

Office of the Minister for COVID-19 Response

Cabinet

COVID-19 RESPONSE: 11 OCTOBER REVIEW OF ALERT LEVEL SETTINGS

Proposal

- 1 This paper seeks Cabinet's agreement to:
 - 1.1 keep Auckland at the current Alert Level 3 from 11.59pm Tuesday 12 October (the first stage of the three-stage reduction);
 - 1.2 keep the rest of New Zealand outside the Alert Level 3 areas at Alert Level 2 from 11.59pm Tuesday 12 October.
- 2 I propose these settings are reviewed by Cabinet on Monday 18 October.
- 3 A Public Health Risk Assessment will be carried out on Monday 11 October to review the situation and appropriate Alert Level in the Waikato and Northland. The Director-General will provide an oral update to Cabinet on Alert Level recommendations for the Waikato and Northland Alert Level 3 areas, based on this risk assessment.

Relation to government priorities

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

Summary

- 5 As at 9am Sunday 10 October, there have been 1,587 confirmed cases detected since 17 August 2021, of which 1,538 are in Auckland, 31 in the Waikato, 1 in the Bay of Plenty and 17 in Wellington. There were 60 new cases identified in the community in the 24 hours to 9am Sunday 10 October, of which 56 were in Auckland, 3 in the Waikato and 1 in the Bay of Plenty.
- 6 The Acting Director-General of Health's interim advice notes that infections seem to be following a course consistent with a Reproduction Rate of 1.2 (meaning a 20 percent increase in cases every four days). Significant numbers of the new cases have not been identified as contacts previously, meaning they were not self-isolating prior to testing positive. This raises the potential for undetected transmission to occur.
- 7 Although growth in cases in the Auckland clusters is not exponential, case counts are continuing to grow. There has been a transition from complex households being the main focus for concern to the risk posed by growth in various forms of residential housing such as transitional and emergency housing.
- 8 The issues in managing the Waikato subcluster include contact tracing being hampered by some cases who have declined to reveal their personal movements. Consequently, known public locations of interest have been limited so far and there is the potential for undetected transmission to be

occurring. A potential exposure event involving around 50 people is related to this subcluster.

- 9 The public health risk assessment on Thursday 7 October notes that the risk of community transmission remains medium for both the Auckland and Waikato regions. The outbreak is contained outside of these regions and there is a low risk of community transmission for the rest of New Zealand.
- 10 Vaccination rates are increasing overall. There are still inequities in coverage by age group and ethnicity. The drive to increase vaccination rates in Auckland should continue, particularly in the 12-19, 20-34 and 35-49 age groups, and for Māori and Pacific peoples.
- 11 There are concerns about the social impact of enduring Alert Level restrictions, particularly on at risk populations. There continues to be strong demand for mental health support services, with a 14 percent increase in the number of incidents reported by Youthline Helpline over the past week. Fatigue and confusion about continued adjustments to Alert Level settings emphasise the need for us to provide New Zealanders with as much clarity as possible about what to expect over the coming month.
- 12 On the basis of the latest public health risk assessment and the Acting Director-General of Health's interim advice, I propose Cabinet agrees to:
 - 12.1 keep Auckland at the current Alert Level 3 from 11.59pm Tuesday 12 October (the first stage of the three-stage reduction);
 - 12.2 keep the rest of New Zealand outside the Alert Level 3 areas at Alert Level 2 from 11.59pm Tuesday 12 October.
- 13 The Director-General will provide an oral update to Cabinet today on the situation and appropriate Alert Level in Waikato and Northland. I propose the country's Alert Level settings are next reviewed by Cabinet on Monday 18 October.
- 14 Last week, Cabinet noted advice from officials that Auckland educational facilities should reopen to all students from Monday 18 October, pending public health advice and appropriate public health controls. The public health advice concerning education settings is due on Thursday 14 October. Given the need for schools to prepare to operationalise amended settings I do not expect schools to reopen until Tuesday 26 October. I recommend that Cabinet confirms these arrangements on Monday 18 October (subject to the latest public health advice).
- 15 Ahead of this we need to provide more clarity to the Auckland education sector about what public health controls will be required to enable reopening of schools and early learning services for all pupils in the Auckland region. These include requiring face coverings for teachers and for students from year 9 and above and the collection of information about pupils' vaccination status.

- 16 The Minister for Education is today seeking Cabinet agreement to vaccination and testing requirements to enable Auckland education entities to reopen.
- 17 Given the public health risk assessment and advice from the Acting Director-General, I do not consider it appropriate to make further amendments to the Alert Level 2/3 boundary permissions. Further advice on options to enable additional building and construction movement across the boundary will be provided on Monday 18 October. Despite the step down in Alert Level 3 in Auckland the key tenets of Alert Level 3 remain, including limiting movement.

Situation report

- 18 Parts of the Waikato and Northland are at Alert Level 3, Auckland is at a reduced Alert Level 3 (the first stage of the three-stage reduction) and the rest of the country is at Alert Level 2. As at 9am Sunday 10 October 2021, there have been 1,587 confirmed community cases detected since 17 August, of which 1,538 are in Auckland, 31 are in Waikato, 1 is in the Bay of Plenty and 17 are in Wellington. There were 60 new cases in the 24 hours to 9am Sunday 10 October, 56 in Auckland, 3 in Waikato and 1 in the Bay of Plenty.
- 19 The public health risk assessment conducted on 7 October notes that the risk of community transmission remains medium for both the Auckland and Waikato regions. The outbreak is contained outside of these regions and there is a low risk of community transmission for the rest of New Zealand.

Updated modelling in relation to the current outbreak

Simulating case trajectories

- 20 Several different methods for estimating the effective reproduction number (R_{eff}) indicate that over the previous two weeks it is very likely to have been above 1. At the current low case numbers, the uncertainty around the true value for R_{eff} is high, but central estimates are typically between 1.2 and 1.3. Subtle differences in R_{eff} between the values of 1.1 and 1.5 can lead to vastly different outcomes: at 1.1, new daily case numbers may take around a month to double in size, while at 1.5 this would take around a week.
- 21 Modelling which considers scenarios for Alert Level 3, featuring different effectiveness for reducing transmission, remains instructive in considering potential caseloads going forward.
 - 21.1 *Medium transmission scenario:* Under a scenario for transmission consistent with the central estimate for R_{eff} , cases would be expected to continue to increase in the coming weeks. There is a wide range of simulated outcomes around the median, skewed to the downside of greater infection and hospitalisation. Very few simulations in this scenario feature declining case numbers in the near-term.
 - 21.2 *Lower transmission scenario:* Under more optimistic transmission assumptions, case numbers may steadily decline in the nearer-term, reducing to single-digit daily case numbers by November, on average.

- 21.3 *Higher transmission scenario:* Scenarios based on a slightly higher R_{eff} (between 1.5 and 1.8) lead to significantly worse outcomes in the medium-term. Daily case numbers might rise in line with observations from other low-COVID jurisdictions (such as Australian states or Singapore) without enhanced restrictions being reintroduced in areas with transmission.
- 22 By way of international comparison, the R_{eff} in Victoria has been estimated at between 1.3 and 1.6 over the past several weeks. At the beginning of September, the 5-day average for new daily cases was around 80. Five weeks later, Victoria is experiencing around 1,500 cases per day.
- 23 In the longer-run, the impacts of increased vaccination rates on reducing transmission are seen from around early December in the medium or lower transmission scenarios. Given that transmission will continue as the curve bends, modelling would support an intention to keep case numbers as low as possible until as many individuals as possible have the opportunity to become fully vaccinated.

Impacts of uneven vaccination coverage

- 24 Preliminary modelling has been undertaken which simulates the ongoing outbreak based on vaccination rates and demographics specific to South Auckland. The community features a younger age structure, lower rates of vaccination and is likely to be at greater risk of hospitalisation.
- 25 The near-term behaviour of these results looks very similar to the generic modelling discussed above. However, the results suggest that over the medium-term, the case curve may not bend in the same way. Instead, case numbers, under a continuing Alert Level 3, may continue to grow through to the end of this year, leading to greater burdens of hospitalisations and deaths.

Next steps and conclusions from modelling results

- 26 Outbreak modelling will begin to explore downside scenarios under which hospital capacity may be reached. Under certain assumptions about future transmission (R_{eff} significantly greater than 1) these scenarios will invariably show hospital capacity being exceeded. However, this modelling will inform decision-making on when this is judged to be a significant risk in order that response decisions can be made in good time to avert the risks of hospitalisations exceeding capacity. Initial thinking is that a decision to increase restrictions would be required two to three weeks in advance of a projected peak in concurrent hospitalisations.
- 27 As previously advised, with the low number of daily new cases, stochastic (random/chance) events will dominate outcomes in both models and the real world. This is true for a hypothetical shift down to Alert Level 2 as it was for the previous decision to move Auckland to Alert Level 3. An individual case's circumstances (e.g. size of household, number of other close contacts, workplace presence, distancing behaviour) make a big difference to the transmission risks associated with the case.

- 28 Therefore, officials continue to advise that the modelled scenarios should be considered in conjunction with case-specific information. Emergent case-specific information should be used as an early indicator of whether R_{eff} is likely to trend to the upper or lower end of the estimated range. Poorer simulated outcomes are more likely to eventuate where:
- 28.1 there remains a significant number of undetected cases in the community;
 - 28.2 new cases have periods where they are likely to be infectious in the community; and
 - 28.3 new cases are infectious in the community – more likely in higher-risk settings where there are numerous, hard to trace, contacts.

Acting Director-General of Health's interim assessment against the health factors

Likelihood that Auckland outbreak is contained

- 29 The Auckland outbreak is not contained. This is because there are currently active clusters or outbreaks in other regions of New Zealand (Waikato).
- 30 The number of new daily cases reported in the Auckland region indicates that case numbers are gradually increasing, but the growth rate is not yet exponential. There is a relatively high prevalence of cases reported in South Auckland, although there has been a dispersion of cases across Auckland over the past 14 days. Suburbs of interest include Clover Park, Favona, Māngere, Manurewa, Mount Wellington, Henderson, Papakura and Red Beach. The South Auckland subclusters are not currently contained.
- 31 There is an emerging cluster within the Waikato region, with 22 cases linked to this subcluster. The first Waikato case was reported on Sunday 3 October. There is potential for undetected community transmission to be occurring in this region, and additional linked cases are probable because one of the positive cases likely contracted the virus at a party held on the weekend of 2-3 October, which was attended by approximately 50 other people, who were not all locals. The outbreak in Waikato region is currently not contained.
- 32 The single case previously identified in Palmerston North is considered low risk. This is due to there being few locations of interest and the rapid isolation of the individual involved. Advice from the Mid Central DHB is that the case has been highly cooperative and is complying with all necessary isolation and contact tracing requirements.
- 33 A case that was under investigation after returning a weak positive result from a test in Whangarei earlier this week returned a positive test result in Auckland on Thursday 7 October. It is possible the original test was taken in the early stage of the individual's infection, which would help limit any potential spread of infection from the case.

Update on unlinked cases and sub-clusters of concern

- 34 At present, infections seem to be following a course consistent with a Reproduction Rate of 1.2 (meaning a 20 percent increase in cases every four days). Significant numbers of the new cases being detected have not previously been identified as contacts, meaning they were not self-isolating prior to testing positive. This raises the potential for undetected transmission to occur.
- 35 There are 10 active subclusters within Auckland, an increase from five at the time of the last risk assessment on 30 September. Although growth in cases is not exponential, case counts are continuing to grow and there has been a transition from complex households being the main focus for concern to the risk posed by growth amongst various forms of residential housing including transitional and emergency housing.
- 36 The housing situation involves a number of transient accommodation arrangements across several suburbs of Auckland. There are 7 transitional housing facilities currently involved. Other accommodation arrangements include rough sleeping, transient rentals (whereby the renter may then have a number of other people residing in their room but without the landlord necessarily having details of these individuals), motels, and temporary and emergency housing. A rapid enhanced testing plan has been developed by ARPHS for the 7 transitional housing facilities. There is an AOG, multi-agency response involved along with Māori and Pacific providers and community leaders and also involving senior gang members where appropriate. ARPHS has been provided with social workers and MSD is closely involved.
- 37 The Waikato subcluster currently contains 22 active cases. All these cases are genomically and epidemiologically linked and there is a very strong direct link to one of the Auckland sub-clusters. Cases are spread across Raglan, Kawhia, Lake Karapiro, and Hamilton. The exposure events (one involving around 50 people) associated with these cases have sometimes been related to people who have declined to reveal their personal movements. Consequently, known public locations of interest have been limited so far and there is the potential for undetected transmission to be occurring.

Testing rates

- 38 There is confidence in the capability and capacity of the laboratory testing system. National surge capacity has increased and laboratories are prioritising processing samples from people who are symptomatic, close contacts or who have been in locations of interest. There are no concerns with supply chain for reagents, consumables and swabs.
- 39 Enhanced surveillance testing is underway in the Auckland region. This includes specific testing efforts in South and West Auckland and in residential housing facilities. There were 13,331 tests in the metro Auckland area (excluding both MIF guest and MIF worker testing) on Tuesday 5 October. Following confirmed in-facility transmission event at Crowne Plaza Auckland (most likely source of current community outbreak), increased surveillance testing of quarantine and isolation workers is being implemented.

- 40 The number of tests processed in the last seven days is 89,315 which is a 7-day moving average of 4,379 tests per day. There has been increased levels of essential worker testing. Since Monday 20 September, 56,323 tests on essential workers have been conducted. On Wednesday 6 October 4,379 essential workers were tested.
- 41 The Waikato DHB increased their testing capacity following the announcement of local positive cases. As of 7 October, 8 total community testing centres (CTCs) were open: 1 permanent CTC and 7 pop-up CTCs. CTCs are also supported by primary care, with a number of GP practices in the area offering COVID-19 swabbing to both enrolled and unenrolled patients.
- 42 There are no unexpected wastewater surveillance testing results to report.

Vaccination rates

- 43 Vaccination rates are increasing overall since the previous risk assessment on 30 September. Nationally, 80 percent of eligible people have received their first dose of the vaccine and 51 percent have received both doses of the vaccine.
- 44 There are still inequities in coverage by age group and ethnicity. Vaccination rates for Māori and Pacific Peoples are still low for the 12 – 19, 20 -34 and 35-49 age groups, and particularly for second doses. Vaccination rates for suburbs of interest in Auckland are also increasing, particularly among Pacific peoples.
- 45 The drive to increase vaccination rates in Auckland should continue, particularly in the 12-19, 20-34 and 35-49 age groups, and for Māori and Pacific peoples.

Health system capacity including surveillance and contact tracing systems

- 46 There are 23 current hospitalisations. These cases are in Middlemore Hospital (11 total, 4 in ICU/HDU), Auckland City Hospital (10), Starship Hospital (1), and Waikato Base Hospital (1). One death was recorded in the week commencing 4 October.
- 47 The Ministry of Health's National PPE and Critical Medical Supply Chain has good stocks of PPE, with at least a month's reserves to meet high pandemic demand. Orders continue to be confirmed and shipments of more PPE received every week. We are working with our government partners to minimise impacts of freight delays.
- 48 There is good capacity in the quarantine system. Urgent work is being done to establish a quarantine facility in Hamilton, should this be required. The Ministry of Business, Innovation and Employment (MBIE) has put all other regions on notice to identify potential quarantine facilities and plans to stand these up at short notice should these be required. Work is also underway for a home quarantine option in the event that cases emerge in locations where there is no easy access to MIQ facilities.
- 49 As at 9am Thursday 7 October, there were 41,973 contacts identified in relation to the current outbreak recorded in the National Contact Tracing Solution. Of these 41,973 contacts, 1,796 are Household contacts (96% have been contacted), 423 are Close Plus contacts (96% have been contacted), 35,198

are Close contacts (91% have been contacted) and 4,556 are Casual Plus contacts (55% have been contacted).

- 50 Case and contacts management has recently become more complex. This is based on the communities that have been affected and the associated level of support that is required to ensure that they understand the public health advice. This is putting significant strain on the current workforce undertaking this work. Additional support is being provided by public health units outside of Auckland, the National Investigation and Tracing Centre surge capacity has been activated and preparation for reactivating additional call centres is underway.
- 51 As previously reported, the workforce in Auckland is stretched and fatigued. Work has been shared across the country, recruitment is underway to find critical resources and ARPHS are developing resourcing plans for the next two months as this outbreak is expected to have a significant tail. If there was another significant incursion/outbreak in the next two months New Zealand would struggle to respond like it has in this August outbreak.
- 52 As at Thursday 7 October, there were 3.3 million registered users of the COVID-19 Tracer App (2,252 registrations that day). There had been approximately 2.4 million QR code scans that day, and 2.2 million people had activated Bluetooth.

Acting Director-General of Health's conclusions

- 53 In light of the above, the Acting Director-General recommends that from 11.59pm Tuesday 12 October:
- 53.1 Auckland should remain in stage one of the modified Alert Level 3 (rather than moving to stage two at this time), with a further risk assessment to be held on 14 October; and
- 53.2 The rest of New Zealand (excluding the Waikato and Northland Alert Level 3 areas) should remain at Alert Level 2, noting that any move to Alert Level 1 should not occur until Auckland is at Alert Level 2.
- 54 Further risk assessments will be held on:
- 54.1 Monday 11 October, reviewing the situation and appropriate Alert Level in the Waikato and Northland areas; and
- 54.2 Thursday 14 October, reviewing the situation and appropriate Alert Levels for Auckland and the rest of New Zealand.
- 55 Regarding the proposed reopening of educational entities on Monday 18 October, public health officials remain concerned about potential transmission risks association with reopening of these facilities if appropriate public health measures are not in place. The Ministry of Health will provide advice on 14 October on modelling to understand the potential impacts of reopening schools, and on appropriate public health controls to support reopening.

Proposal regarding Alert Levels

- 56 On the basis of the latest public health risk assessment and the Acting Director-General of Health's interim advice, I propose Cabinet agrees to:
- 56.1 keep Auckland at Alert Level 3 settings, with the current step-one reduction in settings continuing to apply for a further week; and
- 56.2 keep the rest of New Zealand outside the Alert Level 3 areas at Alert Level 2.
- 57 The Director-General will provide an oral update on the latest situation and appropriate Alert Level settings for the Waikato and Northland Alert Level 3 areas today.
- 58 I propose these settings are reviewed by Cabinet on Monday 18 October.
- 59 I do not recommend making any further amendments to loosen the Alert Level 2/3 boundary permissions (to support future reopening of Auckland education entities or to enable building and construction of infrastructure that contributes to government priority projects) today. Health officials advise that any increased movement across the boundary increases the risk of further spread to other parts of New Zealand. Further advice on these amendments will be provided to Cabinet on 18 October.
- 60 Due to the spread of cases beyond the Auckland boundaries I will ask the Director-General to provide a verbal update at this meeting on whether Cabinet should consider tightening boundary restrictions.

What will be required to shift Auckland to stage two of the reduced Alert Level 3 settings

- 61 On Monday 4 October Cabinet agreed to a staged approach to reducing Alert Level 3 settings in Auckland, to enable greater activity while still managing public health risk. We also agreed to the settings at each step, and to shift Auckland to step one [CAB-21-MIN-0407 refers].
- 62 Communications and announcements about the three-staged reduction in Alert Level 3 settings in Auckland have emphasised that decisions to move down each stage will be informed by public health risk assessments and only made when it is safe to do so. Despite this, there will be a public expectation that there will not be long delays between shifts.
- 63 I do not propose shifting Auckland to the second stage of reduced Alert Level 3 settings today but I have asked officials to consider criteria for further relaxing restrictions in Auckland, given differing risk tolerances for case numbers, including any potential transition towards a traffic light framework.

Reopening of Auckland schools and early learning services to all students

- 64 On 4 October, Cabinet noted advice from officials that Auckland schools could reopen to all year 1 to 13 students from Monday 18 October, subject to the latest public health and appropriate public health controls being in place [CAB-

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21-MIN-0407 refers]. From Wednesday 6 October, more children were able to return to early learning services, with children in bubbles of ten.

- 65 Public health officials remain concerned that without appropriate public health measures re-opening could accelerate the transmission of COVID-19 in the Auckland area. There are ongoing concerns about the potential transmission risks associated with increased movements of students, parents and staff to and from schools, in addition to the risk of transmission at schools themselves. The Ministry of Health is commissioning modelling from Te Pūnaha Matatini to better understand the potential impacts of reopening schools with the appropriate public health measures to enable schools to reopen safely.
- 66 The public health advice concerning education settings is due on Thursday 14 October. Given the need for schools to prepare to operationalise amended settings, I do not expect schools to reopen until Tuesday 26 October. I recommend that Cabinet confirms these arrangements on 18 October, subject to the latest public health advice.
- 67 I have requested further advice on whether a vaccination threshold should apply before schools can reopen and the feasibility of doing this at an individual school community level. While we are not ready to confirm the decision about when schools and early learning services can reopen for all, I think it is important to provide the sector, parents, caregivers, and children with clarity about the public health controls that will be required when they are able to return.
- 68 When children and young people are able to return to school and early learning services, physical distancing and bubble requirements will be removed but all other Alert level 3 requirements will be retained. This will include a requirement for all staff and year 9 to 13 students to wear face coverings indoors.
- 69 Additional public health controls have also been considered by officials, to reflect the current public health risk in Auckland and other Alert Level 3 areas. The Minister of Education is bringing a companion paper seeking agreement to vaccination and testing requirements for the education workforce. This includes a requirement for schools to maintain an up to date register with the vaccine status for all eligible students and staff (fully, partially, exempt or no information provided). Auckland schools will be expected to seek information from all eligible students and staff. This information will be sought once schools restart, and is expected to be collected within two weeks. This would enable public health controls to be varied by the level of vaccination in a school. For example, removing the requirement to wear face coverings when there is sufficient levels of vaccination.
- 70 Further to vaccine and testing requirements, other public health controls¹ have been identified by officials to mitigate transmission risk in schools and early learning services, including:

¹ Some of these measures were included in the previous Cabinet paper.

- 70.1 face coverings will be required on school transport for people aged 12 and over (school transport services are currently exempt from public transport face covering requirements)
 - 70.2 time outdoors for students and staff will be maximised, including breaks, lunch, before and after school (unless the weather does not allow), and rooms will be aired during breaks;
 - 70.3 exercising and singing will take place outdoors;
 - 70.4 groups meeting indoors, including assemblies or staff meetings, will be avoided;
 - 70.5 exams will go ahead, but physical distancing will be maximised within the space available, with a minimum of 1.5m between desks; and
 - 70.6 schools or early learning services near suburbs and clusters of concern will be closed if required.
- 71 The Ministry of Education notes a risk that schools may see a large cohort of students not attending onsite due to a fear of COVID-19 and other factors associated with remaining at Alert Level 3 keeping them home. Delivering a mixed model of learning for students located both onsite and at home will be very difficult to maintain. If this mixed model approach were taken for an extended period, it could have serious implications for both student learning and staff wellbeing.
- 72 Opening up schools to all year levels will also require changes to the permissions to travel across the Auckland Alert Level 3/2 boundary, including for teachers and students who are currently outside of the Alert Level 3 area and will need to cross the boundary to return to school either on a long-term (students returning to school) or short-term (teachers travelling across the boundary daily to work) basis. In line with the original policy intent to allow students to return from school, I propose to permit travel across the Auckland boundary so that students who board in hostels on the other side of the boundary, and are currently at home for the holidays, may make one move to the hostel and stay there until restrictions are withdrawn. Officials will provide further advice on proposals to amend the Alert Level 3/2 boundary permissions to facilitate short term education related movement.
- 73 From 18 October, children in years 1-10 will continue to be able to attend school when their parents or caregivers have to go to work and there are no options to care for them at home. Children will also be able to attend early learning services based on the capacity of the service to accommodate bubbles of ten children and meet other public health controls.

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

- 74 I have assessed the proposed measures against the non-health factors agreed by Cabinet, as set out below. It is positive that high-frequency economic indicators point to a continued rebound in Auckland's activity since moving

down Alert Levels, with the staged reduction in Auckland's Alert Level 3 settings likely to reduce the economic impact of Alert Level 3 in Auckland further.

- 75 I remain concerned about the social impact of enduring Alert Level restrictions, noting that impacts on at risk populations continue to persist. Themes of fatigue and confusion about continued adjustments to Alert Level settings emphasise the need for us to provide New Zealanders with as much clarity as possible about what to expect over the coming month.

Economic impacts from Alert Levels

- 76 The latest estimates on the economic impacts of the Alert Level restrictions are set out in the table below.

Approximate economic impacts of the Alert Level restrictions relative to Alert Level 1 (rounded to nearest \$10m)²

Restrictions	Reduction in economic activity per week	
AL2 across all of NZ	\$70 million	1% of national GDP
AL3 in Auckland and Waikato, AL2 rest of country ³	\$290 million	5% of national GDP
AL4 across all of NZ	\$1,520 million	25% of national GDP

- 77 High-frequency economic indicators point to a continued rebound in Auckland's activity since moving down Alert Levels, in line with the overall resilience seen across New Zealand's economy:

77.1 In the week ended Monday 4 October, card spending in Auckland increased to around 63% of 2019 levels. Spending in regions outside Auckland continues to track above 2019 levels.

77.2 In the week ended Tuesday 5 October, heavy traffic in Auckland was within 7% of the level seen in the week prior to the August outbreak. In regions outside Auckland, heavy traffic was 3% higher than before the outbreak.

77.3 During the first two days of Alert Level 3 in Hamilton (4 and 5 October), heavy traffic was down 15% compared to the week prior and light traffic was down by 34%.

Economic impact of staged reduced in Auckland's Alert Level 3 settings

- 78 The Treasury has considered the economic impacts of the staged approach to relaxing Alert Level 3 restrictions, including allowing retail, hospitality and event facilities to operate (with some restrictions), and reopening all schools.

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

³ This estimate is based on a scenario where the entire Auckland and Waikato regions are at a standard Alert Level 3. The data currently available does not allow for estimates of sub-regional impacts, or for estimates of the impacts of intermediate steps to ease Auckland's Alert level 3 restrictions.

- 79 When fully implemented, the Treasury estimates that these changes would reduce the economic impact of Alert Level 3 in Auckland from \$210 million per week (4% of national GDP) to approximately \$40 million per week (1% of national GDP), a level similar to if 'Delta' Alert Level 2 was applied.

Updated information about uptake of grants and benefits

- 80 The Wage Subsidy Scheme August 2021 has had strong uptake with \$2,954 million paid over four payments as at Tuesday 5 October, though uptake has fallen with each subsequent fortnightly payment. Overall, the payments have supported 1,255,272 jobs, of which the vast majority are for businesses with under 500 employees. The August 2021 Resurgence Support Payment Scheme has also had strong uptake with \$906 million paid across the two payments as of Wednesday 29 September. The vast majority of support (93% of recipients) has been for businesses with fewer than 10 employees.
- 81 The number of people on a main benefit increased after lockdown, peaking at 10,401 higher in the week of Friday 17 September. However, it has fallen since, with 8,613 more people now on main benefit than before lockdown. Food grants increased significantly in the first two weeks after lockdown but have fallen each week since and as at Friday 1 October are 10% lower than before lockdown. The Auckland region is now receiving 32% of all food grants, the same as the week before lockdown, after peaking at 38% in early September.
- 82 The August 2021 Resurgence Support Payment Scheme has also had strong uptake with \$943 million paid across the two payments as of Wednesday 6 October. The vast majority of support (around 93% of recipients) has been for businesses with fewer than 10 FTEs.

Impacts on at risk populations

- 83 The issues raised in previous Alert Level reviews continue to persist despite the gradual easing of Alert Level restrictions across most parts of the country. These include, but are not limited to ongoing restrictions on earning capacity; inequitable access to material essentials; issues related to education and learning; strong and ongoing demand for mental health support services; and continued discrimination targeted towards Pacific peoples and disabled people.
- 84 Additional updates on population impacts from the past week include:
- 84.1 ongoing restrictions and future uncertainties are negatively impacting Māori whanau and business stress, resiliency and future planning capabilities. It will be crucial to engage with Māori, and provide reassurance about, strategies to safely return to school when Auckland schools reopen.
 - 84.2 there continue to be concerns from ethnic communities around the impact of prolonged restrictions on mental health and wellbeing. This has been magnified by the uncertainty around when Alert Levels will de-escalate in both Auckland and the rest of New Zealand. Timely and bespoke communications will be important to ensure communities are

aware of what is permissible at each Alert Level, particularly the graduated Alert Level 3 settings for Auckland.

- 84.3 progress is being made on increasing vaccination rates of Pacific people. This is being achieved through a range of tailored, Pacific community-led initiatives, such as ethnic-specific drive-through vaccination stations.
- 84.4 the level of harm and nature of the violence where incidents of family and sexual violence are occurring is high. Increased support is being provided for MIQ facilities, following reports of family harm incidents in some of these facilities.
- 84.5 there was a 14 percent increase in the number of incidents reported by Youthline Helpline this week, with 117 incidents reported (compared to 103 last week). Fifteen incidents required external intervention.
- 84.6 More frequent adjustments to Alert Level settings is resulting in reduced clarity and certainty for older people. There is a risk that some older people's confidence to leave their homes will reduce as a result, leading to increased loneliness and isolation, possible delays in seeking medical advice, and reduced ability to participate in usual activities (such as volunteering at community organisations). Older people are also seeking reassurance about the relevant risks and impacts of becoming COVID-19 positive under the current vaccination programme, and whether booster shots are necessary.
- 84.7 Disabled people continue to experience issues relating to face covering exemptions. Work is continuing on communications and engagement to ensure disabled people with exemptions are treated with respect. Work to promote disabled people's access to vaccinations is also ongoing.

Public attitudes and compliance

- 85 A social media scan following the Monday 4 October Alert Level announcement indicated mixed reactions. Some members of the public continue to voice concern about Alert Level restrictions easing, with others believing restrictions have been too enduring. Regarding the three-stage reduction in Auckland's Alert Level 3 settings, feedback was that the plan was unclear and complicated, with many concerned about increased risk and potential to undermine efforts to date, and resulting in increased pressure on the health care system. Some commented that they were frustrated by enduring restrictions and felt the Government was continuing to move the goal posts.
- 86 Between 11.59pm Tuesday 21 September and 5pm Wednesday 6 October, New Zealand Police have undertaken 8,471 pandemic-related events in Auckland and the Waikato Alert Level 3 area. A total of 2,589 online 105 breach notifications were received from members of the public over the same period (2,538 in Alert Level 3 areas and 51 in Alert Level 2 areas).
- 87 Since Wednesday 22 September, 591 pandemic-related infringement notices have been issued by Police, with non-compliance principally relating to stay-at-home orders and failure to maintain physical distancing requirements. Over the

same period, 13 people have been prosecuted and 19 people have received warnings.

- 88 Between 6 September and 6 October, 509,825 vehicles were stopped at the Auckland Alert Level 3/2 boundary. Of these, 7,447 vehicles were turned around. 877 heavy motor vehicles have been turned around attempting to leave Auckland.
- 89 As at 9am Friday 8 October, there had been 14,425 requests for personal exemptions, with 13,706 decisions made and 2,270 approved. The majority of approvals relates to funerals/tangihanga/visiting a dying person/need for mental health support.

Ability to operationalise Alert Level restrictions

- 90 I am not proposing any changes to Alert Level settings or Alert Level 3/2 boundary permissions in this paper. The proposals do not present additional operational challenges. Operational pressures on Police continue as Alert Level restrictions endure, especially considering the resource required in MIQ and at checkpoints.
- 91 Separate advice seeking agreement to vaccination and testing requirements for the early learning and schooling workforce is being considered by Cabinet today, which is likely to have operational impacts. The Ministry of Health will provide further advice on Thursday 14 October on public health controls to support reopening. Officials will then provide advice on operational implications of reopening education entities in Auckland when decisions to confirm reopening dates are sought. These will require a lead in time to operationalise.

Financial Implications

- 92 The tables below provide a high-level estimate for the costs of the Resurgence Support Payment (RSPAUG21) and Wage Subsidy Scheme (WSSAUG21) schemes under Alert Level scenarios.

Approximate WSS and RSP costs in different Alert Level scenarios

Scenario	WSS	RSP ⁴	Total
AL4 in Auckland, AL3 across rest of NZ – 2 weeks	\$700 to \$1,050 million	\$550 million	\$1,250 to \$1,600 million
AL4 in Auckland, AL2 across rest of NZ – 2 weeks	\$550 to \$700 million ⁵	\$430 million	\$980 to \$1,130 million
AL3 in Auckland, AL2 across rest of NZ – 2 weeks	\$350 to \$550 million ⁶	\$200 million	\$550 to \$750 million

⁴ These costings are for a single round of payments opened during the indicated Alert Level scenario. 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 The upper bound of these costings have been revised downwards in light of Alert Level 2 restrictions changes [CAB-21-MIN-0407 refers].

⁶ Ibid. The inclusion of the Wa kato region in Alert Level 3 may increase the cost of the WSS in this scenario by up to an additional \$50 million.

WSSAUG21 and RSPAUG21 actual payments made and appropriation balances

	WSSAUG21	RSPAUG21
Payments made at 6 October ⁷	\$2,997 million ⁸	\$943 million
Amount remaining in appropriations at 6 October	\$1,125 million	\$187 million

Wage Subsidy Scheme August 2021

- 93 Applications for the fourth payment for the WSSAUG 21 opened at 9am Friday 1 October and close on Thursday 14 October [CAB-21-MIN-0392 refers]. The cost of the third payment for the WSSAUG21 was lower than the first and second payments, reflecting increased business activity in Auckland under Alert Level 3. The cost of the fourth payment is likely to be lower again.
- 94 On Monday 27 September Cabinet agreed to continue WSSAUG21 for another six weeks from 1 October should Alert Level 3 or higher remain in place anywhere in the country. Cabinet agreed to drawdown \$650 million from the COVID-19 Response and Recovery Fund (CRRF) for further costs of the WSSAUG21, and delegated authority to Joint Ministers to draw down up to \$2,000 million from the CRRF for future payments under the WSSAUG21 [CAB-21-MIN-0392 refers]. As at Wednesday 6 October, the balance of the COVID-19 Response and Recovery Fund was \$10.7 billion.

Resurgence Support Payment August 2021

- 95 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 higher Alert Levels would push costs beyond that figure.
- 96 On 27 August Cabinet agreed to increase the funding available under the RSPAUG21 by \$300 million [CAB-21-MIN-0344 refers], raising the total value appropriated to \$899.9 million. Cabinet also authorised Joint Ministers to draw down on the CRRF if costs escalate beyond estimates again, up to a cap of \$100 million.
- 97 Following the Government's announcement of a second payment of the RSP, a further \$230 million was appropriated to meet the expected cost (included in the table above). The Government also announced that if Alert Level 2 or higher settings are still in place in the coming weeks, there will be two further rounds of the RSP, opening on Friday 8 October and Friday 29 October. Subject to the Alert Levels in place at the time, the third and fourth rounds of the RSP are estimated to cost between \$100 million - \$200 million, and \$40 million - \$200 million respectively.

⁷ Note the \$2,997 million represents actual payments made. It does not represent the value of actual applications made due to the lag in processing time.

⁸ This total includes amounts for the first, second and third payments from the WSSAUG21.

Legislative Implications

98 I will make or amend an Order under section 11 of the COVID-19 Public Health Response Act 2020 informed by Cabinet's decision.

Impact Analysis

99 The Treasury has determined that the regulatory proposals in this paper are exempt from the requirement to provide a Regulatory Impact Statement.

Human Rights

100 s9(2)(h)

[REDACTED]

[REDACTED]

[REDACTED]

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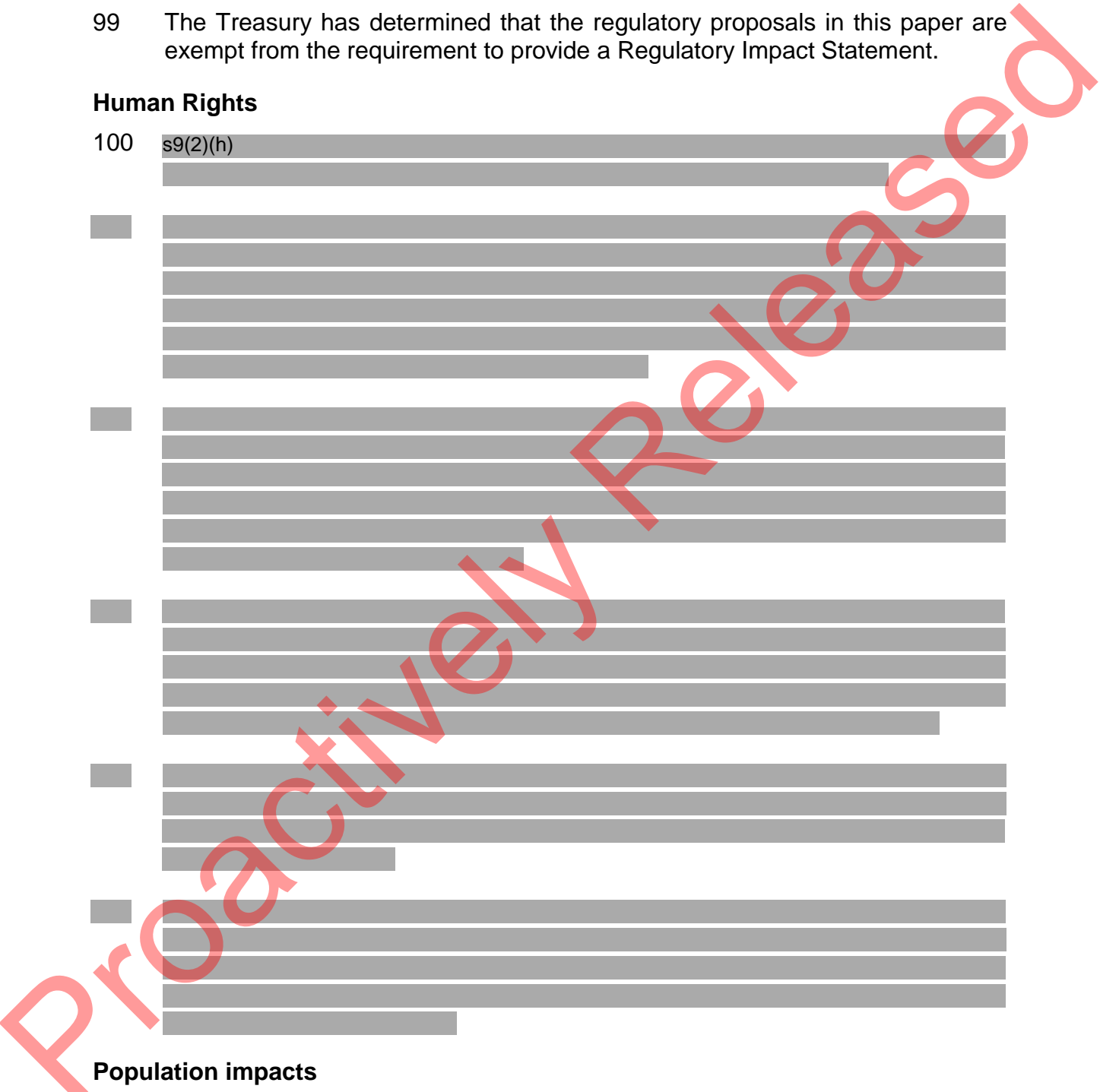
[REDACTED]

[REDACTED]

[REDACTED]

Population impacts

106 The impacts of community outbreaks of COVID-19 (and the associated Alert Level measures put in place) on vulnerable populations has been discussed earlier in this paper.



Consultation

- 107 This paper was prepared by the COVID-19 Group within 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 Acting Director-General of Health. The Crown Law Office advised on Bill of Rights Act implications.
- 108 The Treasury, Te Puni Kōkiri, the Ministry of Social Development, Ministry for Ethnic Communities, and Ministry for Pacific Peoples have provided input into relevant parts of the paper. The Treasury, the Ministry of Business, Innovation and Employment, Ministry of Transport, Ministry of Education and Customs were consulted on the paper.

Communications and proactive release

- 109 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 Tuesday 17 August 2021, 1,587 community cases of COVID-19 have been identified in New Zealand (as of 9am Friday 8 October);
- 2 note that on Monday 4 October Cabinet:
 - 2.1 agreed to ease restrictions within Alert Level 3 in Auckland from 11.59pm Tuesday 12 October 2021, to the first stage of the three-staged proposed reduction in settings;
 - 2.2 keep the rest of New Zealand at Alert Level 2, with settings adjustments to increase capacity limits at some hospitality venues and event facilities and remove the no standing requirement on public transport; and
 - 2.3 agreed that these settings would be reviewed by COVID-19 Ministerial Group or by Cabinet on Monday 11 October 2021 [CAB-21-MN-0407];
- 3 note that on Sunday 3 October Ministers with Power to Act agreed that parts of Waikato would move to Alert Level 3 from 11.59pm on Sunday 3 October;
- 4 note that on Thursday 7 October Ministers with Power to Act agreed to keep the Waikato Alert Level 3 region at Alert Level 3, and to expand the Alert Level 3/2 boundary around this area further south;
- 5 note the Acting Director-General of Health's interim advice is that:

- 5.1 the number of new daily cases in the Auckland region indicates that case numbers are gradually increasing, but the growth rate is not yet exponential;
- 5.2 significant numbers of the new cases have not previously been identified as contacts, meaning they were not self-isolating prior to testing positive. This raises the potential for undetected transmission to occur;
- 5.3 in the Waikato subcluster all cases are linked and there is a very strong direct link to one of the Auckland sub-clusters; and
- 5.4 there is an exposure event of approximately 50 people associated with the Waikato subcluster;
- 6 note the public health risk assessment of community transmission within:
 - 6.1 Auckland remains medium;
 - 6.2 the Hamilton/Raglan remains medium;
 - 6.3 the remainder of New Zealand is low;
- 7 agree an appropriate measure in response to the level of public health risk would be to:
 - 7.1 keep Auckland at current Alert Level 3 from 11.59pm Tuesday 12 October (first stage of the three-stage reduction); and
 - 7.2 keep the rest of New Zealand outside the Alert Level 3 areas at Alert Level 2 from 11.59pm Tuesday 12 October;
- 8 note the Director-General of Health will provide an oral update to Cabinet on 11 October on the latest situation and appropriate Alert Level settings for the Waikato and Northland Alert Level 3 areas;
- 9 agree Cabinet next reviews Alert Level settings for all New Zealand on Monday 18 October;
- 10 note that the Public Health advice is not to decide yet on whether schools and early learning services can reopen for all children and young people;
- 11 note that a paper seeking agreement to vaccination and testing requirements for the early learning and schooling workforce is being considered at this meeting;
- 12 note that public health advice concerning education settings is due on Thursday 14 October;
- 13 note that it is important to provide the education sector with clarity about the public health controls that will be required when all children and young people are able to return;

- 14 agree that, subject to further public health advice, new public health controls will be put in place to mitigate the risk in schools and early learning services when all children and young people are able to return including:
- 14.1 face coverings will be required on school transport for people aged 12 and over (school transport services are currently exempt from public transport face covering requirements);
 - 14.2 maximising the time outdoors for students and staff including breaks, lunch, before and after school (unless the weather does not allow), and airing rooms during breaks;
 - 14.3 exercising and singing outdoors;
 - 14.4 avoiding groups meeting indoors including assemblies or staff meetings; and
 - 14.5 exams can go ahead but physical distancing should be maximised within the space available, with a minimum of 1.5m between desks;
 - 14.6 closing schools or early learning services near suburbs and clusters of concern if required;
- 15 agree that Cabinet confirms the arrangements and conditions for early learning and school reopening for all students from Tuesday 26 October on Monday 18 October, subject to the latest public health advice;
- 16 agree to change permissions to travel across the Auckland boundary for students who board in hostels on the other side of the boundary, and are currently at home for the holidays, to make one move to the hostel and stay there until restrictions are withdrawn;
- 17 note based on the public health risk assessment and advice from the Acting Director-General of Health, I do not recommend making any further amendments to loosen the Alert Level 2/3 boundary permissions today;
- 18 note that due to the spread of cases beyond the Auckland boundaries I will ask the Director-General to provide a verbal update at this meeting on whether Cabinet should consider tightening boundary restrictions.
- 19 note officials will provide further advice on Monday 18 October on:
- 19.1 proposed amendments to Alert Level 3/2 boundary permissions to enable building and construction of infrastructure that contributes to government priority projects; and
 - 19.2 any outstanding issues, including seeking agreement to amended Alert Level 3/2 boundary permissions, to support any decision to reopen Auckland educational facilities for all students in the coming weeks; and
- 20 agree that Cabinet's decision today will be communicated by the Prime Minister.

Hon Chris Hipkins
Minister for COVID-19 Response

Proactively Released



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: 11 October 2021 Review of Alert Level Settings

Portfolio COVID-19 Response

On 11 October 2021, Cabinet:

Situation update

- 1 **noted** that since Tuesday, 17 August 2021, 1,587 community cases of COVID-19 have been identified in New Zealand (as of 9 am, Friday, 8 October 2021);
- 2 **noted** that on Monday, 4 October 2021, Cabinet:
 - 2.1 agreed to ease restrictions within Alert Level 3 in Auckland from 11.59 pm Tuesday, 12 October 2021, to the first stage of the three-staged proposed reduction in settings;
 - 2.2 agreed to keep the rest of New Zealand at Alert Level 2, with settings adjustments to increase capacity limits at some hospitality venues and event facilities and remove the no standing requirement on public transport;
 - 2.3 agreed that these settings would be reviewed by the COVID-19 Ministerial Group or by Cabinet on Monday, 11 October 2021;
- [CAB-21-MIN-0407]
- 3 **noted** that on Sunday, 3 October 2021, Ministers with Power to Act [CAB-21-MIN-0535] agreed that parts of Waikato would move to Alert Level 3 from 11.59 pm on Sunday, 3 October 2021;
- 4 **noted** that on Thursday, 7 October 2021, Ministers with Power to Act agreed to keep the Waikato Alert Level 3 region at Alert Level 3, and to expand the Alert Level 3/2 boundary around this area further south;
- 5 **noted** that on Friday, 8 October 2021, Ministers with Power to Act agreed that Northland move to Alert Level 3 from 11.59 pm on 8 October 2021 until 11.59 pm on Tuesday, 12 October 2021;
- 6 **noted** that the Acting Director-General of Health's interim advice is that:
 - 6.1 the number of new daily cases in the Auckland region indicates that case numbers are gradually increasing, but the growth rate is not yet exponential;

- 6.2 significant numbers of the new cases have not previously been identified as contacts, meaning they were not self-isolating prior to testing positive, and this raises the potential for undetected transmission to occur;
- 6.3 in the Waikato sub-cluster, all cases are linked, and there is a very strong direct link to one of the Auckland sub-clusters;
- 6.4 there is an exposure event of approximately 50 people associated with the Waikato sub-cluster;
- 7 **noted** that the public health risk assessment of community transmission within:
 - 7.1 Auckland remains medium;
 - 7.2 Hamilton/Raglan remains medium;
 - 7.3 the remainder of New Zealand is low;

Alert Levels

- 8 **agreed** that an appropriate measure in response to the level of public health risk would be to:
 - 8.1 keep Auckland at current Alert Level 3 from 11.59 pm Tuesday, 12 October 2021 (first stage of the three-stage reduction); and
 - 8.2 keep the rest of New Zealand outside the Alert Level 3 areas at Alert Level 2 from 11.59 pm Tuesday, 12 October 2021;
- 9 **noted** the advice of the Director-General of Health on the latest situation and appropriate Alert Level settings for the Waikato and Northland Alert Level 3 areas;
- 10 **agreed** to keep the Waikato Alert Level 3 region and Northland at their current Alert Level 3 until 11.59pm Thursday, 14 October 2021, **subject to** further public health advice and confirmation by Ministers with Power to Act on Wednesday, 13 October 2021;
- 11 **agreed** that Cabinet next reviews Alert Level settings for all New Zealand on Monday, 18 October 2021;

Schools and early learning services

- 12 **noted** that the public health advice is not to decide yet on whether schools and early learning services can reopen for all children and young people;
- 13 **noted** that a paper seeking agreement to vaccination and testing requirements for the early learning and schooling workforce has been considered separately by Cabinet [CAB-21-MIN-0414];
- 14 **noted** that public health advice concerning education settings is due on Thursday, 14 October 2021;
- 15 **noted** that it is important to provide the education sector with clarity about the public health controls that will be required when all children and young people are able to return;
- 16 **agreed** that, **subject to** further public health advice, new public health controls will be put in place to mitigate the risk in schools and early learning services when all children and young people are able to return, including:

- 16.1 face coverings will be required on school transport for people aged 12 and over (school transport services are currently exempt from public transport face covering requirements);
 - 16.2 maximising the time outdoors for students and staff, including breaks, lunch, before and after school (unless the weather does not allow), and airing rooms during breaks;
 - 16.3 exercising and singing outdoors;
 - 16.4 avoiding group meetings indoors, including assemblies or staff meetings;
 - 16.5 exams can go ahead but physical distancing should be maximised within the space available, with a minimum of 1.5m between desks;
 - 16.6 closing schools or early learning services near suburbs and clusters of concern if required;
- 17 **agreed** that Cabinet confirm the arrangements and conditions for early learning and school reopening for all students from Tuesday, 26 October 2021 on Monday, 18 October 2021, **subject to** the latest public health advice;
- 18 **agreed** to change permissions to travel across the Auckland boundary for students who board in hostels on the other side of the boundary, and are currently at home for the holidays, to make one move to the hostel and stay there until restrictions are withdrawn;

Alert Level boundaries

- 19 **noted** that based on the public health risk assessment and advice from the Acting Director-General of Health, the Minister for COVID-19 Response does not recommend making any further amendments to loosen the Alert Level 2/3 boundary permissions on 11 October 2021;
- 20 **noted** that officials will provide further advice on Monday, 18 October 2021 on:
- 20.1 proposed amendments to Alert Level 3/2 boundary permissions to enable building and construction of infrastructure that contributes to government priority projects;
 - 20.2 any outstanding issues, including seeking agreement to amended Alert Level 3/2 boundary permissions, to support any decision to reopen Auckland educational facilities for all students in the coming weeks;

Other matters

- 21 **invited** the Minister of Health to provide an update for Cabinet on 18 October 2021 on health system capacity, including ICU capacity;
- 22 **agreed** that Cabinet's decisions be communicated by the Prime Minister.

Michael Webster
Secretary of the Cabinet