



**Actuaries  
Institute.**

14 December 2023

Department of the Prime Minister and Cabinet  
Commonwealth Government COVID-19 Response Inquiry

PO Box 6500  
CANBERRA ACT 2600

Email: [REDACTED]

Dear Sir/Madam,

### **Response to Commonwealth Government COVID-19 Response Inquiry**

The Actuaries Institute ('the Institute') welcomes the opportunity to provide feedback to the Commonwealth Government COVID-19 Response Inquiry. The Institute is the peak professional body for actuaries in Australia and our members have applied their risk and financial management expertise to analyse pandemic-related data to inform the actuarial profession, the industries they advise and policy discussions.

Since mid-2020, the Institute's COVID-19 Mortality Working Group has published detailed estimates of excess mortality (the number of deaths above what would have been expected to occur without the pandemic). This ongoing work remains one of Australia's leading analyses of the ongoing effects of COVID-19 on Australia's mortality. The Institute's Research Paper "[How COVID-19 has affected mortality in 2020 to 2022](#)" (the Research Paper) published in July 2023 contains extensive analysis of excess mortality in Australia and compares Australia's mortality experience with the rest of the world.

Excess mortality is a key measure of the impact of a pandemic. It captures pandemic-related deaths not reported as such, as well as reflecting mortality savings from defence measures, such as occurred in Australia in 2020 when border closures and lockdowns reduced the incidence of flu and other respiratory diseases. We acknowledge, however, that it does not measure the impact on physical or mental health, or on services such as the provision of health care. Nor does it consider the wider economic impact of the pandemic.

### **Governance and the health response**

**Observation: Australia has experienced relatively low excess mortality during the pandemic, consistent with its relatively high per capita Gross Domestic Product (GDP)**

- Excess mortality in Australia over the three years 2020-2022 was 4%, which compares favourably with the 14% population average of the countries we have analysed.

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- Australia compares favourably with most English-speaking countries. For example, Canada (6% excess), UK (10%) and USA (14%) were higher, while NZ (0%) was lower.
- In our time-zone region, Japan (2%) and Taiwan (4%) had lower excess mortality, while Malaysia (7%) and Singapore (9%) had higher excess.
- Excess mortality is correlated with the effective application of defence measures, intended to restrict the spread of disease; reduce the severity of its impact; and protect the vulnerable. This can be more readily achieved in a developed economy, where there is greater capacity to compensate individuals for loss of income; to treat the sick; and to secure vaccines when these become available.
- Compared with per capita GDP, global experience shows a strong reducing trend – that is, higher GDP implies lower excess mortality<sup>1</sup>. Note that GDP is a good indicator of state capacity, a concept described by Hanson & Sigman, which has other contributory factors, including the ability to enforce compliance with defence measures (such as lockdowns) and administrative capacity (such as quality of the health care system).
- Australia's excess mortality is consistent with the trend, suggesting that the response was no more or less effective, in terms of lives lost, than would be expected, given our level of GDP.
- In comparison, NZ's response was far more effective, while the USA experienced much higher excess mortality than its GDP would suggest. Most countries in our time-zone region had substantially lower excess mortality than their GDP would suggest.

### Lessons and areas for improvement

- When considering how to mitigate the potential mortality impact of a future pandemic, we recommend further analysis to understand why countries with broadly similar economic capacities experienced divergent mortality outcomes.
- Communication and leadership from Government are critical during a public health emergency, particularly when social media may be a key channel of information (and disinformation) for many members of the community. Governments and their agencies must provide transparent decision making during a public health emergency to effectively deliver policy responses that may be unpopular with segments of the community. To avoid

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<sup>1</sup> "World-wide experience", page 7, figure 4, [How COVID-9 has affected mortality in 2020 to 2022](#).

misinformation from other channels, Government information should be factual, timely, useful and authoritative to engender confidence in the community.

- Recent comments by Sir [REDACTED] in his [submission to the UK COVID-19 Inquiry](#) highlight the power of data dashboards. In Australia, unlike the UK where the government supplied excellent data, useful data dashboards were generally supplied by volunteer data scientists, such as [REDACTED] and [REDACTED] (both awarded OAM for this work), work which was made difficult by inconsistent and challenging data presentation by State and Federal governments and health bodies.
- Comprehensive, consistent and reliable data must be available for public access and analysis. For example, misinformation about the risks and benefits of vaccinations was difficult to refute in the absence of proper data. Equally, it is hard to construct a national view – or to compare state outcomes – when state-provided data varies in timing and definition.
- The complexity of intersecting factors affecting mortality should be explained during a pandemic. The mortality of a population is significantly affected by demographics (age, sex and comorbidities), making comparisons of population mortality rates highly complex. This was evidenced by widespread misinformation relating to the mortality of vaccinated versus unvaccinated members of Australia's population. Assistance should be sought from experts in such matters, including actuaries.
- While mitigated by innovative solutions such as wastewater testing, the lack of random testing of the population (as was done in the UK for COVID-19 and Long COVID symptoms) is a significant obstacle to policy formation and review.
- The Australian Government's commitment to establish the Australian Centre for Disease Control in 2024 may solve some of the abovementioned problems by ensuring consistent definitions and the national compilation and publication of pandemic related data.
- We encourage Government to invest in their data science and communications teams, with the goal of improving accessibility, presentation and communication of complex data. There have been some fantastic examples of innovative presentation of data over the pandemic, including [REDACTED] Twitter account providing high quality outbreaks maps. We encourage closer monitoring of social media, and correcting misinformation, by Governments and their agencies (including Health Departments). The Australian Electoral Commission's social media provides high quality examples of Government interaction with social media.

## Financial Support for Industry, Business and Individuals

**Observation: Financial support reduces the disruption suffered by businesses and individuals in a pandemic, but greater consideration should be given to managing the ongoing impact on the economy**

Experience around the world shows that economic activity reduces in the face of a severe pandemic, whether or not governments mandate movement controls such as lockdowns. This has direct and indirect impacts on the income of businesses and individuals. If Government does not provide or facilitate financial support, there will be significant adverse consequences for social cohesion and the capacity of the country to return to some degree of normality in due course.

Financial support initiatives for COVID-19 included JobKeeper and JobSeeker Coronavirus Supplement payments, home rental caps and the Commonwealth Government's COVID-19 *early access to superannuation* program. Other Government support measures may be considered for a future pandemic, depending on the circumstances at the time.

The significant financial supports had an impact on the [Australian Actuaries Intergenerational Equity Index](#) (AAIEI), last updated in 2021 and incorporating data for most indicators up to the end of 2020. In 2018, the intergenerational gap in wealth and wellbeing between 65–74-year-olds and 25–34-year-olds was at its highest level since 2000 (the first year for which the index has been calculated). The gap narrowed slightly during 2020 – its first reduction since 2012. Improvements in aspects under the 'Economic' domain were key contributors to that narrowing of the gap, including temporary government supports during 2020<sup>2</sup>. These supports played a particularly substantive role for young people: without them, we think it likely that intergenerational gaps would have widened further.

We note that any financial support provided today has implications tomorrow:

- Payments from general revenue, such as JobKeeper, add to the national debt, which must be repaid over time. The existence of the debt, plus the cost of interest payments, reduces the capacity of the economy to fund other future initiatives. Therefore, it is incumbent on the

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<sup>2</sup> Since that time, the Institute has published a broader report on wealth and wellbeing and issues of equity in [Not a level playing field: Exploring issues of inequality](#). That report notes the global trend of widening income and wealth inequality, discusses the drivers in Australia and potential policy responses. While it does not include a specific analysis of the impact of the pandemic, it may be of background interest to the Inquiry.

Government of the day to build in safeguards to minimise wastage. This process can be assisted by designing key elements and principles before the next pandemic (or another crisis) arrives.

- Early release of savings held in superannuation funds has long-term consequences for retirement incomes. We consider that future initiatives enabling individuals at scale to access their superannuation in times of crisis would benefit from a clear decision framework that ensures the integrity of the retirement income system. The proposed Superannuation (Objective) Bill 2023 provides this framework, with the objective of superannuation defined as *"to preserve savings to deliver income for a dignified retirement, alongside government support, in an equitable and sustainable way."* The accompanying Explanatory Materials state that *"superannuation savings should not be accessed for purposes outside of retirement income, apart from in exceptional circumstances"* and *"members will maintain recourse for early access for genuine and exceptional hardship."* These would have been helpful guardrails had they been in place at the time of the pandemic.

If you would like further information or to arrange a meeting to discuss this submission, please contact me on [REDACTED] or [REDACTED]

Yours sincerely

(Signed) Elayne Grace

CEO