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Australia 2020: Transitory Pandemic Protection or Structural Welfare Reform?

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LIST OF ABBREVIATIONS

MPISOC--- Max Planck Institute for Social Law and Social Policy

AAT --Administrative Appeals Tribunal

ABS -- Australian Bureau of Statistics

ATO--Australian Taxation Office

AUD --Australian Dollar

CPI --- Consumer Price Index

GDP-- Gross Domestic Product

MYEFO-- Mid-Year Economic and Fiscal Outlook

NDIS --- National Disability Insurance Scheme

Pf-- per fortnight

CONTENT OVERVIEW

1. THE CURRENT ECONOMIC, POLITICAL AND SOCIAL SITUATION

1.1. Overview

The 2020 calendar year was hijacked by the need for massive economic stimulus and enhanced social protection to counter the sharp recession consequent on the impact of the COVID-19 pandemic. In the face of a 7 per cent contraction in the June quarter, by the end of the year government stimulus and social protection measures accounted for an additional AUD$507 billion, over half of which was for direct economic support (Budget 2020: p. 1-1).

Direct economic support measures included an initial doubling of working age welfare payments such as JobSeeker for the unemployed (by a Coronavirus Supplement payment), indirect wage subsidies for workers stood down (JobKeeper) and the October Budget 75 billion JobMaker subsidy for taking on new employees under age 35. Indirect stimulus measures included lump sum payments, bringing forward already legislated income tax cuts from 2022 (detailed in the previous Report: Carney 2020b: part [2.5]), and a raft of business tax measures such as allowing losses to be offset against income ahead of time.

1.2. Statistical Measures

Economic conditions in Australia started the year with a sluggish economy experiencing slowing GDP, low consumer expenditure and minimal wage growth, despite historically low official interest rates of 0.75 per cent. As part of COVID-19 responses the official rate was cut to 0.5 per cent on 3 March, followed almost immediately to 0.25 per cent on 19 March. Finally, on 3 November the rate was cut further to 0.1 per cent, along with a substantial AUD$100 billion injection of stimulus through quantitative easing.

Due to COVID-19, the Budget normally scheduled for May was delayed and released on 6 October. In place of the anticipated small surplus of AUD$5 billion (or 0.3% GDP) for fiscal 2019-20, the October 2020-2021 Budget instead reported a deficit of 85.3 billion for 2019-20 (4.3% GDP) and forecast deficits of 213.7 billion for 2020-21 and a total of 480 billion over the four year forward estimates to 2023-24 (Budget 2020: p. 1-6). The December 2020 mid-year economic and fiscal forecast ('MYEFO') however, revised the 2020-21 deficit down to 197.7 billion and a projected 66 billion, or 9 per cent of GDP, in 2023-24 (MYEFO 2020: 1, 29, 32).

Economic growth measured by real GDP declined by 0.2 per cent in 2019-20 and is projected to decline by 1.5 per cent in 2020-21 but then grow by an optimistic 4.75 per cent in 2021-22, and 2.75 per cent in 2022-23 (Budget 2020: p. 1-8) – then revised in the December MYEFO to a 2.5 per cent fall in *calendar* 2020 (against 3.75% forecast in October) and 4.5 per cent growth in calendar 2021 (MYEFO 2020: 1, 12, 19).

Despite an encouraging rise of 3.3 per cent in the latest quarter, annual growth seasonally adjusted declined by 3.8 per cent as at the end of September 2020 (ABS 2020a), compared to the positive annual rise of 1.7 per cent reported in September 2019 (ABS 2019a).

Employment growth declined by 4.3 per cent in 2019-20 but the October Budget forecast is for a return to growth of 2.75 per cent in 2020-21 and 1.75 per cent in 2021-22 (Budget 2020: p. 1-8).

Unemployment rose significantly due to the pandemic, as did under-employment. Unemployment reached 7 per cent rather than the anticipated 5.25 per cent during 2019-20 but this was heavily depressed by 'JobKeeper' payments made to employers to enable unemployed workers to remain on the books. Unemployment for 2020-21 was forecast in the October Budget to be 7.75 per cent in 2021-22 and 6.5 percent in the following year (Budget 2020: p. 1-8), with the December MYEFO revising it to 7.25 per cent for 2021-22 and 6.25 for the following year (MYEFO 2020: 3, 12, 19). Seasonally adjusted unemployment in October 2020 stood at 7.0 per cent (ABS 2020d) compared to 5.3 per cent at the same time in the previous year (ABS 2019d). Under-employment at the same time was 10.4 per cent (ABS 2020d).

The workforce participation rate for 2019-20 was 63.4 per cent, and projected to return to 65.25 and 65.5 per cent in the following two fiscal years (Budget 2020: p. 2-7), still short of 66.0 per cent originally anticipated (ABS 2019e) following slow year-on-year rises from 65.6 per cent in October 2018 (ABS 2018) and 65.1 per cent in October 2017 (ABS 2017). By October 2020 the rate had however improved to 65.8 per cent (ABS 2020d).

Inflation in the major capital cities, as measured by the 'consumer price index' (CPI) was a negative 0.3 per cent for 2019-20, and is projected to rise by 1.75 and 1.5 per cent in the next two fiscal years (Budget 2020: p. 1-8). Inflation came in as 0.7 per cent for the period September 2019 to September 2020 (ABS 2020c) a full percentage point lower than the 1.7 per cent for the equivalent period in 2018-2019 (ABS 2019c).

Over comparative May to May periods, wages growth before the pandemic impact was fully felt was 4.8 per cent for 2019-2020, up from 2.7 per cent for 2018-2019 as measured by full-time adult average weekly total earnings, or 5.4 as against 2.5 for the all earnings measure (ABS 2019b; 2020b).

2. POLICY AND PROGRAM CHANGES

Due to the impact of the COVID-19 pandemic, most initiatives during the year in review were directed at stimulating the economy through lump sum payments and temporary ongoing cash boosts to rates of payment for welfare recipients, easing of barriers to entry to welfare for the newly unemployed, and wage subsidies paid to employers to keep existing employees on the books in anticipation of post-pandemic recovery.

Additional stimulus spending was able to be very significant because existing debt as a proportion of GDP was very low. Additional direct welfare costs of unemployment benefits is forecast to rise by another 68.5 per cent in 2020-21 before dropping by 63.5 per cent by 2023-24 (Budget 2020: p. 6.22).

2.1. COVID-19 Pandemic Economic Responses

The COVID-19 pandemic resulted in the most severe economic recession experienced by Australia since the Great Depression. Blessed by ocean borders and time to respond to inbound infection, it proved possible to contain and then drive down local community transmissions of COVID-19 to close to zero. Mandatory hotel quarantine of overseas arrivals served to contain the virus at source, and comparatively hard lockdown measures managed to control community outbreaks from quarantine failures (a NSW cruise ship prematurely disembarked) or breaches (Victorian and South Australian breaches of hotel quarantine protocols – the former leading to a long lockdown and some hundreds of deaths, mainly in residential aged care).

The shutdown of all but essential employment entailed in these measures, together with border closures between numbers of the constituent states of the federation – health being a state rather than national responsibility under the Constitution – saw many workers stood down or made redundant. Sectors with higher levels of female or casual employment such as retail and tourism initially were most severely impacted, along with universities (reliant on very high levels of overseas students) and rural sectors (reliant on backpackers for harvesting). Male-dominated sectors such as building and construction were able to continue operations, but as the year progressed middle-aged and older male workers began to bear the brunt of job losses as casual and female-dominated sectors such as retail began to recover.

Temporary migrants, including overseas students, were particularly hard hit (loss of casual and gig economy employment) but, unlike in other countries, they shamefully were excluded from emergency government social protection measures (Berg & Farbenblum 2020). For example, approximately 200,000 fewer international students were in Australia by end 2020 and a drop of a further 100,000 is projected, a loss of around AUD$37.5 billion to the economy.

The emergency social protection measures adopted for COVID-19 fell into three broad types: (a) resort to previously legislated ‘disaster‘ payments; (b) temporary changes to existing payments; and (c) ad hoc temporary measures crafted to the particular needs of the pandemic (Carney 2021 forthcoming).

2.1.1. Disaster payments

The existing suite of variously named Disaster and Crisis payments proved of very limited utility to meet emergency needs related to the extensive wildfires over the summer of 2019-20 (Lyster & Carney 2020) and were virtually irrelevant to the COVID-19 pandemic.

This was because any lump sums were very small in value and the income support amounts of very short durations (2 or 13 weeks), confined to covering the gap between social security payment rates and remaining income sources, and reliant on living in a small geographic area stipulated as being a disaster area for the purposes of the payment (Carney 2021 forthcoming).

2.1.2. Temporary changes to substantive payments

With Parliament less able to meet due to border closures and social distancing rules limiting the number of people able to gather together, legislation was passed to enable certain legislative rules about social security to be suspended or changed by executive decision of the Minister rather than needing parliamentary passage (*Coronavirus Economic Response Package Omnibus Act 2020* (No. 22 of 2020), Schedule 11, Part 1, Item 40A). Some of the changes were taken through the legislative process as part of Omnibus Acts (see [5.1] below) but the majority were achieved by ministerial edicts such as Determinations or Instruments in exercise of executive powers that proved contentious due to lack of oversight (Windholz 2020).

Many core social security concepts and rules proved to be unworkable or inappropriate during the pandemic, such as narrow definitions of 'unemployment', activation obligations for the unemployed, requirements to run down cash reserves before being eligible for income support, and rules about treatment of casual earnings under the means test for working age payments. For instance, under the pandemic measures, the definition of unemployment was broadened to catch someone who was 'a sole trader, self-employed, a casual or contract worker [whose] income has reduced.' Likewise the activation ('mutual obligations') expectations such as meeting with employment providers or participation in activities were suspended due to social distancing or lack of feasibility, until reinstated part-way through the year.

2.1.3. Ad hoc initiatives crafted to economic need during the pandemic

Considerable flexibility was evident in design of ad hoc responses to the social protection challenges posed by COVID-19. By August 2020 the Menzies Centre for Health Governance tallied 156 special measures introduced by the federal and state/territory governments. Twelve of these took the form of income support, five of which were federal government measures (Friel & Goldman et al. 2020: 4).

Two of the measures related to retirement income compulsory superannuation savings. In recognition of lower investment yields, the uncontroversial first of these measures eased the minimum required ‘drawdown’ from superannuation accounts in their ‘active’ phase (with an associated reduction in the minimum ‘deemed’ earnings from low or no interest investments). The second measure was contentious, enabling early access to two separate amounts of up to AUD$10,000 in the first and second half of the calendar year. This constituted *self-funded* income support (coming at the expense of loss of compound growth of the withdrawn sums on retirement; and thus greater subsequent reliance on higher part- or full rate age pension at an associated cost to subsequent Budgets). Originally expected to be utilised by 1.65 million people and draw $27 billion it ultimately was utilised by nearly 3 million and drew around $36 billion (Borys & Snape 2020), with nearly half a million mainly young people totally emptying their superannuation accounts (Beveridge 2020).

The first of the *direct* federal income support measures were two non-taxable $750 lump sum stimulus payments to social security pension and other income support recipients (including family assistance) made at the end of March and July 2020, at a cost of 9.4 billion (Friel & Goldman et al. 2020: 17). This was followed by two more of $250 before Christmas 2020 and early in 2021, at a cost of 2.6 billion.

The JobKeeper wage subsidy scheme introduced at the end of March 2020 through to September 2020 paid $1,500 pf for each qualifying employee of businesses or not-for-profits on the books at 30 March and suffering a stipulated decline in turnover (30% where it was under a billion; 50% if greater). Employees not holding permanent residence status did not qualify, and part-time employees qualified only if already engaged without a break for 12 months (Carney 2021 forthcoming). JobKeeper was extended from September through to 28 March 2021, but from September 2020 to 3 January 2021 at the reduced rate of $1,200 pf for employees working 20 or more hours or $750 if working fewer hours, then winding back to $1,000 and $650 respectively after that date (Friel & Goldman et al. 2020: 14). Tighter proof of turnover decline was also required. Research by the Reserve Bank estimates that one in five of all recipients of JobKeeper between April and July 2020, or 700,000 people, would have lost their employment had it not been for the subsidy (Bishop & Day 2020).

For those unemployed or without work to return to after standdown, the rate of the JobSeeker unemployment payment was effectively doubled. This was achieved by way of adding a $550 pf Coronavirus Supplement during the period 27 April to 24 September (Carney 2021 forthcoming). After that date the supplement stepped down to $250 pf through to the end of the 2020 calendar year, and winds back further to $150 pf until end March 2021.

As mentioned, income security recipients also were assisted by a suite of changes suspending and then easing means testing (including the cut-off for savings above a certain level until run-down below the threshold), more generous treatment of part-time earnings to augment benefits (and trebling of the ‘free area’), suspension or easing of activity test obligations and waiting periods, and by allowing nearly 400,000 unemployed to temporarily self-manage on-line rather than be obliged to deal with a JobActive employment brokering service (Henriques-Gomes 2020b).

Some of these measures had a significant price tag. Relaxing the partner income test taper for JobSeeker for income above the 'free of income test' figure ($996 pf in April; $1,165 pf in September 2020) for example is estimated to cost 2 billion. Instead of counting 60 cents in the dollar as reducing the amount of the payment, from 27 April 2020 it was set at 25 cents and from 25 September to end 2020 at 27 cents.

2.2. Online Compliance Initiative ('Robodebt') Debt Recovery and Beyond

After being unable to defend the November 2019 test case challenge to its automated data-matching scheme for identifying and raising overpayment debts, government had to terminate it.

In May 2020, it announced that nearly 400,000 supposed debts would be refunded or no longer pursued, at a cost of AUD$771 million (Carney 2020c). In November 2020, government settled a class action that increased that direct cost to government of 'setting matters right' to AUD$1.2 billion, with significant further internal indirect costs (Henriques-Gomes 2020a). As discussed in the previous Report (Carney 2020b: part [2.4]) the illegality of the program was clear from the outset (Carney 2018), raising serious questions about how such a scheme was conceived and allowed to subsist for so many years before being ended (Whiteford 2020), leaving scars not only for its many victims but for the rule of law (Carney 2020a).

To avoid a recurrence of these issues in the future, from mid-December 2020 a new way of reconciling tax and social security data came into effect. Unlike Robodebt's flawed arithmetic of assuming that a long-term average derived from tax income well after the event could be used as evidence of the often lumpy fortnight-by-fortnightly casual earnings for social security rate purposes (comparing apples with oranges) the new scheme operates quite differently.

The new scheme differs in three ways (see *Social Services and Other Legislation Amendment (Simplifying Income Reporting and Other Measures) Act 2020* at part [5.1] below). First, it will match fortnightly payments reported to the tax office against actual fortnightly earnings reported to Centrelink as received by the recipient of the social security payments (comparing apples with apples). Second, it reconciles the two sets of data almost immediately (eliminating matching years after the reported earnings). And finally, it removes the complexity associated with the previous definition of income as being any one of it being 'earned', 'derived', or 'received' (now catching just the latter).

Some complexities will remain – such as in applying rules about how to 'apportion' delayed receipt of a payment that relates to past periods and covering more than a fortnight – but these should be far fewer in number.

2.3. Royal Commission Inquiry into Aged Care

The Aged Care Quality and Safety Royal Commission has been extended to end February 2021 (originally to report in November 2020). During the year, the Commission released a large number of research papers, along with possible reforms recommended by Counsel-assisting the Commission (https://agedcare.royalcommission.gov.au/publications). These focus on perceived shortcomings including sub-standard levels of care and lack of quality assurance indicators, lack of prescribed minimum staffing ratios, and lack of fitness for purpose of funding models.

In response to concerns of underfunding of aged care and a waiting list of over 100,000 people approved for but unable to obtain home care packages, the government in December 2020 announced funding of AUD$851 million over 4 years for an additional 10,000 home care packages from 2020-21 (MYEFO 2020: 9, 156), but as previously, this hardly makes a dent on the more than 100,000 backlog, which has seen around 30,000 people die before being able to obtain their package.

In September the Commission issued a special report on COVID-19, with four main recommendations. First, additional funding so facilities had adequate staffing to enable residents to receive visitors; second, a medical benefits item to cover allied health and mental health services for residents; third, publication of an aged-care-specific COVID-19 plan and aged care advisory body; and fourth, to require appointment of qualified infection control officers and staff at facilities (Australia 2020a). These recommendations were largely accepted, but reaction from the sector was underwhelming (Clun 2020). Indications are that the hard-hitting Interim Report from October 2019 (Australia 2019), starkly entitled 'Neglect', will be followed in early 2021 by equally stringent reform proposals.

2.4. Royal Commission Inquiry into Disability

The Disability Royal Commission has also been prolific in publication of research reports to inform public debate and assist in shaping its recommendations, now due by September 2023 (originally April 2022: Australia 2020c).

Its 560 page October 2020 Interim Report (Australia 2020b) made no recommendations but documented the extensive attitudinal, environmental, institutional and communication barriers experienced by people with disabilities in pursuit of inclusion within society. The report found that 2.4 million, nearly two thirds, of people with disability had experienced violence in their lifetime, and were twice as likely to do so as someone without a disability. It concluded that a great deal will need to be done to realise the human rights of people with disability and comply with obligations to be a truly inclusive society.

In late November, the Commission released a short report condemning the government for not already having or then promptly developing a disability-specific response plan for COVID-19 (Australia 2020a), the recommendations of which were immediately accepted.

To address some of the accountability concerns for the subset of approximately 400,000 of the most severely disabled people covered by individualised plans under the federal National Disability Insurance Scheme ('NDIS', further: Carney 2020b: 6), the 2020 Budget allocated nearly 800 million over 4 years from 2020-21 to the work of the recently created Quality & Safeguards Commission of the NDIS.

2.5. Other Measures

Few other measures in 2020 proved to be significant in policy terms (for details of all changes implemented see 5.1 below).

Bringing forward to 2020-21 the changes to income tax thresholds that were to commence in the 2022-23 period, and extension by a further year (to 2020-21) of the middle income tax offset provided temporary economic stimulus, but only in the very short term. This is because the tax offset which delivers that benefit will 'fold away' at the end of the current tax year, leaving only those earning over $120,000 a year with any lasting benefits (Gittens 2020).

In early December, the government failed in its attempt to make permanent its Cashless Debit Card experiment in designated trial areas. Due to absence of hard evidence of success of a measure that confines expenditure to 'essentials' (excluding gambling, alcohol and pornography) it was obliged to accept a two-year extension of the trials. The problematic aspects of income management were most recently canvassed in a Special Issue of the Australian Journal of Social Issues (Parsell & Vincent et al. 2020).

3. MAJOR POLICY CHANGES IN PROSPECT

No policy changes of any real significance are in prospect beyond possible extension to the Coronavirus Supplement and JobKeeper subsidies, any increase in the base rate of JobSeeker, and uncertain outcomes of changes proposed to industrial awards and conditions of employment.

4. CONCLUSION

Calendar year 2020 was dominated first by the summer wildfires and then the COVID-19 pandemic, blowing away longstanding government fixation on achieving a fiscal surplus in the Budget rather than poverty alleviation or other policy objectives.

Government responded well in the immediate to short term to the stresses on social protection arrangements from the deep, if perhaps short-lived, severe economic recession consequent on COVID-19. However, concerns have been raised about the extent to which neoliberal governance settings constitute a straightjacket on optimal responses (Andrew & Baker et al. 2020) and – more fundamentally – whether the architecture of Australia's system of income support has passed its use by date.

The respected civil society social policy advocacy body the Brotherhood of St Laurence, pointedly contend that:

> *The crisis triggered by COVID-19 has severely tested the effectiveness of our social security system. The raft of temporary emergency measures introduced since March illustrates the need for ongoing reinvestment and renovation, both to improve the resilience of the system and to build its capacity to provide protection against new economic risks and system-wide shocks, such as those predicted as climate change accelerates.*
>
> *As it stands, our social security system is a relic of the last century. It was designed to complement a suite of economic policies that established employment as the foundation of economic security. Since these policies were dismantled, paid work has become more precarious and incomes have become more volatile, and the system designed as a safety net has, for too many households, become a poverty trap* (Thornton & Bowman et al. 2020: 5).

Their identification of a 'timely opportunity to rebuild' (Thornton & Bowman et al. 2020: 9) coincided with the release of an important monograph reviewing the historical parallels and differences in the historical trajectory of the dual dance between social protection and employment relations (wages and conditions) as the policy model of welfare state in Australia and New Zealand (Ramia 2020).

Whether the current Australian government has the courage and foresight to seize this rare opportunity to reset social protection 'fit for purpose' for the 21st century must however be doubted on the evidence to date.

5. THE LEGISLATIVE FRAMEWORK

No change has been made in the basic architecture of the legislation governing social security payments (for details of all payments, see: Carney 2013). The legislation continues to be administered by the agency now called Services Australia, operating through another statutory agency called Centrelink.

Decisions made by officers of Centrelink are reviewable on their merits, with two levels of merits review. The first tier (since July 2015 the Social Services and Child Support Division of the Administrative Appeals Tribunal) now schedules single member hearings for the vast majority of appeals (98% in 2017: Carney & Bigby 2018), with a further level of merits review to the General Division of the Administrative Appeals Tribunal (further, Pearce 2015).

Social security law is currently found in five enactments, each of which is frequently amended:

- *Social Security Act* 1991 (Cth)
- *Social Security (Administration) Act* 1999 (Cth)
- *Social Security (International Agreements) Act* 1999 (Cth)
- *Family Assistance Act* 1999 (Cth)
- *Family Assistance (Administration) Act* 1999 (Cth)

5.1. Recent Amending Acts

- *Social Services and Other Legislation Amendment (Simplifying Income Reporting and Other Measures) Act 2020* (Act No. 17 of 2020)

  This Act changes the treatment of income from employment under social security income tests to allow almost contemporaneous matching with employer reporting of payments to the tax office (ATO), to overcome the abortive 'Robodebt' data-matching raising of debts found to be unlawful, requiring repayment of AUD$1.2 billion of unlawful debts. To align social security treatment of employment income with employer's fortnightly 'one-touch' reporting of payments to the ATO, the Act introduces new 'employment income attribution rules'. Instead of the very compendious previous rules counting income once it is either 'earned', 'derived' or 'received', the new rules instead count it only when it is 'received'. Money received in a social security instalment period is counted from the start of that period, and then forward for the number of days determined under the new employment income attribution rules. To avoid fluctuating incomes for pensioners who receive the same total income each month, a special rule treats that income as if the same amount is received each day.

- *Coronavirus Economic Response Package Omnibus Act 2020* (Act No. 22 of 2020)

  This Omnibus Act as later amended and extended embodies a large number of stimulus and related measures announced in March 2020 to respond to the economic consequences of COVID-19. These include an instant asset write-off for depreciating assets and related expenditure of AUD$30,000 to $150,000 prior to the end of the financial year (Schedule 1); accelerated deductions for investment in new plant and other depreciating assets (Schedule 2); boosting cash flow to business by bringing forward withholding payments (Schedule 3); household stimulus payments of $750 (Schedule 4); various assistance measures for specific sectors, including aviation industry apprentices (Schedule

7) and child care (Schedule 9); eased provision for superannuation drawdowns (Schedule 10) and for early access to $10,000 of retirement superannuation (Schedule 13); introduction of the Coronavirus Supplement (Schedule 11), and assistance to severely affected regions, industries or communities (Schedule 19).

Specific and separately named Acts served to achieve these purposes, some of which are listed below.

- *Boosting Cash Flow for Employers (Coronavirus Economic Response Package) Act 2020* (Act No. 23 of 2020)

  This Act implements the objectives outlined for Schedule 3 of the Omnibus Act summarised above.

- *Assistance for Severely Affected Regions (Special Appropriation) (Coronavirus Economic Response Package) Act 2020* (Act No. 24 of 2020)

  This Act appropriated AUD$1 billion to be paid as grants to assist regions and industries hardest hit by the pandemic to seek alternative markets, support tourism or make other adjustments to economic impacts.

- *Farm Household Support Amendment (Relief Measures) Act (No. 1) 2020* (Act No. 35 of 2020)

  This Act made technical amendments consistent with earlier changes to the way farm household support eligibility is now determined (reported in detail in previous Reports: Carney 2020b: para. [2.2]), based on current rather than annual reconciliation of earnings and by extending the 28-day period for determination of applications.

- *Coronavirus Economic Response Package (Payments and Benefits) Act 2020* (Act No. 37 of 2020) and *Coronavirus Economic Response Package Omnibus Act (No. 2) 2020* (Act No. 38 of 2020)

  These Acts introduced temporary changes to work conditions for employees in receipt of JobKeeper, such as stand down and change of duties (Schedule 1); established the legislative foundation for JobKeeper wage subsidies for stood down workers (Schedule 2); provided guarantee arrangements for lending to small and medium businesses (Schedule 3); and – for a time – provided, for a temporary period, 'free' child care by changing the way child care subsidy is calculated and by ensuring that payments of Additional Child Care Subsidy and certain grants are available to providers drawing on standing appropriations.

- *Coronavirus Economic Response Package (JobKeeper Payments) Amendment Act 2020* (Act No. 81 of 2020)

  This Act extends the JobKeeper scheme to 28 March 2021 (Schedule 1), including special fair work arrangements about change of duties and tax secrecy provisions to allow data matching to ensure compliance with scheme conditions.

- *Family Assistance Legislation Amendment (Improving Assistance for Vulnerable and Disadvantaged Families) Act 2020* (Act No. 84 of 2020)

  This Act made further technical and policy improvements for vulnerable and disadvantaged families following review of the additional child care subsidy introduced in mid-2018.

- *Treasury Laws Amendment (A Tax Plan for the COVID-19 Economic Recovery) Act 2020* (Act No. 92 of 2020)

  This Act brings forward to 2020-21 the changes to income tax thresholds that were to commence in the 2022-23 income year and extends to 2020-21 the low and middle income offset previously due to expire in 2019-20 (without which this group would not have obtained any significant tax cut in that year)(Schedule 1); provides for businesses with a turnover of less than AUD$ 5 million to carry back a tax loss for the 2019-20, 2020-21 or 2021-22 income year and apply it against tax paid in a previous income year as far back as the 2018-19 income year (reducing current tax liabilities)(Schedule 2); along with various other research and development incentives or tax simplification measures.

- *Economic Recovery Package (JobMaker Hiring Credit) Amendment Act 2020* (Act No. 96 of 2020)

  This Act makes provision for the JobMaker Hiring Credit scheme announced in the 2020 Budget to support businesses to hire additional employees and expand their organisation to ensure young people can access new employment opportunities as the economy recovers from the COVID-19 crisis.

- *Social Services and Other Legislation Amendment (Coronavirus and Other Measures) Act 2020* (Act No. 97 of 2020)

  This Act authorised two further economic support payments of $250 to around 5 million social security ‘pension‘ recipients prior to Christmas 2020 and again in early 2021; and extends dispensations enabling satisfaction of the ‘independence‘ test for youth allowance higher rate qualification purposes (when unable to work due to COVID downturn), including by undertaking seasonal harvest work.

- *Social Services and Other Legislation Amendment (Omnibus) Act 2020* (Act No. 107 of 2020)

  This Act made various minor technical amendments and provided authority for a Royal Commission to compel production of otherwise privacy-protected information.

- *Social Security (Administration) Amendment (Continuation of Cashless Welfare) Act 2020* (Act No. 136 of 2020)

  This Act was originally designed to make permanent the operation of the Cashless Debit Card in its former trial sites and also convert income management schemes in the

Northern Territory and Cape York regions to Cashless Debit Cards. Due to opposition in the Senate – grounded in the absence of empirical support of trial success (relying instead on anecdotal material) – government passage of the measure was obtained only as a continuation of existing trials for a further two years, but no extension to new areas.

- *Social Services and Other Legislation Amendment (Extension of Coronavirus Support) Act 2020* (Act No. 140 of 2020)

  This Act extends the Coronavirus Supplement from 1 January 2021 to 31 March 2021 (including youth allowees whether students or otherwise: Part 1 of Schedule 1); extends to 31 March 2021 the exemptions from the ordinary waiting period, newly arrived resident's waiting period and seasonal work preclusion period (Part 1 of Schedule 1); the temporarily 'broadened' eligibility pool for JobSeeker payment and youth allowance (Part 2 of Schedule 1); ends from 1 January the temporary exemptions from the liquid assets test waiting period and assets tests (Part 3 of Schedule 1); extends to 31 March 2021 the ministerial power to modify stipulated provisions of the social security law by way of disallowable instruments, as appropriate to respond to the changing economic and social impacts of COVID-19 until 31 March 2021 (Part 4 of Schedule 1) and extends the principal home temporary absence provision where someone cannot for reasons beyond their control return to Australia (Part 5 of Schedule 1).

5.2. Significant Bills Awaiting Passage, or Defeated in the Senate

No proposed legislation of any real significance was awaiting passage at the end of the calendar year.

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