reduction will be significant not only for the livelihoods of the recipients but also for its broader economic impact of reducing the spending capacity of a group that is forecast to be as large as 10 per cent of the working-age population (Reserve Bank of Australia, 2020a). The government is similarly considering an early scaling back of its JobKeeper scheme, which pays $1,500 a fortnight to workers who stood down from employment on the assumption that this will leave them ready to resume work in the same employment once it is safe. At the global level, Australia successfully lobbied for an independent inquiry to trace the origin of the virus. Whether its motivation was for public health alone, or intertwined with wider political concerns about its relationship with China, is unclear.

The post-coronavirus policy settings that are finally settled upon by the government are looking as though they will reflect a complex mix of ideology and pragmatism and are likely to provide the issues on which the next national election is contested.

**A Community Rebuilding Approach to Recovery**

While managing the immediate economic impact of COVID-19, Australia is also preparing for the longer-term task of rebuilding its communities. Australia’s infection and death rates are low in relation to all other developed countries. Its daily rates of new cases are in the low double figures or even single digits, which indicates minimal community transmission (Sivey, 2020). The Australian population has, generally, been willing to support physical distancing measures in ways that are not evident in the USA, for example. Continuing to nurture Australia’s collective sense of community well-being contributes to its preparation for recovery from COVID-19. Policy responses may need to prioritise the needs of vulnerable population groups that have been disproportionately affected by physical distancing measures and may struggle to recover from the sociocultural, health, educational, economic and digital disadvantage that the pandemic has exacerbated. Involving all population groups in policy planning is especially important from a social development perspective (see Midgley, 1995, 2014; Midgley & Pawar, 2017; Pawar, 2014).

On 14 May, the United Nations (UN) urged the international community to do much more to protect people facing mental health pressures due to COVID-19. The UN noted that psychological problems such as depression and anxiety were significant causes of misery. It estimated an increase in levels of distress based on
a survey where 35 per cent of the respondents in China, 60 per cent in Iran and 45 per cent in the USA reported high distress due to COVID-19. Much higher levels of depression and anxiety than usual were recorded in Ethiopia (United Nations, 2020). Australia is not an exception to this global trend. In response, Australia has developed a streamlined system for delivering mental health services through GPs and NGOs. The Commonwealth has complemented existing arrangements with the creation, in May, of an additional deputy chief medical officer position, with particular responsibility for mental health. Ideally, this appointment will support better policy co-ordination and the timely targeting of public funds to people of greatest need.

Just prior to the pandemic’s outbreak, more than 200 not-for-profit organisations jointly prepared a major report as part of Australia’s Universal Periodic Review by the UN Human Rights Council. It highlighted social and economic inequalities as significant human rights concerns for Australia. It argued that health and education systems were strained, and that structural economic inequalities caused severe vulnerability among some population groups. Australia, therefore, faces the pandemic with a compromised human rights record (Human Rights Law Centre, 2020). This report is a stark reminder for Australian policymakers of the need for public policies to diminish vulnerability as part of the COVID-19 recovery.

The Commonwealth has established $1 billion COVID-19 Relief and Recovery Fund to support regions, communities and industries such as agriculture, fisheries and tourism, which have been disproportionately affected by the pandemic. It has formed a National COVID-19 Coordination Commission, comprising a government-appointed panel of business leaders and bureaucrats charged with facilitating the fastest possible recovery (ABC, 2020e). The Commission’s purpose is to support economic recovery through business development and job creation. However, it is equally important for there to be a systematic policy focus on the social recovery of individuals, families and communities. Without a quality human resource base, no economic recovery will be complete and successful. Policy development needs to be inclusive, focused on people and communities and their comprehensive social development and security, respecting Australia’s cultural diversity and paying particular attention to health, housing, education, employment, access to digital technology and adequate income support as the labour market is anticipated not to recover fully from the pandemic for some time.

Conclusions and Lessons for the Future

In conclusion, it is important to admit this article’s limitations—first, its primarily descriptive nature, which is due to the pandemic’s status as a new and rapidly evolving policy crisis; second, the authors are aware that a more analytical and theoretically informed explanation of responses to the COVID-19 pandemic issue is needed once more clear and complete data are available; and, third, and similarly, it is devoid of any theoretical explanation or theorisation of the issue
which, at this early point in the recovery phase, is not the purpose of this article. However, this article does provide a comprehensive overview of the virus’ impact and government responses to the time of writing. It provides a contextual background from which deeper empirical and theoretical analysis may develop as the collection of the necessary data becomes possible, and as longer-term policy directions become clearer.

Australia’s early physical distancing measures, stable political system, relatively high national wealth and geographic isolation may have contributed to Australia’s relative success in managing the COVID-19 pandemic. Widespread public support for physical distancing measures and government’s financial support for individuals and businesses afflicted by the pandemic meant that these measures could be quickly put in place. The institution of a National Cabinet to co-ordinate co-operation and policy coherence among the Commonwealth, states and territories was also important. On the other hand, confused and inconsistent communication, especially in the early stages of the pandemic, detracted from government efforts to manage its responses. Inadequate material in languages other than English also compromised public communications.

The pandemic has exacerbated existing social inequalities, highlighted public racism and a possible over-reliance on some export industries. There is also a risk that complacency will heighten the possibility of a second outbreak of the virus. Polarising debates on the policy choices that Australia should take to rebuild its economy and society are also likely, though the prime minister’s late attempt to manage differences in industrial relations may also moderate the scope and impact of policy change. It is democratically important that these debates occur, but social cohesion requires strong community engagement and participation as policy responses are developed.

The demands that the pandemic has placed on charities and other social services show the importance of a strong service sector, grounded in community connectedness, able to operate flexibly and responsively to unexpected developments. Measures to reduce social inequality through secure employment are likely to be juxtaposed against measures to contain the costs of employment in forthcoming policy debates. It is important that the social costs of insecure employment and underemployment are fully considered, especially in those sectors of the economy most affected like tourism and higher education. The impact of the withdrawal of the JobSeeker and JobKeeper schemes while unemployment remains high will also exacerbate social inequality, and there is an argument for reconsidering the plan to withdraw these schemes in September 2020.

Disparities in access to digital technologies have increased people’s vulnerability, and this needs to be addressed, to foster social cohesion and participation in the longer term. The incidence of racism that the pandemic has drawn out requires proactive and long-term measures to cultivate and sustain a harmonious multicultural society. The pandemic has increased demands on mental health services, and strengthening systemic capacity in this area is also important.

Australia is well placed than almost any developed country to rebuild its society and economy. However, the social and economic consequences of the
COVID-19 pandemic have still been extreme, and the policy choices that are made in coming months will have long-term impacts across all areas of social and economic life, including the wide-ranging aspects of social equality and cohesion that this article has discussed, particularly with reference to certain vulnerable groups.

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