

Office of the Minister for COVID-19 Response

Cabinet

COVID-19 RESPONSE: 27 AUGUST REVIEW OF ALERT LEVEL SETTINGS

Proposal

- 1 This paper seeks Cabinet's agreement to keep all New Zealand at Alert Level 4 until at least 11.59pm Tuesday 31 August 2021, with Cabinet to complete a review of these settings on Monday 30 August. It signals an intent to move all the country below Auckland down to Alert Level 3 at that stage should the Public Health risk assessment and advice support this shift.

Relationship with Government priorities

- 2 This paper concerns the Government's response to COVID-19.

Summary

- 3 Since the first positive test on Tuesday 17 August 2021, the number of new cases has continued to increase. If Alert Level 4 were having a significant impact on reducing transmission (i.e. comparable to Alert Level 4 in 2020), then modelling suggests that case numbers will peak and begin to flatten over the coming days. There are 348 cases as at 9am Friday 27 August, all but 14 of which are in Auckland.
- 4 The Director-General of Health's updated public health advice is that the whole country should remain at Alert Level 4 until at least 11.59pm Tuesday 31 August. Cabinet will meet again on Monday 30 August, and at which point they could consider moving the country (excluding Auckland) to Alert Level 3 from 11.59pm Tuesday 31 August for at least a week.
- 5 The Public Health risk assessment notes that there is confidence there are no undetected cases in the South Island or the rest of New Zealand outside of Auckland and Wellington. However, the Director-General's updated public health advice today suggests keeping the country at Alert Level 4 for a full two weeks (until Tuesday 31 August) will give the country the best shot at eliminating this outbreak. He advises that the current situation regarding the South Island is finely balanced, but given outstanding wastewater results in Christchurch, and from an abundance of caution, maintaining a national approach at this time is prudent.
- 6 The Director-General also advises that, in order to provide greater certainty, it would also be useful to signal that Auckland is likely to be at Alert Level 4 for another week.
- 7 I agree that the outbreak appears contained but, consistent with the Director-General's updated advice, would like greater certainty about outstanding test results. Therefore, I propose that Cabinet agrees to keep all New Zealand at Alert Level 4 until at least 11.59pm Tuesday 31 August. At the Cabinet review on Monday, should the latest results not show any sign of unexpected transmission beyond Auckland, I would expect to recommend a move to Level

3 for all New Zealand below Auckland. I remain cautious about Northland because of the recent Warkworth cases and am mindful of the views expressed by iwi and regional leaders.

- 8 It is important that when (parts of) the country is ready to move to Alert Level 3 sufficient time is allowed to implement a land-based Alert Level boundary so that it is safe, effective and achieves its purpose – to restrict movement to prevent the transmission of the virus. The Director-General of Health's interim advice is that this would take up to 48 hours for a boundary around Auckland from the time Cabinet decides to shift. This timeframe is supported by operational agencies. I consider that if we strongly signal that a step down for areas below Auckland to Alert Level 3 is likely following Monday's review, agencies will have sufficient time to prepare for a change to commence by 11.59pm Tuesday.
- 9 This paper sets out information to operationalise any decision to de-escalate Alert Level settings, including the placement of, and permitted movements through, any boundary between areas of higher and lower Alert Levels.

How we make Alert Level decisions

- 10 Cabinet has previously agreed to use eight factors to guide decisions on the appropriate Alert Level settings for New Zealand [CAB-20-MIN-0199; CAB-20-MIN-0387 refer]:
 - 10.1 the Director-General of Health's satisfaction on four health matters:
 - 10.1.1 the source of the case(s) or outbreak (noting new variants of concern), and the number and geographical distribution of clusters;
 - 10.1.2 the length of time the virus has been in the community and the potential for undetected transmission (i.e. between the source and the case);
 - 10.1.3 the containment of the case(s) and/or cluster(s), including consideration of the potential for undetected community transmission occurring in New Zealand or in quarantine-free travel countries;
 - 10.1.4 the capacity and capability of our public health systems, including our surveillance and contact tracing systems;
 - 10.2 evidence of the effects of the measures on the economy and society more broadly;
 - 10.3 evidence of the impacts of the measures for at risk populations in particular;
 - 10.4 public attitudes towards the measures and the extent to which people and businesses understand, accept, and abide by them; and

- 10.5 our ability to operationalise the restrictions, including satisfactory implementation planning;

The current response

- 11 At 11.59pm, Tuesday 17 August, all New Zealand moved to Alert Level 4 [CAB-21-MIN-0324 refers].
- 12 On Friday 20 August, Cabinet agreed to keep all New Zealand at Alert Level 4 until at least 11.59pm, Tuesday 24 August [CAB-21-MIN-0330 refers].
- 13 On Monday 23 August, Cabinet agreed to extend Alert Level 4 settings for Auckland until 11.59 pm, Tuesday, 31 August, and agreed to extend Alert Level 4 settings for the rest of New Zealand until 11.59 pm, Friday, 27 August [CAB-21-MIN-0336 refers].

Situation report

- 14 The first detected case was a 58-year old, unvaccinated male from Devonport. He presented to his GP on Monday 16 August and tested positive on Tuesday 17 August. Since then, there have been 347 additional cases detected, for a total of 348 confirmed cases, as of 9am on Friday 27 August 2021. The Ministry of Health advises that the list of locations of interest where ARPHS has determined there is known transmission within those events remains limited to the Auckland region.
- 15 New Zealand's Pacific communities remain especially vulnerable to COVID-19 and continue to be disproportionately represented in this outbreak. Pacific Peoples account for over 50% of the current COVID-19 cases, with the Māngere Assembly of God Church (AOG) of Samoa presenting as the largest sub cluster of this outbreak. Direct engagement with the community notes emerging and ongoing impacts related to self-isolation challenges for larger intergenerational families, challenges meeting the criteria to access support (e.g. food parcels, financial support), vaccination and testing stations requiring a booking, and increased racial discrimination targeted towards Pacific peoples.

Updated modelling in relation to the current outbreak

- 16 Te Pūnaha Matatini (TPM) have continued to refine their modelling results to fit to emergent case data.

16.0 *Size of cluster at detection:* The large and increasing number of cases detected during this week have led to revisions in their estimates for the size of the cluster at point of detection, suggesting that there may have been 250- 300 infected individuals at the point of detection. There is a large estimated range, reflective of the uncertainty in estimating transmission when there are low numbers of cases.

16.1 *Impacts of Alert Level 4:* It is still too early to estimate the impacts of Alert Level 4 on transmission – in particular, whether the reproductive number in Alert Level 4 is just above or just below 1. The following discussion is highly indicative at this stage. If Alert Level 4 restrictions, contact tracing,

and case management measures are reducing transmission similarly to the 2020 Alert Level 4, modelling results suggest that daily reported cases may peak in the coming days, before beginning to flatten and taper. At this early stage, it is difficult to estimate when new cases may reduce below 10 per day, with modelling results giving a range from mid-September to mid-October.

- 16.2 In a more pessimistic scenario where Alert Level 4 is insufficient to reduce the reproductive number below 1, modelled case numbers are not likely to dramatically reduce in the near-term.
- 16.3 Separate to TPM, simple outbreak modelling by ARPHS suggests that case numbers may begin to fall in the coming days. This is based on assumptions about the pre-detection size, behaviour of the outbreak and a highly effective Alert Level 4. The Director-General of Health's advice is that the peak of the spread in Auckland is likely to be today or Saturday, 28 August.
- 16.4 *Chance of undetected cases outside of Auckland:* TPM have updated their estimates for the probability that we would have detected any new cases (if they existed) outside of Auckland and Wellington through wastewater and community testing. The results suggest only around a 50% chance that cases are detected or transmission "fizzles out" by Friday 27 August. These estimates are sensitive to the catchment area of wastewater surveillance and the proportion of the symptomatic population being tested (where smaller, and higher, respectively, improve probability of detection).
- 16.5 Further analysis of movement data and the location of known cases suggests that Queenstown and Christchurch may now be considered lower risk (than Wellington, for instance). On the other hand, given the higher levels of "essential travel", Hamilton could still be considered at higher risk of transmission, based on movement data alone.
- 16.6 In considering inter-regional transmission risk at this stage of the outbreak, after a full week with limited population movements, the data from contact tracing and test results of known contacts should be given priority.

Source of the case(s)/outbreak

- 17 The source investigation has suggested a link to an MIQ case on 7 August, but there may be unidentified intermediaries in the chain of transmission. As at 0900 Friday 27 August, 348 community cases have been identified, of which 334 are in Auckland and 14 are in Wellington.
- 18 Source investigation is ongoing into direct link(s) between the source case and the community cluster. The initial detection in the cluster was a positive result on 17 August. This suggests that the virus was circulating in the community for a period of at least ten days prior to detection.

Update on outbreak sub-clusters

- 19 There remain six epidemiologically linked sub-clusters identified within this outbreak:
- 19.0 Crowne Plaza: considered the source of the community outbreak (4 cases);
 - 19.1 AOG of Samoa Mangere: several events associated with this church (117 cases);
 - 19.2 Birkdale Social Network (associated with Case A): centred in the North Shore/West Auckland, the s9(2)(a) cluster has been moved to this group, also includes s9(2)(a) (41 cases);
 - 19.3 s9(2)(a)
 - 19.4 AUT City: people exposed at the AUT City Campus (10 cases).
- 20 Importantly, the proportion of new community cases identified, and their associated exposure events is trending down. For example, of the 68 new cases identified on 25 August, 65 were cases with no exposure events, and 3 had associated exposure events. Further, the proportion of new community cases originating from household exposure is increasing, with 37 out of the 68 new cases identified on the 25 August coming from household exposures. Graphs of both sets of data can be found at Appendix 1.

Potential for undetected community transmission outside of Auckland

- 21 Health officials have gathered a reasonable level of evidence regarding the parameters of this outbreak, and the Director-General of Health has confidence that the outbreak is largely contained outside of Auckland and Northland. The Director-General is confident that potential transmission to the rest of the country has either not occurred or been contained (in the case of Wellington). I note that (as at 0800 26 August 2021) out of the 360 contacts across the South Island, 330 have been tested and 357 are self-isolating.

Health system capacity including surveillance and contact tracing systems

- 22 While under strain, the health system continues to respond to the current outbreak. Hospital occupancy is around 75% (as at 26 August 2021), around half of the national coverage of intensive care bed occupancy (59.5% as at 26 August 2021), and there remains significant ventilator availability across the country.
- 23 As at 4pm Thursday 26 August, there were 24,405 contacts identified in relation to the August community cases recorded in the National Contact Tracing Solution. 15,755 of these have been contacted and are self-isolating. Contacts at large exposure events, (e.g., schools), have been contacted already and are being added which impacts the numbers of contacts reached. These contacts have been given the appropriate advice. Of the total number of contacts, 22,878

are close contacts; these volumes are unprecedented, compared to only approximately 2,600 close contacts identified during the August 2020 outbreak over a six-week period.

- 24 Testing volumes remain high. In the last seven days, 270,382 tests have been completed, the majority in the Auckland region. On 25 August, 41,739 tests were recorded nationally. This is compared to a peak of approximately 22,000 daily tests during the August 2020 outbreak. The Wellington region (Capital and Coast, Hutt Valley and Wairarapa DHBs) recorded approximately 4,023 tests and the Auckland region (Auckland, Counties Manukau and Waitemata) recorded approximately 23,811 tests. As of 9am Thursday 26 August, there were approximately 1,500 tests awaiting processing (i.e. 48-72 hours since collection and are not yet processed).
- 25 Wastewater testing analysis during this outbreak has included samples from 97 sites, covering 3.8 million people. There are 70 locations on the North Island, and 27 locations on the South Island. A positive wastewater result in Christchurch is of low concern as it is likely to be linked to cases in managed isolation. ESR is unable to do Whole Genome Sequencing for Christchurch wastewater samples as the concentration of the wastewater sample is too low.
- 26 In terms of capacity for the ongoing response, testing, laboratory testing supplies and PPE supplies all remain high despite the surge in demand during the outbreak. The Ministry of Health's national PPE supply chain currently holds close to 17 million N95/P2 particulate respirators, 277 million medical masks, 17 million isolation gowns, 1.6 million face shields, 272 million nitrile gloves, and good volumes of hand sanitiser, disinfectant wipes and other items of PPE utilised across the health and disability sector.

Director-General's of Health's conclusions¹

- 27 The following conclusions influence the Director-General's recommendations:
 - 27.1 the large number of infectious cases in Auckland;
 - 27.2 the high level of testing and returned test results outside of Auckland and Northland;
 - 27.3 a requirement for further data, and contact tracing related to the recently identified cases in Warkworth cases – these may have had contact with people further north meaning a better assessment of the risk in Northland is required;
 - 27.4 the absence of unexpected wastewater results; and
 - 27.5 the significant transmissibility risk of the delta variant.

¹ The Director-General of Health's conclusion is based on information available as of late Thursday, 26 August. Case/contact data in this paper reflects the latest figures as at 9am Friday 27 August.

Proposal

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- 29 The Public Health risk assessment notes that there is confidence there are no undetected cases in the South Island or the rest of New Zealand outside of Auckland and Wellington. However, the Director-General's updated public health advice suggests keeping the country at Alert Level 4 for a full two weeks (until Tuesday 31 August) will give the country the best shot at eliminating this outbreak. He advises that the current situation regarding the South Island is finely balanced, but given outstanding wastewater results in Christchurch, and from an abundance of caution, maintaining a national approach at this time is prudent.
- 30 The Director-General also advises that, in order to provide greater certainty, it would also be useful to signal that Auckland is likely to be at Alert Level 4 for another week.
- 31 I agree that the outbreak appears contained but, consistent with the Director-General's updated advice, would like greater certainty about outstanding test results. In addition to the wastewater results in Christchurch, I note that only 78% of Wellington-based contacts have returned a test result. As of Thursday 26 August, date 40/3,385 (~1%) of contacts are "overdue" for testing results. A further 140 (~4%) contacts in Wellington have results pending.
- 32 Therefore, I propose that Cabinet agrees to keep all New Zealand at Alert Level 4 until at least 11.59pm Tuesday 31 August. At the Cabinet review on Monday, should the latest results not show any sign of unexpected transmission beyond Auckland, I would expect to recommend a move to Level 3 for all New Zealand below Auckland. I remain cautious about Northland because of the recent Warkworth case and am mindful of the views expressed by iwi and regional leaders.
- 33 It is important that when (parts of) the country is ready to move to Alert Level 3 sufficient time is allowed to implement a land-based Alert Level boundary so that it is safe, effective and achieves its purpose – to restrict movement to prevent the transmission of the virus. The Director-General of Health's interim advice is that this would take up to 48 hours for a boundary around Auckland from the time Cabinet decides to shift. This timeframe is supported by operational agencies. I consider that if we strongly signal that a step down for areas below Auckland to Alert Level 3 is likely following Monday's review, agencies will have sufficient time to prepare for a change to commence by 11.59pm Tuesday, 31 August.

Assessment of the proposed measures/options against the non-health factors

- 34 I have assessed the proposal to keep the country at Alert Level 3 until Tuesday, 31 August, against the non-health factors agreed by Cabinet, as set out below.

35 My assessment gives me no reason to question the proposal. However, I remain concerned about increasing mental health impacts and the toll on front line workforces including Police and supermarket workers. While increasing reports from Police of non-compliance are worrying (further detailed in paragraph 48), social licence appears to remain strong. These are issues we will continue to monitor closely. Although there is a disproportionate impact upon at risk communities from being at higher Alert Levels, they are also very vulnerable if they contract COVID-19.

Economic impacts from Alert Levels

36 There is considerable uncertainty about the size of the impact of the Alert Level restrictions. Treasury last formally estimated the impacts of the Alert Level restrictions in the BEFU forecasts in April 2021.²

Approximate economic impacts of the Alert Level restrictions relative to Alert Level 1 (rounded to nearest \$10m)

Restrictions	Reduction in economic activity per week	
AL3 across all of NZ	\$520 million	8.7% of national GDP
AL4 in Auckland, AL3 rest of country	\$920 million	15.3% of national GDP
AL4 in Auckland and Northland, AL3 rest of country	\$940 million	15.7% of national GDP
AL4 in Auckland and Waikato, AL3 rest of country	\$1,000 million	16.6% of national GDP
AL4 in North Island, AL3 rest of country	\$1,280 million	21.4% of national GDP
AL4 across all of NZ	\$1,520 million	25.3% of national GDP

37 The impacts will differ across industries and within regions. Relative to Alert Level 3, restrictions at Alert Level 4 will impact some industries more than others. Industries such as the primary sector maintain much of their output at Alert Level 4, while others, such as construction, will see a material decline in activity. As shown in the table above, the overall economic impact depends significantly on the regional boundary of Alert Level restrictions.

38 These estimates are derived from the observed impact previous Alert Level escalations have had on activity and they do not account for potential changes over time (such as firms adapting their behaviour). The estimates of the reduction activity with an Alert Level 4/3 boundary may be too low. This is because the likely boundary restrictions on movement will disrupt supply chains and constrain businesses beyond what the rules allow them to do in an Alert Level 3 area.

² Some of these GDP losses will occur even without Alert Level restrictions, as people adjust their behaviour in response to perceived risk.

- 39 We are also collecting high-frequency economic data, which enables us to monitor the real-time impact of Alert Level restrictions. As expected, early signals indicate a reduction in activity broadly similar to Alert Level 4 in March/April 2020. During the week ending 26 August:
- 39.1 Light traffic was down by 74% compared to the previous week, and heavy traffic was down 55%.
 - 39.2 National electricity demand was down by 8.6% compared to the previous week.
 - 39.3 Electronic card spending was down 47% compared to 2019. This is smaller than the 59% drop seen during the first week of the March/April 2020 lockdown, possibly reflecting some adaptation by firms and businesses with online shopping and deliveries.
- 40 Previous lockdowns indicate that while activity does fall sharply, a significant amount is deferred rather than lost, if the time spent under higher Alert Levels restrictions is kept short.
- 41 Domestic and international economic data since the emergence of COVID-19 has backed our strategy that a strong health response has been the best economic response, as set out in CAB-21-SUB-0330.

Economic support measures

- 42 The Ministry of Social Development (MSD) in collaboration with other social agencies and NEMA advise they are continuing to monitor the social impacts of any change in Alert Levels, and any additional support that might be required for people and communities.
- 43 The Wage Subsidy Scheme August 2021 has had strong uptake with \$759.331 million paid as at 26 August, supporting 677,063 jobs. Applications to date have been almost entirely from businesses with under 500 employees. The number of people on main benefit increased by 2,508 in the week to 20 August and further increases are likely. Food grants also increased significantly compared to the week before lockdown, reflecting the need many people are experiencing in access to food, especially in Auckland. Appendix 2 sets out further detail regarding the economic supports that are available and uptake to date.

Impacts on at risk populations

- 44 The impacts of Alert Level 4 increase as the period we remain in Alert Level 4 lengthens. Although higher Alert Levels assist in preventing community transmission in more vulnerable communities, they disproportionately impact some groups. The impacts on at risk populations are set out in more detail in Appendix 3, and include (but are not limited to):
- 44.1 restrictions on earning capacity (e.g. loss of jobs, reduced hours, and the impact of finances of families) which can amplify income and poverty inequities;

- 44.2 support for essential workers (including childcare arrangements, support to adhere with public health advice and get vaccinated);
 - 44.3 challenges associated with digital connectedness, and inequitable access to testing sites, essential services, and material essentials such as food, hygiene products, and shelter and warmth; and
 - 44.4 ongoing concerns around mental health, with support services experiencing a significant surge in support being sought by communities in relation to their mental and general wellbeing.
- 45 MSD, NEMA and social service providers will continue to work with communities and provide consistent messaging about the supports already in place and how to utilise existing support channels.

Public attitudes and compliance

- 46 Social licence remains crucial to a successful COVID-19 response through the maintenance of public trust. Government messaging continues to be informed by the sentiment we are seeing through our channels, insights reports, and pulse check research.
- 47 Recent qualitative research (conducted post lockdown) showed that, although people had less time to adjust, in terms of dealing with the current level four lockdown, people feel more psychologically prepared and less anxious this time around. This emotional acceptance has been shaped strongly by the alarming spread of Delta in Australia.
- 48 By 5pm Thursday, 26 August, Police had received 9,259 online breach notifications through its 105 system, with 2,986 relating to breaches in Tāmaki Makaurau. There have been continued reports of protests, with one planned for today in Auckland. Police advise that public sentiment remains predominantly “calm” and “subdued”. Negative commentary continues to criticise protestors and those who refuse to wear masks. However, Police note that lockdown measures will likely continue to exacerbate issues for those experiencing mental health issues and substance abuse.

Ability to operationalise the proposals in this paper

- 49 Given consideration has been given to keeping the Northland region at Alert Level 4 along with the Auckland region, officials have undertaken engagement with local leaders, including iwi. The key themes from that engagement were:
- 49.1 strong support for Northland to be at the same Alert Level as Auckland;
 - 49.2 general support for the northern and southern boundary definition;
 - 49.3 concern about declining resilience amongst some Māori communities;
 - 49.4 Police agreed to partner with iwi in operating checkpoints.

Alert Level 4/3 boundaries

- 50 To implement any recommendation to move to Alert Level 3 in some areas of the country, an Alert Level boundary is required. A North Island / South Island boundary is relatively straightforward to define and implement given there are relatively few air and maritime ports from which people can travel between the various islands. The key challenge for travel between islands is implementing changes to systems, including communicating eligibility to travel and acceptable required evidence.
- 51 A North Island/South Island boundary will be managed by Waka Kotahi staff at ferry terminals, with support from MPI for animal welfare purposes. Aviation Security provide the primary response at airports supported by Police who have a permanent presence at Auckland, Wellington, Christchurch and Queenstown airports. Police would provide reassurance patrols and respond to any calls for support in dealing with disturbances or people who are non-compliant with directions to return to their normal place of residence.
- 52 For any regional boundary around Auckland and Northland, I propose that the southern boundary be that used in February 2021, including Port Waikato and parts of the northern Waikato. A map of this area is attached in Appendix 4.

An Alert Level 4/3 boundary should restrict movement as much as possible

- 53 The fundamental public health premise is that under both Alert Level 3 and Alert Level 4, people should stay home, unless it is essential to do otherwise. Under Alert Level 4 and 3 settings travel is restricted to essential personal movement, and there are very limited situations where travel around the country is permitted. At higher Alert Levels, travel between Alert Level areas creates an even greater risk of the virus spreading to other regions. An Alert Level 4/3 boundary should therefore be tighter than previous boundaries created, such as the Alert Level 3/2 boundary implemented in the February 2021 outbreak.

Permissions for movement across the Alert Level 4/3 boundary for work

- 54 Travel within an Alert Level 4 area for work is restricted to people:
- 54.1 working for an Alert Level 4 business or service (such as food and beverage production); and
 - 54.2 working for a business or service that are exempt from the requirements of the Order (such as Police or NZ Fire and Emergency).
- 55 In terms of movement of workers across the Alert Level boundary, I propose we permit the same categories that are allowed to move within the current Alert Level 4 area. This means that workers other than those described in paragraph 54 will not be permitted to travel to an Alert Level 3 area to work for a business or service that cannot operate at Alert Level 4 and vice versa. The Director-General will consider whether businesses and services which have been granted exemptions to operate at Alert Level 4 should also be permitted to move from one alert level area to another. (He can also grant exemptions more generally for travel across an Alert Level boundary.)

56 To minimise the cumulative risk of this travel I propose placing a new obligation in the Public Health Order on the employer to have systems and processes in place to ensure the least number of workers needing to travel do so, and ensuring the public health risks of anyone travelling between Alert Level 3 and 4 areas are minimised. I also propose to include a requirement to make workers only travel for the permitted purpose and not to stop en-route.

Agencies have consulted key businesses close to the proposed Alert Level boundary to discuss the extent of critical worker movement

57 MPI and MBIE have had in confidence discussion with their sectors on cross-boundary movement. These discussions focused on a regional boundary around Auckland because of the complexity and likelihood that a boundary there would last for a longer period than one between islands. Combined with what we know about movement that occurred across the Alert Level 3 boundary in February, it appears there would be relatively limited movement across the Alert Level boundary under the proposed settings.

58 When Auckland was at Alert Level 3 during February 2021, 1,335 individual workers for animal welfare (including vets) and 6,380 food and beverage workers were approved to travel across the Alert Level 3/2 boundary. While there will be some changes in numbers based on seasonal factors, this provides an indication of the likely upper level of movement that might be expected under an Alert Level 4/3 boundary. Movement between islands would be far lower.

59 MPI has further tested this by contacting, in confidence, a small number of key businesses that operate close to the proposed Auckland Alert Level boundary. These businesses are currently operating under Alert Level 4, with workers regularly travelling across the region in order to maintain critical food and beverage production, packaging and supply. Some indicative examples of likely movement include:

59.1 **Dairy** – s9(2)(b)(ii)
[Redacted]

59.2 **Horticulture** – s9(2)(b)(ii)
[Redacted]

59.3 **Meat** – s9(2)(b)(ii)
[Redacted]

59.4 **Processed food** – s9(2)(a)
[Redacted]

- 60 MBIE has engaged with a wide range of business representatives, FIRST union, and E Tu. All entities strongly supported allowing Alert Level 4 business or service workers to cross the Alert Level boundary; and for that to be facilitated by the Business Travel Document system (discussed further below). Entities noted that preparing requests takes considerable time (identifying workers and uploading names), and so were keen that no further delays be created. There would likely be concerns if a fully manual process were introduced. Specific risks noted by business representatives include:
- 60.1 Some non-essential work categories will face labour force constraints, particularly with an Auckland boundary e.g. aggregates/quarries.
 - 60.2 The free flow of freight is essential to maintain supermarket services between islands.
 - 60.3 A 24-48 hour notice period would be useful to enable businesses to plan in advance of a boundary coming into effect.
 - 60.4 Construction sector representatives suggested that where work will be able to recommence but contracted labour for that work is in a different Alert Level area, the contract could be used as evidence to support the need for those people to travel, rather than new firms / staff needing to be found.
- 61 E Tu, was supportive of business' ability to responsibly manage boundary travel, noting that Air NZ, for example, already has good processes in place.

Permissions will also be required for movement across the Alert Level 4/3 boundary for non-work reasons

- 62 In addition to the proposed permissions for workers, I propose people should only be allowed to travel across the Alert Level boundary (including to transit from one Alert Level 3 area to another) for the following purposes:
- 62.1 urgent care of a child or to provide care or support to a person in a critical or terminal condition (if no other appropriate person can provide care within the area);
 - 62.2 shared caregiving arrangements;
 - 62.3 access a health service with appointment (or receive their Pfizer vaccine in the same or adjoining district);
 - 62.4 access a judicial institution where required or permitted, or to leave or relocate home on Court order;
 - 62.5 return home from hospital or residential care or health service or relocate to another hospital or residential care or health service;
 - 62.6 emergencies;
 - 62.7 leave New Zealand;

- 62.8 go home – From Alert Level 3 to Alert Level 4 only;
- 62.9 go home after MIQ (or arrival in NZ where no MIQ required); and
- 62.10 care for pets or other animals, if travel is necessary to prevent a breach of the Animal Welfare Act and no one else in the area can provide the care.
- 63 I also propose that where people are travelling in and out of the Alert level 4 area solely for the purpose of transiting from an Alert Level 3 area to another Alert Level 3 area, this is permitted for travel to work (including at an Alert Level 3 business) and travel home.
- 64 In addition to these permissions, exemptions for personal travel across the Alert Level 4/3 boundary can also be granted by the Director-General of Health of Health (including for compassionate reasons).
- 65 As noted above for workers, people who are permitted to cross an Alert Level boundary from an Alert Level 4 area to an area at Alert Level 3 would be encouraged to observe Alert Level 4 restrictions while in the Alert Level 3 area. This has been a source of confusion previously so we will ensure the communications are clear.

Business Travel Documents can support Police enforcement at checkpoints

- 66 The Order specifies when people are required to carry evidence of the purpose of their travel from one Alert Level Area to another, including for work.
- 67 Business Travel Documents (BTDs) were previously issued by MBIE to support Police enforcement of the requirement for evidence at Alert Level 3/2 boundaries. They could also be used for the Alert Level 4/3 boundary. The documents are used by workers as evidence of their right to travel across the boundary (because they are a worker for a business or service that is permitted to travel across the boundary). This system significantly increases the efficient management of vehicles through checkpoints.
- 68 The system is a high trust model, with auto-processing largely relying on individuals' applications including a permitted reason to travel. No proof was required of applicants' right to travel when used in the February 2021 outbreak, however, MBIE sampled applications to assess the legitimacy of applicants. Construction was an area of concern. Animal welfare applications were manually reviewed by MPI because of previous confusion about what constitutes an animal welfare need.
- 69 Officials propose that the BTD system continue to auto-process most requests under an Alert Level 4/3 boundary. To mitigate the risk of BTDs being issued to businesses whose workers should not be travelling, sector lead agencies would increase their monitoring activities. Any erroneous requests can be revoked, and the business notified immediately. The integrity of this approach relies on workers then destroying their documents or Police scanning documents and taking action at the boundary checkpoints. Animal welfare and construction

requests would be manually reviewed by MPI and MBIE respectively (noting that there should be relatively few applications for construction).

Agencies are working to streamline the exemptions process for travel across the Alert Level 4/3 boundary

- 70 Activities (such as travel) that are not permitted under an Alert Level Order can only be undertaken if an exemption is granted by the Director-General of Health. To grant an exemption, the Director-General must be satisfied the exemption is necessary or desirable to promote the purposes of the COVID-19 Public Health Act 2020 (the Act) or the Alert Level Order.
- 71 Businesses and services can apply for exemptions for business travel through MBIE's BTD system. Sector lead agencies will review an exemption request against agreed criteria and make a recommendation to the Director-General of Health. MBIE will provide a daily report to the D-G for consideration. Businesses will then be issued with an exemption by the D-G and a BTD for their workers or advised that their request has been declined. This is the same process that was used in February 2021.
- 72 The Ministry of Health has established a system to manage requests for exemptions for travel across boundaries by individuals which has been successfully implemented for the past two boundaries. An online form will be available for the public who apply for exemptions to cross boundaries. The Ministry of Justice has a MOU with the Ministry of Health to provide up to 80 FTE to manage these requests effectively.
- 73 The Unite Against COVID-19 website sets out a plain language version of the list of permitted personal movements specified in the Order. The website will also direct the public to the appropriate avenues for making a request for an exemption: to MBIE for initial processing of business or service exemption requests, to the Ministry of Health for individual requests (including on compassionate grounds), and to the COVID-19 email address for general requests that are not related to exemptions.

Implementation of an Alert Level 4/3 boundary

- 74 The effectiveness of an Alert Level boundary in preventing movement and reducing risk of transmission is greatly compromised if it is not properly implemented.
- 75 As noted in paragraph 49 above, a North Island / South Island boundary could be implemented within 12 hours of a Cabinet decision to move the South Island, the Chatham Islands and Stewart Island to Alert Level 3. A minimum of 48 hours is required from when an Alert Level change is announced to implement an Alert Level boundary for Auckland and Northland. The time is needed to establish the physical checkpoints (including freight lanes), stand up the BTD and set up the exemptions process.
- 76 Police has successfully implemented a boundary at the southern and northern boundaries of the Auckland region under the previous COVID-19 Order that established the Alert Level 3/2 boundary in February 2021. A similar southern

boundary would require checkpoints to be established at five fixed locations with one roving checkpoint team to cover the rural areas in the west for the southern boundary. A boundary to the north requires five fixed checkpoints locations. Police estimates a total of 280 staff would be required for 24/7 cover of these checkpoints (based on at least 50 NZDF staff being available over each 24-hour period). As checkpoints are established, Police intends to work with Iwi to establish a partnership approach to their ongoing operation. They note that the proposed permissions for cross-boundary travel will probably reduce traffic flows and make checkpoints easier to manage.

- 77 Traffic flow in and out of Auckland is currently at levels higher than may be expected at Alert Level 4. Police has therefore made the decision to establish checkpoints at key locations to identify vehicles travelling without proper authority under the current Alert Level. If an announcement is made to keep Auckland at Alert Level 4 and move the rest of the country to a lower Alert Level, Police intend to establish checkpoints as soon as is practicable at key locations indicated above. Police will do this under the existing Alert Level 4 rules in order to minimise movement of people to lower Alert Level areas, prior to any new or amended Order coming into force.

Projected movement across North Island-South Island and Auckland Alert Level 4/3 boundaries

- 78 Officials expect that the numbers of people currently crossing what would become a North Island/South Island Alert Level boundary are as follows:
- 78.0 Interisland maritime travel: using recent Alert Level 4 travel data average around 90 passengers per day over the last five days, with freight volumes down on normal.
 - 78.1 Interisland air travel: using recent Alert Level 4 data around 600 passengers per day in total (350 North to South and 250 South to North). It is possible this could increase initially if people return to the Alert Level 4 area from Alert Level 3.
- 79 Officials expect that Auckland land boundary travel movements will be lower than the previous February 2021 Alert Level 3/2 boundary (noting that freight will be lower and light vehicle movements a lot lower due to Alert Level 3/4 restrictions):
- 79.1 At Auckland southern SH1/SH2 boundary during the February resurgence, there were around 3,700 freight movements each way per day, and around 6,000 light vehicles through the checkpoints in each direction daily.
 - 79.2 At the Auckland northern SH1 boundary, during the February 2021 resurgence, there were around 600 freight movements and 1,500 light vehicles through the checkpoints in each direction daily.

Supply chain issues at Alert Level 4

- 80 Officials are aware of increasing supply chain impacts caused by the current Alert Level 4 restrictions; these impacts will compound the longer that Alert Level 4 continues. Although all freight can move, apart from businesses that are allowed to operate at Alert Level 4, this is only for goods that are already within the freight system (ie. in a shipping container, at a port, on a train, packed and in a distribution centre, etc). Many businesses are now no longer generating “new freight” because they are not allowed to operate; this includes any production or manufacturing not related to food and beverage or health products.
- 81 The number of exports entering the freight system is starting to diminish, and as time goes on this will cause increasing imbalances at ports and could result in ships skipping port calls because of insufficient exports to be picked up. [REDACTED]
s9(2)(b)(ii)
- 82 If ships start to reduce their calls to New Zealand because of insufficient exports to justify their trips here, that will impact the flow of the other essential goods we need. Given that we are already coping with a challenging situation caused by international supply chain disruption, any additional impacts will be magnified.
- 83 The interagency supply chain group that has met regularly since March 2020 is continuing to meet. It shares information across the dozen or so agencies represented and monitors the situation closely with a view to providing advice to Ministers if required.

Supply chain issues for non-essential goods

- 84 At Alert Level 4, businesses and services which sell essential non-food consumer products can have staff on site to process orders for online delivery. If part of New Zealand moves to Alert Level 3, this would mean that businesses or services outside the Alert Level 4 area can have staff on site to process orders of any goods for online delivery (i.e. not just essential goods).
- 85 Officials have considered whether the distinction between essential and non-essential goods should be maintained when different parts of the country are at different alert levels. Officials’ view is that the better approach is to retain the requirement that within an Alert Level 4 area people can only leave home to work for a business or service providing online delivery of essential non-food goods (rather than any goods). Retaining the requirement that the goods are essential is consistent with the desire to reduce movement within an Alert Level 4 area.
- 86 Concerns have been raised about possible impacts of having parts of the supply chain in Alert Level 4, thereby hindering activity in Alert Level 3 areas. The most obvious pinch point would be construction and engineering, as many construction products are made in Auckland, such as plasterboards and insulation. Where construction material cannot be reasonably source to support activity that could otherwise occur elsewhere in the country, or reduced production would restrict activity over coming months by depleting material

stock I expect that firms would apply for exemptions to be considered by the Director-General.

Alert Level 3 settings

- 87 The key differences between Alert Level 4 and Alert Level 3 settings are that at Alert Level 3:
- 87.1 everyone can go to work at a workplace operating with Alert Level 3 requirements;
 - 87.2 all retail and takeaways can operate with contactless pick up;
 - 87.3 schools are open for years 1-10 for those who need it (caregivers are encouraged to continue distance learning where possible);
 - 87.4 controlled gatherings of 10 people are permitted for weddings, civil unions, funeral and tangihanga;
 - 87.5 there is some additional personal movement allowed – e.g. relocation of homes and visiting someone in residential disability care; and
 - 87.6 bubbles can be extended for the purposes of keeping connections with family and whānau, caregiving or preventing isolated people from being alone, and bubbles can be two or more houses.
- 88 Officials reviewed the existing Alert Level 3 settings in light of the Delta variant and determined that the existing rules, coupled with the recent introduction of additional mandatory record keeping and face coverings requirements, are largely appropriate to manage the increased risk posed by the Delta variant. However, they have recommended three changes be made to Alert Level 3 settings:
- 88.0 changing the public health risk description of Alert Level 3 to better reflect the situation that merits a step-down to Alert Level 3, to “Medium risk of community transmission – active but managed clusters”; and
 - 88.1 an amendment to the face covering requirements, to include click and collect delivery drivers; and
 - 88.2 reducing classroom bubble sizes to 10 people, which is consistent with limits on gatherings at Alert Level 3.
- 89 Record keeping obligations will be included in any Order that moves any part of New Zealand to a lower alert level and the obligations will come into force seven days after commencement of the rest of the Order. The Order will also require delivery drivers to wear face coverings when delivering to residential dwellings. Rather than specify classroom bubble sizes in the Order, Ministry of Education guidance will be that bubbles should have an upper limit of 10 people in educational entities that are able to be open at Alert Level 3.

Financial Implications

90 On 18 August 2021, Delegated Ministers agreed to activate both the Resurgence Support Payment (RSPAUG21) and Wage Subsidy Scheme (WSSAUG21). The tables below provide a high-level estimate for the costs of the schemes under two Alert Level scenarios.³ Keeping Alert Level 4 restrictions in place for longer will increase uptake, with costs more likely to be in the higher end of the ranges presented.

Approximate WSS and RSP costs in different Alert Level scenarios

Scenario	WSS	RSP	Total
AL4 in Auckland, AL3 across rest of NZ – 2 weeks	\$1,200 to \$1,300 million	\$300 to \$400 million	\$1,500 to \$1,700 million
AL4 across all of NZ – 2 weeks	\$1,800 to \$2,100 million	\$400 to \$800 million	\$2,200 to \$2,900 million

	WSSAUG21	RSPAUG21 ⁴
Payments made at 26 August ⁵	\$759 million	\$228.5 million
Amount remaining in appropriations at 26 August ⁶	\$1,312 million	\$371.5 million

Wage Subsidy Scheme August 2021 appropriation (WSSAUG21)

91 At 1pm Thursday 26 August 2021, payments made under the WSSAUG21 totalled \$759 million⁷, with \$1,312 million remaining in the appropriation.

92 Cabinet has delegated authority to Joint Ministers to draw down up to \$2,200 million from the COVID-19 Response and Recovery Fund for future payments under the WSSAUG21 [CAB-21-MIN-0328 refers]. An additional payment under the WSSAUG21 may be required if anywhere in New Zealand remains at Alert Level 3 or above from 11:59pm on Friday 3 September. The current balance of the COVID-19 Response and Recovery Fund (CRRF) is \$3.6 billion⁸.

Resurgence Support Payment August 2021 appropriation (RSPAUG21)

93 At 1pm Thursday 26 August 2021, one and a half days after the opening of applications, \$299.25 million had been applied for under the RSPAUG21, with \$228.49 million disbursed. \$371.5 million remains in the appropriation.

³ Note while uptake of the WSS and RSP is expected to be highest in areas under Alert Level 4, firms in areas under Alert Level 3 are also able to access both schemes.

⁴ Officials expect most of the RSP's uptake to be realised in the first 10 days of a lockdown. Any lockdown of 10 or more days is therefore likely to have costs at the higher end of our estimates.

⁵ Note \$686m and \$133m respectively represents actual payments made. It does not represent the value of actual applications made due to the lag in processing time.

⁶ These balances account for payments made to 1pm on 25 August.

⁷ Note the \$759 million represents actual payments made. It does not represent the value of actual applications made due to the lag in processing time.

⁸ This balance does not reflect the cost of any proposals considered at Cabinet on 27 August 2021.

- 94 Under initial Alert Level scenarios and associated estimated uptake, the RSPAUG21 was estimated to cost \$600 million, though officials recognised that a more severe public health situation requiring prolonged periods at Alert Levels would push costs beyond that figure.
- 95 Given the public health outlook and implications of high uptake in the initial days of opening, the current appropriation limit is likely to be insufficient to meet the costs of the RSPAUG21. The additional funding needed is anticipated to be \$300 million, allowing for a total cost of the RSPAUG21 scheme of up to \$899.9 million. This assumes two weeks of Alert Level 4 nationwide and the large majority of uptake to occur during that period.
- 96 This paper therefore seeks further funding decisions from Cabinet in order to meet updated expectations of the total cost of the RSP, as well as authorisations for Joint Ministers to draw down on the CRRF if costs escalate beyond estimates again, up to a cap of \$100 million.

Legislative Implications

- 97 I will make an Order under section 11 of the COVID-19 Public Health Response Act 2020 informed by Cabinet's decision.
- 98 Before making a replacement Order or amending an Order, I must have regard to any advice from the Director-General about the risks of the outbreak or spread of COVID-19, and the nature and extent of any measures that are appropriate to address those risks. I may also have regard to Cabinet's decision on the level of public health measures appropriate to respond to those risks and avoid, mitigate, or remedy the effects of the outbreak or spread of COVID-19.
- 99 Ministerial consultation requirements will be satisfied through previous consultation on template Orders for Alert Level requirements and the proposals outlined in this paper.
- 100 The Act requires that there be 48 hours between publishing the Order and its coming into force. However, this requirement does not apply where I am satisfied that the Order should come into force urgently to prevent or contain the outbreak or spread of COVID-19, or when the effect of the order is only to remove or reduce requirements imposed by a COVID-19 order. For the proposals in this paper, I am satisfied that both circumstances would apply.

Impact Analysis

- 101 The Treasury has determined that the regulatory proposals in this paper are exempt from the requirement to provide a Regulatory Impact Statement because they are intended to alleviate the short-term impacts of a declared emergency event of COVID-19 outbreak. These proposals are required urgently to be effective, making a complete, robust and timely impact analysis unfeasible.

Human Rights

- 102 s9(2)(h)

s9(2)(h)

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Proactively Released

Population impacts

- 110 The impacts of community outbreaks of COVID-19 (and the associated Alert Level measures put in place) on vulnerable populations has been canvassed in an earlier section of the paper.

Consultation

- 111 This paper was prepared by the COVID-19 Group in the Department of the Prime Minister and Cabinet. The Ministry of Health reviewed the paper and provided specific input and text, including advice on the course of the outbreak, the public health response, and the views and recommendations of the Director-General of Health. The Crown Law Office advised on the NZBORA implications.
- 112 The Treasury, Te Puni Kōkiri, Ministries of Social Development and Pacific Peoples, the Office for Disability Issues and the Office of Ethnic Communities have provided input into relevant parts of the paper. The Ministry for Primary Industries, Ministry of Justice, Ministry of Education, MBIE, Ministry of Transport, and NZ Police reviewed the section of the paper on Alert Level 4/3 boundaries.

Communications and Proactive Release

- 113 The Prime Minister will communicate the decisions set out in this paper after Cabinet agreement. I intend to proactively release this paper after Cabinet consideration subject to redaction as appropriate under the Official Information Act 1982.

Recommendations

The Minister for COVID-19 Response recommends that Cabinet:

- 1 note that since 17 August 2021, 348 community cases of COVID-19 have been identified in New Zealand (as of 9am Friday 27 August) and that the whole of New Zealand has been at Alert Level 4 since 11.59pm, Tuesday 17 August;
- 2 note that on Monday 23 August, Cabinet agreed to maintain the whole of New Zealand at Alert Level 4 until at least 11.59pm Friday 27 August [CAB-21-MIN-0336 refers];
- 3 note that extensive PCR and wastewater testing results do not suggest widespread COVID-19 transmission across New Zealand and that there have been no known cases outside Auckland and Wellington to date;
- 4 note the Director-General's updated public health advice today suggests keeping the country at Alert Level 4 for a full two weeks will give the country the best shot at eliminating this outbreak

Alert Levels

- 5 note that the updated public health advice from the Director-General of Health is to:

- 5.1 keep all of New Zealand at Alert Level 4 until at least 11.59pm Tuesday 31 August 2021; and
- 5.2 that Cabinet review these settings on Monday 30 August to consider moving the country (apart from Auckland) to Alert Level 3 from 11.59pm Tuesday 31 August for at least a week;
- 5.3 signal that Auckland is likely to be at Alert Level 4 for another week, in order to provide greater certainty;
- 6 agree on the basis of the updated public health advice, to keep all New Zealand at Alert Level 4 until at least 11.59pm Tuesday 31 August;
- 7 note that Cabinet will review these settings on Monday 30 August, when it could consider moving all the country (below Auckland) down to Alert Level 3 for at least a week from 11.59pm Tuesday 31 August, should the Public Health risk advice support this shift;
- 8 agree that reviews of Alert Level settings be undertaken at the regular Cabinet meetings on Monday to provide greater certainty;

Alert Level boundary

- 9 note when it is announced areas adjacent to Auckland are moving to lower Alert Levels, Police intend to establish checkpoints around Auckland as soon as practicable to minimise movement of people out of Auckland to a lower Alert Level area prior to the new or amended Alert Level Order coming into force;
- 10 note in order to prepare for a possible move down Alert Levels I am proposing settings for permitted movement across Alert Level 4/3 boundaries;

Permitted movement across the Alert Level boundary

- 11 agree the same categories of workers that are allowed to travel within the current Alert Level 4 area are permitted to move from one Alert Level area to another;
- 12 note that except for the movement of workers permitted in recommendation 11, all other people who are in an Alert Level 4 area will not be permitted to travel to an Alert Level 3 area to work for a business or service that could not operate at Alert Level 4;
- 13 agree that to minimise the cumulative risk of this travel, employers of workers permitted to travel between Alert Level areas must have systems and processes in place to minimise:
 - 13.1 the public health risks of their workers travelling between Alert Level 3 and 4 areas; and
 - 13.2 the numbers of workers needing to travel between and within Alert Level areas;
- 14 agree that in addition to the proposed permissions for workers, people should only be allowed to travel across the Alert Level boundary (including to transit

from one Alert Level 3 area to another) but without stopping as far as practicable for the following purposes:

- 14.1 urgent care of a child or to provide care or support to a person in a critical or terminal condition (if no other appropriate person is able to provide care within the area);
 - 14.2 shared caregiving arrangements;
 - 14.3 access a health service with appointment (or receive their Pfizer vaccine in the same or adjoining district);
 - 14.4 access a judicial institution where required or permitted, or to leave or relocate home on Court order;
 - 14.5 return home from hospital or residential care or health service or relocate to another hospital or residential care or health service;
 - 14.6 emergencies;
 - 14.7 leave New Zealand;
 - 14.8 return home from an Alert Level 3 area to an Alert Level 4 area;
 - 14.9 go home after leaving MIQ (or arrival in New Zealand where no MIQ is required); and
 - 14.10 care for pets or other animals, if travel is necessary to prevent a breach of the Animal Welfare Act and no one else in the area can provide the care;
- 15 agree that where people are travelling in and out of the Alert level 4 area solely for the purpose of transiting from an Alert Level 3 area to another Alert Level 3 area, this is permitted if travelling to work (including at an Alert Level 3 business) and if returning home;
- 16 note that the Director-General of Health can also grant exemptions to allow workers and individuals to move from one Alert Level area to another;

Alert Level 3 settings

- 17 note officials reviewed the existing Alert Level 3 settings in light of the Delta variant and determined that the existing rules (including the recent mandatory record keeping and face coverings requirements) are generally for purpose but that some minor adjustments would be appropriate;
- 18 agree to change the public health risk description of Alert Level 3 to better reflect the situation that merits a step-down to Alert Level 3, to “Medium risk of community transmission – active but managed clusters”;
- 19 agree extend the mandatory face covering requirements to include click and collect delivery drivers;

RSPAUG21: Increased funding for Resurgence Support Payment August 2021 scheme

- 20 note that, prior to the activation of RSPAUG21, a total of \$400 million was appropriated to meet the cost of RSPFEB21, RSPMAR21, and RSPJUL21 [CAB-21-MIN-0030, CAB-21-MIN-0042, CAB-21-MIN-0247 refer], and \$192.9 million remained in the COVID-19 Resurgence Support Payment appropriation;
- 21 note that a further \$407 million was appropriated to meet the cost of RSPAUG21, which brought the balance in the appropriation to \$599.9 million;
- 22 note that demand for the RSPAUG21 scheme has exceeded expectations, and on its current trajectory there is a high risk that the cost of the RSP will exceed current appropriation limits;
- 23 agree that the updated expected cost of the RSPAUG21 will be met from within the COVID-19 Resurgence Support Payment appropriation, and costs incurred in excess of the funds remaining in the appropriation will be met with \$300 million of additional funding subject to Cabinet approval; bringing the balance in the appropriation to \$899.9 million;
- 24 approve the following changes to appropriations to provide for the decision in recommendation 23, with a corresponding impact on the operating balance and net core Crown debt:

	\$m – increase/(decrease)				
Vote Revenue Minister of Revenue	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Non-Departmental Other Expenses:					
COVID-19 Resurgence Support Payment	300.000	-	-	-	-
Total Operating	300.000	-	-	-	-

- 25 agree that the expenses incurred under recommendation 24 be charged against the CRRF;
- 26 agree that changes to the appropriations for 2021/22 above be included in the 2021/22 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;
- 27 delegate authority to the Minister of Finance and the Minister of Revenue to make changes to appropriations, including increasing the appropriation up to a limit of \$100 million as a further charge against the CRRF, to meet the costs generated by the scheme; and

Other matters

28 agree that Cabinet's decision today will be communicated by the Prime Minister.

Hon Chris Hipkins
Minister for COVID-19 Response

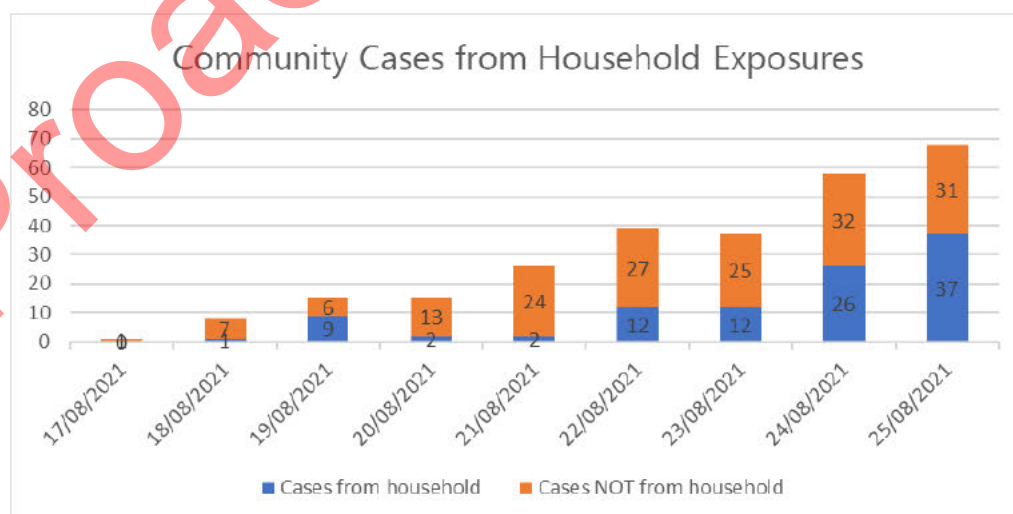
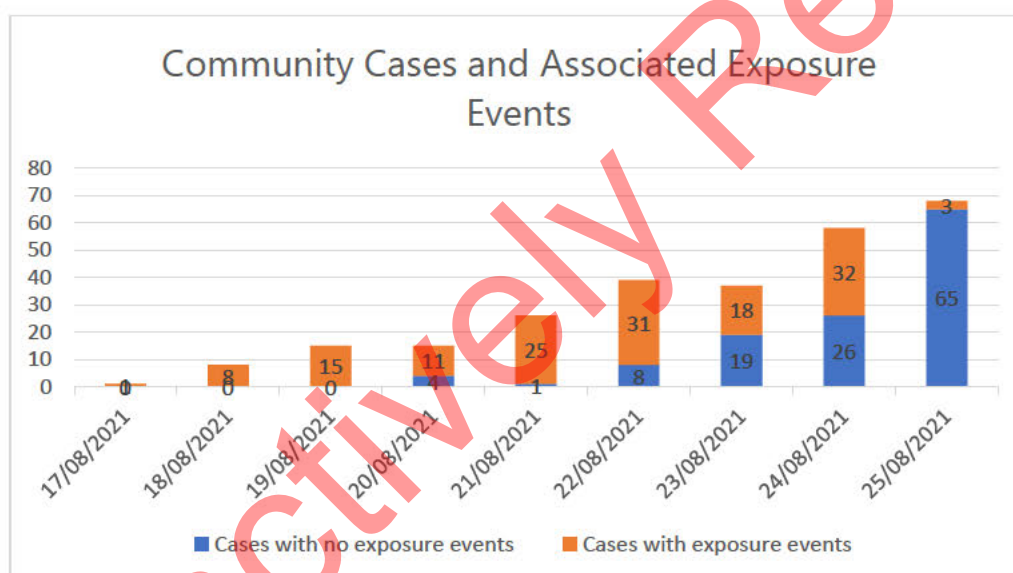
Proactively Released

Appendix 1 – Key Testing and Contact Tracing Data

As at 0730hrs 25 August, 20,383 contacts have been identified:

Total number	Positive initial result	Negative initial result	Pending/awaiting results
Close plus contacts			
460	59	201	178
Close contacts			
19,265	33	11,268	5,640
Casual plus contacts			
658	0	365	293

Graphs from Public health risk assessment, 26 August 2021



Appendix 2 – Economic Supports Currently Available

- 1 People can seek support from MSD via phone or online to help with food costs; accommodation costs; power, gas, heating or water bills; medical and dental costs.
 - 1.1 MSD should be contacted in the first instance, and social services providers such as food banks can be contacted if no income support is available.
 - 1.2 For the week ending 20 August 2021 the number of people receiving a main benefit rose by 2508. In the first week of Alert Level 4 the number of food grants distributed has increased by 65 percent compared to the previous week, and 4,956 main benefit grants have been disbursed.
 - 1.3 While the level of grants distributed was broadly similar in the weeks before the shift to Alert Level 4 in March 2020 and August 2021, the lift in food grants in the first week of Alert Level 4 was higher than that seen last year. Main benefit grants increased by a similar number.
- 2 Social and community-based services will continue to provide support to New Zealanders, with the following services able to operate under Alert Level 4 – social services that provide and support a place for someone to live; social services that support disabled people to maintain critical wellbeing; and crisis support for people who are unsafe.

The Wage Subsidy Scheme August 2021

- 3 As at August 25, 2021, 174,169 Wage Subsidy August 2021 scheme applications were approved, the total amount paid at this time was \$686,160,496.00.

The Resurgence Support Payment (RSP)

- 4 RSP is available for firms who incur a loss of 30 percent of revenue as a result of the Alert Level increase. The RSP is worth up to \$1500 plus \$400 per full-time equivalent employee, up to a maximum of 50 full-time employees (a maximum amount of \$21,500).

The Leave Support Scheme

- 5 Between 18 and 25 August 2021, 61 leave support applications have been approved, with \$93,698.40 in total being paid out.

The Short-Term Absence Payment (STAP)

- 6 Payments can be made more than once in a 30 day period under certain circumstances (which could apply during this lockdown). However, employers cannot get the COVID-19 Wage Subsidy, COVID-19 Leave Support Scheme or the STAP for the same employee for the same period.

- 7 Between 18 and 25 August 2021, 1,069 STAP applications have been approved with \$592,714.00 being paid out.

Proactively Released

Appendix 3 – Impacts on at risk populations

Māori

- 1 Around 86% of all Māori live in the North Island, 23% of all Māori live in the Auckland region, 8.3% live in the Northland Region and a further 3.5% live in Thames-Coromandel or Waikato.⁹ Māori are more vulnerable at an overall population level due to greater proportions with co-morbidities and with a much younger population who are yet to be eligible to access vaccination opportunities.
- 2 Te Puni Kokiri (TPK) emphasises the importance of any boundary between split alert levels being mindful of communities whose access to essential services or workplaces may be restricted as a result. Where practicable, boundaries should be implemented in coordination with iwi and hapū, who can advise on local circumstances.
- 3 With continued lock downs at level 4, it will be increasingly difficult to meet whānau wellbeing needs, as other second-wave needs become apparent. Regional reports indicate that iwi, hapū, providers and commissioning agencies are actively working to provide access to material essentials by providing emergency supplies to hard-to-reach whānau, connecting whānau to government supports such as wage subsidy and vaccination services, and supporting cultural safety and wellbeing, for example through tangihanga guidance or temporary adaptive practices.
- 4 However, areas of emerging concern include:
 - 4.1 Economic – lockdown extensions will impact on the ability of small Māori businesses to sustain themselves into lower alert levels due to low cash reserves. For example, Māori SME in the construction and infrastructure sector will face project delays that affect cash-flow, negatively impacting early momentum created through the government's investment infrastructure and pursuit of progressive procurement policies.
 - 4.2 Mental health – emerging concerns around mental health and are aware of the potential for self-harm incidents (especially of rangatahi who experience higher rates of self-harm and suicide). For example, 712 (65%) of the total applicants requiring material support from Te Pūtahitanga commissioning agency during the first six days of Level 4 lockdown (18-23 August), mentioned and discussed lockdown impacts on mental wellbeing. Financial stress, illness, relationship problems, high deprivation, and lack of support were identified as the factors impacting whānau mental hauora.
- 5 Other stressors observed in earlier periods of restricted movement include health issues and schooling. Health issues are compounded by cold, damp housing contributing to avoidable childhood illnesses e.g., children requiring hospitalisation due to the cold virus RSV. For tamariki/rangatahi Māori in low-

⁹ 2018 Census.

income households, this may include lack of access to online schooling and ability to undertake schooling because of household overcrowding.

- 6 On this basis, support for locally led responses, transparency, and providing as much certainty as possible are critical to helping communities constructively support and plan for whānau and individual needs. Iwi and hapū involvement enables much more targeted responses and communications to whānau that utilise the main Alert Level 4 guidance but is more tailored to their audience.

Pacific Peoples

- 7 A significant proportion of the Pacific population living in New Zealand live in the Auckland region. The current outbreak and associated higher Alert Levels (i.e. Alert Level 3 and 4) is impacting the Pacific population in the following ways:
 - 7.1 Higher Alert Level settings are creating restrictions on earning capacity which can amplify income and poverty inequities. Other emerging issues include a significant increase in reported mental health issues, particularly among young people, and increased racial discrimination targeted towards Pacific peoples which is linked to the large outbreak among the Pacific community in South Auckland.
 - 7.2 Pacific peoples have the lowest vaccination rates which is linked to some church leaders to date struggling to lead their congregations to be vaccinated due to religious beliefs. 106,302 people have received their first vaccination dose and 64,061 have received their second (as of 1.00pm 24 August 2021).¹⁰
 - 7.3 Pacific peoples account for over 50% of the current Covid-19 cases, with the Māngere Assembly of God Church (AOG) of Samoa presenting as the largest sub cluster of this outbreak following a service attended by 500 people last week.
 - 7.4 Direct feedback from the community via Auckland Church Leaders Zoom Fono, notes emerging and ongoing impacts related to self-isolation challenges for larger intergenerational families, challenges meeting the criteria to access support (e.g. food parcels, financial support), and vaccination and testing stations requiring a booking.

Disabled People

- 8 The Office for Disability Issues has advised that for disabled people the current issues requiring ongoing consideration are:
 - 8.1 access to food and essential services when these are not able to be accessed independently – particularly as supermarket capacity becomes compromised by closures and staff absences.

¹⁰ <https://www.health.govt.nz/our-work/diseases-and-conditions/covid-19-novel-coronavirus/covid-19-data-and-statistics/covid-19-vaccine-data>

- 8.2 improving communications regarding the flexible COVID testing and vaccination options available when disabled people have transport difficulties and/or need adapted approaches. There are reports that these accommodations vary between DHBs and that information is not readily available.
- 8.3 greater respect for those who have face covering exemptions (people are experiencing aggravation and hostility from security guards, the public, supermarkets etc) and the need to tighten up the exemption process.
- 8.4 access to key information in alternate formats – NZSL translations. Easy read, blind and low vision formats;
- 8.5 maintaining the provision of home and personal care services; and
- 8.6 for COVID related services such as vaccinations gather information in data collection on disabled people accessing services – two simple questions, do you need support today to access this service, are you disabled.

Ethnic Communities

- 9 New Zealand's ethnic communities make up roughly 20% of the population. About 60% of people from these communities live in Auckland. As with previous lockdowns, there continue to be concerns around the loss of jobs, reduced hours, and the impact of finances of families. Challenges associated with digital connectedness and a limited understanding of English can leave ethnic communities highly socially vulnerable in the context of COVID-19, particularly if they are not living with whānau as part of their bubble under Level 4. Within ethnic communities, there are a large number of self-employed or small business owners, and those who operate hospitality businesses which cannot operate under AL4. Further, there have been reports that dairy owners had received abuse after enforcing new mask rules.
- 10 While the restrictions at Alert Level 3 are relatively similar to Alert Level 4, the ability to have contactless pick-up and delivery and expand bubbles to include close whanau and carers, or to support isolated people, will be beneficial for members from ethnic communities. It will also allow funerals of up to 10 people, which has been a particularly challenging setting to navigate in Alert Level 4 for ethnic communities.

Older people

- 11 Organisations supporting older people have used their experience from last year to be able to quickly set up and operate/provide services remotely. Issues that will impact for a longer period of lockdown include:
 - 11.1 Accessing services that are online – this impacts on people who are digitally excluded for whatever reason – for older people digital exclusion increases with age, whilst some people still pay bills in person and will

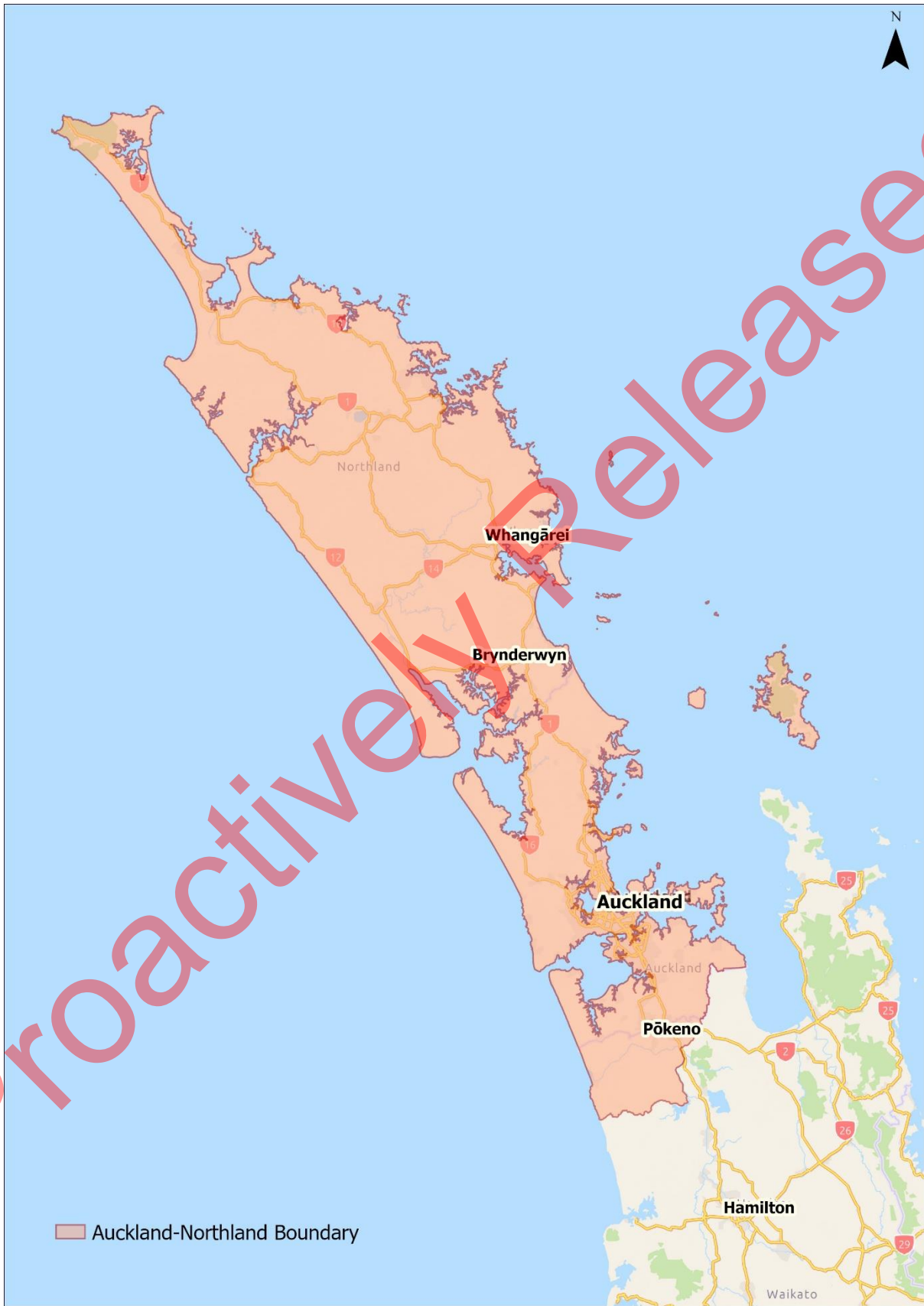
be impacted by the lockdown and not being able to pay their essential service bills (power, telephone etc).

- 11.2 Food delivery services – with lockdown older people are encouraged to get others to do their shopping – this becomes problematic if they can't go online or aren't able to get someone to assist them – sometimes payment becomes an issue (access to cash).
- 12 The difference between Alert Level 3 and 4 settings are not significant for older people. Anxiety about how to keep themselves and others safe will continue to be high due to the virulent nature of the Delta strain. These increased levels of anxiety are reported to be putting demands on providers that specialise in providing support to older people and officials predict that demand for these services/support will remain high.
- 13 There is a need to ensure that older people who are yet to be vaccinated are being proactively contacted, starting with the oldest cohorts. The longer we remain at AL 3 or 4 the more difficult it becomes for older people to resume normal activities with confidence.

Young people

- 14 As reported in the last Alert Level Review paper, we have seen a significant surge in support being sought by young people in relation to their mental and general wellbeing. Temporary funding has been allocated to Youthline to allow them to cope with the significant increase in demand they are experiencing for support from young people.

Appendix 4 – Map of possible Auckland and Northland Alert Level 4 area





Cabinet

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

COVID-19 Response: 27 August 2021 Review of Alert Settings

Portfolio COVID-19 Response

On 27 August 2021, Cabinet:

Situation update

- 1 **noted** that since 17 August 2021, 348 community cases of COVID-19 have been identified in New Zealand (as of 9.00 am Friday, 27 August 2021) and that the whole of New Zealand has been at Alert Level 4 since 11.59 pm, Tuesday, 17 August 2021;
- 2 **noted** that on Monday, 23 August 2021, Cabinet agreed to maintain the whole of New Zealand at Alert Level 4 until at least 11.59 pm on Friday, 27 August 2021 [CAB-21-MIN-0336];
- 3 **noted** that extensive PCR and wastewater testing results do not suggest widespread COVID-19 transmission across New Zealand and that there have been no known cases outside Auckland and Wellington to date;
- 4 **noted** that the Director-General's updated public health advice today suggests that keeping the country at Alert Level 4 for a full two weeks will give the country the best shot at eliminating this outbreak;

Alert Levels

- 5 **noted** that the updated public health advice from the Director-General of Health is:
 - 5.1 to keep all of New Zealand at Alert Level 4 until at least 11.59 pm Tuesday, 31 August 2021;
 - 5.2 that Cabinet review these settings on Monday 30 August 2021 to consider moving all of New Zealand except Auckland to Alert Level 3 from 11.59 pm, Tuesday, 31 August 2021 for at least one week;
 - 5.3 to signal that Auckland is likely to be at Alert Level 4 for another week, in order to provide greater certainty;
- 6 **agreed**, on the basis of the updated public health advice above, to keep all of New Zealand at Alert Level 4 until at least 11.59 pm, Tuesday, 31 August 2021;

7 **noted** that:

7.1 it is anticipated that all of New Zealand, except Auckland and Northland, will move down to Alert Level 3 for at least one week from 11.59 pm, Tuesday, 31 August 2021, should the public health risk advice support this shift;

7.2 the Prime Minister will signal that Auckland is expected to remain at Alert Level 4 for a further two weeks, subject to public health advice;

7.3 Cabinet will review these settings on Monday, 30 August 2021;

8 **agreed** that reviews of Alert Level settings be undertaken at the regular Cabinet meetings on Monday to provide greater certainty;

Alert Level boundary

9 **noted** that when it is announced that areas adjacent to Auckland are moving to lower Alert Levels, Police intend to establish checkpoints around Auckland as soon as practicable to minimise movement of people out of Auckland to a lower Alert Level area prior to the new or amended Alert Level Order coming into force;

10 **noted** that in order to prepare for a possible move down Alert Levels, the Minister for COVID-19 Response is proposing settings for permitted movement across Alert Level 4/3 boundaries;

Permitted movement across the Alert Level boundary

11 **agreed** that the same categories of workers that are allowed to travel within the current Alert Level 4 area are permitted to move from one Alert Level area to another;

12 **noted** that, except for the movement of workers permitted in paragraph 11 above, all other people who are in an Alert Level 4 area will not be permitted to travel to an Alert Level 3 area to work for a business or service that could not operate at Alert Level 4;

13 **agreed** that to minimise the cumulative risk of this travel, employers of workers permitted to travel between Alert Level areas must have systems and processes in place to minimise:

13.1 the public health risks of their workers travelling between Alert Level 3 and 4 areas;

13.2 the numbers of workers needing to travel between and within Alert Level areas;

14 **agreed** that in addition to the proposed permissions for workers above, people should only be allowed to travel across the Alert Level boundary (including to transit from one Alert Level 3 area to another) but without stopping as far as practicable for the following purposes:

14.1 urgent care of a child or to provide care or support to a person in a critical or terminal condition (if no other appropriate person is able to provide care within the area);

14.2 shared caregiving arrangements;

14.3 to access a health service with appointment (or receive their Pfizer vaccine in the same or adjoining district);

- 14.4 to access a judicial institution where required or permitted, or to leave or relocate home on Court order;
 - 14.5 to return home from hospital or residential care or health service or relocate to another hospital or residential care or health service;
 - 14.6 emergencies;
 - 14.7 to leave New Zealand;
 - 14.8 to return home from an Alert Level 3 area to an Alert Level 4 area;
 - 14.9 to go home after leaving MIQ (or arrival in New Zealand where no MIQ is required);
 - 14.10 to care for pets or other animals, if travel is necessary to prevent a breach of the Animal Welfare Act 1999 and no one else in the area can provide the care;
- 15 **agreed** that where people are travelling in and out of the Alert level 4 area solely for the purpose of transiting from an Alert Level 3 area to another Alert Level 3 area, this is permitted if travelling to work (including at an Alert Level 3 business) and if returning home;
- 16 **noted** that the Director-General of Health can also grant exemptions to allow workers and individuals to move from one Alert Level area to another;

Alert Level 3 settings

- 17 **noted** that officials reviewed the existing Alert Level 3 settings in light of the Delta variant and determined that the existing rules (including the recent mandatory record keeping and face coverings requirements) are generally fit for purpose but that some minor adjustments would be appropriate;
- 18 **agreed** to change the public health risk description of Alert Level 3 to better reflect the situation that merits a step-down to Alert Level 3, to “Medium risk of community transmission – active but managed clusters”;
- 19 **agreed** to extend the mandatory face covering requirements to include click and collect delivery drivers;

Increased funding for Resurgence Support Payment August 2021 scheme (RSPAUG21)

- 20 **noted** that prior to the activation of RSPAUG21:
- 20.1 a total of \$400 million was appropriated to meet the cost of RSPFEB21, RSPMAR21, and RSPJUL21 [CAB-21-MIN-0030, CAB-21-MIN-0042, CAB-21-MIN-0247];
 - 20.2 \$192.9 million remained in the COVID-19 Resurgence Support Payment appropriation;
- 21 **noted** that a further \$407 million was appropriated to meet the cost of RSPAUG21, which brought the balance in the appropriation to \$599.9 million [CAB-21-MIN-0328];
- 22 **noted** that demand for the RSPAUG21 scheme has exceeded expectations, and on its current trajectory there is a high risk that the cost of the RSP will exceed current appropriation limits;

23 **agreed** that:

- 23.1 the updated expected cost of the RSPAUG21 will be met from within the COVID-19 Resurgence Support Payment appropriation;
- 23.2 costs incurred in excess of the funds remaining in the appropriation will be met with \$300 million of additional funding, bringing the balance in the appropriation to \$899.9 million;

24 **approved** the following changes to appropriations to provide for the decision in paragraph 23 above, with a corresponding impact on the operating balance and net core Crown debt:

Vote Revenue Minister of Revenue	\$m – increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Non-Departmental Other Expenses:					
COVID-19 Resurgence Support Payment	300.000	-	-	-	-
Total Operating	300.000	-	-	-	-

25 **agreed** that the expenses incurred under paragraph 24 above be charged against the Covid-19 Response and Recovery Fund (CRRF);

26 **agreed** that changes to the appropriations for 2021/22 above be included in the 2021/22 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;

27 **authorised** the Minister of Finance and Minister of Revenue to make changes to appropriations, including increasing the appropriation up to a limit of \$100 million as a further charge against the CRRF, to meet the costs generated by the scheme;

Other matters

28 **agreed** that Cabinet’s decision today will be communicated by the Prime Minister.

Michael Webster
Secretary of the Cabinet