

Office of the Minister for COVID-19 Response

Cabinet

## **COVID-19 RESPONSE: FURTHER AUCKLAND COMMUNITY CASES**

### **Proposal**

- 1 This paper reviews the situation in response to further community COVID-19 cases identified in Auckland since Case A was identified on 17 August 2021. I propose keeping all of New Zealand at Alert Level 4 with another review on Monday 23 August.

### **Relationship with Government priorities**

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

### **Summary**

- 3 Following the decision to move Auckland and Coromandel to Alert Level 4 until 11.59pm on 24 August and the rest of New Zealand to Alert Level 4 until 11.59pm on 20 August 2021, a decision is required about the approach for the rest of New Zealand for the next period.
- 4 As at 9am on Friday 20 August, 30 community cases have been detected that are linked to the Auckland outbreak. There are 28 cases within Auckland and two within Wellington. The index case of the Auckland community outbreak remains unknown and source investigation is ongoing. Based on Whole Genome Sequencing (WGS), it is strongly suspected that the infection originated from a person who arrived on a flight from New South Wales on 7 August.
- 5 Our rapid move to Alert Level 4 was based on the threat posed by the Delta variant and how little we knew about the index case. While we now know more, there remain many unknowns including the total number of contacts and outstanding test results. Accordingly, a precautionary approach remains appropriate.
- 6 The paper recommends New Zealand remain at Alert Level 4 with a review on Monday, 23 August 2021. Remaining at Alert Level 4 is consistent with the Director-General of Health's advice.
- 7 The Director-General of Health advises that while testing and contact tracing are progressing well, it will take some time for a full picture to emerge. At present, there are not yet enough testing and wastewater results to support a conclusion that the current outbreak is under control. He therefore advises that he cannot recommend a reduction in Alert Levels for Auckland, Coromandel, and the rest of New Zealand at this time. He recommends Auckland stay at Alert Level 4 for a further seven days with a review on Monday 30 August; and that Coromandel, and the rest of New Zealand should stay at Alert Level 4 until 11.59pm on Tuesday 24 August, with a review on Monday 23 August.

- 8 Although not recommended at this time, it is timely to consider how we could keep Auckland, and the Coromandel, at Alert Level 4 and move the rest of the country to Alert Level 3. In terms of an Alert Level boundary, an option is attached as Appendix 1. We would also need to decide what categories of workers would be permitted to travel across the boundary. Narrow permissions would minimise risk of transmission but result in large numbers of exemption requests to the Director-General of Health, creating a significant administrative burden. Operationalising such a boundary is a huge challenge and officials are continuing work on how best to do this and are consulting iwi and local stakeholders.

### How we make Alert Level decisions

- 9 Cabinet has previously agreed to use eight factors to guide decisions on the appropriate Alert Level settings for New Zealand:

- 9.1 the Director-General of Health's satisfaction on four health matters:
  - 9.1.1 the source of the case(s) or outbreak (noting new variants of concern), and the number and geographical distribution of clusters;
  - 9.1.2 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);
  - 9.1.3 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;
  - 9.1.4 the capacity and capability of our public health systems, including our surveillance and contact tracing systems;
- 9.2 evidence of the effects of the measures on the economy and society more broadly;
- 9.3 evidence of the impacts of the measures for at risk populations in particular;
- 9.4 public attitudes towards the measures and the extent to which people and businesses understand, accept, and abide by them; and
- 9.5 our ability to operationalise the restrictions, including satisfactory implementation planning [CAB-20-MIN-0199; CAB-20-MIN-0387 refer].

- 10 In line with our resurgence response plan, in determining what measures and controls should be in place after the immediate response phase, we are particularly interested in:

- 10.1 the connection of cases to a known source at the border;
- 10.2 the number of cases and close contacts; and

10.3 the geographic spread of cases, including across regions.

### **The current response**

11 At 11.59pm on Tuesday 17 August 2021, all of New Zealand moved to Alert Level 4. Auckland and the Coromandel will remain at Alert Level 4 for an initial period of 7 days, with the rest of New Zealand at Alert Level 4 for at least 3 days until 11.59pm on 20 August [CAB-21-MIN-0324 refers].

### **Situation report**

12 As at 9am on Friday 20 August, there have been 30 community cases detected:

12.1 14 cases have been epidemiologically linked to the initial cluster;

12.2 eight cases are not yet formally linked to the initial cluster but initial interviews strongly suggest an epidemiological link;

12.3 one case is border related, being an international flight crew member identified through routine surveillance testing, and most likely unrelated to the community cluster

12.4 there are two cases linked to the initial cluster who are currently in hospital;

12.5 seven community cases have been detected overnight in Auckland and two in Wellington that have yet to be interviewed; and

12.6 WGS results for Cases B - G are all the same, and suggest a single chain of transmission, with all cases linked with Case A.

13 Modelling by Te Pūnaha Matatini suggests that there were likely to be a significant number of undetected cases in the community prior to 17 August. Their modelling simulates multiple transmission scenarios, and the results suggest a plausible range for cumulative community cases at the point of detection of between approximately 25 and 150 cases. Based on testing rates in the community, and the likelihood of detecting each case, the modelling suggests that the initial seeding event is likely to have occurred 10 to 15 days prior to detection of the initial case. The fact that multiple cases have been found quickly after the initial case was detected confirms that we are in a scenario where there was the potential for significant community spread prior to the introduction of Alert Level 4.<sup>1</sup>

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

#### *Source of the case(s)/outbreak*

14 The index case of the Auckland Community Outbreak remains unknown and source investigation is ongoing. However, based on WGS results it is strongly

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<sup>1</sup> The modelling results have been provided to the Prime Minister's Chief Science Adviser and the Director-General of Health. I understand the modelling has informed the overall public health risk assessment of the current outbreak.

suspected that the infection originated from an infected person who arrived from New South Wales on 7 August and who was in managed isolation.

- 15 To date, we have formally identified over 1,000 contacts associated with known clusters and this number is likely to increase significantly over the next 24 hours as we receive and upload details of pupils from several schools and large events such as church services (between 5-8,000 contacts expected to be added to the system today). This number does not include the staff and patients tested at Auckland Hospital in response to a staff member working there while potentially infectious.

*Length of time the virus has been in the community*

- 16 Based on the probable link to the case in managed isolation, who arrived in New Zealand late on 7 August, the virus may have been in the community for up to 10 days before Alert Level 4 was implemented. WGS results suggest just one to two steps in the chain of transmission before the first case was identified.

*Potential for undetected community transmission*

- 17 The Director-General of Health advises that he cannot rule out the possibility of wider community transmission beyond the cases we have identified to date in Auckland and Wellington.

*Health system capacity including surveillance and contact tracing systems*

- 18 In terms of assessing against our overall criteria for moving down alert levels, testing, contact tracing, border controls, and health and disability system capacity are considered robust. However, we are still awaiting swab test results, including a large number taken on 19 August and still being processed, across many areas of New Zealand.
- 19 There are currently two cases from the community outbreak in hospital with COVID-19.
- 20 There is no evidence to indicate a lack of confidence in the capacity of the health system. There are seasonal pressures on the system with winter illnesses, in particular RSV.
- 21 The Ministry of Health holds supply for 12 weeks consumption at estimated pandemic level. In recent weeks assurance has been sought from the sector that they hold sufficient contingency supply of PPE for 1-2 weeks and asked that they place orders to boost their contingency supply where necessary. Orders for PPE are currently being reviewed and approved on a twice daily basis and the Ministry considers that the health and disability sector is well prepared with supplies of PPE. Demand for N95/P2 particulate respirators and associated protective eyewear has increased as a result of updates to Infection Prevention and Control guidance. Supply is able to absorb this increase and the Ministry will place further orders for supplies accordingly. As at 20 August 2021, there are currently 564,500 swabs in supply and 100,000 that are due to arrive next week with further forward orders arriving at the end of August 2021. Based on the number of swabs taken this week, the current stock level will

provide for nine weeks of supply. Orders for laboratory consumables to maintain core laboratory service use of blood tests have been expedited

- 22 As of 20 August 2021, approximately 68,000 swabs have been undertaken over the five days since the first case was identified. This includes nearly 28,000 test results processed on Thursday 19 August.
- 23 Laboratories are processing tests within the required timeframes. On 19 August, 6,148 tests were processed in the Auckland region and about 2000 tests were taken from the Waikato region, including Coromandel. 41,760 tests were processed over the previous 7 days.
- 24 A wastewater sample from Rosedale, s9(2)(a) was taken on Monday 16 August and returned a detection of COVID-19 on 19 August. Samples taken from the Western and Eastern Interceptors on 16 August have also returned detections of COVID-19.
- 25 The Ministry of Health is confident that the capacity and capability of its contact tracing system is sufficient. The NITC has activated the Health System Response surge to be on standby if required for assistance. The NITC has activated the full Public Health Unit (PHU) ready capacity and they are on standby to activate their surge capacity if required. Contact tracing activities including management of exposure events and symptomatic contacts will be delegated to PHUs across the country to support Auckland Regional Public Health Service who are managing the identified cases.
- 26 As of today there are 2,962,439 registered NZ COVID Tracer app users.

### **Proposal**

- 27 Based on information to hand, the situation suggests the country should remain at Alert Level 4. The Director-General of Health advises that while testing and contact tracing are progressing well, it will take some time for a full picture to emerge. At present, there are not yet enough testing and wastewater results to support a conclusion that the current outbreak is under control. He therefore advises he cannot recommend a reduction in Alert Levels for Auckland, Coromandel and the rest of New Zealand at this time.
- 28 Based on the most recent public health risk assessment, the Director-General's advice is that Auckland's Alert Level should be reviewed on 30 August 2021, with Coromandel, and the Alert Level for the rest of New Zealand reviewed on 23 August 2021.
- 29 Keeping all New Zealand at Alert Level 4 is a precautionary approach. It responds to the higher transmissibility of the Delta variant and reflects the fact that there is insufficient information available to be confident that there is no transmission elsewhere. It maintains our precautionary approach while giving us more time to fully understand the extent of the outbreak.
- 30 I therefore propose all New Zealand remains at Alert Level 4 and that this be reviewed on Monday 23 August 2021.

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

31 I have assessed the proposal to remain at Alert Level 4 against the non-health factors agreed by Cabinet, as set out below. My assessment gives me no reason to question the proposal to remain at Alert Level 4. Although there is a significant financial cost of being at Alert Level 4, it remains clear that that a strong health response is the best economic response. Social licence remains strong and compliance has been high. And although there is a disproportionate impact upon at risk communities from being at Alert Level 4, they are also very vulnerable if they contract COVID-19.

#### *Economic impacts from Alert Levels*

32 There is considerable uncertainty about the magnitude 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.<sup>2</sup>

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

<b>Restrictions</b>	<b>Reduction in economic activity per week</b>	
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 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

33 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.

34 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). There is also the possibility that the cumulative effect of extended periods at higher Alert Levels (or repeated instances of changing up and down Alert Levels) might result in impacts that are greater than estimated here.

35 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.

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

- 35.1 Our infection and death rates are among the lowest in the world, and we don't risk people not being able to work due to the effects of long-COVID; a healthy population supports the economy.
- 35.2 Our unemployment rate is already back at its pre-COVID level of 4% because we protected jobs and businesses with the wage subsidy. Unemployment peaked at only 5.3%, compared to countries like the US and Canada which rose above 10%.
- 35.3 Our economy is now bigger than it was before COVID. The latest GDP data shows activity in the March 2021 quarter 2.4% above what it was a year ago. Across the OECD group of 38 advanced economies activity in the same period remained 0.8% below last year.
- 35.4 The Government is in a strong financial position; Net core Crown debt stood at 31.2% of GDP at the end of May 2021 compared to forecasts at Budget 2020 for it to be about 44% of GDP at 30 June 2021. If debt were 44% at 30 June 2021 this would represent about \$40 billion in additional nominal core Crown debt. This gives us options to keep investing to protect New Zealanders and accelerate our recovery.

#### *Impacts on at risk populations*

- 36 The impacts of Alert Level 4 are amplified as the period we remain in Alert Level endures. Although higher Alert Levels assist in preventing community transmission in communities that are more vulnerable, they disproportionately impact some groups especially those living in Auckland (which a high proportion of many at risk populations do). Restrictions on earning and movement can intensify income and poverty inequities, impact the accessibility of testing sites and to essential services, increase the digital divide and access to key information, and increase anxiety. Tailored communication and engagement is important across all groups.
- 37 The impacts on at risk populations are discussed more in Appendix 5.

#### *Public attitudes and compliance*

- 38 Initial campaign messaging has focused on ensuring people have the key information they need to conform to the Alert Level 4 requirements. Vaccine messages are being integrated from 19 August, within main messages and also with a standalone vaccine ad.
- 39 On the Unite Against COVID-19 social channels since the 17 August, content has reached 4.1 million people. Sentiment is overall supportive of the lockdown and anxiety levels do not appear to be too high. For the period 12pm – 11:59pm August 17 the most frequently asked questions were about rules for travel (26%) and the alert level change (25%). There are questions about vaccine appointments (20%) and people are asking about the current case, locations of interest and the variant (14%). The Unite Against COVID-19 website had 1.35 million page views on 17 August 2021, with sustained high web traffic over the

last 24 hours. The website has information translated in 27 different languages including NZSL.

- 40 Social licence remains crucial to a successful COVID-19 response and our messaging will be informed by the sentiment we are seeing through our channels and insights reports. Pulse check research is being undertaken currently to understand where current sentiment and compliance is sitting.
- 41 Data provided by Google has indicated there have been a large number of searches over the last two days (COVID-19, Locations of Interest, COVID App, , Testing) with some shifts in the themes on 18 August with Wage Subsidy (i.e. resurgence payments) trending and a rise in the number of queries for Lockdown. Anti-lockdown protest was also noted as a rising term.
- 42 Police have dealt with three different protests in Auckland, Tauranga and Nelson. Police have a low tolerance of unlawful gatherings and the public can expect that they will look to enforce the current restrictions in place under Alert Level 4. Police arrested eight people in relation to breaches of Alert Level 4 following protests in Auckland's CBD and outside Tauranga Police Station on 18 August. Police are urging everyone to stay at home and it will continue to work with its partners and the public to ensure everyone complies with the restrictions in place under Alert Level 4. The vast majority of New Zealanders are doing the right thing and abiding by the Alert Level restrictions, and these protestors represent a very small number of people who are not.

*Ability to operationalise the proposals in this paper*

- 43 If the whole country remains at Alert Level 4 there are no additional operational challenges to what we face currently.

**Alert Level 4 settings**

- 44 The same settings will be retained for essential personal movement and Alert Level 4 businesses and services as are included in the current Alert Level 4 Order. This will mean the vaccine rollout can continue as planned.
- 45 I note that the Director-General of Health has granted exemptions to the current Alert Level 4 Order for education institutions to provide resources for students, tertiary hostels to provide food and beverages on site, banks and non-bank financial institutions to provide essential services that cannot be done virtually, for the supply of food and other essentials (for example, nappies) at airports and for the Paralympians to travel domestically on their way to Tokyo. Each of these exemptions is assessed in terms of both the specific risk associated with the individual exemption and the overall contribution to cumulative COVID-19 risk.

*Essential non-food consumer products*

- 46 At Alert Level 4, the provision of "essential non-food consumer products" is an Alert Level 4 business or service. During the previous Alert Level 4, in 2020, there was no prescriptive list provided. Instead, MBIE provided general principles as guidance to determine whether goods were "essential consumer



products”. These were products that enable people to: safely isolate; stay connected to one another; and work or study from home. Following feedback from businesses, MBIE have provided guidance on the nature and scope of activity allowed under this provision during the current Alert Level 4 period.

- 47 I will amend the COVID-19 Order to define essential non-food consumer products in line with the guidance. Further amendments can be made to the COVID-19 Order in the future to reflect updated views on what essential goods should be. More detail about the guidance is provided in Appendix 4.

### **Economic support measures**

- 48 The Ministry of Social Development (MSD) 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. The following welfare supports are currently available:
- 48.1 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.
  - 48.2 The Wage Subsidy Scheme August 2021 helps eligible businesses (including those who are self-employed) to continue paying employees and retain them for the period of the subsidy. The subsidy will pay \$600 for full-time employees and \$359 for part-time employees and applications can be made from 20 August. The Scheme is open for 2 weeks.
  - 48.3 The Leave Support Scheme provides businesses with a two-week lump sum payment of either \$600 per week for full-time employees or \$359 per week for part-time workers who must self-isolate and can't work from home, or who need to self-isolate due to family members etc. Employers cannot get the COVID-19 Wage Subsidy August 2021 and Leave Support Scheme simultaneously for the same employee. Payment increases will not take effect until 24 August.
  - 48.4 The Short-Term Absence Payment (STAP) provides businesses with a one-off (once per 30 days) payment of \$359 for employees who must miss work due to a COVID-19 test and cannot work from home. STAP payments can be made more than once in a 30 day period under certain circumstances (which could apply during this lockdown. Payment increases will not take effect until 24 August.
  - 48.5 Social and community-based services will continue to provide support to New Zealanders. MSD has provided additional advice to providers about who can operate – 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.

### Considerations for a future move of part of the country to Alert Level 3

49 While moving some parts of New Zealand to Alert Level 3 at this time was considered, I do not recommend this option in light of the public health risk discussed above. However, in preparation for a possible move down Alert Levels in the future, it is timely to consider how we could keep move the rest of the country to Alert Level 3 if we were confident community transmission was contained beyond Auckland, and the Coromandel (which could remain at Alert Level 4). We are familiar with boundaries around Auckland but if the Coromandel was also kept at Alert level 4, a new boundary would be required.

#### *Alert Level 4/3 boundary*

50 My officials have developed an Alert Level boundary option that includes all of the Auckland region, parts of the northern Waikato (excluding Hamilton) and the Coromandel peninsula. A map of this is attached as Appendix 1. The boundary has been located to minimise the number of communities that Alert Level 4 applies to. It also seeks to minimise the number of people needing to travel across it to access life critical services (e.g. health care and supermarkets) and get to workplaces if they are able to work. I note, however, that given an Alert Level boundary is about restricting movement to reduce risk of transmission, it will still cause significant economic and social disruption. It is likely exemptions would be need for workers at various dairy and meat companies that would normally cross the boundary to get to work.

51 Enforcement of such a lengthy boundary will also be challenging for Police, who will need to redirect resources to establish the necessary checkpoints. There has been some consultation with local councils and iwi about the proposed boundary that will be taken into consideration if we did implement an Alert Level 4/3 boundary. Obviously the more time agencies have to operationalise an Alert Level boundary the better. In addition to Police setting up checkpoints, MBIE having time to stand up the business travel register so that workers permitted to cross the boundary can obtain a document that can be used as evidence of their permission to travel will make transiting checkpoints much more efficient. Agencies are progressing work as a priority on how an Alert Level 4/3 boundary would be operationalised and I will update Cabinet on this work in the next Alert Level review paper.

52 I also note Northland could be included in the Alert Level 4 area. This would resolve some issues with previous Alert Level 3/2 Auckland boundaries where people needed to travel between Alert Level areas to access workplaces, schools and life critical services. It would also protect vulnerable communities in Northland if there were undetected community transmission. However, we would be trading off ease of worker and community movements against constraining economic activity.

#### *Permitted purposes for workers to travel between Alert Level areas*

53 In December 2021 Cabinet noted a set of principles that would guide decision-making for permitted movement across an Alert Level 3/2 boundary. These principles could also apply to movement across an Alert Level 4/3 boundary.

- 54 While noting the primacy of public health objectives, the principles strike a balance between limiting the spread of the virus and the economic and social costs. As with all restrictions under the COVID-19 Public Health Response Act 2020, restrictions on movement must be proportionate to the public health risk [CBC-20-MIN-0122 refers].
- 55 In relation to permitted movement over Alert Level boundaries Cabinet also:
- 55.1 noted the following three categories of movement:
- 55.1.1 Category 1 – movement that would be permitted under all circumstances, e.g. border services, emergency services and healthcare workers and all freight is always permitted;
- 55.1.2 Category 2 – movement likely to be permitted, but for which an assessment would be required in each resurgence, e.g. rail and road construction; and
- 55.1.3 Category 3 – all other movement may be allowed by specific exemption issued by the Director-General of Health; and
- 55.2 agreed what businesses and services were in Category 2.<sup>3</sup>
- 56 If an Alert Level 4/3 boundary was imposed in the future, it could be appropriate that no Category 2 businesses and services be permitted to travel across the boundary. This would be justified by the higher risk of undetected community transmission in an Alert Level 4 area. Although this will disrupt some supply chains, all freight can move across the boundary and other movement can be permitted by an exemption from the Director-General of Health. Allowing such movement by exemption has the advantage that the Director-General can impose specific conditions to mitigate risks.
- 57 There is, however, no question this will create significant operational challenges and a large administrative burden processing exemption applications.

### **Additional face covering and record keeping requirements**

#### *Mandatory use of face coverings*

- 58 When the country moves to lower Alert Levels, I propose to implement the mandatory face covering requirements Cabinet agreed to on 16 August 2021 [CAB-21-MIN-0315 refers]. Bringing these new requirements into effect now makes sense. When used in combination with other public health measures (including record keeping), face coverings strengthen our response to community outbreaks.
- 59 The new mandatory face covering requirements at Alert Level 2 and 3 could be announced following today's meeting. They would come into effect immediately if we move to the lower Alert Levels where they apply. I consider this implementation timing appropriate because New Zealanders are better

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<sup>3</sup> A full list of Category 2 businesses and services is attached as Appendix 1.

practised at wearing face coverings now, and the definition of face covering is broad enough to avoid people needing to go out and purchase masks to comply.

#### *Mandatory record keeping*

- 60 I also propose to implement the mandatory record keeping requirements Cabinet agreed to on 16 August 2021, when the country moves down Alert Levels [CAB-21-MIN-0315 refers]. Good record keeping supports faster communication with those who are identified as contacts of a positive case. It is another public health measure we can use to help to contain an outbreak.
- 61 The obligation for these mandatory record keeping requirements would be borne by the person responsible for a place or gathering. These people will be required to have systems and processes in place to ensure, so far as is reasonably practicable, that people scan the QR code for the place or gathering or provide details in a contact tracing record. New Zealanders also need time to understand where and when record keeping will be mandated.
- 62 The timing of when the new record keeping requirements come into effect is important for these reasons. My officials consulted with Business New Zealand, Restaurant Association New Zealand and Hospitality New Zealand on timeframes to bring the new record keeping requirements into effect. On the basis of this consultation, I propose the record keeping requirements are announced after this meeting but will not come into effect for seven days after a shift in Alert Levels.
- 63 This implementation timing will ensure people responsible for places and gatherings prepare to have appropriate record keeping systems and processes in place (where they do not already). Employers will have time to provide any training to staff on use of new systems and processes, and update seven-day working rosters to support this. Officials will have time to prepare guidance on these requirements, including relating to privacy protections and employment relations issues.

#### **Financial Implications**

- 64 The Minister of Finance will provide advice on the Wage Subsidy and Resurgence Support Payment financial implications separately to Ministers.

#### **Legislative Implications**

- 65 If the decision is for all New Zealand to stay at Alert Level 4, there are no legislative implications. The current Order under section 11 of the COVID-19 Public Health Response Act 2020 will simply remain in place.

#### **Impact Analysis**

- 66 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

67 s9(2)(h) [Redacted]

s9(2)(h) [Redacted]

[Redacted]

[Redacted]

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Proactively Released

s9(2)(h)  
[Redacted text block]

- [Redacted list item]
- [Redacted list item]
- [Redacted list item]
- [Redacted list item]

**Population impacts**

78 Population impacts are discussed in paragraphs 39 to 49 above.

**Consultation**

79 This paper was prepared by the COVID-19 Group in the Department of the Prime Minister and Cabinet. The Ministry of Health were consulted 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 was consulted on the NZBORA implications.

- 80 The Treasury, Ministries of Social Development and Pacific Peoples and the Office of Ethnic Communities have provided input into relevant parts of the paper. Further agency consultation has not been possible in the timeframe.

### **Communications and Proactive Release**

- 81 The Prime Minister will communicate the decisions set out in this paper after Cabinet agreement. I intend to proactively release this Cabinet paper following Cabinet consideration.

### **Recommendations**

The Minister for COVID-19 Response recommends that Cabinet:

- 1 note on 17 August 2021 a positive community case of COVID-19 was identified in the Auckland community and Cabinet agreed to move all of New Zealand to Alert Level 4 – Auckland and the Coromandel to remain at Alert 4 for an initial period of 7 days (until 11.59pm on 24 August 2021) and the rest of New Zealand for an initial period of 3 days (until 11.59pm on 20 August);
- 2 note that as at 9am on Friday 20 August 30 community cases have been detected linked to this current community outbreak;
- 3 note that this includes two cases detected in Wellington that have yet to be interviewed;
- 4 that there is insufficient information available currently to be confident there is no transmission elsewhere in New Zealand (including community and wastewater testing data);

#### *Alert Levels*

- 5 Note that based on the most recent public health risk assessment, the Director-General of Health recommends that:
  - 5.1 Auckland should stay at Alert Level 4 until 11.59pm on Tuesday 31 August at the earliest, with a review on 30 August.
  - 5.2 Coromandel and the rest of New Zealand should stay at Alert Level 4 until 11.59pm on Tuesday 24 August at the earliest, with a review on Monday 23 August.
- 6 agree that all New Zealand remaining at Alert Level 4 is an appropriate measure in response to the level of public health risk with a review of all of New Zealand on 23 August;

#### *Face coverings*

- 7 note that the Alert Level 4 face covering requirements COVID-19 Group Ministers agreed to on 18 August 2021 [CVD-21-MIN-0003 refers] will continue to apply to areas of New Zealand that remain at Alert Level 4 beyond 11.59pm, 20 August 2021;

- 8 note Cabinet agreed mandate face coverings in specified settings at Alert Level 2 and above on 16 August 2021 [CAB-21-MIN-0315 refers] and that these could be implemented when we move down Alert Levels;

*Record keeping*

- 9 note Cabinet agreed to mandate record keeping for contact tracing purposes specified settings at all Alert levels on 16 August 2021 [CAB-21-MIN-0315 refers];
- 10 agree that the mandatory record keeping requirements referenced in recommendation 8 will not come into effect until a period of 7 days following a shift down Alert Levels to allow time for record keeping systems and processes to be put in place and staff to be trained as needed; and

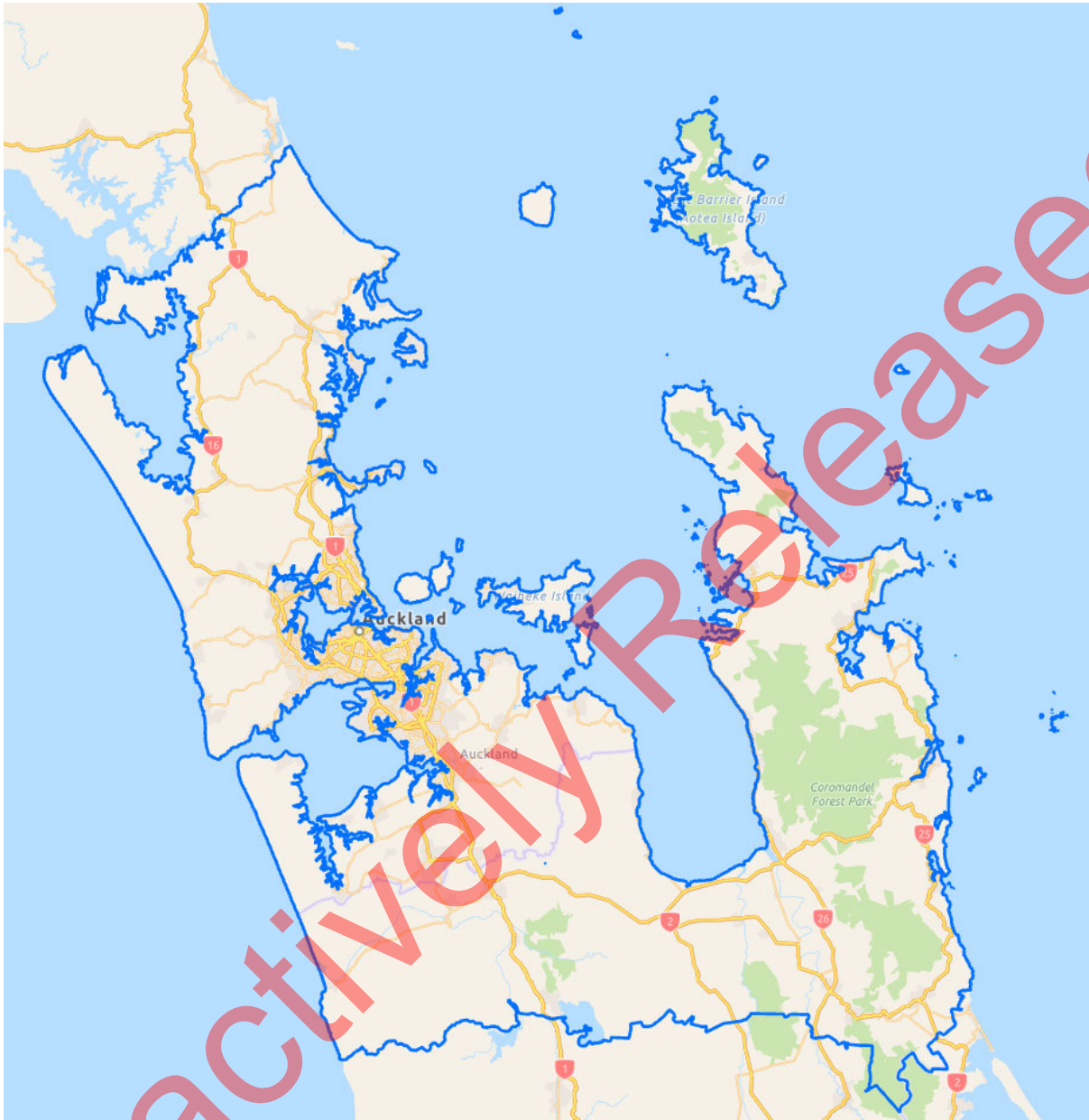
*Other matters*

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

Hon Chris Hipkins  
**Minister for COVID-19 Response**



Appendix 1 – Possible Auckland-Coromandel Alert Level 4 area



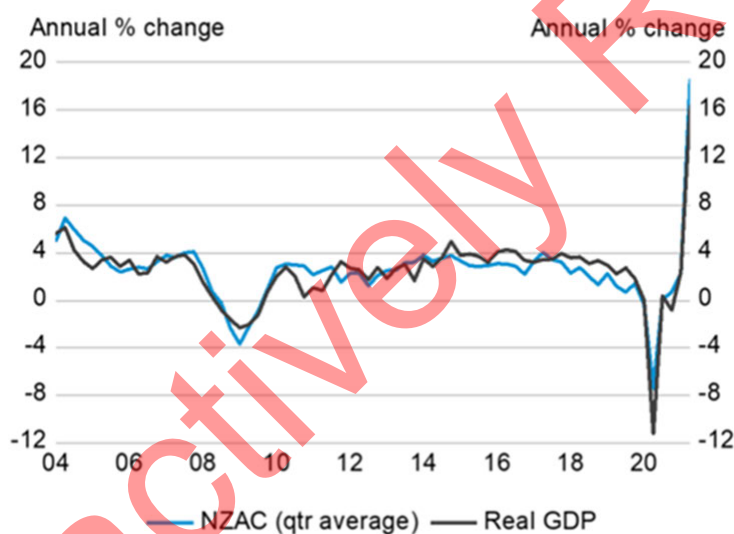
## Appendix 2 – Movement over Alert Level boundaries: Category 2 businesses and services

- 1 Primary processing, production and supply of food and beverage (for example, agriculture, horticulture, fishing, and aquaculture) and associated supply chains and workers, and the production of packaging for the products of primary production for food or beverage.
- 2 Veterinary and animal health and welfare services but only to the extent that travel between Alert Level areas is necessary to enable the service to be provided and not providing the service would otherwise result in animal welfare concerns.
- 3 Vehicle maintenance services so long as the relevant service cannot be provided within the relevant Alert Level area, or it is necessary for an employee of service (who resides outside of the Alert Level area) to travel into the Alert Level area to perform the service.
- 4 Services for the transportation of tūpāpaku/corpse.
- 5 Union representatives as long as it is necessary to enable the union to provide a service and the provision of the service cannot be reasonably delayed.
- 6 State services (inclusive of Crown entities) and services provided by local government (for which chief executives of the relevant public service/local government organisation must provide appropriate control over this permission and manage risk within their organisation).

### Appendix 3 – Economic Impacts from Alert Levels

- 1 Following the 2020 Alert Level 4 lockdown, New Zealand’s economic activity rose above pre-COVID levels in the September 2020 quarter; we were one of only four economies where activity rebounded this quickly (China, Taiwan, Ireland were the other three, according to analysis by BNZ). GDP rose 14% in the September quarter after an 11% drop in the June 2020 quarter. By the March 2021 quarter, economic activity in New Zealand was 2.4% above where it was a year ago. This compared to Australia’s economy being 1.1% above where it was in March 2020, the US 0.4% above, the Euro area being down 1.3%, the UK down 6.1%, with the average across the OECD being down 0.8%, according to Stats NZ.
- 2 Data show the strength in activity in the March 2021 quarter compared to March 2020 was broad-based. Activity was stronger in: Agriculture, forestry and fishing, Manufacturing, retail trade and accommodation, wholesale trade, construction, education and training, and the arts and recreation industries, among others. Figure 1 tracks the New Zealand Activity Index and GDP data on a quarterly basis:

Figure 1 – NZAC and GDP\*



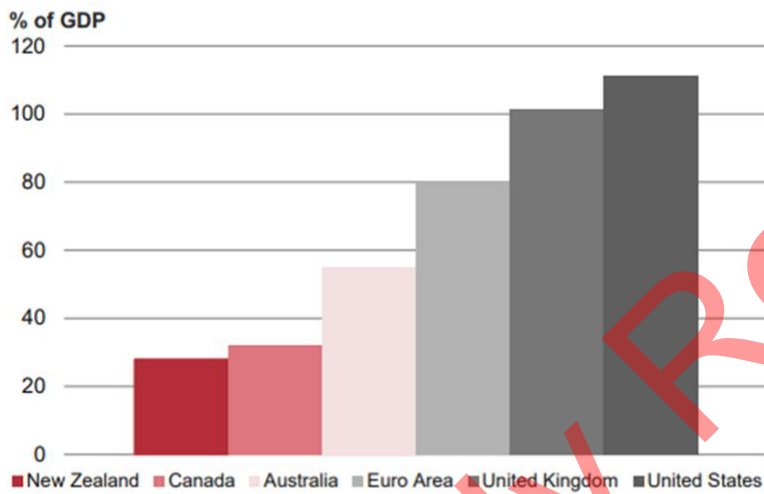
\*Estimate for 2021Q2 GDP (data released mid-September)

- 3 Unemployment in New Zealand peaked at 5.3% in the September 2020 quarter (the same as it was in December 2016), despite forecasts that it would hit 10% due to COVID-19, as seen in countries like the US and Canada during the pandemic. By mid-2021 the unemployment rate had fallen back to its pre-COVID level of 4%. About 63,000 more people were in work during the June 2021 quarter than pre-COVID. Between 1 January 2021 and 31 July 2021, 74,919 people exited a main benefit to enter employment, according to MSD data.
- 4 The stronger economy has supported the Government’s fiscal position. The latest monthly Crown financial statements show net core Crown debt was 31.2% of GDP at the end of May 2021. This compared to forecasts at Budget 2020 for it to be about 44% of GDP at 30 June 2021. If debt were 44% at 30

June 2021 this would represent about \$40 billion in additional nominal net core Crown debt.

- 5 International comparisons also show New Zealand in a strong fiscal position compared to our trading partners. The International Monetary Fund forecasts, which use an internationally comparable measure of net debt, show our net debt is forecast to remain considerably lower than our international counterparts. The chart headed Figure 12 was contained in Budget 2021 documents and contains the latest IMF forecasts:

Figure 12 - IMF general government net debt in 2024



Source: IMF World Economic Outlook Database April 2021

## Appendix 4 – Essential non-food consumer products guidance

### Essential non-food consumer products

- 1 Reliance will be placed on businesses to determine which products are essential. We expect businesses and consumers to act responsibly.
- 2 Any provision of essential non-food consumer products should be by online order with contact-less delivery only.
- 3 When determining which non-food consumer products are essential, businesses may usefully consider which products are necessary during the duration of AL4 for people to:
  - 3.1 Remain healthy and safe while isolating
  - 3.2 Work or study from home
  - 3.3 Stay in communication with whānau and friends and remain up to date with news and health information.

### Categories of non-food consumer products that are essential could include:

- 4 Necessary clothing, footwear and bedding
- 5 Urgently required white ware and appliances: such as fridges, heaters, washing machines and dryers, vacuum cleaners, fans and dehumidifiers
- 6 Urgently required cooking, cleaning and laundry equipment
- 7 Medicinal and hygiene products: such as medication, PPE, first aid products, soaps, shampoos, moisturisers and hand sanitisers,
- 8 Urgently required items for transport maintenance: such as bike and automotive parts and repair kits
- 9 Materials for urgent home repair
- 10 Urgently required communication devices: such as mobile phones, computer equipment, modems and internet equipment, televisions and radios
- 11 Urgently required educational materials and books
- 12 Urgently required home office equipment

### Categories of non-food consumer products that are not essential could include:

- 13 Exercise, sporting and outdoor recreation equipment: such as weights, indoor training machines, sports rackets and balls, and pool products
- 14 Entertainment and hobby products: such as gaming consoles, knitting wool, trampolines and swings
- 15 Beauty products: such as make up.

## Appendix 5 – 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, and a further 3.5% live in Thames-Coromandel or Waikato. We note that currently, only 17% of the Māori population has had a second COVID-19 vaccination dose.
- 2 Previous lockdowns have also shown the strength of Māori community and iwi networks in supporting and connecting whānau. Whānau Ora Commissioning Agencies are currently responding to requests for meeting essentials. Te Puni Kōkiri advise the priorities for Māori wellbeing being reported by the community are currently food, vaccinations and testing.

### Pacific Peoples

- 3 A significant proportion of the Pacific population living in New Zealand live in the Auckland region, where the current outbreak is. Higher Alert Levels (i.e. Alert Level 3 and 4) impact the Pacific population in the following ways:
  - 3.1 restrictions on earning capacity flowing from Alert Level shifts amplify income and poverty inequities;
  - 3.2 restrictions on movement positively assist in preventing COVID-19 entering the Pacific community. This is critical considering the high risk of rapid transmission presented by household overcrowding and other practices that bring Pacific peoples together frequently (e.g. church/faith-based gatherings).
  - 3.3 preventing the risk of COVID-19 transmission in the community is also important for Pacific peoples because they tend to have poor health outcomes and high rates of comorbidities.
- 4 Ensuring we have the right Alert Levels in place is crucial for Pacific communities as they are more susceptible to the worst effects of COVID-19.

### Disabled People

- 5 The Office for Disability Issues has advised that key issues identified by the Disabled Peoples Organisations relating to Alert Level changes include:
  - 5.1 Accessibility of testing sites. COVID-19 testing sites are stood up rapidly and some are more accessible than others. Accessible sites should be well-publicised and prioritisation opportunities could be considered.
  - 5.2 Accessibility to essential services. There has been strong communications that people must, for example, shop at supermarkets alone at higher Alert Levels. It is also now mandatory to wear a face covering while inside a supermarket. Notwithstanding face covering exemptions, some disabled people who rely on buddy shoppers do not have access to supermarket shopping as a result.
  - 5.3 Face coverings for disabled people. The mandatory face covering requirements have been strongly communicated. There should be stronger communication about exemption options.

- 5.4 Communication. The ongoing importance of communications in alternative formats was emphasised. Ongoing consideration of digital connectivity was also promoted.

#### Ethnic Communities

- 6 New Zealand's ethnic communities make up roughly 20% of the population. About 60% of people from these communities live in Auckland. Small business owners will be highly impacted by the lockdown, particularly hospitality businesses.
- 7 Digital connectedness is also a challenge experienced by some ethnic community members, and a percentage of ethnic community members do not understand English. This combination of factors leaves ethnic communities highly socially vulnerable in the context of COVID-19, particularly if they do not live with whānau as part of their bubble under Level 4.

#### Low income households

- 8 Since the move to Alert Level 4, social and community-based services have been clear about who provides services and how to do this within the required settings and public health requirements.
- 9 Whilst there has been increased demand, particularly for foodbanks, there is consistent feedback (predominantly from outside of Auckland), that people are not too concerned about coping long term, as post Friday they are anticipating this to be an Auckland Regional issue only.
- 10 If there is an extension at level 4 or a change to 3 in some areas we would expect to see a change in the level of concern, the way communities want to respond and the requests for funding, particularly in relation to food and PPE. This is predominantly because of the nature of communities in that they will want to mobilise and be out and about supporting their most vulnerable. There is a risk that this will drive a level of movement in communities that is counter to the overarching need to minimise movement. MSD would continue to work with communities and provide consistent messaging about the supports already in place and the need to utilise existing channels.

#### Older people

- 11 Most older people are likely to be able to cope for a short Alert Level 4 lock down. 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 Bill paying – 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 Accessing services that are on line – this impacts on people who are digitally excluded for whatever reason – for older people digital exclusion increases with age.
- 11.3 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).

- 11.4 We also note that there is ongoing anxiety over COVID and its impacts. This anxiety has been heightened with the more virulent Delta variant now in the community. While many older people are vaccinated, there are many still waiting and who are not able to get appointments due to availability or prioritisation.

Young people

- 12 In relation to youth, we have seen through Youthline, a significant surge in support being sought, even at this early stage.

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: Further Auckland Community Cases: Review of Alert Level

Portfolio                      COVID-19 Response

On 20 August 2021, Cabinet:

#### Background

- 1        **noted** that on 17 August 2021, a positive community case of COVID-19 was identified in the Auckland community, and that Cabinet agreed to **move** all of New Zealand to Alert Level 4 (Auckland and the Coromandel to remain at Alert 4 for an initial period of 7 days, until 11.59 pm on 24 August 2021, and the rest of New Zealand for an initial period of 3 days, until 11.59 pm on 20 August 2021 [CAB-21-MIN-0324];
- 2        **noted** that as of the morning of Friday, 20 August 2021, 31 community cases have been detected, linked to this current community outbreak;
- 3        **noted** that this includes three cases detected in Wellington that have yet to be interviewed;
- 4        **noted** that that there **is** insufficient information available currently to be confident there is no transmission elsewhere in New Zealand (including community and wastewater testing data);

#### Alert Levels

- 5        **noted** that based on the most recent public health risk assessment, the Director-General of Health recommends that:
  - 5.1        Auckland should stay at Alert Level 4 until 11.59 pm on Tuesday, 31 August 2021 at the earliest, with a review on 30 August 2021;
  - 5.2        Coromandel and the rest of New Zealand should stay at Alert Level 4 until 11.59 pm on Tuesday, 24 August 2021 at the earliest, with a review on Monday, 23 August 2021;
- 6        **agreed** that all New Zealand remaining at Alert Level 4 is an appropriate measure in response to the level of public health risk, with a review of all of New Zealand on 23 August 2021;

**Face coverings**

- 7 **noted** that the Alert Level 4 face covering requirements agreed to by the COVID-19 Group Ministers on 18 August 2021 [CVD-21-MIN-0003] will continue to apply to areas of New Zealand that remain at Alert Level 4 beyond 11.59 pm, 20 August 2021;
- 8 **noted** that on 16 August 2021, Cabinet agreed to mandate face coverings in specified settings at Alert Level 2 and above [CAB-21-MIN-0315], and that these could be implemented when New Zealand moves down Alert Levels;

**Record keeping**

- 9 **noted** that on 16 August 2021, Cabinet agreed to mandate record keeping for contact tracing purposes and specified settings at all Alert Levels [CAB-21-MIN-0315];
- 10 **agreed** that the mandatory record keeping requirements referred to in paragraph 9 above will not come into effect until a period of 7 days following a shift down Alert Levels, to allow time for record keeping systems and processes to be put in place and staff to be trained as needed;

**Other matters**

- 11 **agreed** that Cabinet's decision today will be communicated by the Prime Minister.

Michael Webster  
Secretary of the Cabinet