

**PRIME MINISTER'S PRESS CONFERENCE: FRIDAY, 14 AUGUST 2020, 5.30P.M.**

**PM:** Kia ora koutou katoa. Good evening, everyone. I want to start by acknowledging that Dr Bloomfield has accompanied me for this press conference in order to answer any questions that may arise from the statement that I am about to make and the decisions that have been made by Cabinet today.

It has been 53 hours since we moved Auckland into COVID alert level 3 and the rest of New Zealand to level 2. This afternoon Cabinet met to receive the latest information and advice from the Ministry of Health and to discuss next steps in our resurgence response plan, a plan with the primary purpose of restoring our level 1 freedoms as quickly as possible. We have made a good start on that plan.

This is what we know about the new infection in New Zealand. We have identified 29 cases—at this stage, all remain linked to one cluster, centred in Auckland. One other case that is likely linked to the cluster is still being investigated. We have undertaken more than 30,000 tests in the last 48 hours. Thirty-eight people linked to the cluster are now in Government-managed quarantine as a precautionary measure. There are signs we have found this outbreak relatively early in its life. While the first case we identified tested positive this Tuesday, extensive testing and contact tracing has since determined that the earliest case we have found to date was a worker at the Americold coolstore in Mount Wellington, who became sick on approximately 31 July. This may not yet be the origin of the outbreak, but, on the information that we have to date, it's the earliest sign of the re-emergence of the virus.

In terms of the ongoing investigation to identify where the virus originated from, there is still no clear connection at this point. Contact tracing and genomic testing has not found a link to the border or managed isolation and quarantine facilities at this stage. The sequence of the virus from the current outbreak is not the same as the sequences from community cases in our first, original outbreak in New Zealand. This suggests this is not a case of the virus being dormant or of a burning ember in our community; it appears to be new to New Zealand.

In terms of wider surveillance, since I made the announcement to move alert levels on Tuesday, we have tested more people than in any other time we have had COVID in New Zealand. We have stock for a further 303,000 tests currently in New Zealand.

The level 3 restrictions and the speed in which they were implemented will have made a material difference in containing the spread of this outbreak; so will everyone's compliance with those restrictions. Auckland travel data yesterday, the first full day of level 3, shows a 60 percent reduction in travel compared with the last three Thursdays, which is even less travel than at level 3 last time, which just demonstrates the incredible job that Aucklanders are currently doing.

This is also what we know: we know the incubation period for COVID-19 and our experience of previous clusters, some of which reached more than 80 cases, means we can expect to see more cases as part of this cluster. It will grow before it slows, and it may continue to be linked to schools, churches, and social gatherings, as it has done to date. We also know, based on overseas experience and our own, that it is possible to contain a cluster or outbreak without ever being able to identify its origin. What is important is making sure that we establish the perimeter of the cluster and to stop it from growing. To do this, we do need to take into account that all important incubation period.

And so, in keeping with our precautionary approach, and New Zealand's philosophy of going hard and going early, today, Cabinet has agreed to maintain our current settings for an additional 12 days, bringing us to a full two weeks in total. Our current expectation is that

by this time the perimeter of the cluster will be identified, will be isolated, and we can move to level 2 in Auckland with confidence. That means Auckland will remain at level 3, and New Zealand will remain at level 2—the rest of the country—until 11.59 p.m. on Wednesday, 26 August. We will, however, review these settings on 21 August; we want to give about a week's time to see how we are travelling, before we review again.

I would characterise our approach as a short but precautionary hold in an ongoing investigation so that we continue to stamp out the virus. There is nothing to suggest we need to move to a level 4 lockdown at this stage, as we do not have a number of clusters or unrelated cases—I'll say that again because I've seen a lot of speculation: there is nothing to suggest we need to move to a level 4 lockdown.

Cabinet also does not want Auckland to be in level 3 any longer than is needed to ensure the outbreak is managed. Our intention is that Auckland and New Zealand will quickly move back down through alert levels if we continue on this track. But it is wise to take a bit of extra time—that bit of extra time is our best way of getting out quickly.

As always, the best economic response is a strong health response, and short and sharp is best. Lifting restrictions now and seeing a potential explosion in cases is the worst thing we could do for Auckland and the New Zealand economy. At the same time, level 3 does allow us to continue with more activity than a full level 4 lockdown, and I do think that's important to remember. Estimates are that the economy operates at roughly about 80 percent at level 3 compared to 60 percent at level 4.

I am mindful, though, of the extraordinary disruption to business, and the anxiety that this outbreak will be causing. As before, we will use what tools we have to protect jobs, incomes, and businesses, as well as people's health. To provide certainty to businesses and workers, I can confirm today that Cabinet has made an in principle decision to extend the wage subsidy scheme to support businesses and protect jobs as we undertake the public health measures required to fight the virus. Finance Minister Grant Robertson will be working through the final details with officials and Minister Sepuloni over the weekend. But I can say that the extension to the wage subsidy will be nationwide and will cover the period of time that the current level 3 restrictions remain in place. Minister Robertson is here, and once Dr Bloomfield and I leave the podium, he will take the stage to give a bit more of an explanation and answer any questions you have on that.

I want to touch, very briefly, on the activity that continues in Auckland under level 3 with the appropriate health and safety protocols in place. Auckland Transport has 44 construction sites operating under level 3. Construction continues across five sites on our largest infrastructure project, the City Rail Link, with about 1,200 workers. The Employers and Manufacturers Association has said many food service businesses, that closed during level 3 last time, are this time adapting and trading on a click-and-collect or delivery basis. And houses continue to be built in Auckland; Kāinga Ora alone has over 150 projects, with over 3,000 units under construction. All of this is happening because of the protocols on operating safely at level 3, which include social distancing at worksites. If you have questions over whether your business can operate, please visit the COVID-19 website or contact MBIE directly.

To summarise: as we have said from the start, our overall COVID-19 strategy remains elimination; that requires the ongoing stamping out of the virus any time that it comes back. Together, we have got rid of COVID before; we have kept it out for 102 days, longer than any other country. We have been world leading in our COVID response, with the result that many lives were saved and our economy was getting going faster than almost anywhere else again.

We can do all of that again. One point five million New Zealanders in our biggest city are carrying a heavy load for our team of 5 million right now. But, together, we will overcome an obstacle that we knew had the potential to come our way, which is why we have a plan, why we are rolling out that plan, and why we once again can pull together to eliminate COVID.

So here's what I ask today: if you're in Auckland, please stay at home in your bubble; wear a face covering whenever you leave your home. For the rest of New Zealand, use a face covering in places where you're close to others, like on public transport; download and use the app; and make sure you can quickly access all your movements over the last 14 days, in case you are contacted by the contact tracers. Businesses, please put up your COVID tracer QR code posters, and, everyone, wash your hands, stay home if you're sick, and, if you're unwell, get a test. We'll be checking in again soon, but, until then, stay safe, stay kind, and stay well, everyone. We're happy to take questions.

**Media:** Prime Minister, did you give consideration to an all of North Island level 3, given that we've had cases now outside of Auckland?

**PM:** No. That wasn't something that was viewed as necessary, nor was it something that the director-general advised Cabinet was necessary. Of those cases that we have in the Waikato area, they have all been connected, they've all been contact traced, they've been tested, and they're in isolation, and that is part of our normal regime. We have to, of course, remember that level 2 is designed to be able to coexist alongside a strong contact tracing, isolation, and quarantine system. The issue is we have a larger outbreak in the city of Auckland, which is why we have a higher level of restrictions there.

**Media:** Was there debate about whether it should go down to level 2, given there has been those 12 new cases today? I guess some people were expecting that to be bigger.

**PM:** Well, ultimately, though, what we have seen is, of those cases, we are contact tracing a large number of people, and they are groups of people who, prior to the identification of these first cases—so before we were aware of them—had attended churches, had attended schools. And so we're very mindful of the need that whilst we have a small number of currently identified cases, that we need to identify the full perimeter of this cluster and reduce down its potential impact as much as possible. We were very keen to allow ourselves the time to review. If we find, for instance, over the next seven days, that the perimeter's identified, that it's well contained, we give ourselves the space to consider our settings, but, ultimately, for the sake of certainty, we foresee it being no longer, at this stage, than an additional 12 days.

If you allow me to perhaps give Dr Bloomfield a chance to speak to his advice on that as well.

**Dr Ashley Bloomfield:** Thank you, Prime Minister, and kia ora koutou. So just to reiterate the points the Prime Minister's made, our public health advice is, essentially, consistent with what the decision Cabinet made, which was to extend the current settings for 12 days. The total of 14 days in alert level 3 in Auckland and alert level 2 around the country is the incubation period, but more important here is we feel that will give us sufficient time to have absolutely determined the extent of the current outbreak and to have contact traced, isolated, and tested to identify that and confirm that, both within Auckland and any further cases there may be outside of Auckland. So different from the situation earlier, there may well still be the odd case and the odd new case in 12 days' time; however, the plan now—as in the reason we've put all the effort in to strengthening our testing and contact tracing and to adding in this addition of quarantining our cases to, in particular, prevent onward transmission within the households. The reason we've boosted all that is that we can contact trace and test and isolate our way through this outbreak. The alert levels provide additional assurance there.

And I just want to make one final comment again on that quarantine situation, one of the—it's a feedback we had—is in some of the earlier clusters, we had some families, as part of that Marist cluster, who ended up spending 46 days in their home environment isolated because they kept getting transmission within the family. So one of the key reasons we want to create that opportunity for a very managed quarantine situation for these families affected is so that that doesn't have to happen again.

**PM:** Tova.

**Media:** Prime Minister, how likely is it that we will never identify the source of this outbreak? And can we extrapolate from your comments, that given it is a new strain and wasn't lying dormant, that it is linked to our borders?

**PM:** No, because you will have actually heard me say that of the genome testing that's been done to date, nothing actually does draw that link, at this stage, between the case that we have and those who were genome tested within our quarantine. So at the moment there isn't that link there. It doesn't rule it out completely, but that is what that testing has demonstrated to date.

**Media:** So where is the most likely source?

**PM:** Yeah, and so this is—you know, we've had a number of theories that we've continued to try and chase down, and that we will continue to pursue. You'll know that one that has been canvassed more broadly has been the idea of whether or not it was just a burning ember that existed in the community. That now, essentially, has really been diminished as a potential because the strain that we have at the moment is not something that we saw originally in New Zealand.

Of course, the cases at the moment are still congregating around one work site that was a cool-store. There's a number of theories that exist, but not a lot of research that tells us, at this point, whether or not surfaces are in play, or whether or not there was a connection through that supply chain, as yet. We continue to pursue that, but we may not know. And so what I would prepare everyone for: we do not necessarily need to answer that question in order to contain and deal with this cluster effectively. In fact, overseas that has been the case on many occasions, and, in fact, in New Zealand we've had those circumstances too.

I'll let you finish your question, Tova.

**Media:** Thank you. Just that update from the 1 p.m. press conference when we weren't certain of the link with that one case that's in Auckland hospital, you're now saying that it's likely linked to the cluster. Can you elaborate on that, and how and what you know?

**Dr Ashley Bloomfield:** Yes. What I can add is that there is a connection between where that person's workplace is and the Americold workplace. And it seems very likely that we will be able to connect that case back to this existing cluster, but it's still not yet confirmed.

**Media:** Prime Minister, what does today's decision mean for the timing of the election?

**PM:** Today the most important focus for Cabinet, and, indeed, for myself, on the advice of the director-general, was what we do with alert levels. And so that's not a decision that I have taken at this stage, but, obviously, we have another 48 hours, and so I'll take that time and make sure that you hear from me further on that in the interim.

**Media:** But surely pushing it out 12 hours means that the election on September 19 can no longer happen, given the campaign—

**PM:** Sorry, what was your—

**Media:** Twelve days.

**Media:** Twelve days—sorry.

**PM:** Ah, right. Look, again, the focus here has been making this decision. I will make sure that we have extra detail on the question of the election, but the focus and the immediate point here has been making sure that we make a decision over what's happening for Auckland and the rest of New Zealand.

One point I would make is that keep in mind—and I just add this for the benefit of the Electoral Commission, not to predetermine anything with this statement, but the Electoral Commission has done planning around offering an election within a level 2 scenario. I only say that to just remind people that they are taking precautions as well. I want people to be

assured that they are thinking about the circumstances for New Zealand, whatever they may be in the future.

**Media:** And the dissolution of Parliament, then?

**PM:** Monday?

**Media:** So that is something you will make a decision on before Monday morning?

**PM:** Prior. Of course, yes.

**Media:** Prime Minister, what happens to the rest of the country when Auckland moves to level 2? Does the rest of the country stay at level 2, or—

**PM:** We'll make an assessment at that time. So every time we reassess Auckland settings, we'll make an assessment around the rest of New Zealand as well. Derek.

**Media:** Are you firm on that August 26 date, or have you given yourself some wiggle room with the review on August 21? If the mass testing showed, you know, that the outbreak appeared to be contained, might we move alert settings—ease them early?

**PM:** Yeah. It's a review, and so we are giving ourselves that opportunity. We did want, however, to give people a bit of certainty around the planning. At this stage, we foresee no reason why it will be any longer than midnight Wednesday, 26 August, but we will be reviewing in seven days' time.

**Media:** Did you discuss making masks mandatory, especially in Auckland?

**PM:** No—no. We've had good discussion around that. Everyone was continuing to be of the view that we need to continue to encourage their use, make sure there's provision for their use, and we'll keep that under advisement. But at this stage people are satisfied with that decision.

**Media:** Why did you decide not to move Tokoroa into a higher alert level, given the two cases there?

**PM:** Yeah, at this stage, of course, those cases are very clearly and directly linked to the travel and socialising of one identified case. They've been identified through contact tracing, they were proactively tested through that process, and then isolated in quarantine. So that has actually been all in keeping with our plan as cases emerge or if we have an outbreak. The reason we've treated that differently to Auckland, of course, Auckland is the source, it's where we're predominantly seeing the infection, it is where we're primarily still determining the perimeter of the cluster. But, director-general?

**Dr Ashley Bloomfield:** Yes, can I to make an additional comment on that. One of the things that's really encouraging in this outbreak is not just the testing that is happening but how early on in their symptoms people are coming forward to be tested. So the cases in Tokoroa came forward to be tested on Tuesday, symptomatic, even though their exposure had just been on the weekend, and so this is a really critical measure for our success in being able to rapidly identify cases, isolate them, and then contact trace. And, as I said at 1 o'clock, we already know that of the many hundreds of people we have followed up as contacts, we've had over 83 percent of them contacted and isolated within that 48-hour period, which is great.

**Media:** Don't we have to identify the source of this in order to have confidence that we won't see a repeat?

**PM:** Not necessarily. What also gives us confidence is the wide range of testing. And you will see here the fact that we've had 30,000 tests and are still identifying cases that are all traceable and connected to this cluster; so that's one thing that gives us confidence. Time gives us that additional confidence, because if there were additional cases we would start to see those arise as well. And thirdly, our own experience; we have had clusters before where we haven't always been able to identify the source and, indeed, overseas you see in the likes of—from memory, Dr Bloomfield—Germany, I believe, has had clusters

they've managed and contained where they haven't always been able to identify the source. It is still preferable, and we will continue all of the investigatory work to try and determine that, but it may be the case that we don't, and that wouldn't be a reason not to lower our alert level.

**Media:** What are the latest modelling numbers you have?

**PM:** Actually, the most recent conversation I've had with those who have been talking to our modellers is that clusters aren't actually an easy thing or something you can successfully model, because everything is unique to that cluster. It's when you have wider outbreaks and multiple clusters that the modelling is more accurate. So the caution I've been given is that modelling is unlikely to be able to predict what we would see here. We can rely, however, on past clusters just to get a sense of how they tend to behave, and the scale of them. And we have seen in New Zealand clusters that can get up to the 80-100 mark. Is that a fair reflection, Dr Bloomfield?

**Media:** Prime Minister, just on the election question. One of the options obviously, you have able to you, is just to leave it to the Electoral Commission, because they have the powers to defer. Would that be a prudent course of action given that would take the politics out of the decision?

**PM:** Yeah, and look, again, as I say, the most important thing—I think it's not an unfair statement—the most important thing for Cabinet, and indeed myself today, because that is where the decision over the election date at the moment falls, you're right to say that down the track it would fall to the electoral commission. At the moment my focus was simply on making sure that our resurgence plan was in place, that we're doing everything that we need, and we have the settings in the right place. I've got another 48 hours, I'm going to use it, and I'll come back on the question of the election.

**Media:** Who are you bringing into your confidence? Who are you consulting with over the election date?

**PM:** Well, ultimately it's something that falls on my shoulders. I am aware, though, of the Electoral Commission's view, and all of the issues they have to factor in; it's one of the reasons I did highlight that they have done preparatory work around the different settings New Zealand might be in. But I did make sure that I was briefed by them in that regard yesterday afternoon, so that I can factor all of that in my thinking.

**Media:** Just to return to the difficulty with the modelling, would you then have milestones, though, that you can look at in terms of working out whether this particular cluster is coming under control, when you'd feel comfortable about dropping down the levels?

**PM:** Yes. I'll let Dr Bloomfield, because he has to use that information to give advice to us.

**Dr Ashley Bloomfield:** Yeah, so I think the critical thing is the pattern of the spread and the cases we see over the next 7 to 12 days, and the sort of settings they are occurring in. So, partly it's about the number, and also whether there is geographical containment, and/or whether those cases, and/or their close contacts have been in settings where there could've been further spread, like churches or schools and so on, and we've seen that already. So, again, it's looking at the pattern, geographical and those sorts of settings, the number of cases, the links between them, and we'll also be looking for the rate of growth. We're growing quite quickly at the moment, we'll want to see that level off.

**PM:** One of the things we have discussed, though, is that—don't expect that we have to see, for instance, zero cases at all in order to move levels. It is something that we've discussed. Of course, our regime has to be built for us to be able to exist in a level 2 environment with the management of cases. What we will be looking for, though, is just to really have a sense that we've got what I'm calling the perimeter of the cluster under control. I'll come to Jackson.

**Media:** Prime Minister, it's obviously still early days, but all of the cases except the one that's still under investigation can be linked to the same cluster. Have we dodged a bullet here?

**PM:** It is heartening to see, at this stage, that linkage between all of those cases. We don't want to get ahead of ourselves. We've always taken a precautionary approach, because if you make a wrong move with COVID, we can see very easily the long-term impact of that, particularly in terms of how long, as a consequence of the wrong move, you can spend with restrictions. And Australia has demonstrated that to us. So we are looking at the experience of others in making our decisions.

**Media:** How much of a role did the situation in Melbourne play in influencing your decision to go hard very early?

**PM:** We're evidence-based, and so you would expect us to look overseas at what other experiences have demonstrated—the likes of Hong Kong or the likes of Australia—where they have taken a little bit more time and existed with a more open environment while they've determined a perimeter of an outbreak. Our view is it's better to assess that with restrictions in place, so, ultimately, you can get back to freedom faster; that's our approach.

**Media:** Of the 30,000 thousand tests, what portion were done in Auckland?

**PM:** Forgive me, I don't have a breakdown with me here. I do know that we have that, though, by DHB. We can provide that. I wouldn't be surprised if it's provided publicly.

**Dr Ashley Bloomfield:** My understanding—it's about half of them; so, at least 50 percent.

**Media:** After the 1 p.m. update, were you provided details of further testing results, or are you still relying—

**PM:** We're sticking to the 1 p.m.—sticking to the 1 p.m.

**Media:** So there could have been further positive—

**PM:** I would say that there's—again, the pattern that we're describing here has not changed. So the pattern of the cluster has not changed.

**Media:** Prime Minister, on the move to a level 4, what are the criteria or the thresholds we should watch for if we need to go [*Inaudible*]?

**PM:** A good question. Nothing, obviously, that we're seeing here. But you'll remember that the criteria for level 4 is, you know, multiple outbreaks, multiple themes of community transmission—just a much larger scale than what we're dealing with here.

**Media:** Just on the extension of the wage subsidy scheme, have you got any indication about how much extra that's going to cost?

**PM:** I don't want to steal the thunder of the Minister of Finance, who will take the podium immediately after we've completed questions. But remember we do have an under-spend currently for the second extension. We had an estimate that it would be roughly \$2.6 billion to \$3.9 billion, in terms of the drawdown on that; it's actually come in closer to \$2 billion. So, there is already an appropriation that we can draw on for a wage subsidy extension.

**Media:** With a third of the population now in much more severe restrictions for a much longer time, does New Zealand still consider itself a team of 5 million?

**PM:** Yes. You know, not everyone in a team is on the field at the same time. Some of us, currently, are on the sidelines really rooting for those who are experiencing that level of restriction. That's why I just ask the rest of the team to be really supportive—just to be mindful of that. If you know people in Auckland, particularly if you know people who are isolated, do reach out to them.

Level 3 is not the same as level 4, though. We have a much higher rate of economic activity, much more people who are safely in the workplace. But that doesn't mean that there won't be people experiencing loneliness, anxiety, and hardship. So we do need to make sure we look after each other.

**Media:** Does this set a precedent here to understand how future decisions will be made? So if, like, four cases show up in Dunedin next week, could they anticipate two weeks of level 3—

**PM:** No, not necessarily, and, of course, we still apply to these decisions the framework for our levels, and they have a description under what circumstances we would move either regions or the country. So, again, what's happened in the Waikato fits with level 2. We know that they're linked, they're contained, they're isolated.

**Media:** But if it's a similar scenario—a cluster, you know. If what appears to be an outbreak, an unknown outbreak, the beginning of another cluster, in Dunedin in a weeks' time, should they expect to move to level 3 immediately?

**PM:** Yeah, and, again, very much depending on the scenario. Because at the moment what we have is we don't have the beginning of the chain, which creates much more uncertainty. If you have the beginning of the chain, even that changes some of the decision-making. So that's why when we developed our resurgence plan, it was based on a range of different scenarios, because it ultimately will come down to what you're experiencing, where the chain begins, and how wide, and connected the clusters are. But—covers it.

**Media:** Are you satisfied with the rigour of restrictions on movement outside of Auckland? There have been reports of not insignificant amounts of people flying into places like Christchurch and Queenstown. Might you, as the Government, sort of, intervene and—

**PM:** So, you'll remember that one of the things that we did last time was we did allow enough time for people to relocate, and so that sometimes took a little bit longer than when the orders came in. What we're going to do over the weekend is look at the way that this is operating at our road checks, and we'll also have a look at the way aviation is working. I'm picking up on some of the anecdote that we're hearing, so we will reflect on whether or not we need to look again at the way we're operating that at the aviation border.

**Media:** Yeah, sorry, and then just on that: do you have any evidence, yet, in terms of whether those passenger flows are tracking with what you would expect for purely residential movements, people returning—

**PM:** Well, we know that from within Auckland it's actually lower than it was last time we were in level 3, so that gives us something about the intra-Auckland regional travel. I don't have the data around between regions. But, it is something we'll look at, and we are, over the weekend, reviewing some of that. Just mindful of the time—I'll take a couple more questions and then hand over to the Minister of Finance. Jenna?

**Media:** Mine can go to the Minister of Finance, it's OK.

**PM:** OK, great.

**Media:** Dr Bloomfield, are you happy with today's decision? How did it stack up with the advice that you gave Cabinet this afternoon?

**Dr Ashley Bloomfield:** Oh, well, as I said earlier, it follows very closely the advice we gave, actually. I should say that, whilst the advice is under my name, it's not mine alone. I had a conversation this morning with my chief science advisor, Dr Ian Town, Dr Caroline McElnay, the director of public health, and they had worked with our team. We're in constant dialogue with the public health unit in Auckland; meetings with them at least twice, if not three times, a day. So, it's a full range of advice from a lot of good people. The Prime Minister's Chief Science Advisor has been actively involved in the discussions as well. So, I think there was a very strong consensus in what our public health advice was, and that's very much informed the Cabinet decision.

**PM:** Then it's our job as a Cabinet to balance that against the economic impact on the Auckland region and the rest of New Zealand as well. And that's what Cabinet's job is, to then weigh up those two decisions. But our view is a strong health response is the best thing we can do for the economy.

**Media:** Was it unanimous at the Cabinet table today?

**PM:** Yes.

**Media:** Prime Minister, what was your view on the interview that Winston Peters gave last night for Australian television?

**PM:** You will have already heard me speak to what the evidence is telling us, and the evidence is telling us, at the moment, that none of the genome testing that's been carried out to date, and that is available to us, of those cases we've had in our managed isolation can, currently, be linked back to the cases we have. And so, that's the evidence that we have, and so that is what I'll be basing all of our decisions and assumptions around. OK, I'll take just a last—Justin?

**Media:** Dr Bloomfield, is there any health advice that Cabinet has decided not to follow?

**Dr Ashley Bloomfield:** Ah, do you mean today? Ah, no.

**PM:** No. I don't think there's many generally, actually. I think that we're reasonably responsive, yes. All right, Jenna—last question.

**Media:** Prime Minister, was it irresponsible for a Cabinet Minister to put information into the public that hadn't been provided by an official source?

**PM:** I believe that he was reflecting information passed to him from a journalist, so perhaps, we could ask the question equally on that side as well. I'm going to hand over to—last question, Jackson; I'll be generous.

**Media:** Did the Deputy Prime Minister apologise to you?

**PM:** Oh, look, I haven't asked him to, and nor would I expect him to. He is free to give his own interviews. You can expect that I will continue to just reflect back what the evidence is showing; that is what we rely on to determine where the source of this is. And as I've said, although we haven't yet found that source, we will continue looking very, very hard despite the lack of a current link. I'll be asking the Minister of Finance, Grant Robertson, to take the podium, and we will have another update tomorrow. Thank you, everyone.

**Hon Grant Robertson:** Kia ora, ngā mihi nui ki a koutou katoa. As the Prime Minister has indicated, today we have made an in principle decision to extend the wage subsidy to cover the period of the current level 3 restrictions. I just want to talk about some of our thinking behind making the extension to the wage subsidy nationwide.

Auckland represents a significant part of the New Zealand economy, nearly 40 percent of GDP. As a result of that, and the Auckland economy's connections with the rest of New Zealand, it is clear that a level 3 situation in Auckland will have impacts on the rest of New Zealand; that's not only in terms of business and trade activity being connected throughout New Zealand but also the fact that we are asking Aucklanders to stay home and the impact that will have on tourism elsewhere in New Zealand. We are already hearing reports of cancelled bookings, and that is having an impact on regional economies throughout New Zealand. A lot of businesses outside of Auckland rely on customers from Auckland, so making the wage subsidy nationwide is also a recognition of that and the alert level 2 settings, which have an impact on hospitality and retail businesses in other parts of the country, and we want to make sure we're helping to cushion the blow for these businesses as well.

I can also confirm today that we are looking to changes to other existing schemes as part of our plan to support businesses through this outbreak. In particular, Cabinet has also agreed, in principle, that we will make changes to the criteria for the COVID leave scheme to improve access to it. We want to make sure that anybody who has been asked to stay

home because they are required to self-isolate or because they are immunocompromised has the confidence to do so, and they know that they will be looked after regardless of where they work. We are doing this, in part, to emphasise the importance of getting tested and then self-isolating if you test positive. We do not want people to be afraid to get tested because they think their livelihoods or income or job may be at risk. This is about having the right settings for this situation. We've already shown that we can get the support to businesses quickly to help cash flow and confidence, and this will be the same this time around.

Details, including the specific criteria and audit activities for this will be announced on Monday. Our expectation is that access to the scheme will be very similar to previous criteria. The Ministry of Social Development have indicated that they will be able to implement the new wage subsidy scheme within five days. It is also very important to note that applications for the current wage subsidy extension are still open and expire on 1 September. I encourage all businesses to check if they are eligible, even if they thought they previously were not.

Outbreaks like this are exactly why the Government prudently held back money in the COVID fund to support the economy in the event of a further rainy day. We also have money remaining in the wage subsidy scheme and leave support scheme allocations that will be able to help meet the costs of this scheme. We will announce the details of an extension to the mortgage deferral scheme as well, that was already announced in principle by the Reserve Bank Governor. The final details are being operationalised, and we'll be able to put them out into the public arena on Monday as well. This is all part of our plan to continue to help cushion the blow for businesses and households as we fight the virus.

**Media:** Minister, are you looking at—particularly with the leave scheme, is one of the things that you are looking at abolishing that criteria for the 30 percent loss of revenue for the business?

**Hon Grant Robertson:** That is one of the issues that we will be considering. Obviously, when we brought the scheme in in March, we were looking at a situation where we did want to ensure that those who had to isolate or had the virus were able to stay home. Some businesses, at that time, were able to absorb those costs. We've also got a situation, now, where many New Zealanders have used their sick leave entitlements, and so that is one of the things that we are looking at, is whether or not we remove that requirement. What's really important for us is that every New Zealander has the confidence to be tested and to know that if in the event that they do test positive, they will be supported—we don't want any compromise on that, and so, clearly, we need to look at that criteria.

**Media:** The criteria—you've said it's going to be similar to the past scheme. The wage subsidy in particular, there was the difference in the first round and the second round of 30 or 40 percent. Are you leaning towards either of those?

**Hon Grant Robertson:** That's exactly the discussion that will take place over the weekend. What we need to do is make sure that we're reflecting the experience that businesses are having, and we'll take a little bit of time over the weekend to decide on that.

**Media:** How much do you expect the extension of the scheme to cost?

**Hon Grant Robertson:** Well, one of the issues here is the availability of the existing wage subsidy extensions. So because that's actually available for application until 1 September, the number of people who actually will now take that up will dictate a little bit of the total cost. The early estimates—depending on the question that Jenna just asked—is that this extension would come in under a billion dollars.

**Media:** When you talk about this new wage subsidy and you say it will apply for the duration of level 3—so we're talking about a very short two-week wage subsidy?

**Hon Grant Robertson:** Well, obviously that's the plan that we have at this time, yes, but what we want to be able to do is set up a scheme that enables us to be flexible and adaptable.

**Media:** Did you consider limiting the extension to just businesses in Auckland, for example, rather than nationwide?

**Hon Grant Robertson:** Yeah, look, certainly we considered that idea. The issue we've got is that those regional boundaries don't really work when you start to deeply analyse them. For example, you can even have businesses that are registered in Auckland but actually do a lot of their activity outside and vice versa. We were particularly conscious of those businesses outside of Auckland that supply into Auckland and the impact that it would have on them. So, administratively, it also would have made it a lot slower to be able to get out the door.

**Media:** Minister, the tourism, hotel, hospitality sectors have said they need something special, they're at the end of the road. What's your thoughts on it?

**Hon Grant Robertson:** Well, obviously, we've already allocated specific funding for the tourism sector, and we've put out the \$400 million there; more than 120 strategic tourism businesses have received the benefit of that. Obviously, this extension now will support retail and hospitality. We continue to look at sectors and see what else we can do, but obviously, in the immediate term, this will be available to all of those businesses.

**Media:** The decision to only have it open for the two weeks, is that based on how quickly our economy bounced back after the first lockdown?

**Hon Grant Robertson:** It's based on the impact of level 3, and it's based on, as the Prime Minister said, taking you down to around 80 percent of activity and that flow on; so it's based on that change. It is—and I take the point that you're making, which is that businesses had really felt good that they'd come back better. A lot of them had really got themselves just up and running again, and there is a bit of a blow that's been taken by this. So part of this is saying, "Look, we recognise that. We want to give you support through this period." Obviously, as I said, we'll continue to look at future decisions, but this is the one that's right for this particular set of restrictions.

**Media:** Grant, businesses were crying out for help during the lockdown for rent assistance and utilities, and that largely wasn't addressed by the Government. We've got two weeks of Auckland where they're going to have these issues again. Is there any thought to future changes or any assistance with these costs?

**Hon Grant Robertson:** One of the things we are doing is taking a look at all of the support schemes that are currently available, and one of those, for example, is the Small Business Cashflow (Loan) Scheme, which is where a lot of the businesses have been able to meet their other costs beyond wages through rent and insurance and so on. So we're taking another look at that scheme and all of the support schemes to see whether or not they can be tweaked. The decision that Cabinet took today was about the wage subsidy scheme and the leave support scheme.

**Media:** The economists said the economy is more like an oven than a lightbulb; it takes a while to sort of heat up and turn on. Is a two-week wage subsidy going to be enough in that respect, because you are turning the economy off and on again, and the economic effects of that are going last a lot longer than two weeks of level 3?

**Hon Grant Robertson:** Yeah, obviously, there have been support schemes in place already, so people have built up a certain reservoir. Also, I think the fact that we did come back quicker, that actually most businesses were finding that they were generating more revenue than they thought they would, all gives me the confidence that we can do the scheme this way. But, I want to be clear: there is flexibility built into this that should we need to, we can add further time to it.

**Media:** One of the biggest costs in Auckland is, obviously, commercial rent, and that is an area where there have been a lot of businesses saying that the Government's solution to that isn't actually strong enough, and that it was largely a result of issues within the Cabinet. Would you ever considering relooking at that?

**Hon Grant Robertson:** As I said in the answer to the previous question, we're taking a look at all of the support that we give at the moment to businesses to make sure it's fit for purpose for this situation.

**Media:** So you might relook at that commercial rent?

**Hon Grant Robertson:** I want to look at the schemes that we've got, such as the Small Business Cashflow (Loan) Scheme and, obviously, we can come back on that, but—*[Interruption]* I'll just finish. What we thought was very important today was to be able to give the confidence around the wage subsidy scheme also the leave support scheme. We will, and we are continuing, to monitor the schemes we've got.

**Media:** The Prime Minister mentioned that Cabinet got economic advice on the economic effects against the health effects, and there's been some cost-benefit analysis for the Treasury saying that previous extensions were actually costly, if you take into account the "qualies", so what advice did you get about this extension—the actual cost-benefit analysis?

**Hon Grant Robertson:** Well, I think the advice we got—and the Prime Minister's already suggested it, and I've seen a variety of economists talking about the hit on Auckland being somewhere between \$400 million through to, out to, \$600 million or \$700 million. So we were very clear that this was a significant impact. What I don't think that takes into account, however, is that flow-on impact to other parts of New Zealand as well. So, clearly, for us it was important, both for confidence reasons but also for those pure economic reasons, to be able to do this. When it comes to the biggest studies around the comparisons—the "qualies", as you'd call them, or the range of comparisons that I've seen around investments in health versus the economy—I'd just reiterate what the Prime Minister has said: we have never wavered from the view that the best economic response was a strong public health response, and we continue to stand by that.

**Media:** Is that based on any analysis, or is it just this is an underlying—this is what we *[Inaudible]*

**Hon Grant Robertson:** It's both a principle, and there, I can recall standing on this podium talking about some of the historical evidence, going back to the 1918 flu epidemic, of that being true, but, I also think that was borne out in the hundred-and-odd days that we had without community transmission, when we moved to level 1 that we did do well relative to the rest of the world. I'll just take a couple more. Ben.

**Media:** I understand you're not the decision maker around the election date, but you're certainly a politician. So I wouldn't mind asking you whether you think an election on September 19 is fair to the other parties given the point that you stand at?

**Hon Grant Robertson:** The election date is entirely the decision of the Prime Minister.

**Media:** But do you think it would be fair—

**Hon Grant Robertson:** No, I'm not going to comment.

**Media:** —to campaign along those lines? Do you think—

**Hon Grant Robertson:** Ben, I'm not going to comment further on it. The Prime Minister's the person who makes that call.

**Media:** In April, the Reserve Bank said that under level 3 the economy would operate at a 70 percent capacity; now you're saying the modelling's based off 80 percent. Is there some risk that that 80 percent figure is based off pent up demand coming out of level 4?

**Hon Grant Robertson:** No. That's because that was—the Treasury and the Reserve Bank always had slightly different definitions of what the activity at level 3 would look like. So we're using the Treasury's numbers here; that's the only reason for that.

**Media:** How's it changed over time—that expectation of economic—

**Hon Grant Robertson:** Oh, well, we've got a little bit of experience of what happened under level 4 and level 3, but it hasn't—those numbers and percentages have not changed particularly. We do have to remember—and it is very important, the Prime Minister made this point as well—that under level 3 businesses can operate as long as it's safe to do so. And so there is, as you know, a lot of economic activity in Auckland. Mayor Goff keeps undertaking interviews with people working on construction sites outside his window. So there are a lot of things happening. That's good, as long as they continue to happen safely.

**Media:** Minister, Mayor Goff has been calling for support for Auckland Council. Did you consider that today, and can the council expect anything?

**Hon Grant Robertson:** No, we didn't consider that today. He's—I heard him on the radio this morning, and he's talked to me about what Auckland Council is going through. But that wasn't a matter that we considered today. I've actually got some radio interviews, so I've got to go off. Bernard.

**Media:** Just one more: what advice have you got on how long the logistics system in the country can handle the separation of lockdown [*Inaudible*]

**Hon Grant Robertson:** So far, I think it's been operating relatively well. Obviously, there are one or two concerns people have about the fact that they might need to be stopped at a checkpoint or so on while goods are being delivered, but so far, so good. But that is definitely one of the issues we continue to monitor. Clearly, because Auckland is Auckland, there is freight that is going to need to leave the city and go into the city, and we're keeping a very close eye on it. But, to this point, we haven't had any specific concerns raised by this. Thanks everyone.

### conclusion of press conference