

# BCA

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## **Shifting gear:** three steps to safely, quickly and permanently reopen Australia in 2021





As Australia embarks on its biggest ever peacetime operation to roll-out vaccines for COVID-19, our national approach to suppressing and containing the virus needs to evolve.

Over the past 12 months, we have developed new and better ways to manage the virus. Building on that knowledge and hands-on experience, the nation is now well placed to protect the health of Australians, while reducing the social and economic fallout.

As National Cabinet recently agreed, all states and territories need to work together to support consistent and coordinated COVID-19 responses across jurisdictions in our new risk environment.

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# Executive summary

The Business Council has used Accenture's report *Managing COVID-19 in 2021 and beyond* as the evidence base to develop a recommended policy response to ensure Australia comes out of the COVID-19 pandemic healthier and with a strong economy.

The Accenture report identified that Australia needs to:

- increase national coordination and lift all states and territories up to best practice
- shift to more targeted and lower-cost restrictions, and
- provide more forward guidance and support for heavily affected industries.

The Business Council believes the Commonwealth Government's timeline for vaccinating Australians provides a pathway to sequence the lifting of domestic restrictions. It allows us to remove restrictions in line with the vaccine roll-out, including a staged and careful approach to international borders.

Restrictions should be eased subject to coverage of the population, the efficacy of the vaccine and our ongoing understanding of its effects, particularly regarding transmission. We will also need to consider other factors such as the timing of doses, the impact of vaccines on new variants and the distribution of the vaccine.

Australia's economic recovery is gaining pace but there is much to do. Consumer and business confidence will increase with a nationally consistent and easily understood approach to managing the virus while vaccines are rolled out. In turn, this will maintain our economic momentum.

Targeted support will still be crucial for sectors affected by ongoing border restrictions, particularly businesses using skilled migration, businesses relying on international visitors and educational institutions catering to international students.

**We call on National Cabinet to take three steps to safely, quickly and permanently reopen Australia.**

# Step one:

## Safely reopen Australia using best practice to drive national consistency, aligned with the vaccine roll-out

To maintain business and community confidence, the Business Council believes there should be a nationally consistent and uniform approach to the way restrictions are eased in line with the vaccine roll-out.

This requires all states and territories committing to:

1. Applying the Commonwealth's COVID-19 hotspots definition.
2. Implementing consistent risk-based approaches to outbreaks whereby restrictions escalate in response to case numbers:
  - **Zero cases: 'consistent vigilance'**
    - Maintenance of low-cost health precautions, including: strong hygiene practices, masks in high-risk indoor environments, venue check-ins, consistent community testing for people with symptoms, and best practice travel and border protocols.
  - **One to nine cases: 'risk management'**
    - Enhanced health precautions and outbreak control measures, including: intensive testing, tracking and tracing, local closure of large events and high risk venues, enhanced social distancing requirements, no state border closures, and no state-wide business closures.
  - **Rolling three-day average of 10 locally acquired cases per day: 'official hotspot'**
    - Targeted local lockdown focussed on affected local government areas (LGAs), including: closure of local non-essential businesses, restrictions on non-essential movement outside LGAs, restrictions on household social gatherings, and no state border closures without national coordination and evidence of necessity.
3. Having a common approach to testing, including wastewater testing and post-quarantine testing.
4. Improving information sharing between jurisdictions to enable nationally consistent tracking and tracing.
5. Ensuring quarantine arrangements reflect the recommendations from the National Review of Hotel Quarantine. This includes exploring new models of quarantine using risk assessments and analysis of traveller suitability, and exempting low risk cohorts, such as travellers from New Zealand, from mandatory quarantine.
6. Businesses and employers continuing to play their part in managing COVID-safe workplaces and ensuring COVIDSafe plans continue to operate. Business leaders also have an important role in communicating the importance of the vaccine and promoting confidence in workplaces.

# Proposed framework for easing restrictions based on the vaccine roll-out timetable

Matching the restriction easing to the vaccine roll-out phases will leverage national consistency and build confidence. The following diagram outlines a proposed matching of restriction easing to roll-out phases:

## A risk-weighted approach to guide the reopening framework

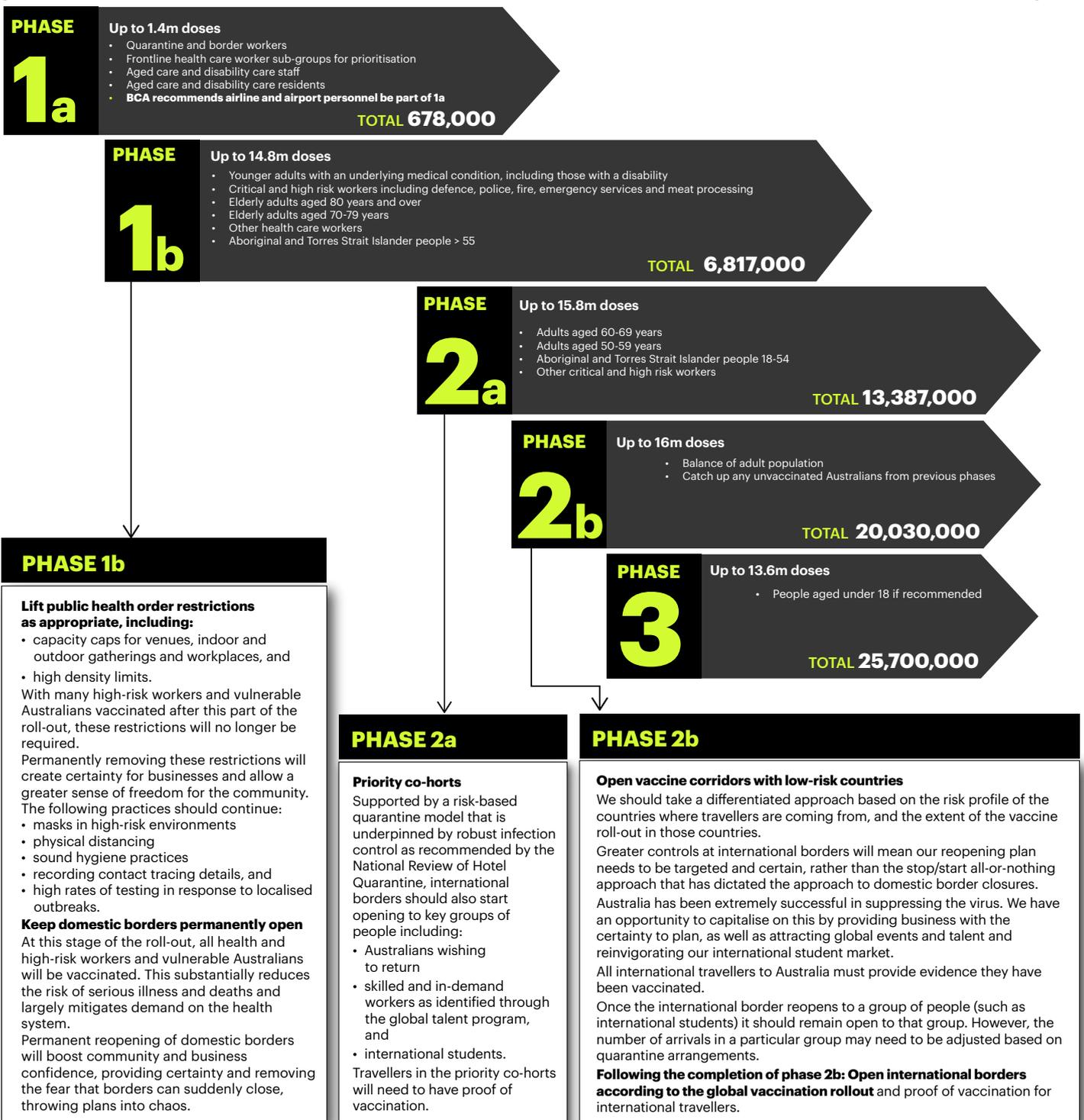
A risk-based approach should be adopted for easing restrictions and managing this framework.

The success of the roll-out is subject to: coverage of the population (take-up of the vaccine), impact on transmission and longevity of the vaccine. These factors will need to inform decision-making in relation to the easing of restrictions.

Due to these significant variables, the easing of restrictions may not always be linear. Regardless, the reopening framework must drive best practice, national consistency and deliver a capacity for a sustained reopening of the economy.

FEBRUARY 2021

OCTOBER 2021



# Step two:

## Gradually change the public health narrative

Australia's health response objectives are to:



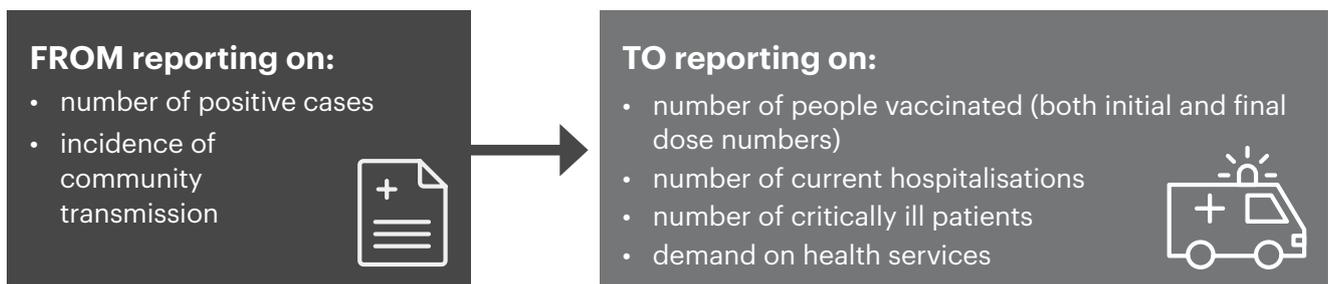
Vaccinating the population will help achieve these goals. As we roll-out the vaccine we need to evolve the way we talk about the impacts of COVID-19 to move from crisis to recovery. This shift in language will replace knee-jerk emergency responses with sensible and proportionate management.

### From now until completion of phase 2a

As the vaccine is rolled out, the way leaders report on COVID-19 needs to evolve. Initially, the focus should remain on local containment, community transmission and health system capacity. A new measure should also be introduced to daily reporting, being the number of Australians who have had the vaccine.

### Following completion of phase 2a

Once a significant number of Australians have been vaccinated the public health narrative should shift to better reflect the environment:



There is still more to learn about the efficacy of vaccines, especially in relation to transmission prevention, but by changing how we report on COVID-19 cases we can reassure the community that it is safe to begin easing restrictions.

## Step three:

### **Continue targeted support for businesses that remain affected by government restrictions and/or international border closures**

Given that the international borders will not fully open until global immunity is achieved, the Business Council calls on the Commonwealth Government to provide targeted assistance for businesses that rely on international tourists, international students and skilled migrants.

The Tourism and Transport Forum (TTF) estimates that their current sector employment is about 55 per cent of what it was in January 2019. The TTF advise this could get down to 35-40 per cent by September 2021 without continued support in the form of a wage subsidy. However, with support the sector could grow back to 72 per cent of 2019 employment by December 2021.

The Business Council recommends providing ongoing support to businesses affected by public health restrictions, in a targeted way and based on the following principles.

#### **Eligible businesses must be:**

- classified as a tourism business in line with ABS Tourism Satellite Accounts (i.e. at least 25 per cent of output is purchased by visitors) or be related to tourism through the transport sector (e.g. aviation and airport related businesses)
- have significant firm-specific human capital. Not all businesses may necessarily qualify, e.g. the tour operator may qualify but the food stand may not
- continue to demonstrate a fall in turnover across the entire business (akin to the JobKeeper test), and
- demonstrate that all other avenues of support have been exhausted.

A loan scheme is not a viable option as this places a greater burden on businesses who may be reluctant to take on further debt given their existing debts and the need to pay back previous deferrals (e.g. payroll tax, rent relief etc.).

**By following these three steps, Australia will come out of the COVID-19 pandemic healthier and with a strong economy.**

**Business stands ready to work with governments at all levels to ensure that we can be part of the solution to safely reopen Australia.**

# Background: costs of COVID-19

Notwithstanding our world leading health results, we have paid a high price. As the Accenture report identifies:

- \$170 billion in annual GDP lost
- 37% increase in calls to domestic violence helplines
- 20% increase in calls to Lifeline
- Double the number of mental health incidences.

At a sector level, aviation and tourism continue to be most affected, largely as a result of border closures.

International aviation generates around \$100 billion of export revenue and supports around 515,000 jobs.

While international borders remain closed, Australia is losing \$7.6 billion per month in economic value<sup>1</sup>.

Domestically, state border closures cost Australia \$2.1bn per month.

Border closures affect confidence with 52% of Australians saying they won't travel due to border closure fear, rather than fear of COVID-19.

From a domestic travel perspective, internal border closures affect confidence and have a dire impact on local economies. For example, the Northern Beaches COVID-19 Cluster and additional Western Sydney clusters in late December 2020 resulted in major border closures to visitors from Greater Sydney and wider NSW during the December/January peak domestic travel period. This had a significant impact on visitor spend (initially estimated at a \$2.97 billion loss over the period from 24 December 2020 to 10 January inclusive).

## The ongoing costs of COVID-19 restrictions on the tourism industry continue to result in<sup>2</sup>:



Airline and airport personnel who have direct contact with international travellers must be vaccinated as part of phase 1a. This will be critical to keeping our borders open, both domestic and internationally, and protecting the integrity of our quarantine system.

Consideration should also be given to prioritising workers in extractive industries who are currently operating in bubbles, and need to re-establish FIFO patterns. Vaccinations will ensure the remote communities they operate in are protected.

## Roll-out underway

Australia has started to roll-out the vaccine and is well prepared to manage the health implications of the virus. The Commonwealth Government has a comprehensive vaccine roll-out strategy being delivered in a three phase approach.

Along with the increased health capacity, including surge capacity for ICUs, increased number of ventilators and adequate PPE, Australia's ability to provide high level care outweighs current demand.

With almost 115 million available doses of vaccines secured for Australians, we have enough doses to vaccinate every Australian three times, one of the highest rates in the world:

- Pfizer/BioNTech (provisionally approved) – 10 million doses to be delivered in early 2021 with option to purchase addition where supply available
- AstraZeneca (provisionally approved) – 53.8 million doses (3.8 million delivered to Australia in early 2021, 50 million to be manufactured in Australia by CSL)
- Novavax (phase 3 clinical trials) – 51 million doses will be made available in Australia during 2021.