

Office of the Minister for COVID-19 Response

Cabinet

COVID-19 RESPONSE: 4 APRIL 2022 REVIEW OF COVID-19 PROTECTION FRAMEWORK COLOUR SETTING

Proposal

- 1 This paper seeks Cabinet's agreement to:
 - 1.1 Revised health factors and thresholds for moving between the Red, Orange and Green levels of the COVID-19 Protection Framework; and
 - 1.2 Keep all New Zealand at Red.
- 2 I propose that Cabinet review the colour levels for all New Zealand on Tuesday 19 April 2022.

Relation to government priorities

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

Summary

- 4 On Sunday 23 January, Ministers with Power to Act agreed that all New Zealand would move to the Red level of the COVID-19 Protection Framework (the Framework) at 11.59pm Sunday 23 January, following confirmation of cases of the Omicron variant in the community.
- 5 As at 11.59pm Thursday 31 March there have been 671,254 total confirmed cases, of which 655,839 have been community cases identified in the last 90 days; 99,185 are active cases. In the 24 hours to 11.59pm Thursday 31 March, 13,475 new community cases were confirmed. There were 764 people in hospital and 355 COVID-19 related deaths reported. The seven-day rolling average for New Zealand is 14,171 cases, 691 active cases in hospital and 17 deaths.

Changes to how we make decisions about Framework Settings

- 6 On Monday 21 March, Cabinet directed officials to review the current health factors and thresholds we use to make decisions on shifts between levels of the Framework. This review is to ensure the factors and thresholds continue to be fit for purpose in the Omicron context, and in light of Cabinet's recent decisions on the COVID-19 response after the Omicron peak [CAB-22-MIN-0086].
- 7 I am seeking Cabinet's agreement to a new set of health factors and thresholds today. These revised guides place less emphasis on case

numbers and level of transmission, focusing more on the individual level of risk in the community and pressure on the health system, the extent to which this risk can be self-managed, and what the resulting further impact on the health system is likely to be. I recommend amending the health factors to include, at a high-level:

7.1 **Degree of protection from severe health outcomes from COVID-19**, gauged by vaccination coverage, immunity levels, and availability of treatments (e.g. antivirals) to reduce severity of illness.

7.2 **Capacity of the health system to meet demand due to COVID-19**, given competing demands from other illnesses, backlog of prevention activities, and care of people with long-term conditions.

8 I propose these new health factors are accompanied by revised thresholds to trigger shifts between levels of the Framework. I am not proposing changes to the other, non-health, factors as these continue to be fit for purpose.

Progression of the outbreak

9 Based on the decrease in the seven-day rolling average of new cases and hospitalisations, it is clear the Auckland region is now on the downward side of the Omicron peak. The picture for the rest of New Zealand is not as clear. Some DHBs are showing early indications of peaking but could still see an increase in case numbers. Others are yet to reach the peak.

10 The Director-General of Health has advised there continues to be high levels of infection in the community, which is resulting in high pressure being applied to the health and disability system. He also noted that there will likely be an impact on at-risk populations with the relaxation of the Framework settings (i.e. moving to Orange which removes indoor capacity limits and 'seated and separated' requirements). He therefore recommends that New Zealand remain in Red for at least two weeks. This would also allow further information and data to emerge regarding how the roll out of anti-viral treatments is progressing, whether the health and disability system remains able to manage the continuing high levels of cases and hospitalisations, and the extent of impact from the recent changes to the settings.

Proposal and settings

11 Our approach is to be at the lowest level of the framework possible to ensure the measures in place are justified and proportionate. However, on the basis of the Director-General of Health's advice, and the assessment of non-health factors outlined below, I propose keeping New Zealand in Red.

12 I propose that Cabinet next reviews the colour setting for New Zealand on Tuesday 19 April. By that time, I expect we may be in a position to move some or all of New Zealand to Orange.

Changes to how we make decisions regarding the COVID-19 Protection Framework settings

- 13 In October 2021, Cabinet agreed a set of factors and thresholds to guide decision-making under the Framework [CAB-21-MIN-0421]. To ensure they remain fit for purpose in the Omicron context and reflect our post-peak response approach, Cabinet directed officials to review and report back on any recommended changes to the health factors and thresholds by Friday 1 April [CAB-22-MIN-0086]. I am seeking Cabinet agreement to the proposed changes today.

The current health factors and thresholds are focused on vaccination rates, system capacity, and transmission

- 14 The current health factors used to inform Framework decision-making include:

- 14.1 vaccination coverage across the overall population and equity of vaccination coverage,
- 14.2 the capacity of the health and disability system to manage COVID-19 cases, including across public health, primary care, community services, and secondary care,
- 14.3 testing, contact tracing and case management capacity, and
- 14.4 the transmission of COVID-19 within the community, including its impact on the most vulnerable populations.

- 15 In addition to these health factors, Cabinet agreed that Framework level decisions should also be informed by a number of other factors, including:

- 15.1 evidence of the effects of the measures on the economy and society more broadly,
- 15.2 evidence of the impacts of the measures for at risk populations in particular,
- 15.3 public attitudes towards the measures and the extent to which people and businesses understand, accept, and abide by them, and
- 15.4 our ability to operationalise the restrictions, including satisfactory implementation planning.

- 16 Decision-making is also guided by the following agreed thresholds:

- 16.1 at Green, case numbers are kept low through testing, contact tracing and quarantine, and hospitalisations at a manageable level;
- 16.2 a shift to Orange would occur with increasing community transmission, increasing pressure on the health system, or increasing risk to at risk populations; and

- 16.3 a shift to Red would occur when Orange is no longer containing the virus in the original outbreak areas, and action is needed to protect the healthcare system, and the health of communities or at-risk populations [CAB-21-MIN-0421].
- 17 As these factors and thresholds were developed in a Delta context, I propose amending the health factors and thresholds to ensure they are fit for purpose for responding to Omicron, living with COVID-19 in the community, and progressively shifting toward greater self-management of the impact and risks presented by COVID-19.
- 18 In particular, I propose amending the health factors and thresholds to place less emphasis on case numbers and level of transmission. The focus should instead be on the level of individual risk in the community and pressure on the health system, as well as the extent to which this risk can be self-managed, providing an indication of the likely associated further impact on the health system. I consider the non-health factors remain fit for purpose in the Omicron context.

Proposed changes to the health factors and thresholds

- 19 Based on advice from the Director-General of Health, I recommend replacing the current health factors with the following amended health factors:
- 19.1 **Degree of protection from severe health outcomes from COVID-19.** The level of protection will be gauged by vaccination coverage and immunity levels among the general population and vulnerable populations, and availability of treatments (e.g. antivirals) to reduce severity of illness from COVID-19. Equity should be considered across these measures.
- 19.2 **Capacity of the health system to meet demand due to COVID-19, given competing demands from other illnesses.** The capacity of hospitals, primary care and community providers will be considered. Capacity to meet increased demand due to COVID-19 will be also be considered in the context of competing demands from other illnesses, including seasonal and imported conditions (e.g. influenza), backlog of prevention activities (e.g. immunisation and screening) and care of people with long-term conditions (such as diabetes).
- 20 I do not recommend any changes to the other, non-health, factors. However, I do propose amending the thresholds to trigger shifts between levels of the Framework:
- 20.1 are immunity levels and availability of treatments such that the current COVID-19 restrictions are proportionate to the current level of health risk?
- 20.2 is primary care and hospital system capacity sufficient to meet demand due to COVID-19, given other competing demands?

20.3 is the likely impact of the proposal on vulnerable populations proportionate?

- 21 Community support, such as Care in the Community, is not included in the above revised factors and thresholds. Care in the Community plays an important role in supporting cases or contacts who are isolating in the community. It has a further preventative aim of helping to alleviate pressure on the health system during an outbreak in doing so. The Social Wellbeing Committee (SWC) will consider the future role of Care in the Community this week. Following Cabinet consideration of Care in the Community, I propose that COVID-19 Ministers with Power to Act reassess whether it needs to be explicitly referred to in any of the Framework decision-making factors or thresholds prior to our next review of Framework levels on Tuesday 19 April.
- 22 For completeness, the public health advice provided by the Director-General of Health throughout this paper will consider these new health factors, while also referring to some of the previously agreed health factors.

Updated modelling in relation to the current outbreak

- 23 You will be familiar with the modelling work that has been undertaken by COVID-19 Modelling Aotearoa (CMA, formally Te Pūnaha Matatini) throughout the COVID pandemic [CAB-22-MIN-0086 refers]. Officials are continuing to track COVID case, hospitalisation, and deaths against the three CMA scenarios at a national, regional, and District Health Board (DHB) level.
- 24 Nationally, cases are declining from the peak at a significantly slower rate than they increased. This is being driven by each DHB being at a different stage in the Omicron wave.

Peaked, and are now declining	Early indications of peaking, but could still increase	Still increasing
Waitemata Auckland Counties Manukau Capital and Coast Hutt Valley Tairāwhiti	Northland Waikato Lakes Bay of Plenty Hawke’s Bay Canterbury Wairarapa	Taranaki MidCentral Whanganui Nelson Marlborough West Coast South Canterbury Southern

- 25 Hospital bed occupation is tracking steadily against CMA’s medium transmission scenario and is showing early indications of peaking (driven largely by a decline in hospitalisations in Auckland over the past week). Hospitalisations are not expected to peak in some DHBs until mid to late April: Waikato is currently tracking around the medium scenario, and all other DHBs tracking below the medium scenario.
- 26 Fatalities are currently tracking towards the high scenario. As fatalities are a lag indicator of cases, it is anticipated cumulative fatalities will continue to increase for some time. Comparisons with Australian states also suggest that

while New Zealand remains a long way behind at this point in the pandemic, fatalities due to COVID-19 will continue even after the first Omicron wave has passed (see Appendix 1).

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

Summary of the outbreak

- 27 As at 11.59pm Thursday 31 March there have been 671,254 total confirmed cases, of which 655,839 have been community cases identified in the last 90 days; 99,185 are considered active cases. In the 24 hours to 11.59pm Thursday 31 March, 13,475 new community cases were confirmed. As at 9am Friday 1 April there were 764 people in hospital (220 of which were considered recovered)¹ and 355 COVID-19 related deaths reported. The seven-day rolling average for New Zealand is 14,171 cases, a decrease from the 24 March average of 17,197 cases, with a seven-day average of 691 active cases in hospital and 17 deaths.

New health factors

Degree of protection from severe health outcomes

- 28 Despite New Zealand's high fully vaccinated rate of 95 percent, there remains lower booster and paediatric rates. These rates are even lower for at-risk groups such as Māori. However, the booster rate for Māori over the age of 55 is reasonably high at 87 percent. There will also be increased immunity amongst those who have been infected.
- 29 The Director-General notes that Māori remain concerned that the impact of the pandemic would continue to be borne disproportionately by Māori, particularly given the recent changes to the Framework. The Deputy Director General of Māori Health has engaged with Māori and Iwi representatives who have indicated a preference for retaining restrictions as a protective measure for at-risk Māori, especially as borders and the economy are opened further.
- 30 There is also the likelihood of increased mingling between mobile younger cohorts and older people if there were a move from Red to Orange as a result of higher capacity limits and the removal of the seated and separated rules in hospitality venues. There is a risk that as the outbreak continues infections may continue in those more at-risk, including Māori, Pacific, older people, and those with co-morbidities This may increase pressure on health and disability sector and Care in the Community.
- 31 There remain issues around the availability of new antiviral treatments at present and in the immediate future. The first batch of 60,000 doses of Paxlovid™ will be in use from next week to protect people from getting seriously ill and the health system from being overwhelmed. Ensuring equitable and early access to COVID-19 therapeutics for priority populations,

¹ These figures include those admitted to hospital with COVID-19, in addition to those who are there because of COVID-19.

including Māori, Pacific, people with disabilities and complex health needs, is the focus.

- 32 Paxlovid will be available at participating pharmacies, identified by District Health Boards, COVID-19 Care Coordination Hubs, and the pharmacy sector, where there are large populations of people who are unvaccinated, immunocompromised or elderly, as well as Māori, Pacific and people with disabilities and complex health needs. In most cases, these treatments will be prescribed by a person's GP. If someone is not enrolled with primary care, the clinical assessment process will be facilitated by the nearest COVID-19 Care Coordination Hub. Stock levels around the country will be monitored closely.

Capacity of the health system and disability system

- 33 Around 97 percent of infected people are self-managing with local decision-making processes (through care coordination hubs) identifying those who need additional clinical or welfare support. However, we are expecting a residual 'baseline' level of around 3000 - 5000 cases per day with an onflow of demand for health services, and there will be added pressure over winter with other circulating pathogens.
- 34 Pressure on the health and disability system remains high although the outbreak appears to have passed the peak in Auckland and Wellington Regions; the four Health Regional Leads report that the health system is continuing to face pressure and surges in demand. There will likely be a plateau of cases and hospitalisations in the next month, which will continue to apply pressure. Most of the pressure is caused by the requirements for isolation of staff who are cases or household contacts.

Previously agreed health factors

Vaccination rates and equity of vaccination coverage

- 35 Current booster dose coverage of the eligible population is 73 percent, but for Māori this is 58 percent and Pacific 59 percent. The current advice to observe a three-month delay post infection before getting a booster dose partly explains the much lower rates for these population groups. However, it is encouraging to see that the booster rates in older Māori and Pacific people is more equitable, which will provide protection against severe outcomes.
- 36 While 54 percent of children aged 5 to 11 have received a first dose of the vaccine, the equivalent figures are lower for Māori (35 percent) and Pacific (47 percent) who are at higher risk of being infected and of poorer outcomes.
- 37 There is also uneven geographic distribution of booster vaccination rates. In Counties Manukau DHB, with higher numbers of Māori and Pacific people, eligible booster vaccinations received are at 53 and 57 percent respectively, which is the lowest of all the DHBs. Capital and Coast DHB have the highest overall booster vaccination at 82 percent. However, there is work being done to raise rates in high-risk areas. There are currently 83 Māori providers with

177 sites and 14 Pacific Providers with 19 sites (some providers have multiple sites) delivering boosters across the country.

Testing, contact tracing and case management capacity

- 38 Testing rates remain good, with a seven-day rolling averages of around 28,500 Rapid Antigen Test (RAT) results reported, and 2,619 PCR tests undertaken. There is ongoing work to continue increasing the accessibility of RAT testing, with the launch of a new targeted rural service of rapid antigen tests for those living in remote rural areas. Other targeted initiatives which are being locally led (and via local DHBs) are making strides to ensure Pacific people, other ethnic communities, and the health and disability sector have equitable access to RATs.
- 39 Positivity is based on the first positive RAT and the first positive PCR reported for an individual in the last 90 days. Positivity rates for RAT results remain high at around 50 percent as results, both positive and negative, are largely self-reported. The 7-day rolling average for PCR positivity rates is 15.8 percent, with requirements for hospitalised cases to undergo PCR testing potentially inflating the positivity rate.

Transmission of COVID-19 within the community and its impacts on the most vulnerable

- 40 Transmission of Omicron across New Zealand is high and case numbers are high, with cases affecting young people proportionately more than other age cohorts at this point in the outbreak. Under the current Red setting, data suggest that people are choosing to reduce their exposure to others in workplaces, public transport, retail and hospitality and other settings; this is particularly so for older people.

Director-General of Health's recommendation

- 41 Based on the public health risk assessment completed on Tuesday 29 March, the Director-General's advice is that there:
- 41.1 continues to be high levels of infection in the community
 - 41.2 continues to be high pressure applied to the health and disability system
 - 41.3 there will likely be an impact on vulnerable populations with the relaxation of the Framework setting (i.e. moving to Orange).
- 42 In two weeks, it is likely cases and hospitalisations will be decreasing across all regions. However, Health also reports that there is volatility in terms of case numbers, hospitalisations continue to increase in the South Island, and the impact of recent changes at the Red setting are yet to be seen, particularly for vulnerable groups.

- 43 Reconsidering a move in two weeks will allow for further information and data to emerge about the above factors, indicating for example: how the roll out of anti-viral treatments is progressing; whether the health and disability system remains able to manage the continuing high levels of cases and hospitalisations; and the extent of impacts on at-risk groups from the recent changes.
- 44 Therefore, the Director-General's advice is to:
- 44.1 Keep New Zealand in Red; and
- 44.2 Review the settings for the whole of New Zealand in two weeks.
- 45 I expect that the Director-General may provide updated advice on the morning of 4 April 2022, informed by the latest information about cases, hospitalisations and fatalities.

Proposal regarding COVID-19 Protection Framework Levels

- 46 On the basis of the Director-General's advice, and consideration of this proposal against the non-health factors discussed below, I propose Cabinet agrees to keep the whole of New Zealand in Red, with a review on Tuesday 19 April. This aligns with the Ministry of Health's next monthly review of self-isolation periods and so I will report back to Cabinet with the latest expectations regarding isolation for cases and household contacts, including the isolation period at the same time.
- 47 Auckland is more advanced in its outbreak than the rest of the country, however, I do not believe that is appropriate to consider Auckland separately to the rest of the country at this time. While moving Auckland to Orange may increase economic activity and improve the wellbeing of people living in the region by allowing more social connection, these benefits do not outweigh the benefit that the Red measures to reduce transmission have on the pressure on the Auckland health system. A move from Red to Orange would remove the seating and separated requirements and indoor capacity limits. It may also create some negative economic and impacts on Northland and Waikato, with events moving into Auckland, which could in turn increase transmission in Auckland.
- 48 While not a reason to stay at Red, doing so will provide the opportunity to see what impact the recent changes to the Red level settings are having.

Assessment of the proposal against the non-health factors

- 49 I have assessed the options against the non-health factors agreed by Cabinet, as set out below. On balance, the assessment supports the proposal from the Director-General in this paper.

The review was brought forward to coincide with making announcements before the Easter and school holidays.

Impacts on at-risk populations and iwi Māori

- 50 Vulnerable groups have been disproportionately affected by COVID-19. The Omicron outbreak is indicating that this trend is continuing, with Māori, Pacific people, those living in deprivation, with disabilities and/or co-morbidities, and the elderly experiencing disproportionate rates of the virus and suffering more significantly from its effects. In Auckland, the outbreak was centred around Pacific communities who tend to have worse health outcomes and live in higher deprivation areas.
- 51 The impacts on Māori of the proposal within this paper are as follows:
- 51.1 Nationally, we are seeing Māori affected disproportionately, experiencing the highest prevalence of cases at a rate of 35 per 1000, and have the second highest hospitalisation rates. Māori over the age of 65 who play a key role in strengthening whānau and leading cultural revitalisation, are particularly vulnerable to COVID-19. Negative health impacts as result of COVID-19 would have knock-on effects for whānau and communities.
- 51.2 The NICF Pandemic Response Group (PRG) report that Māori continue to be hesitant about shifts down through the Framework levels, given some regions outside of Auckland are yet to see a peak in cases, or hospitalisations. Maintaining the Red setting of the Framework will help to reduce the risk of Māori contracting the virus and being exposed to potential longer-term health risks. The hesitation to move to lower levels within the Framework is about both the immediate risk and future risks of long-term effects.
- 51.3 The PRG also consider that moving to Orange will demonstrate that there is confidence in vaccination and booster rates, particularly for tamariki and that there is sufficient access to masks and RATs, timely resourcing and assistance for rural areas, and that the overall health system pressure is sustainable. Without these fundamental aspects the Government should consider remaining at Red throughout winter. The PRG also report that there may be economic reasons for moving to Orange, however, suggest retaining the ability return to Red rapidly should it be required.
- 51.4 Funding for Māori responses to Omicron have prioritised community, iwi and whānau-led initiatives, targeting communities with higher vulnerability to COVID-19 infection.
- 51.5 \$40.6 million has been allocated to the Whānau Ora Commissioning Agencies to respond to Omicron. Initial reporting by Te Pūtahitanga states that funding has been distributed through 130 new and varied contracts, enabling the distribution of thousands of rapid antigen tests, N95 masks, sanitisers, gloves, and visors.
- 51.6 A total of \$160.05 million has been allocated to the Māori Communities COVID-19 Fund (MCCF) to support responses to COVID-19. To date,

the MCCF has committed \$72.08m to applicants for rapid vaccination activities and \$19.481m for community resilience initiatives. Ministers have now agreed the MCCF settings for the Omicron response, with \$40.05m allocated for distribution by 30 June 2022.

- 52 The impacts on other at-risk populations of the proposal within this paper are as follows:
- 52.1 Pacific people have the highest hospitalisation rate of cases overall and across most age groups but particularly in people aged over. Pacific people are overrepresented in the number of COVID-19 related deaths with more deaths per 100,000 of population than other ethnic groups.
 - 52.2 The Ministry for Pacific Peoples' ongoing engagements with Pacific communities confirm that the Omicron outbreak continues to impact on the social and economic wellbeing of Pacific families. Further work is underway to support harder-to-reach Pacific peoples to receive the booster vaccination and parents/guardians of children aged 5 – 11 years old who have not received the paediatric vaccine. The first tranche of Pacific Aotearoa Community Outreach (PACO) funding, \$2 million, has been distributed to community groups, health and social providers, and churches to enable this. A second tranche of PACO funding will continue to prioritise Pacific-led and targeted innovative approaches and holistic programmes that work for Pacific communities
 - 52.3 Increased social isolation has been a concern for some Pacific and ethnic communities with the indoor capacity limits present at Red preventing larger gatherings for cultural and religious purposes. While the recent increase in capacity limits may allow more cultural and religious activities, they are often run on a smaller scale than in previous years due to both the restrictions and the nature of the pandemic itself.
 - 52.4 The disabled community reports a high level of anxiety regarding the outbreak and the recent changes to the Framework. Disabled people face additional risks and vulnerability to COVID-19. Reports from disabled people is that the recent changes have increased anxiety and concern within the community. This has resulted in a reduction of the community's confidence in the ability to safely access daily activities. As such, the Office of Disability Issues supports keeping the country at Red.
 - 52.5 Disabled people see face masks as a key measure to mitigate some of the increased risk. They would like to see increased use, particularly of more protective face masks, within the wider community. This would particularly benefit those within the disabled community who cannot wear a face mask due to a medical condition. The SWC Care in the Community paper seeks reprioritisation of funding to support provider capability building and the distribution of PPE for at-risk communities and social service providers working with people in self-isolation.
 - 52.6 Face mask use is a key protection measure and will continue to play an important role within the revised Framework to minimise spread. The

Ministry of Health is leading work to improve the face mask exemptions process to provide additional assurance that those with exemptions are legitimate. These changes will contribute to resolving challenges with non-compliance in retail settings and support affected communities to continue accessing goods and services safely.

Economic impacts from the Framework

53 The high-level cost estimates for New Zealand remaining at Red is estimated to result in a \$140 million loss in GDP per week. Table 1 shows the anticipated economic impact of the CPF relative to forecasted activity with no public health restrictions. These are initial estimates, and the Treasury will continue to refine them as new data becomes available about the impact of the recently announced changes to the Framework.

Table 1: Estimated loss in GDP activity (relative to no restrictions) and assuming open border

	\$million per week	% of GDP
All NZ at Red	\$140	2%-3%
Auckland Orange, Rest of NZ at Red	\$130	2%-3%
All NZ at Orange	\$110	1%-2%

54 Under the Framework, most businesses are expected to operate relatively normally. The reduction in GDP is primarily driven by distancing requirements, capacity constraints, and the behavioural response of consumers.

55 In Auckland, Omicron cases appear to have peaked and regional high frequency indicators suggest economic activity is improving. Activity remains well below pre-outbreak levels, but the recovery appears to be following the peak closely and affirms the view that consumer activity recovers quickly following case number decline. While the recovery in activity has likely continued into early 2022, the pace has eased. February's electronic card spend data fell 7.6 percent from January, annual growth in the New Zealand Activity Index has eased to 1.9 percent from 2.6 percent in January, and sentiment in the services sector remained low.

56 While the economic impacts of the CPF restrictions are significant, the Treasury considers that the most significant economic impact of the Omicron outbreak is staff having to isolate as a result of becoming unwell or as household contacts, regardless of the CPF level.

Public attitudes and compliance

57 The latest interim findings from The Research Agency's (TRA) 11 to 18 March sentiment and behaviour tracker found that half of New Zealanders are worried about COVID-19 spreading in the community, but worry has slightly decreased since January (56 percent then). The effect on New Zealand's economy remains the top concern. The greatest increases in concern are around the

number of people getting COVID-19, healthcare system being overloaded, and low socio-economic groups being hit the hardest.

- 58 TRA's findings have also seen notable shifts in those isolating (61 percent, up 14 percent from January) and staying home if unwell (58 percent, up nine percent from January). However, not being able to take time off work was the most cited barrier to adhering to isolation requirements and saw a significant increase in being the reason people were unable to isolate since January. Wearing a mask and using the vaccine pass continue to be the highest compliance behaviours.

Operational considerations

- 59 Despite the workforce implications of COVID-19 cases and associated isolation periods, the systems developed to respond to COVID-19 in the community appear to be sufficiently robust to manage the current and expected waves. The Care in Community welfare response is not likely to be materially impacted by remaining in Red, other than possibly smoothing out peaks in cases within regions like Southern and West Coast of South Island, where case numbers are continuing to increase. If a decision were made to move to Orange, to the increase in activity may lead to an increase in transmission in those regions, which could capacity constraints on those community providers supporting people to isolate safely at home.
- 60 There were mixed views from the Regional Leadership Groups (RLGs). There is a reported sense of 'COVID fatigue' within the regions regarding both the outbreak itself and the settings. The feedback supported reducing restrictions by moving to Orange to allow for businesses to operate more easily and encourage people to engage in more activities, such as event and tourism. However, it was also noted that this may not substantively change the current patterns of personal movement, where people are staying home by choice or due to isolation requirements if people did not feel the risk had substantively reduced. Iwi representatives within the RLGs supported a more conservative approach and keeping the country in Red for the time being.
- 61 The Care in the Community welfare model is operating as designed to support people in need to safely isolate through a "no wrong door approach." From 5 December 2021 to 20 March 2022, MSD received 90,429 requests for welfare support. Over this same period MSD made 11,631 referrals to community-based providers.² The locally-led, regionally-enabled and nationally-supported approach has also contributed to building stronger relationships at all levels, and provides a strong basis as we move beyond the current peak of Omicron.
- 62 As noted above, on 6 April SWC is considering a transition plan for the Care in the Community approach, including as it relates to ongoing provision of welfare support. We must be mindful that Care in the Community settings will

² This does not include the number of people who self-refer or are referred by other organisations to community providers.

shift as we transition away from 'response', and that this will influence our assessment of this health factor.

- 63 The National Alternative Accommodation Service is linked to Care in the Community and sources alternative accommodation for people who cannot safely self-isolate at home. This work is not likely to be materially impacted by remaining in Red.

Impact of recent changes to the Red setting to the events and tourism sector

Tourism and hospitality

- 64 Recent changes to the Red settings of the Framework have generally had a positive impact on the ability of tourism operators and hospitality businesses to operate. These businesses for the most part have been able to operate under all Framework levels and the recent changes to indoor gathering limits will enable more customers to enter premises. However, operating constraints continue at Red for some of these businesses due to the requirement for food and beverage businesses to be seated and separated, and the indoor capacity limit being the lesser of 200 people or based on 1 metre distancing. Some operators such as casinos, restaurants, nightclubs, and bars may need to continue operating at reduced capacity, including at fewer than 200 people, to meet these requirements.
- 65 Ahead of the next proposed review of the Framework setting we will welcome back Australian tourists from 12 April which will see increased opportunities for tourism and hospitality business. However, we do not expect to see an immediate significant impact of this change as, as we saw with our Trans-Tasman Quarantine Free Travel, traveller numbers are likely to steadily increase overtime.
- 66 While the improved operating settings for tourism and hospitality businesses under the revised Framework, including the reopening of the border, will reduce restrictions on their ability to operate, these businesses are likely to continue facing low demand. Tourism operators are reliant on international visitors and domestic tourism, neither of which are expected to recover quickly. Hospitality is generally reliant on people gathering without masks in confined spaces. While New Zealand continues to see high numbers of COVID-19 cases, demand in the hospitality sector is likely to continue to be low due to the higher risk posed by confined hospitality spaces and may take some time to recover.

Events

- 67 The recent changes to the Framework have also had a positive impact on the ability for outdoor events to proceed, with all outdoor events now able to go ahead with the updated gathering limits at Red. However, events held indoors will continue to be disrupted. Indoor sporting, cultural and arts events, particularly larger-scale events, are impacted as these events often rely on venues being at or near capacity to be financially viable. Large-scale events are eligible for support under the Events Transition Support Payment (ETSP). Sporting events are impacted, such as the ANZ Premiership (Netball) and the

National Basketball League, as these events must go ahead due to their broadcasting obligations, however, must do so without crowds which limits revenue generating opportunities. Appendix 2 outlines upcoming events identified by MBIE and MCH that may be impacted by remaining in the Red setting in the medium term.

- 68 As with tourism and hospitality businesses, events are likely to face reduced demand in the short-term, despite the improved operating settings. This will have a particularly severe impact on the more vulnerable, smaller-scale events in the arts and culture sector.
- 69 The Ministry of Culture and Heritage (MCH) notes that under the Art and Culture Event Support Scheme (ACCESS), 33 of 48 events due to be held in April have already cancelled or postponed. Ticket sales have remained low for events scheduled in April and May. If New Zealand moves to Orange in a couple of weeks, these events will be unable to access the ETSP or ACCESS schemes if they were to cancel, however will likely suffer significant financial loss due to low ticket sales.
- 70 To mitigate the potential financial loss, the ACCESS scheme will cover losses due to reduced ticket sales or audience numbers for a six-week transition period as regions shift from CPF Red to CPF Orange. This is consistent with the intent of the ACCESS to protect the underlying talent and infrastructure in the arts and culture sector. Similar amendments are not proposed for events under the ETSP due to the differing policy objectives of that scheme and the comparative stability of large-scale events operators to manage the transition.

Financial implications

- 71 As at 25 March, the remaining balance of the COVID-19 Response and Recovery Fund is \$6.0 billion.
- 72 Various schemes available to support individuals and businesses have had high uptake throughout the Omicron outbreak. In particular, uptake of the COVID Support Payment (CSP) is exceeding forecasts, with \$803.14 million paid out as at 30 March. There is likely to be ongoing pressure from businesses, particularly in the hospitality and events sectors, to provide further fiscal support if we remain in Red.

Uptake of business and individual support since the introduction of the CPF		
Scheme	Amount appropriated	Paid out
COVID Support Payment	\$1.530 billion (for 2021/22)	\$895 million (as at 30 March)
Short-term Absence Payment	\$710.795 million (for 2021/22)	\$24 million (10 Dec – 31 March)
Leave Support Scheme		\$201 million (10 Dec – 31 March)

Small Business Cashflow Scheme	\$1.414 billion (for 2021/22)	\$356 million (as at 30 March)
Care in the Community and related programmes	Approximately \$1.008 billion across Votes Social Development, Māori Development, Pacific Peoples and Education (some allocated prior to the CPF)	

73 In addition to support for businesses and individuals, there are ongoing fiscal implications from the health response. Additional funding for the COVID-19 public health response and vaccine programme will be considered in separate papers at SWC on 6 and 11 April.

Legislative Implications

74 If Cabinet agrees to my proposal, no changes to Orders under section 11 of the COVID-19 Public Health Response Act 2020 will be required.

Impact Analysis

75 There are no regulatory proposals in this paper, and therefore Cabinet's impact analysis requirements do not apply.

Human Rights [Legally privileged]

76 s9(2)(h) [Redacted]

77 s9(2)(h) [Redacted]

78 s9(2)(h) [Redacted]

79 s9(2)(h) [Redacted]

Population impacts

- 80 The population impacts of these decisions are outlined above as part of the analysis of the non-health factors for informing decision making to move levels within the Framework.

Te Tiriti o Waitangi Analysis

- 81 The Crown's obligations to Māori under the Treaty of Waitangi require active protection of tāonga, and a commitment to partnership that includes good faith engagement with, and appropriate knowledge of the views of iwi and Māori communities. In the context of the Framework, this involves considering what will support a national response that is co-ordinated, orderly, and proportionate, considering the Crown's obligation to actively protect Māori health, interests and rangatiratanga.
- 82 The current outbreak has so far had a disproportionate impact on Māori, with Māori currently seeing the highest number of new cases per 100,000 of population. This has had an impact on Māori service providers, who are experiencing high degrees of workforce fatigue.
- 83 Māori vaccination and booster rates remain lower than the rest of the population, largely due to a slower rollout of the initial vaccination campaign to Māori communities. This has been exacerbated by the high numbers of Māori recently infected with COVID-19 and the three-month interval between becoming a case and receiving a booster dose.
- 84 With the majority of the Māori population being younger and Māori paediatric vaccination rates also considerably low (currently at 35 percent first dose), the Māori population as a whole is more likely to experience negative impacts of COVID-19 due to lower levels of protection.
- 85 While remaining at Red will limit key cultural activities, such as tangihanga, weddings, and other milestone events from occurring without restrictions, a cautious approach will help protect Māori communities from the risks of Omicron.

Consultation

- 86 This paper was prepared by the COVID-19 Group within DPMC. The Ministry of Health reviewed the paper and provided specific input and text, including advice on the course of the outbreak, the public health response, and the views and recommendations of the Director-General of Health. The Crown Law Office advised on New Zealand Bill of Rights Act implications.
- 87 The Treasury, Ministry of Ethnic Communities, Ministry for Pacific Peoples, Te Puni Kōkiri, Ministry of Social Development, Ministry of Business, Innovation, and Employment, Ministry of Culture and Heritage, Ministry of Transport, Police, Customs, Te Arawhiti, and the Office for Disability Issues were consulted on the paper. Regional Leadership Groups and the National Iwi Chair Forum Pandemic Response Group provided feedback regarding the

considerations for both changing colour settings and remaining within the Red setting.

Communications and proactive release

88 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 on Sunday 23 January 2022 Ministers with Power to Act agreed to move the whole of New Zealand to the Red setting of the COVID-19 Protection Framework as Omicron had been detected in the community;
- 2 note that as at 11.59pm Thursday 31 March 2022 there have been 671,254 total confirmed cases, of which 655,839 have been community cases identified in the last 90 days;
- 3 note, based on the decrease in the seven-day rolling average of new cases, the Auckland region is now on the downward side of the Omicron peak;
- 4 note that, outside the Auckland region, some DHBs are showing early indications of peaking Omicron case numbers, but could still see an increase in case numbers, and other DHBs are yet to reach the peak;

COVID-19 Protection Framework (Framework) Settings

- 5 note the Director-General of Health's advice is that there:
 - 5.1 continues to be high levels of infection in the community
 - 5.2 continues to be high pressure applied to the health and disability system
 - 5.3 there will likely be an impact on at-risk populations with the relaxation of the Framework settings (i.e. moving to Orange);
- 6 note that given the reasons outlined in recommendation 5 above, the Director-General's interim advice is that the current Red setting be maintained for the whole country until for at least the two weeks;
- 7 agree, after consideration of both the Director General's advice and non-health factors, to keep all New Zealand at the Red level of the COVID-19 Protection Framework;
- 8 agree Cabinet next reviews the level setting for the whole of New Zealand on Tuesday 19 April 2022;

Changes to decision-making under the COVID-19 Protection Framework

- 9 note on Monday 21 March Cabinet directed officials to review and report back on any changes to the current health factors and thresholds used to guide decisions-making under the COVID-19 Protection Framework [CAB-22-MIN-0086];
- 10 agree to replace the current health-based factors used to inform COVID-19 Protection Framework level decisions with the following:
 - 10.1 degree of protection from severe health outcomes due to COVID-19, gauged by vaccination coverage and immunity levels among the general population and vulnerable populations, and availability of treatments (e.g. antivirals) to reduce severity of illness from COVID-19;
 - 10.2 capacity of the health system to meet demand due to COVID-19, given competing demands from other illnesses (including seasonal and imported conditions), backlog of prevention activities and the care of people with long term conditions;
- 11 note changes are not proposed to the other, non-health based, factors used to inform COVID-19 Protection Framework level decisions;
- 12 agree to replace the current thresholds to trigger shifts between levels of the COVID-19 Protection Framework with the following:
 - 12.1 are current immunity levels and availability of treatments such that the current COVID-19 restrictions are proportionate to the current level of health risk?
 - 12.2 is primary care and hospital system capacity sufficient to meet demand due to COVID-19, given other competing demands?
 - 12.3 Is the likely impact of the proposal on at-risk populations proportionate?
- 13 agree to authorise COVID-19 Ministers with Power to Act to, following Cabinet consideration of the future of Care in the Community, determine whether this programme, or other community supports, should be explicitly noted in the Framework decision-making factors and thresholds prior to our next review of Framework levels on Tuesday 19 April; and

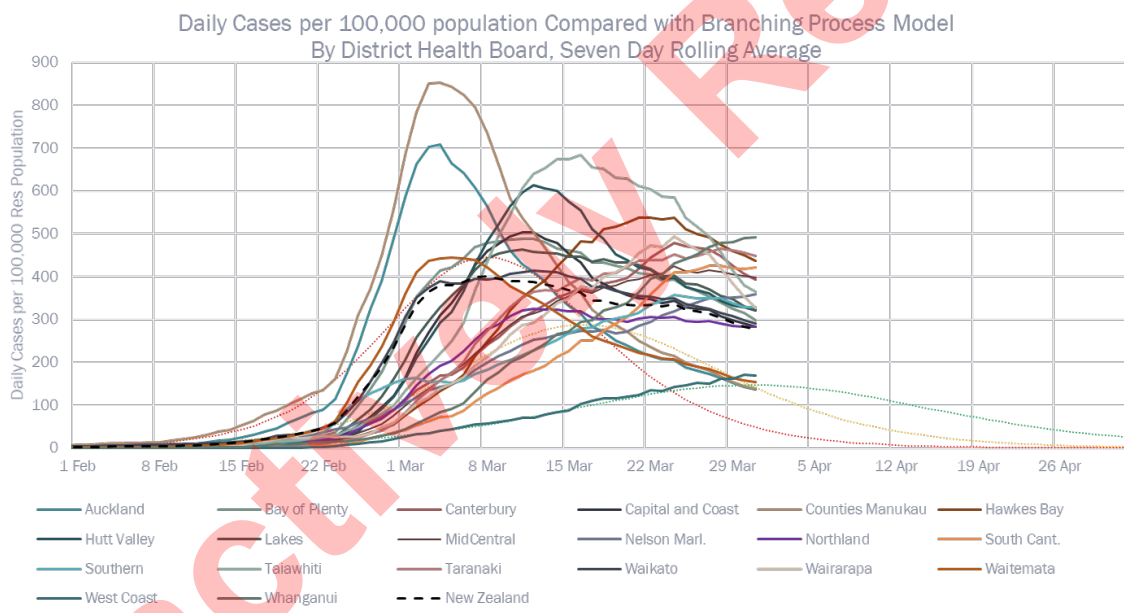
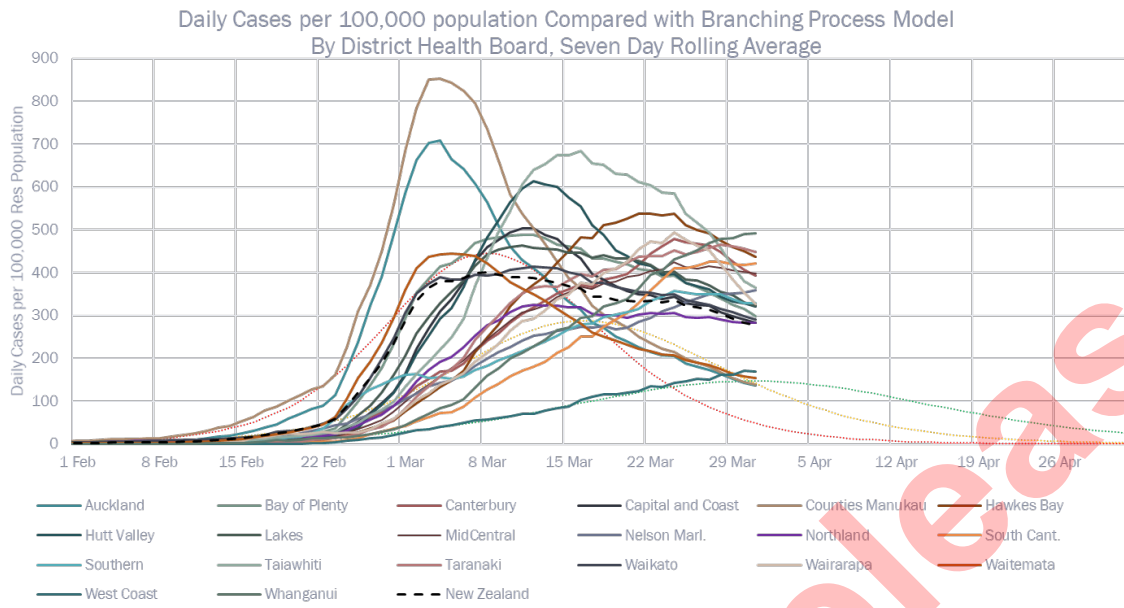
Other matters

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

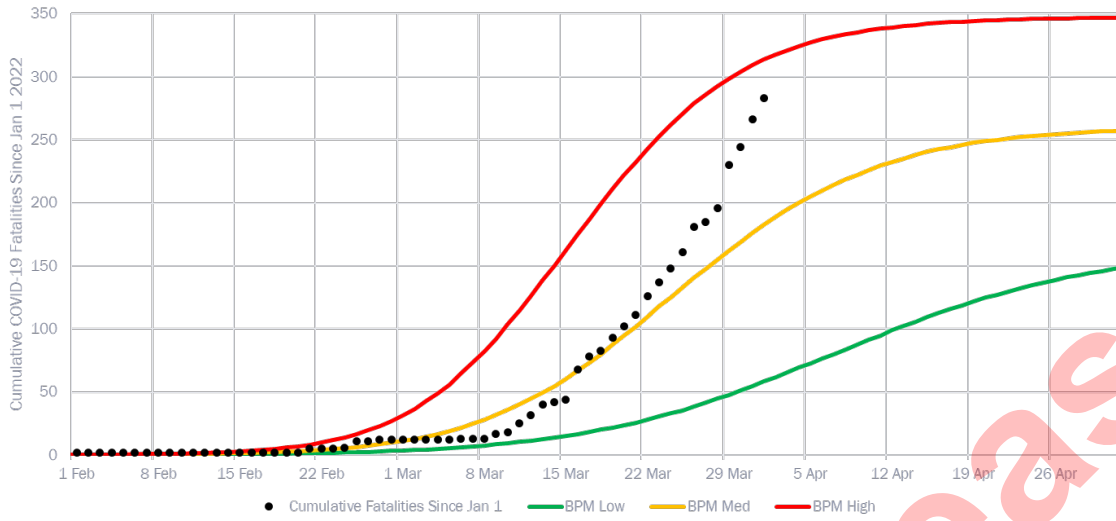
Hon Chris Hipkins
Minister for COVID-19 Response

Proactively Released

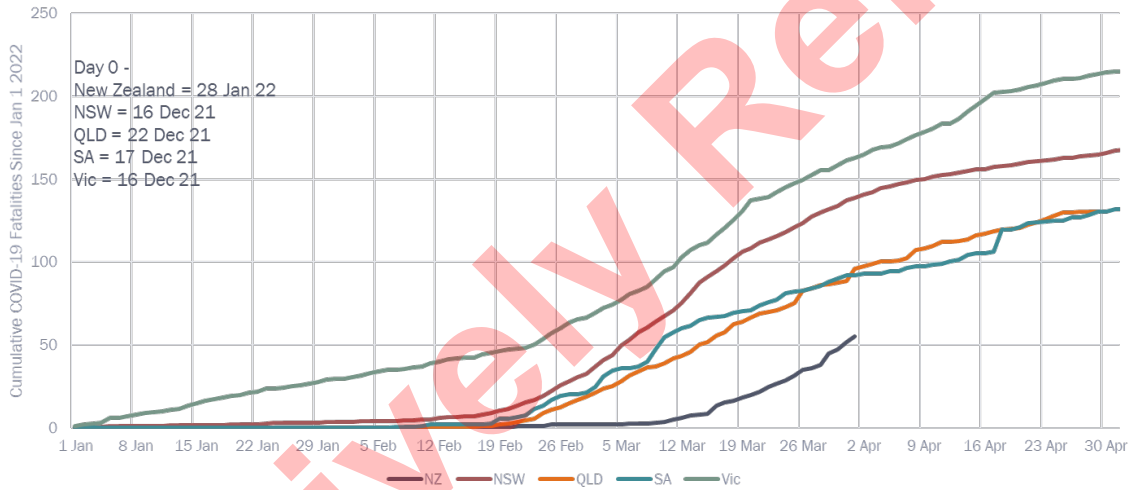
Appendix 1 – Modelling Graphs



Cumulative COVID-19 Fatalities Compared to Branching Process Model



Fatalities per 1 million Population
New Zealand compared to Australian States, Seven Day Rolling Average



Proactively Released

Appendix 2 – Upcoming events that may be impacted by keeping all of New Zealand in the Red setting of the Framework

Event	Month
Semi-Permanent NZ	April
Inspire 21	April
Nelson Parent & Child Expo	April
Design Experience Series	April
North Shore Home and Garden Show	April
New Zealand Society for Earthquake Engineering Annual Conference	April
Autumn Gift & Homeware Fair	May
EMEX	May
HX Harcourts National Conference 2022	May
Taituara Conference, Gala Dinner and Awards 2022	May
The Wellington Wedding & Event Show	May
Christchurch Pet & Animal Expo	May
Jimmy Barnes	May
Midnight Oil - Resist Tour	May
Fat Freddy's Drop - Wairunga album release tour	May
The Emperor's new clothes - 2022 NZ tour	May
Hutchwilco New Zealand Boat Show	May
Food Show Wellington	May



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 4 April 2022 Review of COVID-19 Protection Framework Colour Setting

Portfolio COVID-19 Response

On 4 April 2022, Cabinet:

Background

- 1 **noted** that on Sunday, 23 January 2022, Ministers with Power to Act agreed to move the whole of New Zealand to the Red setting of the COVID-19 Protection Framework as Omicron had been detected in the community;
- 2 **noted** that as at 11.59 pm Thursday, 31 March 2022 there have been 671,254 total confirmed cases, of which 655,839 have been community cases identified in the last 90 days;
- 3 **noted** that, based on the decrease in the seven-day rolling average of new cases, the Auckland region is now on the downward side of the Omicron peak;
- 4 **noted** that, outside the Auckland region, some District Health Boards (DHBs) are showing early indications of peaking Omicron case numbers, but could still see an increase in case numbers, and other DHBs are yet to reach the peak;

COVID-19 Protection Framework (Framework) Settings

- 5 **noted** that the Director-General of Health's advice is that there:
 - 5.1 continues to be high levels of infection in the community;
 - 5.2 continues to be high pressure applied to the health and disability system;
 - 5.3 will likely be an impact on at-risk populations with the relaxation of the Framework settings (i.e. moving to Orange);
- 6 **noted** that given the reasons outlined in paragraph 5 above, the Director-General's interim advice is that the current Red setting be maintained for the whole country for at least two weeks;
- 7 **agreed**, after consideration of both the Director General's advice and non-health factors, to keep all New Zealand at the Red level of the COVID-19 Protection Framework;

- 8 **authorised** COVID-19 Ministers with Power to Act to take decisions on the Framework settings for New Zealand on Wednesday 13 April 2022, for implementation on Thursday 14 April 2022;

Changes to decision-making under the COVID-19 Protection Framework

- 9 **noted** that in March 2022, Cabinet directed officials to review and report back on any changes to the current health factors and thresholds used to guide decision-making under the COVID-19 Protection Framework [CAB-22-MIN-0086];
- 10 **agreed** to replace the current health-based factors used to inform COVID-19 Protection Framework level decisions with the following:
- 10.1 degree of protection from severe health outcomes due to COVID-19, gauged by vaccination coverage and immunity levels among the general population and vulnerable populations, and availability of treatments (e.g. antivirals) to reduce severity of illness from COVID-19;
 - 10.2 capacity of the health system to meet demand due to COVID-19, given competing demands from other illnesses (including seasonal and imported conditions), backlog of prevention activities and the care of people with long term conditions;
- 11 **noted** that changes are not proposed to the other, non-health based, factors used to inform COVID-19 Protection Framework level decisions;
- 12 **agreed** to replace the current thresholds to trigger shifts between levels of the COVID-19 Protection Framework with answers to the following questions:
- 12.1 are current immunity levels and availability of treatments such that the current COVID-19 restrictions are proportionate to the current level of health risk;
 - 12.2 is primary care and hospital system capacity sufficient to meet demand due to COVID-19, given other competing demands;
 - 12.3 is the likely impact of the proposal on at-risk populations proportionate;
- 13 **authorised** COVID-19 Ministers with Power to Act to, following Cabinet consideration of the future of Care in the Community work programme, determine whether this programme, or other community supports, should be explicitly noted in the Framework decision-making factors and thresholds prior to the next review of Framework levels on Wednesday 13 April 2022;

Communication

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

Michael Webster
Secretary of the Cabinet