



Briefing to Incoming Ministers

COVID-19 Overview

Date	2 November 2020
Priority	Medium
Security classification	In-Confidence

Contents page

	Page
Glossary	3
Executive Summary	4
Section 1: Introduction	7
• COVID-19 and New Zealand's strategic response	8
• Decision making responsibilities	9
Section 2: Domestic response	13
• Epidemic management	14
• Alert Level framework	16
• Public communications and engagement	19
• Resurgence planning	20
• Vaccines and treatments	21
• Domestic response - key decisions and next steps	21
Section 3: Border management	24
• Border settings	25
• Immigration settings	26
• Managed Isolation and Quarantine Facilities	27
• Border management - key decisions and next steps	28
Section 4: Economic, social and international impacts and response	29
• Economic and fiscal impacts	30
• Social impacts	31
• International relations and trade impacts	33
• Economic, social and international impacts - key decisions and next steps	35
Section 5: Summary of key decisions and next steps	37
• Domestic response	38
• Border management	38
• Economic and social impacts	39
Annexes	
• COVID-19 legal framework	40
• Evolution of COVID-19 strategy and responses in New Zealand	42
• Current litigation	43

Glossary

COVID-19 Group	COVID-19 Group in the Department of Prime Minister and Cabinet (previously known as COVID-19 All of Government Response Group, or AOG)
CIRP	COVID-19 Income Relief Payment
DHB	District Health Board
DPMC	Department of the Prime Minister and Cabinet
IAFC	International Airfreight Capacity Scheme
IRD	Inland Revenue
MoH	Ministry of Health
MIQ	Managed isolation and quarantine
MIQF	Managed Isolation or Quarantine Facility
MIAS	Managed Isolation Allocation System
MBIE	Ministry of Business, Innovation and Employment
MPI	Ministry for Primary Industries
MPP	Ministry for Pacific Peoples
MSD	Ministry of Social Development
NCMC	National Crisis Management Centre
NEMA	National Emergency Management Agency
NITC	National Investigation and Training Centre
ODESC	Officials' Committee for Domestic and External Security Coordination
PHU	Public Health Unit
TPK	Te Puni Kōkiri
TTSTZ	Trans-Tasman Safe Travel Zone
WHO	World Health Organization

Executive summary

Introduction

This briefing to incoming Ministers provides an overview of COVID-19. It outlines the legal framework for the COVID-19 response, decision-making responsibilities, domestic management and border controls and the social, economic and international impacts. This document also provides a summary of key decisions and next steps in COVID-19 related portfolios, with indications of where Ministers may need to work closely together on cross-portfolio issues.

COVID-19 was first reported in Wuhan, China in December 2019. On 30 January 2020, having received evidence of person-to-person spread of the virus in other countries, the World Health Organization (WHO) declared that the outbreak constituted a Public Health Emergency of International Concern (PHEIC)¹. This triggered recommendations to all countries aimed at preventing or reducing the cross-border spread of disease. In March 2020 the WHO declared COVID-19 a pandemic.

By October 2020 the virus has spread to over 200 countries, with over 38 million people infected. Around 30 million people have recovered, and over a million have died. Internationally, around 20 percent of people infected will need hospital care, and around 20 percent of these will be admitted to intensive care. It is increasingly evident that some people who recover can suffer from a variety of long-term health problems.

Although the disease affects people of all ages, it is often more severe in those who are older than 60 years or who have health conditions like lung or heart disease, diabetes, obesity, or conditions that affect their immune system. Socioeconomic status, gender, age, inequitable access to health care, and increased exposure to the virus due to occupation can also make people vulnerable to the disease.

New Zealand's strategic response

New Zealand's response to the risk presented by COVID-19 is an agile elimination strategy – a sustained approach to keep it out, find it and stamp it out, that balances health, economic and social impacts. The actions within this strategy sit within three broad areas:

- Domestic settings – This includes both core public health responses and, where necessary, legal controls to find and stamp out the virus when it emerges in the community.
- Border settings – This includes border restrictions (who can come into New Zealand) and ensuring those who arrive with the virus do not spread it further, including through the operation of Managed Isolation and Quarantine Facilities (MIQF).
- Economic, social and international response – Mitigating the economic and social impacts of the virus; both its impact on the global economy and flow on effects to New Zealand, as well as the impacts of control measures in place.

Legal framework and decision-making

The COVID-19 Public Health Response Act 2020 (the COVID-19 Act) provides the legal authority for the majority of decision-making in relation to the COVID-19 response. It was enacted in May 2020 and provides measures to mitigate the risk of an outbreak and manage the spread of the virus should one occur, while allowing social, economic and other factors to be taken into account. The COVID-19 Act sits alongside the Health Act 1956, which provides additional pandemic control powers. Annex 1 provides more detail of the legal framework and powers related to COVID-19.

Cross-government system

COVID-19 affects all aspects of life in New Zealand – health, economic and social. Many government agencies are involved in delivering health services, managed isolation facilities, supporting compliance with regulations, international negotiations, procuring essential health and other supplies, and supporting individuals, families, sectors and communities. Leadership and coordination across government is provided by the Department of Prime Minister and Cabinet (DPMC) COVID-19 Group.

Decision-making in most cases rests with the relevant Ministers and their agencies, with high levels of co-ordination and collaboration across government. The configuration of Ministerial portfolios relating to key aspects of the COVID-19 response is a decision for the new administration. However, certain roles are defined in legislation – for example, the role the Minister of Health has in signing Orders under the COVID-19 Act, following consultation with the Prime Minister and Minister of Justice. In practice, Cabinet is likely to oversee key strategic and policy decisions relating to the COVID-19 response.

Domestic response

Test-trace-isolate are the key tools for managing any epidemic because they break the chains of transmission of an infectious disease and are therefore an essential public health tool for controlling infectious disease outbreaks. Test-trace-isolate can be seen in both the approach taken at the border and to domestic cases. Outbreaks are managed by rapidly detecting and isolating cases and their contacts. Good personal hygiene, face coverings and physical distancing are also important for managing the transmission risk of a virus that is primarily respiratory in nature. Healthcare systems have had sufficient capacity to provide the care and treatment required by individuals with the virus.

Alert Level Framework

The Alert System is a 4-level framework that specifies legal controls and other measures that are needed to manage and stamp out COVID-19 at different stages in an outbreak. Alert Levels help people understand the current level of risk and the restrictions that legally must be followed.

Applying this framework involves an assessment of risk by Cabinet, informed by advice from the Director-General of Health. The Minister of Health then determines, in consultation with the Prime Minister, Minister of Justice and any other relevant Minister, which controls to impose through an Alert Level Requirements Order under the COVID-19 Act, which may be applied at a national or regional level.

Public communications and engagement

Communication with the public is one of the most critical aspects of the response to COVID-19. This has focused on giving people the information and encouragement they need to minimise the likelihood of community spread. One of the key features of the communications strategy has been the simplicity of the messaging, and the Alert Level framework has been a useful tool in this regard.

Border Management

Since 19 March 2020 the people allowed to enter New Zealand have been limited to New Zealand citizens and residents, their families, Australian citizens or residents ordinarily resident here, diplomatic and consular personnel, and air and cargo crew. A small number of exceptions have been agreed for non-New Zealanders to enter New Zealand, for a range of reasons including their specific skills (e.g. critical healthcare workers) and for other economic and humanitarian reasons. Anyone entering New Zealand must undergo managed isolation or quarantine for 14 days, with tests at day 3 and day 12. There are limited exceptions to this requirement for diplomats and air crew.

Social, economic and international impacts

The economic impact of the COVID-19 crisis has been severe. The economic policy response has been effective to date in cushioning the immediate impact overall, although some sectors are still seriously affected. However, the economy is now facing a significant period of economic adjustment and higher unemployment. The path of the disease and its effective management, both domestically and internationally, are the most critical determinants of the economic outlook in the near-term. The long-term effects will likely be experienced for years after economic growth has returned, as we have seen following other economic downturns.

We have seen increasing need from communities across New Zealand and expect this to continue. This need will be influenced by the impacts of COVID-19, and its effect on jobs, the economy, families and overall community wellbeing. Psychosocial recovery from the crisis will take many years, as we have seen in other national emergencies in New Zealand.

The IMF and OECD estimate that the global economy will contract by 4.5 percent this year, before growing 5 percent in 2021. New Zealand's export sector and international supply chains have taken a severe hit from COVID-19, making a focus on trade and export growth important. While COVID-19 does not fundamentally change the global geostrategic landscape, it does intensify existing challenges and pressures on New Zealand's foreign policy. The Pacific and Australia remain a focus for foreign policy, with the possibility of Safe Travel Zones and quarantine-free travel a key issue.

Section 1

Introduction

- *COVID-19 and New Zealand's strategic response*
- *Decision-making responsibilities*

COVID-19 and New Zealand's strategic response

COVID-19 is caused by the coronavirus SARS-CoV-2¹ and was first reported in Wuhan, China, in December 2019. On 30 January 2020, having received evidence of person-to-person spread of the virus in other countries, the World Health Organization (WHO) declared that the outbreak constituted a Public Health Emergency of International Concern (PHEIC)². This triggered recommendations to all countries aimed at preventing or reducing the cross-border spread of disease. On 10 March 2020 the WHO declared COVID-19 a pandemic.

By October 2020 the virus had spread to over 200 countries, with more than 38 million people infected. Around 30 million people have recovered, and more than a million have died. Internationally, around 20 percent of people infected will need hospital care, and around 20 percent of these will be admitted to intensive care. It is increasingly evident that some people who recover can suffer from a variety of long-term health problems.

Although the disease affects people of all ages, it is often more severe in those who are older than 60 years or who have health conditions like lung or heart disease, diabetes, obesity, or conditions that affect their immune system. Socioeconomic status, gender, age, inequitable access to health care, and increased exposure to the virus due to occupation can also make people vulnerable to the disease.

Māori and Pacific communities are particularly vulnerable to the effects of COVID-19 because the population is highly urbanised, face financial challenges, and many are living in damp, cold and overcrowded housing which increases the risk of transmission of infectious diseases. Furthermore, they have a disproportionate burden from long-term conditions, and relatively poor access to primary and secondary health and disability care. This vulnerability was demonstrated during the second COVID-19 outbreak in August/September, where 83 percent of community cases were Māori and Pacific peoples.

New Zealand's overall strategic response – elimination

New Zealand's response to the risk presented by COVID-19 is an agile elimination strategy – a sustained approach to keep it out, find it and stamp it out, that balances health, economic and social impacts. The actions within this strategy sit within three broad areas:

- Domestic settings – This includes both core public health responses and, where necessary, legal controls to find and stamp out the virus when it emerges in the community.
- Border settings – This includes border restrictions (who can come into New Zealand) and ensuring those who arrive with the virus do not spread it further (using managed isolation or quarantine).
- Economic and social response – Mitigating the economic and social impacts of the virus; both its impact on the global economy and flow on effects to New Zealand, as well as the impacts of control measures in place.

This briefing is organised around these three areas, following a brief description of the decision making framework for government COVID-19 response decisions. Annex 2 provides a summary of the timeline for the outbreaks in New Zealand – the original outbreak, and the August 2020 Auckland resurgence.

¹ Coronaviruses cause infections in the respiratory system. Seven coronaviruses are known to infect humans, including Sudden Acute Respiratory Syndrome (SARS), a problem in the early 2000s, and Middle East Respiratory Syndrome (MERS), in 2008.

² A PHEIC is defined as a serious, unusual or unexpected health crisis that poses a public health risk to other countries through international spread, potentially requiring an immediate, coordinated international response.

Decision Making Responsibilities

Legislative Responsibilities

Specific Ministers have legislative responsibilities and decision rights in relation to COVID-19 under the legislative framework set out in Section 2 below and in Annex 1. In addition, the Director-General of Health has some statutory decision rights.

- Minister of Health – responsible for a range of public health decisions, including the making of Orders under the COVID-19 Act (for example, Alert Level Orders, and Orders requiring managed isolation for people travelling to New Zealand);
- Minister of Housing – responsible for decisions relating to the operation of Managed Isolation and Quarantine facilities;
- Minister of Immigration – responsible for which categories of non-New Zealanders can travel to New Zealand;
- Director-General of Health – able to make Orders and issue directions to manage the pandemic.

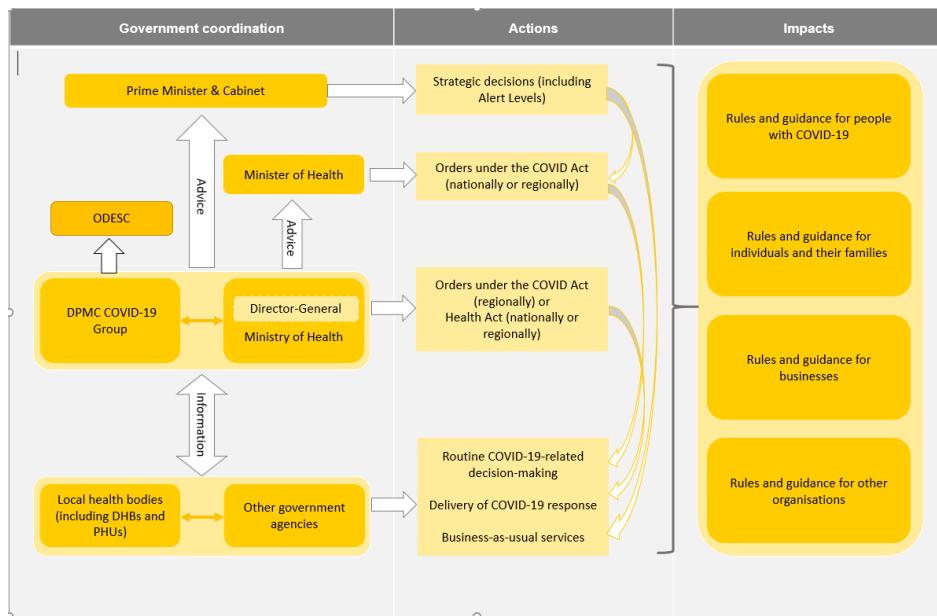
Cabinet

Cabinet has previously considered key COVID-19 policy issues prior to Ministers exercising their decision rights as set out above. In particular, Ministers may wish to take items to Cabinet on the overall COVID-19 strategy, Alert Levels, border settings, key public health measures, and measures to address the economic and social impacts of the pandemic. In addition, there is a legislative requirement for the Minister of Health to consult the Prime Minister and Minister of Justice and other relevant Ministers on Orders made under the COVID-19 Act.

Cabinet has previously been informed in its consideration of key issues by advice from the Director-General of Health. This is usually written into Cabinet papers to support Cabinet discussions but may also be provided orally (via the Minister of Health) where “real time” information is required (for example, in relation to the progress of a community outbreak, and decisions on Alert Levels).

Cabinet makes arrangements for consultation or urgent decision making requirements which fall outside its scheduled meeting times.

Figure 1 –Decision making process



The National Security System and the government response

The COVID-19 outbreak has been a major national security challenge, and the government response involves a wide range of government agencies. For example, the Ministry of Health leads on the public health response, whereas the Ministry of Business, Innovation and Employment leads on managing immigration settings and Managed Isolation and Quarantine facilities (MIQF). The scale, complexity and long-term nature of the impacts of COVID-19 have created a need for strong system leadership and governance to ensure that the response is well integrated, comprehensive and balanced. This is described below:

Officials Committee for Domestic and External Security Coordination (ODESC)

The Officials Committee for Domestic and External Security Coordination (ODESC) - is a committee of Chief Executives which manages national security in New Zealand. During an emerging or actual security event, ODESC:

- provides all-of-government coordination of the issues at the Chief Executive level;
- provides strategic advice on priorities and mitigation of risks beyond the lead agency's control;
- ensures that the lead agency and those in support have the resources and capabilities required to bring the response to an effective resolution;
- provides the linkages to the political level, including supporting Ministers to make decisions about strategic policy, authorisation of resources or any other decisions which sit within Ministers' area of control; and
- exercises policy oversight and advises the Prime Minister, Cabinet, and, when activated, the Cabinet National Security Committee, accordingly.

ODESC does not override the responsibilities which individual Chief Executives or Ministers have to take decisions in their own areas of concern.

In the case of the COVID-19 pandemic, ODESC met frequently and guided the response to the initial outbreak. The response was coordinated at a practical level by activation of the National Crisis Management Centre (NCMC).

National Response Leadership team

The ongoing nature of the COVID-19 response led (with Cabinet agreement) to the creation of a National Response Leadership team, a smaller grouping of Chief Executives that focused on responding to the COVID-19 resurgence. Membership comprised:

- Chief Executive of the Department of Prime Minister and Cabinet
- Director-General of Health
- Chief Executive, National Emergency Management Agency
- Commissioner of Police
- Secretary of the Treasury; and
- Deputy Chief Executive (COVID-19 Group) DPMC.

DPMC COVID-19 Group

The COVID-19 Group was established within the Department of the Prime Minister and Cabinet (DPMC) on 1 July 2020, following the deactivation of the NCMC on 30 June. While the Group does not have any direct legislative or statutory responsibilities, it provides central coordination and leadership across government. The key functions of the group are:

- providing advice to the Government on its COVID-19 strategy and progress made such as scenario testing, decision frameworks and advising on major decision points by weighing up trade-offs to provide policy neutral strategic advice.
- leading the public communications strategy, providing advice on public engagement, and ensuring coordination and consistency of messages from government, such as the Unite Against COVID campaign, social media, iwi and Pacific communities' engagement.
- ensuring expectations and accountabilities for delivery of the strategy are clear across government, such as developing a risk register and assurance framework, driving consistent communications across the system; and
- coordinating, and only where necessary leading, the response across government and facilitating the transition to recovery, such as leading the National Resurgence Plan and testing agencies' readiness through exercises.

Ministry of Health - lead agency for domestic health response

As the lead agency, the Ministry of Health has primary responsibility for policy advice on the health response for managing COVID-19. It is also responsible (alongside DHBs and other providers) for operational delivery of health services including testing, contact tracing and treatment. In practice, both policy and delivery involve working closely with other parts of government so that the response is integrated.

MBIE – lead agency for immigration settings and operating Managed Isolation and Quarantine Facilities

Stopping the virus from entering New Zealand is a cornerstone of the strategy for managing COVID-19. The immigration settings for who can travel to New Zealand, and the operation of Managed Isolation and Quarantine Facilities, are both led by MBIE.

In the case of immigration settings, a multi-agency Senior Officials Group has been established to provide advice to Ministers on which groups of non-New Zealanders should be permitted to travel to New Zealand as exceptions.

The operation of Managed Isolation and Quarantine Facilities is the overall responsibility of MBIE and involves close working with the Ministry of Health and DHBs which are responsible for the provision of health services to residents including testing. Testing requirements are also applied to border workers, including staff operating MIQF facilities, and to others such as higher risk port and airport workers.

Other Chief Executive Groups

Other Chief Executives groups, provide additional and more focused oversight, coordination and governance. These include the Border Sector Governance Group, which involves the various Chief Executives with responsibilities at the New Zealand border; the Economic Chief Executives Group, which has a focus on the economic impacts of, and response to, the outbreak, and the Caring for our Communities Governance Group, which brings together the CIMs Emergency structures with public service agencies in the social sector during response activity, resurgence preparation and planning and recovery. In addition, a COVID-19 Chief Executives Board has been convened to oversee the longer term COVID-19 response.

Section 2

Domestic response – overview

- *Epidemic management*
- *Alert Level framework*
- *Public communications and engagement*
- *Resurgence planning*
- *Vaccines and treatments*

Epidemic management

Test-trace-isolate are the key tools for managing any epidemic. Outbreaks are managed by detecting and isolating cases and tracing their contacts, who in turn are tested and isolated as required. Test-trace-isolate breaks the chains of transmission of an infectious disease and is therefore an essential public health tool for controlling infectious disease outbreaks. Good personal hygiene, face coverings and physical distancing are also important for managing the transmission risk of a primarily respiratory virus.

The current global COVID-19 pandemic will end if population immunity is reached through effective vaccination or treatments. However, we do not yet know if, or when, these will be developed.

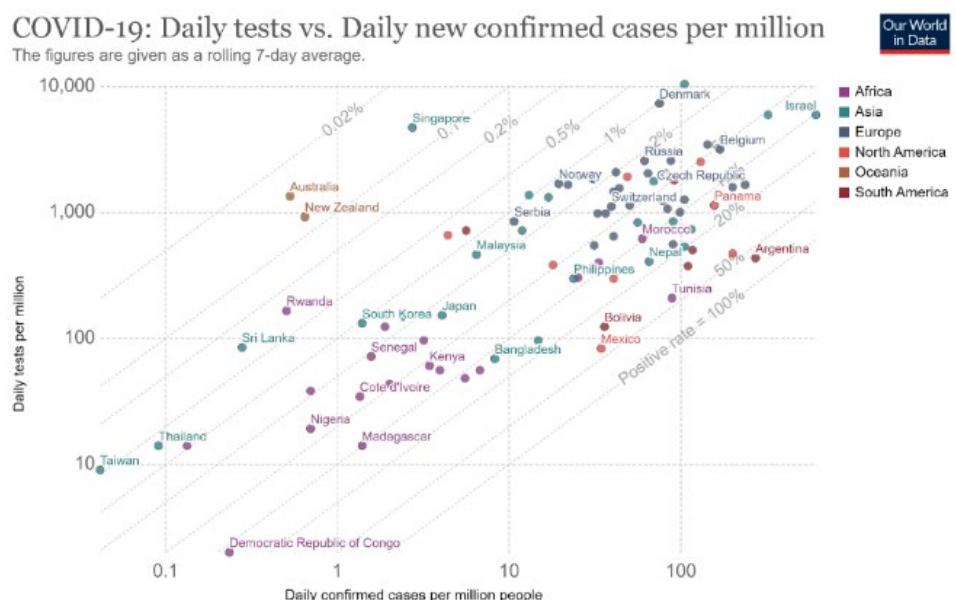
Testing

Testing is important for detecting cases so that they can be contact traced and quarantined. The surveillance plan for COVID-19 includes testing all people in MIQF, higher risk border workers, anyone with COVID-19-like symptoms, and close contacts of people who have tested positive for the virus. Asymptomatic testing of at-risk communities may also be considered in an outbreak.

Currently, testing is undertaken via nasopharyngeal swab. The option of saliva testing is being considered, but more research is required to ensure the accuracy and viability of any saliva test before it is offered in New Zealand. Laboratory capacity rose from 12,000 per day (before the August 2020 Auckland resurgence), to 26,000 samples per day during August, as the resurgence was being managed and public attention to the issue rose. This capacity can be maintained for 1-2 weeks, with greater surge capacity for the initial 3-4 days of an outbreak. There is a good supply of testing materials including swabs and reagent, and the Government receives weekly reports on stock on hand, which usually sits at around 250,000 test kits available at any one time. Under normal circumstances, testing turnaround time is 24-48 hours, with the ability to prioritise samples in some cases. As new testing technologies become available, testing turnaround time should decrease, with a corresponding increase in laboratory capacity.

New Zealand's rates of testing against confirmed cases are high by international standards:

Figure 2 – International comparison of testing rates



Source: Testing data from official sources collated by Our World in Data, confirmed cases from ECDC OurWorldInData.org/coronavirus • CC BY
Note: Comparisons of testing data across countries are affected by differences in the way the data are reported. Daily data is interpolated for countries not reporting testing data on a daily basis. Details can be found at our Testing Dataset page.

Contact tracing and isolation/quarantine³

Contact tracing capacity in New Zealand has been increased from about 10 cases per day to about 500, with plans to increase this further. The NZ COVID Tracer app assists contact tracing via scanning QR codes. Other technology enhancements are also being investigated. The efficacy of contact tracing depends on adherence with isolation and quarantine.

Contact tracing involves interviewing an infected case and establishing their movements and contacts. Close contacts are then called and instructed to get tested and go into self-isolation for 14 days. The aim is to trace and isolate 80 percent of close contacts of a case, within two days of identification and four days of their exposure to the case.

The case interviews are generally undertaken by Public Health Units (PHUs) and calls to close contacts are generally undertaken by the National Close Contact Service. The National Telehealth Service (Healthline) also undertakes wellbeing calls for people in isolation.

In early March, contact tracing capacity in New Zealand was about 10 cases per day. Since then, a range of improvements have been made including establishing the National Investigation and Training Centre (NITC), to provide national leadership and coordination and to supplement PHU capacity and a common, nationwide IT platform. A national, culturally-responsive contact tracing service has also been established for hard-to-reach close contacts of Pacific peoples. Alongside re-engagement with NITC, this Equity Outreach Service provides social needs assessments, spot testing, and self-isolation support to Pacific families. The service has the potential to be adapted to other population groups.

Collectively, PHUs have the capacity to investigate 350 cases per day and have adopted plans to surge to 500 cases per day if required. However, complex contact tracing situations (such as high numbers of contacts per case, and complications arising from cultural differences) may sometimes reduce this capacity.

Additional surge capacity is being established within the Ministry of Health, with the aim of maintaining 100 fully trained standby investigators and establishing agreements for a further 400 investigators drawn from across government at short notice.

Technology can assist in contact tracing by enabling people to remember where they were, identify unknown contacts and speed up the notification of possible contacts. The NZ COVID Tracer app enables the scanning of QR codes to record a visit to a business or service. All businesses and services must display QR codes.

There is a trial underway of a COVID card, which uses Bluetooth technology to record contacts between people. The Ministry of Health is also evaluating the incorporation of Bluetooth technology into the NZ COVID Tracer app.

All cases and close contacts need to be isolated or quarantined for contact tracing to succeed. Currently, confirmed cases are generally put into quarantine in a managed facility to reduce the risk of spread. Close contacts generally self-isolate at home, with wrap-around support to ensure that they can do this effectively. This support includes daily health checks, day 12 testing and support to ensure that all of their welfare needs are met.

³ In New Zealand, the term quarantine is used when someone is segregated from others because they have the virus. The term isolation is used when someone is deemed to have an elevated risk of infection, but this has not been confirmed.

Hygiene, face coverings and physical distancing

Hygiene, face coverings and physical distancing reduce the risk of transmission of COVID-19. These measures can be encouraged or made legally enforceable.

Individuals, groups and communities can take a variety of measures to reduce the risk of transmission of COVID-19. These include good hygiene, face coverings and physical distancing. Good hygiene measures are difficult to legally enforce. The Alert Level system and supporting Orders create a legal framework for requiring face coverings and physical distancing in specific circumstances. Public communications can educate and reinforce compliance with both legal requirements and public health guidance.

Good hygiene

Good hygiene measures are important for preventing the spread of COVID-19. These include:

- washing and drying your hands,
- coughing or sneezing into your elbow,
- staying home if sick and getting tested.

Face coverings

Face coverings, masks in particular, have been shown to be effective at reducing transmission of COVID-19 when there is community transmission.

Physical distancing

Physical distancing includes any measure to increase the physical distance between people. Physical distancing includes maintaining a distance of 1 or 2 metres from other people, size limits for gatherings, working from home, and closing certain types of businesses, services and venues.

Alert Levels Framework

The Alert Levels system is a simple 4-level framework that specifies legal controls and other measures needed to manage and stamp out COVID-19 at different stages in an outbreak. It has been used to guide decisions on the response to date, as well as a basis for public communication.

Alert Level decisions are generally made by Cabinet and involve an assessment of risk, informed by advice from the Director-General of Health. The Minister of Health then determines, in consultation with the Prime Minister, Minister of Justice and any other relevant Minister, which controls to impose through an Alert Level Requirements Order under the COVID-19 Act, which may be applied at a national or regional level. The Alert Levels framework, including requirements and recommendations for each Alert Level, is summarised overleaf.⁴

The controls and restrictions at each Alert Level reflect the information available to date and can be updated to reflect new scientific knowledge about COVID-19, and information about the effectiveness of intervention measures in New Zealand and elsewhere. There are two current legal challenges to COVID-19 restrictions, set out in Annex 3.

⁴ The measures described are “standard” Alert Level settings. In Auckland, during certain stages of the resurgence, different size limits for gatherings and requirements for food businesses applied

Alert Level	Risk Assessment	Range of Measures (mix of legal obligations and encouragement, can be applied locally or nationally)
Level 4 - Lockdown Likely the disease is not contained	<ul style="list-style-type: none"> • Sustained and intensive community transmission is occurring • Widespread outbreaks 	<ul style="list-style-type: none"> • People instructed to stay at home in their bubble other than for essential personal movement – with the definition of ‘essential personal movement’ being more limited than Alert Level 3. • Safe recreational activity is allowed in local area. • Travel is severely limited, including restrictions on inter-regional travel. • All gatherings cancelled and all public venues closed. • Businesses closed except for essential services (e.g. supermarkets, pharmacies, petrol stations) and lifeline utilities. • Educational facilities closed. • Requirements around physical distancing and measures to support contact tracing etc. • Rationing of supplies and requisitioning of facilities possible. • Reprioritisation of healthcare services.
Level 3 - Restrict High risk the disease is not contained	<ul style="list-style-type: none"> • Multiple cases of community transmission occurring • Multiple active clusters in multiple regions 	<ul style="list-style-type: none"> • People instructed to stay home in their bubble other than for essential personal movement (ie work, school, or for local recreation) • Physical distancing of two metres outside home, or one metre in controlled environments like schools and workplaces. • People must stay within their immediate household bubble but can expand this to reconnect with close family / whānau, or bring in caregivers, or support isolated people. This extended bubble should remain exclusive. • Schools (yrs 1 to 10) and early childhood centres can safely open with limited capacity. Children should learn at home if possible. • People encouraged to work from home unless that is not possible. • Businesses cannot offer services that involve close personal contact, unless it is a supermarket, pharmacy, petrol station or hardware store providing goods to trade customers, or it is an emergency or critical situation. • Other businesses can open premises but cannot physically interact with customers. • Low-risk local recreation activities are allowed. • Public venues are closed (e.g. libraries, museums, cinemas, food courts, gyms, pools, playgrounds, markets). • Gatherings of up to 10 people are allowed only for wedding or civil union services, funerals and tangihanga. Physical distancing and public health measures must be maintained. • Healthcare services use virtual, non-contact consultations where possible. • Inter-regional travel is highly limited where an adjacent area is at a different alert level (e.g. for critical workers, with limited exemptions for others). • People at high risk of severe illness (older people and those with existing medical conditions) are encouraged to stay at home where possible and take additional precautions when leaving home. They may choose to work. • QR codes must be displayed in workplaces and on public transport to enable contact tracing via the NZ COVID Tracer App.

Alert Level	Risk Assessment	Range of Measures (mix of legal obligations and encouragement, can be applied locally or nationally)
Level 2 - Reduce The disease is contained, but the risk of community transmission remains	<ul style="list-style-type: none"> • Limited community transmission could be occurring • Active clusters in more than one region 	<ul style="list-style-type: none"> • People can socialise in groups of up to 100, go shopping, or travel domestically, if following public health guidance. • Keep physical distancing of two metres from people you don't know when out in public or in retail stores. Keep one metre physical distancing in controlled environments like workplaces, where practicable. Physical distancing is not required on public transport. • Face coverings required on public transport and aircraft (but not inter-island ferries) – school buses and children under 12 are exempt along with passengers in taxis or ride share services and people with disabilities or mental health conditions. • No more than 100 people at gatherings, including weddings, birthdays and funerals and tangihanga. • Businesses can open to the public if following public health guidance including physical distancing and record keeping. Alternative ways of working encouraged where possible. • Hospitality businesses must keep groups of customers separated, seated, and served by a single person. Maximum of 100 people in a defined space. • Sport and recreation activities are allowed, subject to conditions on gatherings, record keeping, and if practical physical distancing. • Public venues such as museums, libraries and pools can open if they comply with public health measures and ensure one metre physical distancing and record keeping. • Event facilities, including cinemas, stadiums, concert venues and casinos can have more than 100 people at a time, provided that there are no more than 100 in a defined space, and the groups do not mix. • Health and disability care services operate as normally as possible. • It is safe to send children to schools, early learning services and tertiary education. • People at higher-risk of severe illness from COVID-19 (e.g. those with underlying medical conditions, especially if not well-controlled, and seniors) are encouraged to take additional precautions when leaving home. • QR codes must be displayed in workplaces and on public transport to enable contact tracing via the NZ COVID Tracer App.
Level 1 - Prepare The disease is contained in New Zealand	<ul style="list-style-type: none"> • COVID-19 is uncontrolled overseas • Sporadic imported cases • Isolated local transmission could be occurring In New Zealand 	<ul style="list-style-type: none"> • Border entry measures to minimise risk of importing COVID-19 cases. • Intensive testing for COVID-19, rapid contact tracing of any positive case, together with self-isolation and quarantine. • Schools and workplaces open and must operate safely. • No restrictions on personal movement but people are encouraged to maintain a record of where they have been. • No restrictions on gatherings but organisers are encouraged to maintain records to enable contact tracing. • Stay home if you're sick, report flu-like symptoms. • Wash and dry hands, cough into elbow, don't touch your face. • No restrictions on domestic transport – avoid public transport or travel if sick. • No restrictions on workplaces or services, other than QR codes must be displayed. Contact tracing encouraged.

Public communications and engagement

Public communication and engagement play a crucial role in the Government's response to COVID-19. The public communications response is led by DPMC's COVID-19 Group

Supporting mass compliance with the Alert system rules has been the primary communications objective. This has been achieved by effectively mobilising the wider capacity of government, local government and core partners' communications, along with the DPMC COVID-19 Group maintaining a range of channels, especially the Covid19.govt.nz website, paid advertising and social media. The Unite Against COVID-19 campaign has been a significant part of the response, providing a pathway for decisions to be communicated directly to the public. Key policy changes are simplified, translated, and disseminated to people in New Zealand through these channels, which has generated high levels of voluntary public compliance.

A key focus of the communications approach has also been to counter misinformation, rumour and disinformation. Additionally, the challenges of fatigue and other psychosocial and economic impacts may begin to erode compliance at all Alert Levels.

It will be important to maintain an active public communications campaign for the foreseeable future, and to utilise the campaign and wider channels to increasingly support economic and social resilience and recovery from the impacts of COVID-19.

The COVID-19 Group's communications team manage a range of channels in order to reach all New Zealanders with important information, such as Alert Level changes or health behaviours. These include

- Paid advertising, which significantly improves the reach to people quickly in the event of resurgence or Alert Level changes. The paid advertising channels utilised include television, print, radio, social media, OOH (Out of Home e.g. billboards), video on demand.
- Social media, both a broadcast and customer service channel. Since 1 April 2020, approximately 2000 pieces of content have been posted across four social media channels (Facebook, Instagram, LinkedIn and Twitter). During Alert Level 4 each post reached two million people on average. Official social media sites have received more than 210,000 comments and messages.
- The Covid19.govt.nz website has become the authoritative source of information for people in New Zealand, and has been visited more than 21.5 million times. When New Zealand moved to Alert Level 3 or higher, the website received significant spikes of traffic, with 1,514,339 users visiting the site over 23-24 August, and 1,120,060 users over 11-12 August. Information is published in English, te Reo Māori, New Zealand Sign Language, 22 other languages and 5 alternative accessible formats.

Iwi and Māori organisations play a key role in engaging and distributing key messaging to their audiences, this includes providing targeted audience-centric engagement and communications. Translations have gone beyond simple literal translations, to refocusing messaging to acknowledge what is most affecting identified communities. The Ministry for Pacific Peoples (MPP) led a cross agency communications initiative to ensure Pacific communities and Pacific stakeholders can easily access accurate information, including translated content, to increase their understanding of government announcements, guidelines and support available to them.

A key focus of the public health response has been countering misinformation, rumour and disinformation. The strategy to respond is guided by four key ideas: rapid intervention to provide an alternative to the mis/disinformed narrative; an inclusive approach that recognises audience diversity; seeking media/social

media agreement to slow/stop the spread of inaccurate information; and direct engagement that is respectful and culturally appropriate, encourages participation, and empowers through dialogue.

An active public information campaign will be important to maintain for the foreseeable future. A particular challenge in Alert Level 1, where there are few legal controls or restrictions on people, will be addressing complacency and encouraging people to continue those simple behaviours (good hygiene, recording movements, avoiding gatherings if feeling unwell) that reduce the possibility and severity of any community outbreak. Additionally, the challenges of fatigue and other psycho-social and economic impacts may begin to erode compliance at all Alert Levels.

In the event of any future community-based outbreak, trusted and effective communications will again be one of the key elements to successfully stamping it out. Continuing to challenge misinformation will also be an ongoing necessity.

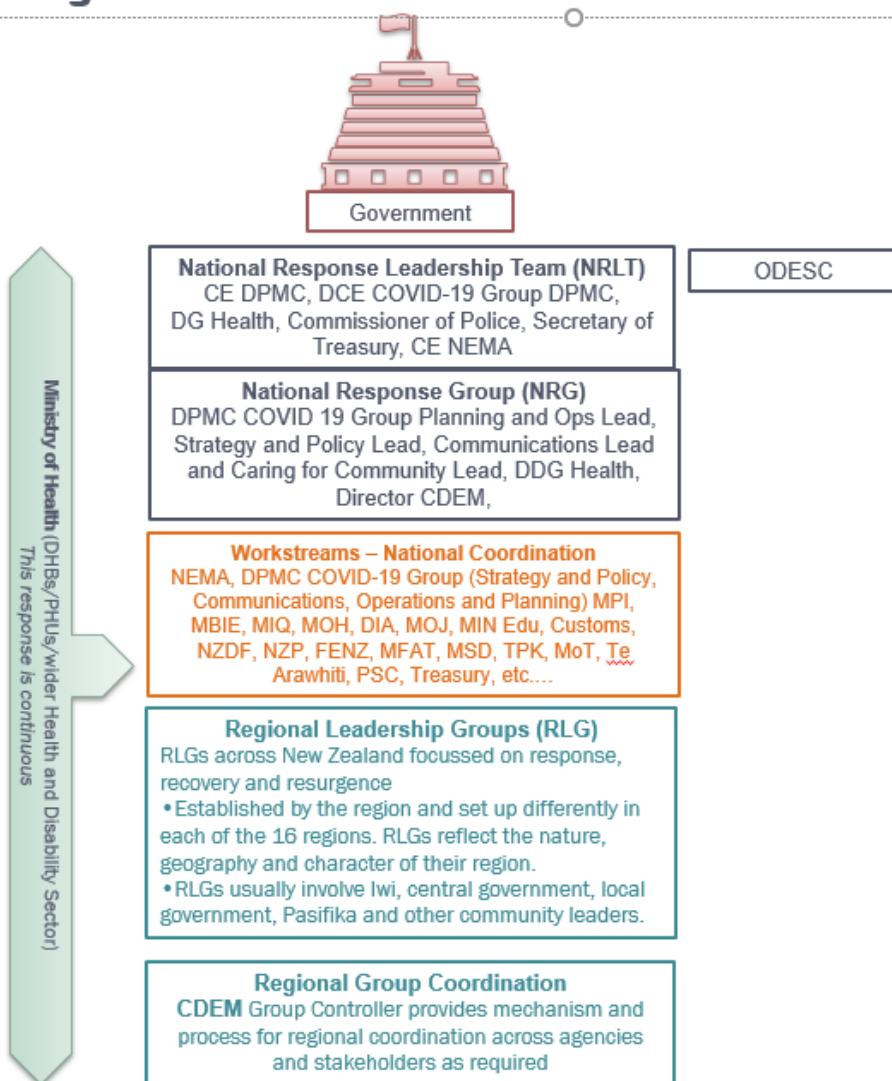
Resurgence planning

Although the August 2020 Auckland outbreak has been brought under control, there is a high level of planning for further resurgences. Work continues on a National Resurgence Response Plan to coordinate and operationalise a nationally-led, regionally-delivered response to any further resurgence of COVID-19. The development of the plan is led by DPMC and is an iterative process based on the Rapid Response plan agreed by Cabinet in August 2020 and informed by lessons from the August resurgence in Auckland.

Objectives of the plan include enabling effective decision making (nationally and locally), supporting the health system response, coordinating social and economic support for communities, coordinating public information and communications, and supporting and contributing to intelligence. Any response will comprise an assessment of community transmission, an immediate response to enable further information to be gathered, and a sustained response. The plan sets out governance and decision-making structures at the national and regional levels and shows when Ministers will be briefed and decisions they will need to take. The plan will set out improvements in how regional borders will be operationalised given they were a difficult point during the August Auckland resurgence. Officials will brief relevant Ministers as the plan evolves.

Figure 3 – Resurgence roles and responsibilities

Resurgence Structure



Vaccines and treatments

New Zealand has a vaccine strategy to secure access to a safe and effective COVID-19 vaccine. New Zealand is participating in the global COVAX facility, pursuing bilateral advance purchase arrangements with manufacturers and developing an immunisation programme to deliver a vaccine. A number of treatments for COVID-19 are currently being trialled internationally.

Vaccines

Clinical trials are being conducted on several vaccine candidates but there are many unknowns such as long-term effectiveness, effectiveness for the elderly and immuno-compromised, and the impacts on viral transmission. We should start seeing trial results from late November 2020 for vaccines currently in the last stage of clinical trials. These trial results will give us a greater understanding of potential efficacy.

In May 2020, Cabinet agreed a vaccine strategy which aims to secure an adequate supply of a safe and effective vaccine against COVID-19. A multi-agency taskforce has been established to deliver the strategy. The taskforce is following international developments and assessing the trade-offs between getting access to a vaccine quickly and its longer-term effectiveness.

Alongside many other countries, New Zealand has made a legally binding commitment and upfront payment to the COVAX Facility. The COVAX Facility is a global risk-sharing mechanism for pooled procurement and equitable distribution of eventual COVID-19 vaccines. With this, New Zealand seeks the option to purchase available vaccines with coverage for up to 50 percent of the population of the Realm of New Zealand (New Zealand, Tokelau, Cook Islands, and Niue). New Zealand has successfully advocated for access to vaccines for most Pacific Island countries through the COVAX Advance Market Commitment and is working with partner governments and other regional partners to support vaccine access and successful immunisation campaigns, especially in Polynesia.

The Government has signed an agreement to purchase 1.5 million COVID-19 vaccines – enough for 750,000 people – from Pfizer and BioNTech, subject to the vaccine successfully completing all clinical trials and passing regulatory approvals in New Zealand. s9(2)(j)

[REDACTED] The COVAX Facility and the agreements with pharmaceutical companies will form a portfolio of vaccines that will be sufficient for the whole population.

s6(a) [REDACTED] Producing enough doses of an effective vaccine will be an unprecedented global challenge, and New Zealand can play a role by developing its own domestic capability. s9(2)(k)
[REDACTED]

Medsafe is ensuring that the regulatory approval process is timely and of high quality, so that any vaccine approved for use in New Zealand meets domestic and internationally agreed criteria for quality, safety and efficacy. Environmental Protection Agency approval under the HSNO Act will also be required for some vaccines as they constitute new organisms into New Zealand.

Immunisation

The Ministry of Health is developing an immunisation programme to deliver a safe and effective vaccine. The programme aims to achieve sufficient population immunity and ensure protection for frontline workers, Māori, Pacific peoples, older people, and other population groups at particular risk from COVID-19. Key considerations include equity of outcomes and distribution for Realm countries and the broader Pacific.

The immunisation programme will be reviewed and adapted as relevant information becomes available on vaccine development or on the virus itself. Preparations for implementing the programme include considerations of workforce capacity and capability; timing and delivery; logistics and supply chain management, and technology to support effective delivery of the programme. Work is also underway to replace the current National Immunisation Register to better support a broader range of immunisation settings, consumer engagement, prioritisation of population groupings, and tracking of vaccine distribution. The Ministry of Health will continue to be guided by expert advice from the WHO and New Zealand expert groups on all aspects of vaccine and immunisation planning.

Treatments

At present, there are few proven treatments for people who are suffering from COVID-19; however, a variety of treatments are being trialled internationally for their effectiveness. These include a steroid that reduces inflammation, an antiviral drug that slows the replication of the virus, and laboratory-made antibodies. The

WHO is coordinating international efforts to fast-track and scale up randomised clinical trials around the world to find a treatment for COVID-19 at a rate that aims to be 80 percent faster than any traditional trial.

Medsafe has introduced an expedited process for assessment of clinical trials with COVID-19 therapies and will also prioritise the assessment of any new COVID-19 therapies.

Domestic response - key decisions and next steps

- At any time, Cabinet may need to make decisions on Alert Levels should there be further community cases.
- s9(2)(f)(iv) [REDACTED]
- s9(2)(f)(iv) [REDACTED]
- s9(2)(f)(iv) [REDACTED]

Section 3

Border management – overview

- *Border settings*
- *Immigration settings*
- *Managed Isolation and Quarantine Facilities*

Border settings

The New Zealand border has been closed since 19 March 2020 to all except New Zealand citizens and residents, their families, Australian citizens or residents ordinarily resident here, diplomatic and consular personnel, and air and cargo crew.

Limited exceptions are available for non-New Zealanders who are critical workers, people with humanitarian reasons to travel, partners of New Zealanders (from visa waiver countries), some temporary visa holders normally resident in New Zealand and some other agreed groups. In general, the thresholds for these exceptions are high. Demand for entry to New Zealand by non-New Zealanders remains high.

Anyone entering New Zealand must stay in a managed isolation and quarantine facility (MIQF) for at least 14 days, with tests at day 3 and day 12. There are limited exceptions to this requirement for diplomats and air crew. Maritime crew (seafarers on cargo vessels mainly) are not generally tested for COVID-19 and conduct their isolation while on board their vessel, so vessels can continue operating around New Zealand.

The MIQ fees regime began on 11 August 2020. Fees are charges for non-New Zealanders, New Zealanders entering temporarily, and for New Zealanders who left after the fees regime entered into force. The Managed Isolation Allocation System (MIAS) allows people to book their place in MIQ before flying and present a voucher upon check in at the airport.

Border entry

Regulating entry to New Zealand is managed under the Immigration Act 2009. Under that Act, persons other than New Zealand citizens must hold a visa to travel to and be in New Zealand, and the Minister of Immigration may issue immigration instructions, controlling the circumstances in which visas may be granted. New Zealand citizens do not require a visa to enter New Zealand, and entry restrictions cannot be applied to New Zealand citizens under the Immigration Act. This reflects their right of entry under section 18 of the New Zealand Bill of Rights Act 1990. Permanent residents, and holders of other resident class visas who have already been in New Zealand on those visas, are treated similarly to citizens and generally cannot be subject to entry restrictions.

To prevent, or limit the risk of, an outbreak or spread of COVID-19, those persons that are permitted to enter New Zealand are then subject to the requirements of either the:

- COVID-19 Public Health Response (Air Border) Order (No 2) 2020 or the
- COVID-19 Public Health Response (Maritime Border) Order (No 2) 2020

These Orders require most individuals arriving in New Zealand to enter managed isolation and quarantine. The COVID-19 Public Health Response (Isolation and Quarantine) Order 2020 sets out the requirements of isolation and quarantine. The recovery of charges relating to managed isolation or quarantine is prescribed by the COVID-19 Public Health Response (Managed Isolation and Quarantine Charges) Regulations 2020.

Air

The New Zealand air border has been closed since 20 March 2020 to all but a very limited number of foreign nationals. The closure of the border was put into effect by the Minister of Immigration via amending immigration instructions under the Immigration Act.

The restriction of entry into New Zealand has greatly reduced air passenger flows. This has had significant economic and social impact, particularly on the tourism, international education and aviation sectors.

The air border closure continues to have serious downstream impacts for many of our exporters and importers who are reliant on air freight, much of which is normally carried on passenger air services. The Government's International Air Freight Capacity Programme (under which the government provides funding to international airlines in return for guaranteed freight capacity), in combination with airfreight operated on a purely commercial basis, means that around 90 percent of pre-COVID 19 export freight volumes, and 70 percent of pre-COVID import freight volumes are currently being achieved.

Figure 4 - International commercial air passengers by month (Source; NZ Customs Service internal data)



Maritime

New Zealand's maritime border has been closed to cruise ships and most private vessels, but cargo and fishing vessels, and some other specialist vessels are allowed to enter. Other limited exemptions for Antarctic Research and Supply Vessels are also in place. These decisions are given effect under immigration instructions under the Immigration Act and under the Maritime Border Order noted above.

Most vessels arriving in New Zealand are commercial vessels (cargo and fishing vessels mainly). Crews on these vessels entering New Zealand must complete isolation which is normally on the vessel. Crews on commercial vessels seeking to take shore leave are tested when they arrive in New Zealand and can be given permission to take shore leave if they present a low risk i.e. it has been 14 days since the crew had contact with anyone (or a crew change occurred), no-one on the vessel has had COVID-19 symptoms in the previous 14 days, and all persons on the vessel return a negative test.

Additional foreign vessels (mainly private foreign vessels such as yachts) want to enter New Zealand. This can be because the visas of people on vessels in various places in the Pacific are expiring; people cannot easily travel home or go elsewhere; New Zealand is fairly free of COVID-19; these vessels are seeking refuge from the Pacific cyclone season; or people want to come to the America's Cup racing.

Immigration settings

Reflecting consideration of humanitarian, social and economic need, exemptions and exceptions to the closed border are currently available for the circumstances listed below. These were decided by the then Cabinet and are given effect under immigration regulations and instructions.

<p>Border exemptions – categories or people who are exempt from the border restrictions. In addition to NZ citizens and residents, this group includes:</p> <ul style="list-style-type: none"> • partners, guardians and children of a citizen or resident, if ordinarily resident in New Zealand, travelling with the person, or have a visa based on that relationship; • Australian citizens and permanent residents who are ordinarily resident in New Zealand; • diplomatic and consular personnel; and • people described in Regulation 25 of the Immigration (Visa, Entry Permission, and Related Matters) Regulations 2010 – this includes air crew, cargo ship crew, members of foreign armed forces travelling on military craft, people travelling from Antarctica. 	<p>Border exceptions - categories of non-New Zealanders that can be approved case-by-case to come to New Zealand, including:</p> <ul style="list-style-type: none"> • people travelling for humanitarian reasons. • citizens of Samoa and Tonga for essential travel to New Zealand; • temporary visa holders normally resident in New Zealand with strong connection to New Zealand • partners or dependents of temporary work or visa holders who normally live in New Zealand; • replacement cargo ship crew arriving by air; • marine crew arriving by the maritime border; • essential health workers, their partners and dependents, and • other critical workers, their partners and dependents.
---	--

Demand for entry to New Zealand by non-New Zealanders remains high. During 2020 there has been a gradual opening to key groups. As at 20 October 18,775 Expressions of Interest (EOIs)⁵ were received for family of a New Zealand citizen/resident exceptions, 7098 of which were successful. 9,623 EOIs were received for family of a temporary visa holder exceptions, 1,222 of which were successful. 14,260 EOIs were received for humanitarian exceptions, 1,409 of which were successful. 4,438 EOIs for critical health worker exceptions have been received, of which 2,568 were successful. 1,471 EOIs for critical workers have been received, of which 611 have been approved.

In August 2020 a Ministerial group was established to consider border exceptions for groups. The following groups have been permitted entry (several with caps on numbers): veterinarians, rural contractors, deep water fishing crews, personnel involved in priority defence programmes, some PhD students, and high priority foreign nationals transiting to the Pacific.

Managed Isolation and Quarantine Facilities (MIQF)

The COVID-19 Public Health Response (Air Border Order) was issued to require people entering New Zealand from another country to remain in managed isolation or quarantine for at least 14 days.

The Director-General of Health has directed that confirmed community cases should be isolated at a location (such as a dedicated facility) determined by Medical Officers of Health. Most community cases in the August 2020 Auckland resurgence were moved to a managed quarantine facility to minimise the risks of further spread.

MIQ is a complex system which includes accommodation facilities, transport, personnel, information systems, testing and broader health services. It enables positive COVID-19 cases to be detected early after arrival to

⁵ This number of Expressions of Interest may include some duplicates

New Zealand and isolated from the community. Delivering the MIQ system involves significant interdependencies between MIQ, Health, Immigration, NZDF, Police, Transport and Customs agencies.

The most recent instrument related to MIQF is the COVID-19 Public Health Response (Isolation and Quarantine) Order (No 2) 2020, of 20 September 2020. This Order outlines requirements around medical examinations, testing, isolation and quarantine, and restricted entry to facilities. The Minister of Health has the discretion to exempt people or classes of people from any requirements that are imposed by the Order.

Responsibility for managing air arrivals through MIQ was transferred to MBIE in June 2020, where it currently sits within the portfolio of the Minister of Housing. Customs has responsibility for maritime border processes. If maritime arrivals require isolation or quarantine, they are transferred into the wider MIQF system.

From 11 August 2020, New Zealanders who enter temporarily, or who leave New Zealand and then return, are charged for their stay in MIQ. Temporary visa holders are also required to pay, unless they left New Zealand on or before 19 March 2020, and were ordinarily resident in New Zealand as of 19 March 2020. All critical workers entering New Zealand are liable for charges. There is a process in place to waive charges in cases of undue financial hardship and other special circumstances.

The fee was set at a level that ensured it was not an unjustified limitation on people's right to return to New Zealand. New Zealand citizens and permanent residents have the right to enter and leave New Zealand under the Bill of Rights Act and the Immigration Act.

The Managed Isolation Allocation System (MIAS) is a web-based booking system allowing travellers to have a pre-booked place in a MIQ facility before entering New Zealand by air. The requirement to have booked a place in an MIQ facility before arriving in New Zealand, unless exempt, will become a legal requirement from 5 November. As at 19 October, 20,946 people have allocations secured over the next three months. There are plans to upgrade the MIAS system to allow greater functionality including prioritisation between different types of entrant.

Border management - key decisions and next steps

- Decisions around immigration settings are needed early in the next term of government. These decisions will include consideration of the current settings for critical workers and other exceptions as well as the possibility of allowing larger groups to enter. This work will be led by MBIE.
- In the short term, decisions on the ongoing supply of managed isolation and quarantine facilities will also be needed. Ministers may wish to consider the current MIQF model, including the booking system and the overall costs. Portfolio Ministers will receive advice about the quantum and timing of funding needed if the current settings continue. This advice will be led by MBIE.
- Increased demand from foreign vessels to enter New Zealand is expected over coming months as general exemptions to the Maritime Border Order (e.g. an expected request for a general exemption for craft wanting to come to New Zealand for the America's Cup). Ministers will receive advice from border agencies to aid decisions for the overall approach to this challenge.
- Funding decisions will be required in a range of areas, including for MIQF provision, the aviation sector, (including maintenance of air freight capacity), and the operational costs of the border agencies that are substantially funded from third party fees and charges. Border agencies will lead this advice.

Section 4

Economic, social and international impacts and response – overview

- *Economic and fiscal impacts*
- *Social impacts*
- *International relations and trade impacts*

Economic and fiscal impacts

The economic impact of the COVID-19 pandemic has been severe.

The rapid introduction of measures, particularly successive versions of the wage subsidy, has cushioned the immediate impact of the pandemic on households and businesses.

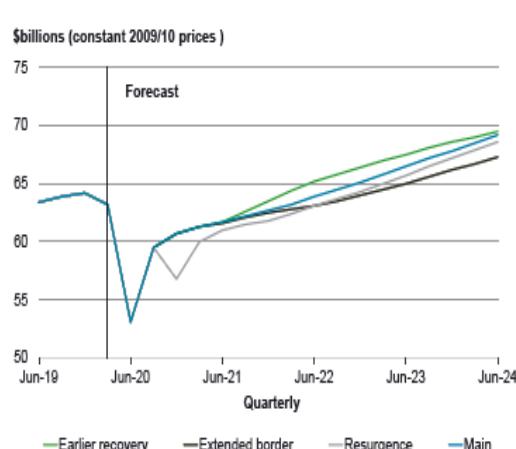
However, the economy is now facing a significant period of economic adjustment and higher unemployment.

The path of the disease and its effective management, both internationally and domestically, are the most critical determinants of the economic outlook in the near term.

The Pre-Election Economic and Fiscal Update (PREFU) forecasts the economy will shrink by 3.1 percent in 2020 and 0.5 percent in 2021 before growth resumes in 2022. There remains a high level of uncertainty around economic projections due to the path of the disease (see Figure 5).

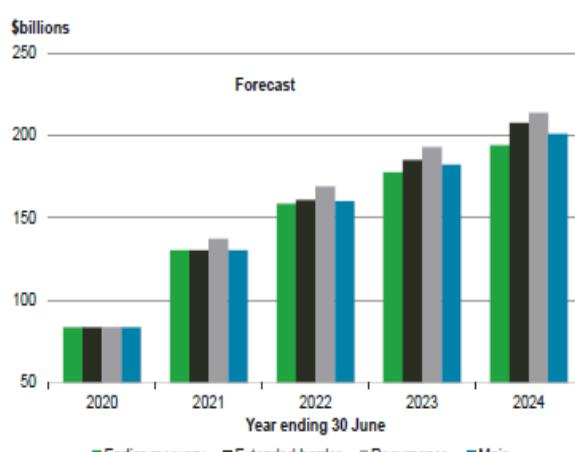
Figure 5: Forecasts of Real GDP growth (LHS) and Net Core Crown Debt (RHS)

Forecast Real GDP growth



Sources: Stats NZ, the Treasury

Net core Crown debt



Source: The Treasury

The economic policy response has been large, swift and effective in cushioning the immediate impact. The rapid introduction of measures, particularly successive versions of the wage subsidy, provided broad and immediate support for New Zealanders, reducing the impact on businesses and job losses in the face of a sharp reduction in economic activity. These income support measures are expected to end by mid-November 2020.

Prior to the resurgence, the economy experienced a rapid return to activity in many sectors as health restrictions were reduced earlier than expected. The economy now faces a lengthy period of economic adjustment and a slow and uneven recovery. The key challenge, in light of an uncertain outlook, is to adopt policies that increasingly shift the balance to a more rapid resumption of growth and employment.

The strong Crown balance sheet prior to the pandemic has helped absorb the fiscal impact from COVID-19. Lower growth and a large fiscal policy response resulted in a significant deterioration in the fiscal position. However, there remains adequate fiscal space to adopt cost-effective temporary economic response measures to circumstances as they arise. In the near term, there remains \$14.1 billion in the COVID-19

Response and Recovery Fund (CRRF). Any new strategy will need to reflect the stronger fiscal pressures over the horizon. Over the next year the Government will need to set out a revised fiscal strategy that takes into account the near-term uncertainty.

The path of the disease and its effective management in New Zealand and abroad are the most critical determinants of the economic outlook. Uncertainty about future domestic resurgence, resumption of more normal border flows, and the outlook for the world economy all argue for an agile and flexible economic response.

Social impacts

New Zealanders will experience the impacts of COVID-19 on all aspects of their lives, well beyond health and economics. A further resurgence of COVID-19 is likely to have a disproportionate impact on priority population groups who are already affected by existing inequalities in social and economic outcomes.

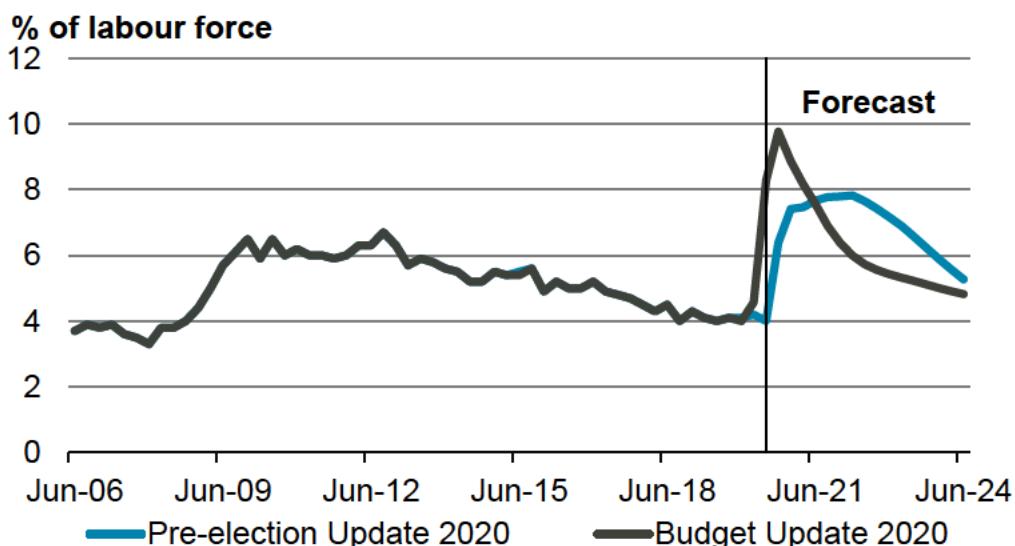
The temporary public health measures put in place during Alert Level 3 and 4 may have both increased the social impacts on individuals, whānau, and communities, while at the same time, limiting the avenues people have usually reached out to for support.

The long-term economic and psychosocial impacts will likely be experienced for years after economic growth has returned, as we have seen following other economic downturns.

Employment and income

The labour market in New Zealand was more resilient than first thought. Although unemployment has climbed as a result of the impact of COVID-19 measures on businesses and employers, it hasn't reached the high levels that were initially expected. Unemployment is expected to continue to rise to 7.8 percent in mid-2022. This is both lower and later than the forecast peak in the Budget 2020 Update of 9.8 percent in the September 2020 quarter (Figure 6).

Figure 6: Unemployment rate forecasts at BEFU and PREFU (Sources: Stats NZ, the Treasury)



Consistent with past recessions, early indications are that the lower skilled and low paid are most vulnerable to job loss and/or reduced earnings. Māori, Pacific peoples and ethnic communities have been

disproportionately represented in such groups in the past and have already been laid off at a significantly higher rate than New Zealand Europeans per capita since February this year. Disabled people have experienced longstanding barriers to accessing employment and it will be more difficult to navigate in tightened labour market competing with other displaced workers. Disability employment providers, including business enterprises, that rely on the sectors affected by COVID-19 to employ disabled people have particularly been impacted. While older people are less likely to be in material hardship due to COVID-19 than younger people, some are experiencing financial difficulties and more older people are struggling financially.

Income disruption may make it harder for some New Zealanders to meet their current and future financial obligations, including servicing debts and saving for retirement. According to the OECD, even before COVID-19, 53 percent of New Zealanders did not have enough liquid assets to live above the national relative income poverty line for three months if their income were to suddenly stop, significantly worse than the OECD average.

Loss of income will have flow on effects for housing, health care and food affordability with food insecurity already being higher for Māori and Pacific peoples. The March lockdown in Alert Level 4 saw a spike in the demand for food parcels, which has now eased, but remains substantially higher than in recent years.

Housing will continue to be a significant challenge, with rising unemployment leading to further housing stresses for lower income families. This is demonstrated by increased uptake of financial assistance for housing costs, increased use of emergency housing and a high and growing public housing register and general housing waitlists. Recent data has shown an increase of older people on the public housing register, although that is still lower than for other age groups.

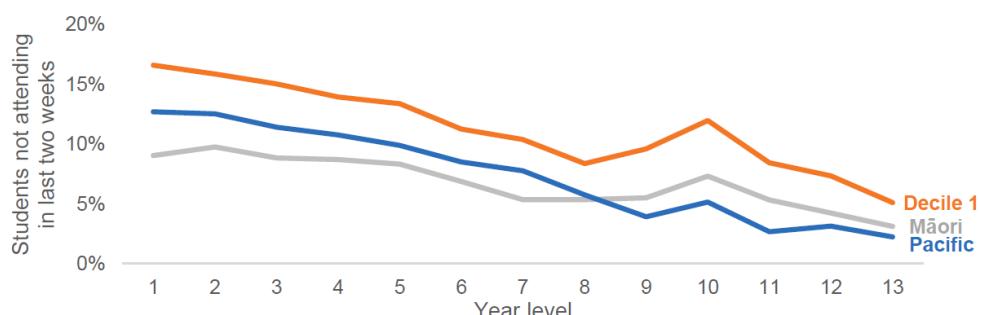
The impact of COVID-19 on tourism and accommodation sectors means that emergency housing needs for the homeless and rough sleepers were able to be met through the use of motels. Long term, the availability of housing will continue to be a pressure.

Social and psychosocial impacts

For households where resources are diminished or strained, social impacts may be felt through increased general anxiety, and a greater risk of family conflict, violence and abuse, including elder abuse. Although family violence levels, as reported by Police, remain similar to pre COVID-19 levels, ongoing monitoring will be required to establish whether the impacts of COVID-19 are having a long-term effect.

Long periods of absence from school due to Alert Level restrictions has caused significant disruption to learning and engagement for New Zealand's young people, particularly for Māori and Pacific children (see Figure 8). The Ministry of Education is working with schools, kura and early learning services and Kōhanga Reo to address attendance issues, re-engagement in learning and wellbeing for children and young people.

Figure 8: Rates of Auckland students not attending school at all in two weeks after the August 2020 Auckland lockdown (Source: Caring for Communities, Ministry of Education)



COVID-19 has also highlighted issues for those who are digitally excluded, and who therefore face additional challenges with social connection, access to key goods and services, including internet banking, and education. The substantive move to online learning has highlighted the inequity of access to digital connectivity, including for tertiary students. The Ministry of Education continues to work to address barriers to affordability for devices and internet connectivity. Older New Zealanders may also experience increased isolation

Early in the response, Caring for our Communities was established to coordinate the socioeconomic response and recovery of regions and communities. Caring for our Communities leads engagement with the 16 established regional leadership groups, which have broad representation from local government (at Mayor or Chief Executive level), central government (Regional Public Service Leads and/or other regionally based public service leaders) and Iwi (at chair or Chief Executive level). Regional leadership groups provide governance and local leadership to recovery and resurgence planning, response activity and recovery.

International relations and trade impacts

While COVID-19 does not fundamentally change the global geostrategic landscape, it does intensify existing challenges and pressures on New Zealand's foreign and trade policy.

The IMF and OECD estimate that the global economy will contract by 4.5 percent this year, before growing 5 percent in 2021. New Zealand's export sector and international supply chains have taken a severe hit from COVID-19, making a focus on trade and export growth more important than ever.

The Pacific and Australia remain a focus for foreign policy, with Safe Travel Zones/quarantine-free travel a key issue. In the Pacific, COVID-19 is causing economic crises and has set back development gains.

Helping New Zealanders offshore (consular work) is expected to need ongoing focus, as well as ongoing assistance to assist foreign nationals in New Zealand who are experiencing serious hardship.

While East Asia saw the earliest cases, at October 2020, the Americas and India are the centre of the pandemic, and cases are rising strongly again in Europe. While many countries managed initial outbreaks effectively, many have found subsequent outbreaks more difficult to contain. The IMF and the OECD both estimate the global economy will contract by around 4.5 percent this year⁶. Global output fell in the first half of 2020 with declines of more than 20 percent in some advanced and emerging-market economies, and global trade contracted by more than 15 percent. The fall in output was largely due to weaker household consumption. Without the policy support introduced in all economies, the contraction in output would have been substantially larger. Output picked up following the easing of confinement measures, but the global recovery has lost momentum in recent months. Business and consumer confidence, business investment, and international trade remain weak.

The IMF and OECD project global GDP will expand by 5 percent in 2021. This remains heavily conditional on the progress of the pandemic and assumes that sporadic outbreaks will be dealt with by local interventions rather than national lockdowns and that a vaccine is not widely available until late 2021. A resurgence in the virus or more stringent containment measures could halve that growth rebound. Even with this recovery, output at the end of 2021 is expected to remain below that at the end of 2019 for most countries. Many major advanced economies could have lost the equivalent of 4-5 years of per capita real income growth by 2021

⁶ OECD Interim Economic Outlook, 16 September 2020, IMF World Economic Outlook, 7 October 2020.

and much of the progress in reducing global poverty since the 1990s will have been reversed. Furthermore, “scarring” effects are expected to persist over the medium term.

The Indo-Pacific area looks likely to emerge from the crisis in better shape than other regions and has historically demonstrated resilience. Most of our key markets are in this region. Hosting APEC in 2021 could help New Zealand to influence the region’s response to COVID-19 and signal New Zealand’s position.

On trade recovery, while agriculture exports fared well initially, Treasury predicts a 15.4 percent drop in overall exports for the year ended June 2021. In response, government agencies are focused on supporting exporters and trade recovery by tackling trade barriers, supporting international airfreight to enable New Zealand exports to reach their markets and using our offshore network to help businesses stay connected. New Zealand’s Trade Recovery Strategy includes negotiating new trade agreements.

Supply chains and the freight sector have remained mostly resilient, despite the air border closure reducing freight capacity. This is partly because sea freight, which made up about 99.7 percent of trade volume and 80 percent of trade value in 2019, has not been as seriously disrupted as air freight. There continues to be an increase and recovery in demand and flows of goods across the border are now largely at pre-COVID-19 levels. Nonetheless emerging pressures on sea freight are arising from competing international demand for container services, congestion issues at the Ports of Auckland, and travel restrictions hindering the changeover of shipping crews globally. The Ministry of Transport has been supporting international airfreight through the International Airfreight Capacity (IAFC) Scheme and is monitoring the pressures on sea freight, as well as the longer-term impacts of COVID-19, to ensure we can continue to support our imports and exports.

In the Pacific, despite the low number of cases, COVID-19 has caused significant economic crises. The region has seen GDP contract 6.1 percent (twice the global average) and continues to be vulnerable to outbreaks. New Zealand has supported more than 5000 stranded Pacific nationals to return home safely. More broadly, New Zealand is partnering with Pacific countries on humanitarian outbreak response; health security and preparedness (including vaccines); regionalism and borders (including work on the Recognised Seasonal employer scheme and safe travel zones); economic resilience; and security and stability. This will include discussions on the Recognised Seasonal Employer Scheme. Sustained policy and development (aid) interventions in the Pacific will be required.

Discussions are well advanced on a Trans-Tasman COVID-19 Safe Travel Zone (TTSTZ) though some key aspects are still to be resolved; in the meantime, Australia has unilaterally opened some of its states to travellers from New Zealand, as have some other countries. An arrangement text has been agreed in principle at officials-level with the Cook Islands to facilitate quarantine-free travel when it is safe to do so. Initial discussions are under way with Niue on quarantine-free travel. s6(a)

A number of other countries are COVID-free and/or have expressed interest in quarantine-free travel with New Zealand; Ministers will be asked to give ongoing direction to these areas of work.

Providing consular support

The COVID-19 pandemic required the largest and most complex consular response in New Zealand’s history, with more than 1,300 consular cases relating to the pandemic and nearly 55,000 general enquiries since 1 March 2020. The limited availability of flights to return remains an issue, although the number of New Zealanders seeking government help with travel-related consular problems is reducing. More than 5,000 New Zealanders have been repatriated on 110 non-scheduled flights. Increasingly these flights are being organised by private charter operators. Demand for consular services is expected to continue given the

deteriorating global COVID-19 situation and the need to book a place through the Managed Isolation Allocation System (MIAS).

There are approximately 297,250 temporary visa holders in New Zealand. Foreign diplomatic missions provide consular assistance to their own citizens, but a short-term support programme (1 July to 30 November 2020) led by the Department of Internal Affairs provides in-kind assistance to foreign nationals experiencing serious hardship due to COVID-19. New Zealand has supported foreign governments to undertake repatriation flights, with 105 flights departing New Zealand between 3 April and 5 October 2020.

Ministers, officials and exporters are not able to undertake the same range of activities abroad, and so Embassies, High Commissions and Consulates are already being called on to do more. At the same time, New Zealand's offshore diplomatic network is facing ongoing operating challenges as some posts temporarily close and some offshore staff return to New Zealand.

Economic, social and international impacts - key decisions and next steps

Economic

- The immediate economic and fiscal management challenges are:

- decisions about investment to build resilience to COVID-19, including decisions about health and social sector capacity and investment in vaccines;
- development (or extensions of current policies) of a comprehensive set of economic responses that can flex to respond to resurgence events and different alert levels restrictions;
- developing a package of measures to support a more rapid return to full employment; and
- resetting a medium-term economic strategy that recognises the weaker and more uncertain economic and fiscal backdrop and the existing inequalities in social and economic outcomes.

- Decisions will need to be made about whether to resume or replace temporary income support measures, such as the wage subsidy, the COVID-19 Income Relief Payment (CIRP) and leave support schemes. Details of these will be covered in briefings from the Treasury, MSD and MBIE. As many of these measures have already or will end by mid-November, early discussions with portfolio Ministers may be required.

Social

- MSD has commenced some early work on factors that support community resilience, with a particular focus on Auckland following the August 2020 resurgence. This will lead to some further work and recommendations for a medium-term plan. There is a role for Te Puni Kōkiri (TPK) and the Ministry for Pacific Peoples (MPP) to bring Māori and Pacific economic focus to this work.

International policy

- Foreign and trade policy settings will require ongoing review in light of the COVID-19 context. In the Pacific, COVID-19 will require consideration of sustained policy and development (aid) interventions.
- A key policy focus will be how New Zealand will re-open to the rest of the world, and when. This set of issues will require consideration of the course of the pandemic in New Zealand and elsewhere in the world, labour market and economic factors, and social and humanitarian factors, as well as international obligations. Portfolio Ministers will be asked to give ongoing direction to these areas of work. DPMC's COVID-19 Group will support coordinated advice.
- Ministers can expect to receive updates on the current Safe Travel Zone negotiations with Australia and quarantine-free travel with the Cook Islands and Niue for decision at the appropriate time.

Section 5

Key decisions and next steps - summary

- *Domestic response*
- *Border management*
- *Economic, social and international impacts*

Key decisions and next steps - summary

Domestic response	Lead agency
<ul style="list-style-type: none"> At any time, Cabinet may need to make decisions on Alert Levels should there be a further community outbreak. s9(2)(f)(iv) [REDACTED] 	DPMC/MOH - as required s9(2)(f)(iv) [REDACTED]
<ul style="list-style-type: none"> s9(2)(f)(iv) [REDACTED] s9(2)(f)(iv) [REDACTED] 	s9(2)(f)(iv) [REDACTED]
<ul style="list-style-type: none"> s9(2)(f)(iv) [REDACTED] 	s9(2)

Border management	Lead agency
<ul style="list-style-type: none"> Decisions around immigration settings are needed early in the next term of government. These decisions will include consideration of the current settings for critical workers and other exceptions as well as the possibility of allowing larger groups to enter. 	MBIE
<ul style="list-style-type: none"> In the short term, decisions on the ongoing supply of MIQ facilities will also be needed. Ministers may wish to consider the current MIQ model, including the booking system and the overall costs. Portfolio Ministers will receive advice about the quantum and timing of funding needed if the current settings continue. 	MBIE
<ul style="list-style-type: none"> Increased demand from foreign vessels to enter New Zealand is expected over coming months as general exemptions to the Maritime Border Order (e.g. an expected request for a general exemption for craft wanting to come to New Zealand for the America's Cup). Ministers will receive advice from border agencies to aid decisions for the overall approach to this challenge 	Border agencies
<ul style="list-style-type: none"> Funding decisions will be required in a range of areas, including for MIQF provision, the aviation sector, (including maintenance of air freight capacity), and the operational costs of the border agencies that are substantially funded from third party fees and charges. Border agencies will lead this advice. 	Border agencies

Economic, social and international impacts	Lead agency
<p><i>Economic</i></p> <ul style="list-style-type: none"> The immediate economic and fiscal management challenges are: (i) decisions about investment to build resilience to COVID-19, including decisions about health and social sector capacity and investment in vaccines; (ii) development (or extensions of current policies) of a comprehensive set of economic responses that can flex to respond to resurgence events and different alert levels restrictions; (iii) developing a package of measures to support a more rapid return to full employment; and (iv) resetting a medium-term economic strategy that recognises the weaker and more uncertain economic and fiscal backdrop and the existing inequalities in social and economic outcomes. Decisions will need to be made about whether to resume or replace temporary income support measures, such as the wage subsidy, the COVID-19 Income Relief Payment (CIRP) and leave support schemes. Details of these will be covered in Treasury and MSD and MBIE briefings. As many of these measures have already or will end by mid-November, early discussions with portfolio Ministers may be required. 	Treasury, MBIE, IRD Treasury, MSD, MBIE, IRD
<p><i>Social</i></p> <ul style="list-style-type: none"> MSD has commenced some early work on factors that support community resilience, with a particular focus on Auckland following the August 2020 resurgence. This will lead to some further work and recommendations for a medium-term plan. There is a role for Te Puni Kōkiri (TPK) and the Ministry for Pacific Peoples (MPP) to bring Māori and Pacific economic focus to this work. 	MSD
<p><i>International policy</i></p> <ul style="list-style-type: none"> Foreign and trade policy settings will require ongoing review in light of the COVID-19 context. In the Pacific, COVID-19 will require consideration of sustained policy and development (aid) interventions. A key policy focus will be how New Zealand will re-open to the rest of the world, and when. This set of issues will require consideration of the course of the pandemic in New Zealand and elsewhere in the world, labour market and economic factors, and social and humanitarian factors, as well as international obligations. Portfolio Ministers be asked to give ongoing direction to these areas of work. DPMC COVID-19 Group will support coordinated advice. Ministers can expect to receive updates on the current Safe Travel Zone negotiations with Australia and quarantine-free travel with the Cook Islands and Niue for decision at the appropriate time. 	MFAT Portfolio departments DPMC CRG MFAT

Annex 1: COVID-19 Legal Framework

HEALTH RESPONSE

COVID-19 Public Health Response Act 2020	Health Act 1956
<p>If the prerequisites exist, the Minister of Health may make orders applying to class of persons (not individuals), places, vehicles or things which may include:</p> <ul style="list-style-type: none">• Movement/gathering restrictions• Physical distancing requirements• Medical exam/testing• Closure of premises/businesses/services• Isolation/quarantine <p>Orders may be amended, extended or revoke at any time by the Minister. Otherwise, orders expire after 1 month, unless extended.</p> <p>Currently in force: COVID-19 Public Health Response (Alert Level Requirements) Order – NZ at Alert Level 1</p>	<p>Medical officer of health:</p> <ul style="list-style-type: none">• If the prerequisites exist, may use any of the section 70 powers in relation to people (individuals), places, vehicles or things.• Can give directions to an individual and their contacts, posing a public health risk, under Part 3A subpart 2.• Section 92L grounds for directing the closure of educational institutions* <p>Part 3A subpart 5 – requirements for contact tracing</p> <p>*Education and Training Act 2020 – for education entities the Secretary of Education may close, open, specify requirements for their operation or methods for delivering education.</p>

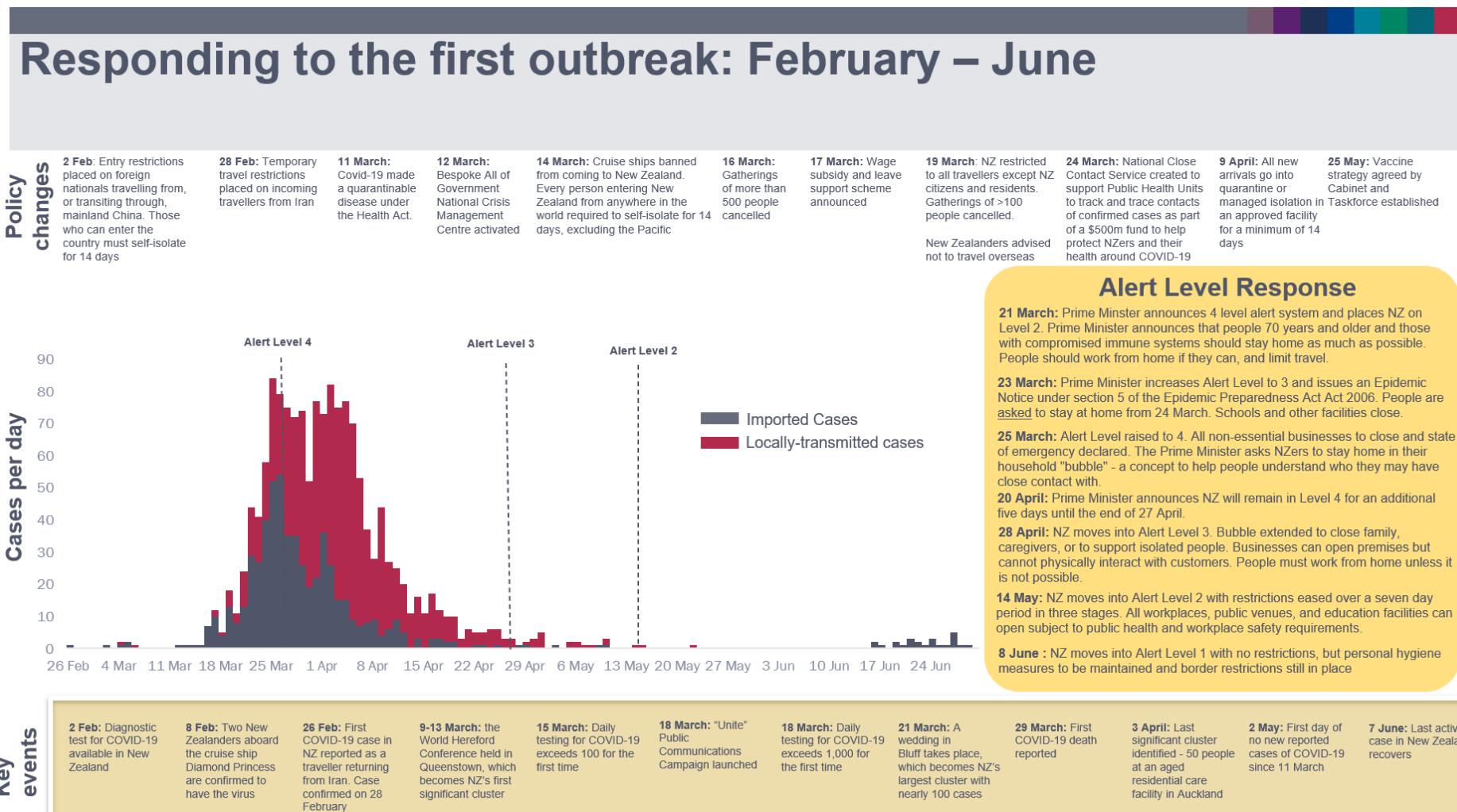
ADDITIONAL POWERS

Epidemic Preparedness Act 2006	Civil Defence Emergency Management Act 2002
<p>Prime Minister may issue an Epidemic Notice, with agreement of Minister of Health, based on DG of Health advice, which provides:</p> <ul style="list-style-type: none">• One of the possible prerequisites for COVID-19 order/ Health Act s 70• Executive branch of government may amend primary legislation without Parliament <p>Epidemic Notice expires after 3 months unless renewed.</p> <p>Currently in force: Epidemic Notice renewed 23 September</p>	<p>Minister of Civil Defence may declare a state of national emergency, which provides:</p> <ul style="list-style-type: none">• One of the possible prerequisites for COVID-19 order/ Health Act s 70• Additional powers that may be exercised by Police or authorised persons <p>State of emergency expires after 7 days unless extended.</p>

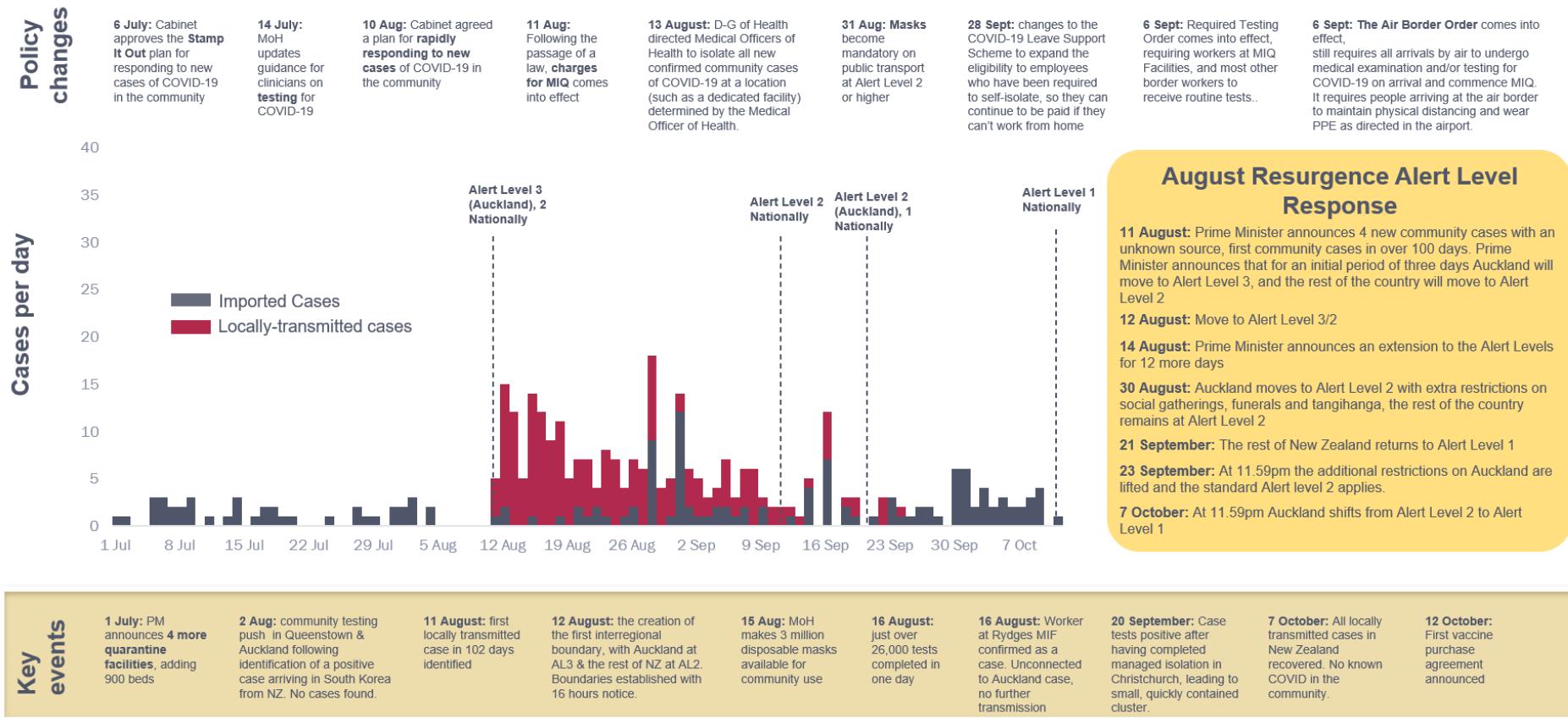
BORDER PROTECTION

Immigration Act 2009	COVID-19 Public Health Response Act 2020 Orders and Regulations
<p>Minister of Immigration certifies immigration instructions to restrict entry permission and visa eligibility or conditions</p> <p>NZ citizens continue to have a right of entry (NZ Bill of Rights Act 1990)</p>	<p>COVID-19 Air/Maritime Border Orders</p> <ul style="list-style-type: none">• Arrival requirements (med exam/testing, commencement or continuance of isolation or quarantine• Restrictions on which ships may arrive, enables safe transfer of crew <p>COVID-19 Isolation and Quarantine Order</p> <ul style="list-style-type: none">• Requirements for persons who must be isolated or quarantined• Restricts entry to managed isolation or quarantine facilities <p>COVID-19 MIQ Charges Regulations</p> <ul style="list-style-type: none">• Prescribes recovery of charges from any class of persons, and provision to grant relief from payment

Annex 2: Evolution of COVID-19 Strategy and Response in New Zealand



Responding to the second outbreak: July – October



Annex 3: Current litigation [Legally privileged]

The COVID-19 response decisions are subject to the usual processes for scrutiny and challenge. There are currently two active applications relating to judicial review.

Borrowdale v Director-General of Health [2020] NZHC 2090

Mr Borrowdale brought a judicial review application claiming:

- There was no legal authority for the public announcements made by the Prime Minister and other officials during the first 9 days of the lockdown.
- Orders made by the Director-General of Health for lockdown at Alert Levels 4 and 3 were ultra vires (exceeded the powers prescribed by section 70 of the Health Act).
- The Director-General's delegation of defining "essential businesses" in Alert Level 4 to unnamed MBIE officials was unlawful.

The first of these claims was upheld in a judgment of 19 August 2020. The High Court declared that the first 9 days of Alert Level 4 lockdown, while justified, was unlawful. Mr Borrowdale has appealed to the Court of Appeal regarding the causes of action that were not upheld by the High Court. We anticipate the appeal will be heard in 2021. This proceeding is confined to the Alert Level 4 and 3 periods during March–May 2020 (when Alert Level restrictions were implemented under the Health Act). **s9(2)(h)**

