

How did we get here and what is the path out?

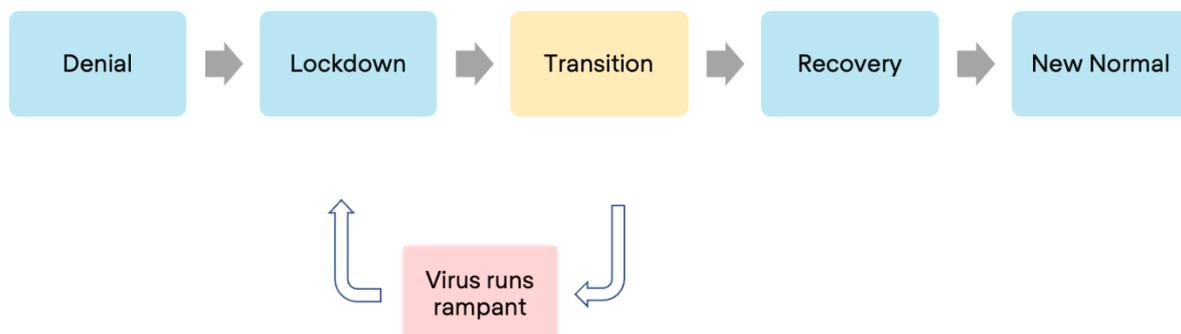
Sixteen months into this pandemic and we are deep into another protracted lockdown. For those of us with school-aged children, back home schooling again. Small business owners are fighting for survival. Governments scrambling to put in place income replacement strategies.

All of us back worrying what the future holds again, with the work we had been doing on how to re-engage with the world a fast fading memory.

In April 2020 we proposed a five-phase model for the pandemic:

	Denial	Lockdown	Transition	Recovery	New Normal
Public Health Focus	Growing awareness Public health experts trying to convince everyone else to take action	Build up the capacity to test, trace, isolate, and treat people	Manage "the dance" of gradually reopening society while managing the pandemic within an acceptable number of cases	Re-tool to respond to future epidemics	Institutionalise permanent pandemic monitoring and response capacity—nationally and globally
Economic Mgt Focus	Minimal	Hibernation Replace income of businesses and households so they can survive till recovery	Restart as much of the economy as possible, while many sectors are still not able to return	Use massive fiscal stimulus on the public side and remove all possible impediments to private sector job creation	Emergence of new industries; re-allocation of labour force away from industries that never come back; paying off the debt from the previous 3 phases
Urban Policy Focus	Life goes on as normal	Keep minimum necessary life support systems functioning	Retrofitting city life to impose physical distancing	Retrofits of essential infrastructure to facilitate management of future pandemics	Sort out temporary vs. permanent changes

This took us from denial and initial lockdown into a process of transition and recovery, and ultimately a new normal ... we later amended this to add a cycle between lockdown and transition, in which the virus runs rampant and we head back into lockdown:



Unfortunately, this turned out to be far more right than we could have known.

The transition phase is defined by being partly open, partly closed. It lasts until we get people vaccinated and remove restrictions. Unfortunately, we find ourselves in that phase far longer than hoped.

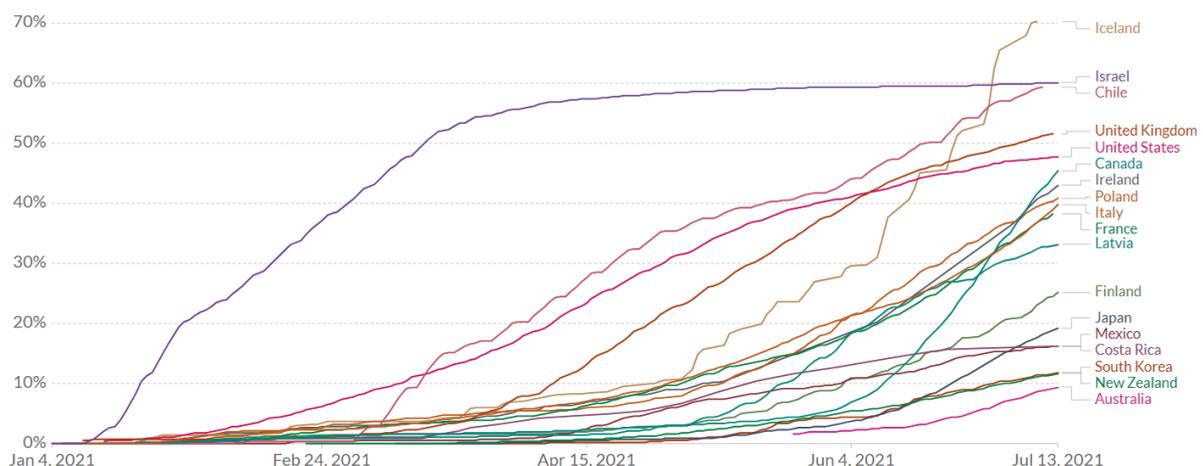
During this time, we need to keep focus on a few things:

- Open as much of the economy as we can - if we get the numbers back down, we will again be managing things like per square metre rules
- Move activities outdoors - one of the things we understand more clearly now is the imperative to move activities out of doors, in cities hit harder by Covid-19 in 2020, from New York to London, thousands of restaurants moved out of doors
- Keep the focus on mandatory masks - everyone should be wearing masks inside shops and on public transport.

Much of the focus is understandably on managing the economic fallout. But this lockdown is landing most heavily on children, and the incredible sacrifice we are forcing on them to protect the elderly. The predicted [youth mental health crisis](#) is being seen around the world, researchers are finding [evidence of physical and mental health impacts on younger people](#) as a result of school closures. Yet, these factors do not seem to be influencing the advice on health measures, including the use of AstraZeneca.

We still don't know if the current suite of "non-pharmaceutical interventions" is going to work on the Delta variant. We hope it does, but if not, the only way out of this is going to be to stay locked down until we get to higher levels of vaccination.

The root of the problem is that the vaccine strategy has utterly failed: we didn't bet on enough horses; didn't strike deals early enough; cancelled the UQ vaccine prematurely; took a long time on testing and regulatory approvals; and the result is Australia is last in the OECD per capita.



Per capita vaccination rates in OECD countries. Source: Our World In Data.

Most recently, the decision to tell people not to take the AstraZeneca vaccine has exacerbated the slowness of Australia's vaccine rollout. This is the same vaccine the UK relied on, and this would be excusable if Australia had other vaccine options, but it was the only vaccine the country had enough of. And, of course, the changing advice has only fostered more widespread confusion and hesitancy about vaccines in general.

The only path out of this endless loop, of cycling between being partly open and mostly closed, is to vaccinate our population. The evidence from the rest of the world is in - vaccines are working to prevent severe death and illness from the Delta variant. Until everyone has had the opportunity to be vaccinated, we are going to be faced with repeated lockdowns – or at best an in between stasis where things are partly opened, partly closed – the definition of the “transition” phase of the pandemic.

Australia's reputation is in tatters. We argued throughout the year that Australia's success in managing Covid-19 gave us an opportunity to position ourselves on the world stage – to attract global talent, investment and international students. A beacon to those with a more sophisticated understanding of geopolitical risk: who want to be somewhere with competent government. That looks like hubris now.

The damning result that Australia is last in the OECD when it comes to vaccinations has appeared in [countless articles](#) around the world, with the rollout described as “feeble”, “far behind”, “chaos” and a “strollout”. The [Financial Times editorial board said this week](#): “Having squandered its early victory over the virus, despite being one of the world's wealthiest countries, Australia now faces a costly round of restrictions as it struggles to protect a largely un-immunised population from outbreaks of the highly contagious Delta variant.”

The roots of this failure lie in many places. The Australian Government does not have the depth of capability that the states have on procurement and service delivery. Had the vaccine program been managed by NSW, we would be in better shape.

Out-dated thinking about the economy also contributed. If Australia had understood where its future prosperity lay, in new industries that rely on global connections, it would have taken a far more sophisticated approach to the economic management of Covid-19 and would have sought to maintain global connectedness as a far higher priority.

The instinct to close off to the world, which helped keep Covid-19 at bay, perhaps allowed the Australian Government to treat vaccine procurement in a fashion that was too relaxed – thus the maddening assertion it's “not a race.” If you are happy to shut out the world, why bother taking steps to reopen?

This parochialism means Australia has often ignored the science from other countries – relying on a local safety and approval process that took months longer than other countries,

telling people not to take the AstraZeneca vaccine despite it being the foundation of the UK's response. Australia has been slow to act on the evidence from abroad, and has not subjected local experts to interrogation by international experts nearly as much as it could have.

We have become used to hearing daily explanations from elected officials that they have taken the “public health advice.” This makes sense, but it cannot be the whole story.

Elected officials have a responsibility to weigh that advice against a broader set of concerns. The set of public health advisors they are consulting has tended to solve for one problem only, minimising deaths from Covid-19. Utterly missing from that advice is the impacts of lockdowns – on people’s mental health, on the young in particular. Also missing is comparative risk analysis. The “public health advice” to not take AstraZeneca is an obvious example; missing from that advice was any awareness that millions of Australians take medicines that are far riskier than that vaccine.

Government cannot continue to shirk its responsibility for weighing up all the considerations, by deferring to “the public health advice” in this narrow way.

There will be more phases; this story is not yet written. Australia was the best in the developed world in phase 1. It's proven to be the worst in the developed world for phase 2. But there will be more phases:

- **Achieving high levels of vaccination in the population.** Can Australia catch up and even overtake other countries, to achieve a higher level of per capita vaccination than other countries?
- **Booster shots.** How far sighted and successful will Australia be at procuring a supply of boosters for future variants?
- **The path to reopening.** How successfully will Australia pivot to managing Covid-19 as a permanent endemic disease?

The greatest risk now would be failing to learn any lessons. If we are to listen to the Australian Government, no one did anything wrong. But the fact is, government failed to secure vaccines on time, and has spent this year denying it is even a problem that we don't have vaccines. This has resulted in confusion, vaccine hesitancy, but the deeper failure will be if as a result we continue to make the same mistakes.

We need to be asking hard questions about the procurement plan for booster shots, and pushing hard to complete vaccination of the elderly – the people who will use AstraZeneca - it's inexplicable this has not been completed yet.

It's not too late to turn this around. But we have to change our approach and our mindset.

The immediate priorities to get out of lockdown are:

- **Finish vaccinating the elderly with AstraZeneca.** This should be completed within a matter of weeks. There is no shortage of vaccine supply in the way.
- **Expedite vaccines for teachers and health care workers.** So we can keep schools and hospitals open, even when someone is infectious in a hospital or a school and not have to send everyone into two week quarantine. Again, this should be done in a matter of weeks.

As we get ready to transition into reopening, we need to:

- **Make reopening k-12 schools our number one priority.** The Government's income support payments will allow households to get by. But the damage being kept home is doing to our children is on a different level. This should be the top focus of the reopening plan.
- **Make it easy for bars and restaurants to serve customers outdoors.** While this doesn't work for all, it is an option for some to partially re-open earlier than the public health advice would allow for indoor service. Cities that were hit harder by Covid-19 in 2020 figured this out: we should make a big distinction between indoor and outdoor activities.
- **Create an incentive by treating people differently who have been vaccinated.** For example, by allowing people to come into the country who have been double-vaccinated without a two week hotel quarantine; and tying vaccine passports to activities like sporting events, restaurant dining or work that could put others at risk (health care, aged care).
- **Establish sensible vaccination targets for reopening.** Sydney should fully reopen at the point vaccines have been offered to the entire population. We cannot hold everyone else hostage to people choosing to not be vaccinated. This can be done by NSW and does not require agreement from other states.

As we move into true recovery, we are confident that the underlying economy is sound. Our focus will be on steps to support long-term economic prosperity, and on some of the specific sectors that have been crushed by Covid-19:

- **Develop specific programs to revive the hospitality industry and visitor economy.** These will largely involve campaigns, promotions and funding so these businesses can survive to the other side of Covid-19. A sensible reopening plan will help a lot.
- **Address the funding crisis for the universities.** The other sector that has been hit hardest, and the only sector that was specifically excluded from JobKeeper. This will require a major effort, and major funding increases, for teaching and research.
- **Continue investments in the infrastructure to enable growth.** More than anything, the expansion of Sydney's metro network and fast rail connections to the region.
- **Create a fund for renewing high streets and town centres.** On the one hand, these havens of small businesses have been severely impacted by the pandemic controls, but with a move to more flexible and distributed work, will play a crucial role with significant opportunity for growth.



Finally, as we look past the crisis to what will be the new normal, we need to move to long-term management of Covid-19 as a permanent, endemic respiratory disease, including securing adequate booster shots, establishing onshore production capacity and licensing deals for mRNA vaccines, and fix the vaccine approval and procurement process so Australia can respond faster in to future diseases.

As we prepare to reopen to the world after having been closed for at least two years, we should be confident about asserting that Sydney is a proudly global city. We want to welcome people back and we have a good story to tell about Covid-19, in terms of the low numbers of deaths, so we need to tell that part of the story, too. We remain one of the most dynamic, wonderful cities in the world, and we are going to continue our work to build on Sydney's extraordinary success, to make it the best city in the world.