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## — Opinion

# Paying for lack of vaccine insurance

The government may have found another 20 million Pfizer shots as it limits use of AstraZeneca. But there have been too many unforced errors as well.

[Steven Hamilton](#) and [Richard Holden](#)

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What a difference 24 hours makes. No sooner had the Australian Technical Advisory Group on Immunisation struck a seemingly mortal blow to our vaccine rollout by cautioning the use of the AstraZeneca vaccine for those under 50, than Scott Morrison revealed the ace up his sleeve in the form of 20 million additional doses of Pfizer to be delivered this year. While the outcome is welcome, the crisis preceding it is just the latest in a series of unanticipated failures, exposing the haphazard nature of our vaccine strategy.

We've seen the failure of [the locally developed UQ vaccine](#), which caused false-positive HIV test results in some recipients. [The European Union then blocked](#) exports of millions of doses of our next-leading contender, the AstraZeneca vaccine.

There has since been a series of delays in our domestic production of that vaccine. And there were widespread concerns over its efficacy relative to the Pfizer,

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At every point, policymakers have deflected blame, [pointing the finger at “supply” which they say is beyond their control.](#) But if you have a car crash without insurance, blaming the other driver doesn't always get you very far.

Developing, producing, procuring, distributing and administering vaccines is a risky business at the best of times. Only more so under the time pressures imposed by the first global pandemic in a century. Failing to buy adequate insurance in such an environment was bound to end in tears.

To the uninitiated, the government's vaccine strategy might seem prudent. As Health Minister Greg Hunt contends, we purchased in advance one candidate from each of the three leading technologies: Pfizer over Moderna (mRNA vaccines); AstraZeneca over Johnson & Johnson (viral vector vaccines); and Novavax over Sanofi (protein vaccines).

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And we heavily favoured local producibility: initially UQ's vaccine, and then the AstraZeneca vaccine, now being produced in Melbourne by CSL.

**Our only option is to secure additional doses of Pfizer, and any doses of Moderna and Johnson & Johnson, as soon as possible.**

The EU blocked exports of AstraZeneca – but exports of Pfizer, Moderna, and Johnson & Johnson have not been affected. Domestic production could indeed shield us from these trade risks – but not when the single vaccine we chose to produce is subject to health warnings over its use for most Australians.

Before Thursday's announcement, the plan had been to procure the 50 million doses Australia needs to [fully vaccinate its population by October](#), 70 per cent of which were to be AstraZeneca. The total included just 15 million Pfizer doses, and about 3 million Novavax doses.

Having almost all our eggs in the AstraZeneca basket always seemed imprudent – and the triple whammy of questions over its efficacy, export restrictions, and now a major health warning has proved it to be so.

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The [AstraZeneca vaccine is indeed still recommended for those over 50](#), and available – albeit with a warning for those under 50. But, rightly or wrongly, Thursday's decision by ATAGI could very well shatter what was already somewhat fragile confidence in the AstraZeneca vaccine.

The speed of the rollout isn't determined only by supply. Before the announcement, [vaccine hesitancy was already worryingly high](#). The latest development won't help matters.



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The answer to our over-reliance on AstraZeneca was always obvious, but is now even more pressing. Many point to our lack of community transmission and relatively few deaths so far in the pandemic to say “there’s no rush” and “we’re not in a hurry”. Indeed, the secretary of the federal Health Department has been saying this ad nauseam.

But we simply cannot afford to have our vaccine rollout pushed well into 2022. There’s always a risk of another outbreak. And the economic costs of our lack of protection run into billions of dollars.

The government seems finally to have recognised this, on Friday conjuring 20 million additional doses of the Pfizer vaccine. Of course, this should always have been the plan, and we have been calling for it for months. While it’s unfortunate it took such a calamity to finally spur action, it’s better late than never. We will still receive only around 12 million doses of Pfizer before October, but will now receive 28 million in the final quarter. The challenge will be in delivering such a large number of doses in such a short time frame once they finally arrive. This will require a massive lift.



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In the aftermath of the pandemic, there will be ample opportunity to probe the source of our procurement failure. The government may have followed the advice of the federal Health Department to the letter at every point. But doctors aren't experts in insurance, contracting, and logistics.

And bureaucrats – and their McKinsey consultants – are perhaps unaccustomed to benefit-cost ratios of 10x, 100x, or 1000x.

Nevertheless, they should answer for any failure of judgment.

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**Steven Hamilton** is assistant professor of economics at George Washington University and chief economist at the Blueprint Institute.

**Richard Holden** is professor of economics at UNSW Business School and President-elect of the Academy of the Social Sciences in Australia. *Connect with Richard on [Twitter](#).*

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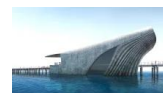
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