



Submission to Economics and Governance Committee

Inquiry into the Queensland Government's
economic response to COVID-19

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submission

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Introduction

The Queensland Nurses and Midwives' Union (QNMU) thanks the Economics and Governance Committee for the opportunity to make a submission to the inquiry into the Queensland Government's economic response to COVID-19.

Nursing and midwifery is the largest occupational group in Queensland Health (QH) and one of the largest across the Queensland government. The QNMU is the principal health union in Queensland covering all classifications of workers that make up the nursing and midwifery workforce including registered nurses (RN), midwives (RM), nurse practitioners (NP) enrolled nurses (EN) and assistants in nursing (AIN) who are employed in the public, private and not-for-profit health sectors including aged care.

Our more than 63,000 members work across a variety of settings from single person operations to large health and non-health institutions, and in a full range of classifications from entry level trainees to senior management. The vast majority of nurses in Queensland are members of the QNMU.

This year, 2020 will be dedicated to celebrating the *International year of the Nurse and the Midwife*, in celebration of the 200th year anniversary of the birth of the founder of contemporary nursing, Florence Nightingale. The World Health Organisation (WHO) nominated nurses and midwives for their invaluable contribution to healthcare and to highlight the need for a strengthened nursing and midwifery workforce to achieve sustainable development goals (SDG) and universal health coverage. The QNMU is proud to embrace this opportunity to invest in the nursing and midwifery professions, particularly the investment into minimum safe staffing ratios and skill mix across all health sectors.

The COVID-19 outbreak has caused not only a public health crisis, it has had an economic impact on the lives of all Australians. How the economy is affected will depend on the responses and measures taken to address the arrival, spread, control and prevention of the virus in partnership with recovery measures and how best to limit the economic fallout.

We acknowledge that this inquiry while looking at the Queensland government's economic response to COVID-19 is impacted by the federal government's economic initiatives rolled out during the pandemic, which directly impacts Queenslanders. Therefore, we have not looked at the Queensland government's economic response in isolation but as a part of a larger economic reform triggered to the COVID-19 pandemic.

The QNMU believes this is an opportunity to build an economy that works for everyone. How this will look will be determined by the responses of state and federal governments and businesses, communities, unions and individuals.

Recommendations

The QNMU recommends the Queensland government:

- Restrain from taking austerity measures as part of its economic response to the pandemic.
- Encourage and assist local manufacturing to strengthen the resilience of supply chains.
- Ensure nurses and midwives and other key stakeholders are involved in discussions about future stores of personal protective equipment (PPE).
- Evaluate the state's preparedness in responding to this pandemic and for future pandemics.
- Adopt policies to actively reduce rates of casual employment to decrease impacts of events like a pandemic.
- Apply a gender lens to any stimulus package and policy interventions to ensure pink-collar workers are not disadvantaged but are supported.

General comment

There is no denying that Australia and Queensland are doing well within the global COVID-19 context, with the infection rates and fatality rates being much lower than was modelled and are much lower than most other countries in the world. This significant achievement can be shared between the action of the government, both state and federal, and the Australian people.

However, governments the world-over have scrambled to mitigate the recessionary impact of COVID-19 by releasing economic stimulus packages. Unprecedented federal government financial support in the form of JobKeeper, JobSeeker and other initiatives have been introduced to help support businesses and individuals.

The Queensland government's *COVID-19 Economic Recovery Strategy* saw \$6 billion committed in initiatives to support the states' businesses and local jobs including various concessions for businesses. With *the Roadmap to Easing COVID-19 Restrictions* providing the steps to keep the economy moving. Like other governments, the Queensland government must juggle starting the economy while ensuring the public healthcare system is strong enough to respond to COVID-19 cases if there are further outbreaks. The imperative is now moving to not only saving lives but saving livelihoods (Cadena et al., 2020).

Economic impact

With the outbreak of the virus came severe restrictions on movement and everyday freedoms which in turn saw businesses closing in industries including tourism and travel, education, food and beverage, retail, the performing arts and exports. It is those workers whose income relies on these industries who have largely felt the economic blow from the pandemic. Many have become unemployed, working reduced hours or are now tethered to their employer through the JobKeeper scheme. And it is also these industries who generally pay lower than average wages and are more likely to employ casual workers (Melbourne Institute, 2020).

One group bearing the heaviest cost of the pandemic is predominantly the younger generation. A report (AI Group) from 2018 revealed that three-quarters of workers under 20 were employed casually, 42% of those in their early 20s and 18% of those in their late 20s or early 30s. It is this generation of workers who are over-represented in the sectors that have been hardest hit by the pandemic. The QNMU supports casual workers and workers who are in low paid or insecure work and we ask the government to adopt policies to actively reduce rates of casual employment.

Further, female workers are also being drastically affected by the pandemic with more job losses and hours cut to female workers than male workers (Australian Bureau of Statistics, 2020). And this is unfolding at the same time as the government announces subsidies for the construction industry, a predominately male industry, and cutting the JobKeeper for the childcare industry, a predominately female sector. We strongly urge the government that with any stimulus package and policy interventions there must be a 'gender lens' to ensure so called pink-collar workers are not disadvantaged but are supported.

The economic effects of the COVID-19 pandemic have not been uniformly felt by Queensland's population. Those who were already disadvantaged such as being employed in precarious employment, have high levels of existing debt, are experiencing homelessness or have poorer access to healthcare have felt the impacts of the pandemic the most (Friel & Demaio, 2020).

Early research is already indicating that the number of school and pre-school children experiencing employment stress in the family has more than doubled as a result of COVID-19. Regions in Queensland that have been the hardest hit with the number of children likely to be experiencing employment stress include Townsville, Biloela, Gold Coast, Gold Coast Hinterland and Brisbane's inner-west (Mitchell Institute, 2020). Worryingly, children who were not considered as vulnerable pre-COVID-19 are now 'at risk' due to parental job or income loss (Mitchell Institute, 2020).

The QNMU supports measures introduced by the government that support participation of our lowest income households. This assistance not only benefits these individuals but so does society and the economy. Programs such as the Jobseeker supplement which saw the increase of the 'Newstart' payment and free childcare have provided economic relief and calls for these arrangements to continue post COVID-19 should be addressed.

Disappointingly, the federal government decided the fee-free childcare relief package introduced during COVID-19, would cease in mid-July. The ramifications of this decision will hurt families who were already struggling to pay childcare fees before the pandemic but there will undoubtedly be more families who will struggle financially due to the pandemic. This will then flow on to families who will be forced to reduce paid work to stay at home to care for children.

At the same time as the government announced free childcare to cease, so too the JobKeeper payment scheme would cease for those workers employed in the childcare sector. This group is predominately female and among the lowest paid workers in Australia. While these effective initiatives were quickly introduced during the pandemic, the return to old ways will put strain on the childcare industry, families and the economy. Simply put, you can't get a job if you can't get childcare.

Unfortunately, the federal government's JobKeeper scheme did not extend to casual workers. We therefore applaud the Queensland government's hardship payment for casual workers who were not covered in the JobKeeper scheme. The payment scheme will also extend to casual workers who do not have access to sick leave and who test positive to COVID-19.

The QNMU also believes consideration must be given to the economic recovery of Indigenous communities and Indigenous organisations. This may be in the form of income support programs which will assist in revitalising Indigenous communities through supporting local businesses and improving health and wellbeing and through increasing Indigenous financial education programs (Centre for Social Impact and First Nations Foundation, 2020 & Group of Eight Australia, 2020). We unreservedly support working in partnership with Aboriginal and Torres Strait Islander peoples in identifying the actions needed to ensure full recovery from the pandemic.

We acknowledge that there are considerable lags in data as to be able to gain a full understanding of Queensland's economic situation due to COVID-19. However, a picture is already emerging of the economic impact including:

- The percentage of wage reduction has shown that from mid-March to early May, Queensland saw net job losses of 6.1%.

- New job ads
 - The previous months have shown a large decline in new job ads, falling by almost 30% (-29.6%) in Queensland in March 2020, making Queensland one of the top three states in contributing in Australia's overall decline in job ads (SEEK, 2020a).
 - Then in April 2020, new job ads fell by almost 49% (-48.2%) in Queensland (SEEK, 2020b).
 - However, during the fortnight ended 24 May, there was an increase in job advertising with Queensland up by 55.4% (SEEK, 2020c).
- With the federal government allowing early access to superannuation, an estimated number of superannuation withdrawals in Queensland was 168,067 (Cavanough, 2020).

These figures are sobering. However, we must look ahead post-September when economic assistance by the federal government is due to end. The stress on families and businesses due to the withdrawal of this support will cause anxiety. Decisions and actions determined now will go some way to alleviating this pain. The priority must be to preserve jobs and encourage employers to hire. Further, we must ensure the price paid for the implementation of these financial measures is not passed on to the principle 'victims' of the pandemic, namely, the unemployed or the lower paid people in our workforce.

Supply chains

The COVID-19 crisis has shown vulnerabilities in our manufacturing supply chains with significant disruption being experienced. Nowhere more evident was in the shortage of personal protective equipment (PPE) used by nurses and midwives and other health practitioners. The surge in demand highlighted how insecure the supply of PPE is. This under-preparedness caused anxiety and stress for many and highlights the need for nurses and midwives and other health practitioners to work with government and health services to ensure future stores of PPE are retained and fit for purpose for future emergency events (Schwerdtle, et al., 2020).

Dr Stephen Duckett from the Grattan Institute (2020) suggests that as part of any supply chain reform, states should consider:

- Giving a greater price premium to local supply and manufacture.
- Rewriting supply contracts to increase obligations on supplier to ensure continuity of supply.
- Increasing product standardisation across the health system to allow easier substitution of products and to reduce the cost of inventory.
- Increasing flexibility by spreading the supply chain across more than one supplier.

A positive initiative in response to the pandemic was implemented by the Queensland government where supply chain support and manufacturing opportunities allowed businesses and industries to connect with potential local suppliers to obtain materials and supplies. This initiative has improved national sourcing and allowed for easier access of equipment and supplies.

Domestic manufacturing will protect the state from future shortages of equipment and goods. With consumers wanting visibility of the supply chain and wanting to support purchasing from local businesses this would seem to bolster the push for manufacturing closer to home. Governments could strengthen this by reviewing their procurement process to favour the purchase of locally sourced products as both an economic stimulus measure and to enhance supply chain integrity and reliability.

Healthcare

The cost of the COVID-19 pandemic is devastating with the United Nations (2020, March 9) reporting the impact on the global economy is likely to cost at least \$1 trillion in 2020. For some countries the cost to the economy will be compounded due to the many years of underfunding their public health system. The United Kingdom is an example of the catastrophic impact on the community and health system due to underfunding of the National Health Service (NHS). The central strategy of austerity in trying to force each trust in the NHS to become more efficient by cutting their funding has led to the government promising additional funding to combat the pandemic and repair the damage done by these measures. This approach of myopic underfunding the public health system is counter-productive and misplaced.

In planning the recovery phase post COVID-19, governments must view the funding of public services such as health and education as vital investments and not an expenditure (Productivity Commission, 2017). Proper funding of universal health services underpins a vibrant and productive economy as well as being essential to ensuring social cohesion and fairness. As part of the Queensland government's economic response we suggest preventing the widening of health inequities and any plans that do this must not be a one-off pandemic response but a mainstay of public policy.

The idea that public health should be at the core of every economic recovery package carries weight when you consider a healthy recovery is one that recognises that human, economic and global health are closely connected. If human health is compromised, the economy suffers. COVID-19 has shown us that (Healthy Recovery, 2020).

If anything can be learnt from the COVID-19 pandemic it is that with any pursuit in efficiencies in our public health system there must be built in, sufficient excess capacity to cope with any surges in demand and to be able to cope with crises. Just as “just in time” supply chains were shown to be exceptionally vulnerable to the disruptions like a pandemic, similar “false economy” approaches to workforce management, where there is little capacity to respond to unexpected demand situations, must be avoided particularly in critical sectors of society.

To narrow down on healthcare to the individual level, Australia’s healthcare system relies on individuals footing the cost of out-of-pocket expenses when they receive healthcare (Hensher, 2020). One large economic risk to arise from the pandemic will be the ability for individuals and families being able to afford this expense on significantly reduced incomes. Provider’s expectations of their patients being able to cover this cost will need to be urgently reconsidered.

Generational impact

The difficulty some have faced in accessing wages during the COVID-19 pandemic has brought to light the inequality between high and low income earners. The federal government’s economic package released during the pandemic saw the increasing of the unemployment benefits and the introduction of the JobKeeper scheme. While undoubtedly welcomed, many have still felt the financial strain and have been unable to meet their living expenses during the pandemic.

One area that this inequality has been exposed is in the divide between those who have the digital capacity to work from home and undertake online learning at home to those who are not able to afford the cost of being digitally connected to the internet (Nolan, 2020). The pandemic has provided insight into the crucial issue of unequal access to the internet and governments should consider measures to close this digital divide.

The QNMU cautions against wealth and income inequality increasing due to the sudden impact of COVID-19. Without strong government intervention that plans to address the gap between high and low income groups and access to economic opportunity, intergenerational inequality may diminish the next generations’ ability to move up the income ladder.

Generational impact will also be felt once the COVID-19 pandemic has passed. The government’s spending, whilst easing the financial pain being experienced by many due to the pandemic, the question will turn to how and when does the country and state pay for this massive spending.

With this increased debt will inevitably come the debate around the use of or need for austerity measures. The QNMU cautions the state and federal governments in taking austerity measures in the aftermath of the pandemic. Research shows that countries that took deep public spending cuts following the global financial crisis (GFC) have seen increases in poverty and inequality and health consequences (Alston, 2018 & Hensher, 2020) and also resulted in decreased capacity to respond effectively to the pandemic crisis.

Preparedness

We believe that as part of the Queensland government's economic recovery strategy should be the evaluation of the state's preparedness in responding to this pandemic and for future pandemics. It is a false economy if lessons are not learnt from this crisis.

The Australian Council of Trade Unions (ACTU) (2020) released an 8 point plan for the post-pandemic rebuild. One of its principles is strengthening and investing in public and community services that are the first line of defence against shock like COVID-19 and natural disasters. This is undoubtedly a good starting point in ensuring preparedness to respond to future pandemics.

The QNMU also suggests a preparedness measure is the continuation and prioritisation of funding for health research facilities, particularly those in Queensland, such as the University of Queensland who have been leading the nation in viral research and vaccine development.

Conclusion

Political commentators suggest that this pandemic and what follows is an existential moment for Australia and requires an extraordinary economic response that is free from party ideology (The Australia Institute, 2020). This sentiment is important and highlights that government must lead the way in this recovery and be supported by businesses, unions and individuals to create sustainable economic growth post COVID-19.

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