

Office of the Minister for COVID-19 Response  
Cabinet

## COVID-19 RESPONSE: 15 NOVEMBER REVIEW OF ALERT LEVEL SETTINGS

### Proposal

- 1 In response to the current level of public health risk, I propose Cabinet considers either:
    - 1.1 moving Waikato to Alert Level 2 at 11.59pm Tuesday 16 November;
  - OR
  - 1.2 keeping Waikato at Alert Level 3, Stage 2, to be reviewed on 22 November.
- 1 In addition to this, I propose we keep the rest of New Zealand (except Auckland) at Alert Level 2.

### Relation to government priorities

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

### Summary

- 3 As at 9am Friday 12 November 2021 there have been 5196 cases associated with the Auckland August outbreak. Of these, 4916 are in the Auckland District Health Boards (DHBs), 218 in Waikato DHB, 39 in Northland DHB, 17 in Wellington DHB, 4 in Canterbury DHB, 1 in Nelson Marlborough DHB, and 1 in Taranaki DHB. In the 24 hours to 9am Friday 12 November, 201 new community cases were confirmed – 181 in the Auckland region, 15 in Waikato, 4 in Northland, and 1 in Taranaki (there were 5 additional cases reported in the media overnight, but will be in official numbers tomorrow). The seven-day rolling average for New Zealand is 166 cases per day.
- 4 As at Friday 12 November, there are currently 85 people in hospital, 11 of whom are in ICU (5 people in ICU are on ventilators). So far during this outbreak, 7 people have died whilst infected with COVID-19.
- 5 Outcomes for transmission and hospitalisation over the past couple of weeks suggest that we are currently tracking between the modelled "pessimistic" and the "middle" scenario projections. Estimates for the previous two weeks suggest that  $R_{\text{eff}}$  is consistently averaging between 1.2 and 1.3.

### *Waikato and the rest of New Zealand*

- 6 As at 9am Thursday 11 November, there are 127 active cases, following 25 notified in previous 24 hours. Of the new cases, 15 were in one household

already known to Waikato DHB and had started isolating recently. Of the remaining cases, three were contacts of other cases and were already known.

- 7 The Public Health Risk Assessment notes that while new cases continue to be identified in Waikato, they remain mostly linked to existing cases and confined to household groups rather than indicative of widespread community transmission. Waikato testing rates remain consistently high, and the public health view is that testing is occurring in the right places.
- 8 Further, vaccination rates in the Waikato area continue to reflect most national averages and the Waikato DHB health system capacity has adequate capacity to respond to new cases being detected. From a public health perspective, the recommendation to move Waikato to either Alert Level 3, Stage 3 (3.3) or Alert Level 2 is proportionate to the risk of transmission of COVID-19, given the level of risk for communities in these areas. The risk of undetected community transmission in Waikato has shifted from Medium to Low-Medium.
- 9 On the basis of the public health risk assessments and the Director-General's interim public health advice, I propose Cabinet agrees to move Waikato to Alert Level 2 at 11.59pm Tuesday 16 November and keep the rest of New Zealand (except Auckland) at Alert Level 2.

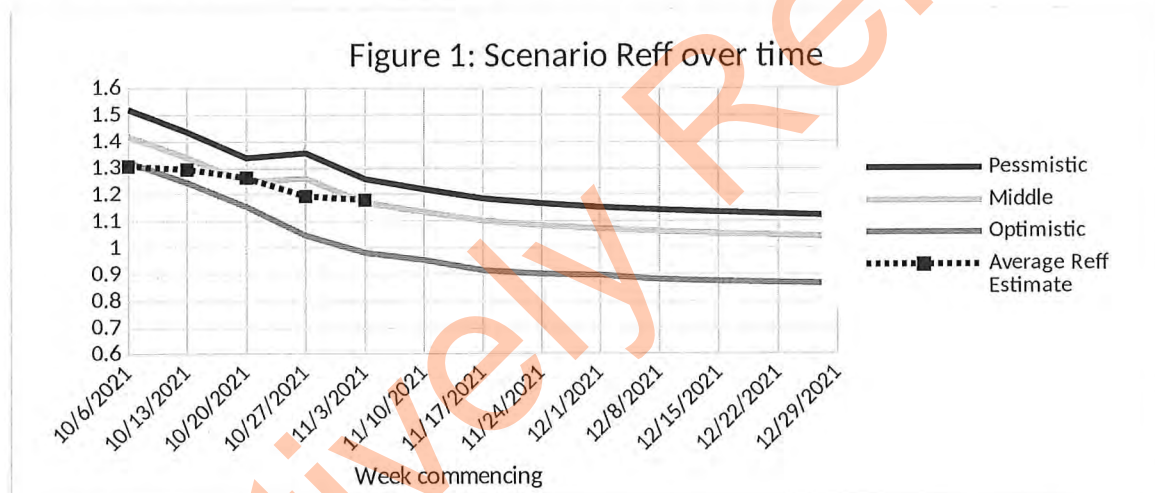
*Other considerations*

- 10 On Monday 8 November Cabinet invited the Minister for COVID-19 Response to report back to Cabinet on the path for moving Auckland to Alert Level 3.3. This paper outlines considerations and implications of moving Auckland or Waikato to Alert Level 3.3.
- 11 The timing of any future consideration of reducing restrictions in Auckland also needs to be balanced against when future decisions regarding the COVID-19 Protection Framework (the Framework) are likely. There may be little value in announcing a change to 3.3 for Auckland if a week later they transition to the Framework. On the other hand, there will be some businesses who will benefit from even a short period at Alert Level 3.3 and would support moving. These decisions must strike a balance between relieving continued negative impacts of businesses staying closed with the potential confusion of new set of rules and the risk of compounding change.
- 12 The paper also provides a broad assessment of cumulative impact of three months of lockdown in Auckland (and to a lesser extent, around the country) including economic, social, operational and rights components. The economic cost is felt most particularly in regions and sectors most impacted by restrictions. The Treasury expects that the current outbreak and restrictions will continue to dampen activity over the remainder of 2021, with a strong rebound expected in the first half of 2022. However, significant uncertainty remains around these forecasts.

Updated modelling in relation to the current outbreak

Simulating case trajectories

- 13 Te Pūnaha Matatini scenario projections for COVID-19 cases were updated on Wednesday 27 October, fitted to recent case data. These projections are based on a path for the effective reproduction number ( $R_{eff}$ ) which reduces over time as a result of expected increasing vaccination coverage in Auckland. The scenarios presented here assume reduced case management and contact tracing effectiveness above 1000 active cases.<sup>1</sup>
- 14 The projections are based on increasing rates of vaccination in Auckland. They are not generalisable nor should they be applied proportionately across New Zealand, given the stage of the outbreak and the boundary between Auckland and the rest of the country. However, since we expect exposure events outside of Auckland will increase in proportion with the rise in case numbers within Auckland, they are relevant to immediate decisions on our settings outside of Auckland.



- 15 These pathways for  $R_{eff}$  generate the expected case numbers of Figure 2. Figures 3 and 4 depict related hospital and ICU utilisations for the “Middle” and “Pessimistic” scenario, respectively. Projections for hospital and ICU utilisation are sensitive to the demographics of active cases (particularly age structure) and assumptions for the average length of stay.

<sup>1</sup> Using the same model, Te Pūnaha Matatini have produced scenario projections which assume no degradation in case management and contact tracing performance. It is these results which are used in the Northern Region projections, and through to the end of November, the “middle” scenario in this Cabinet Paper is broadly consistent with the projection window represented in Northern Region slides. The scenarios in which contact tracing and case management do not deteriorate lead to reducing case numbers by the end of the year.

Figure 2: Modelled new cases (median)

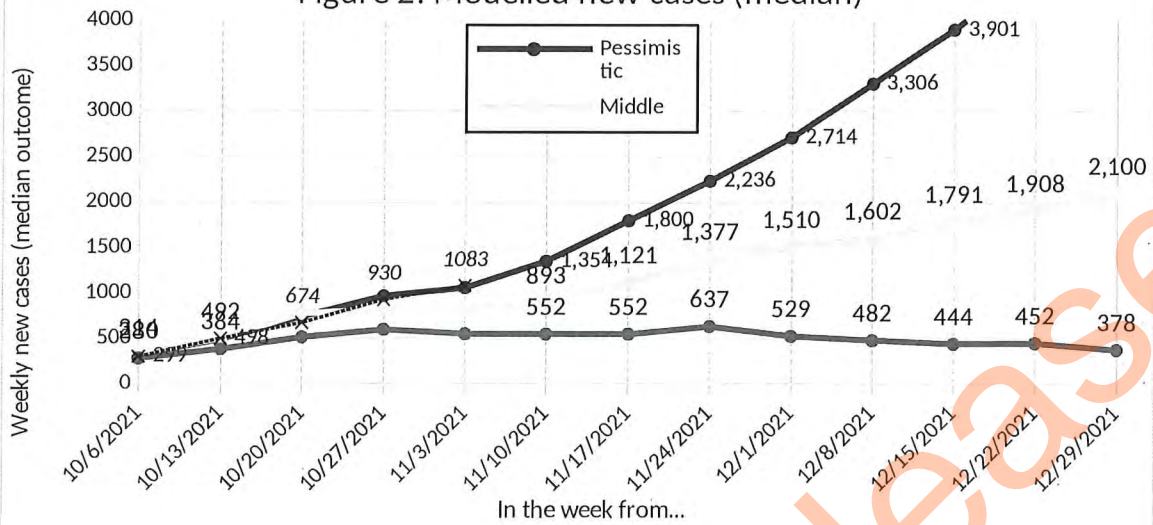
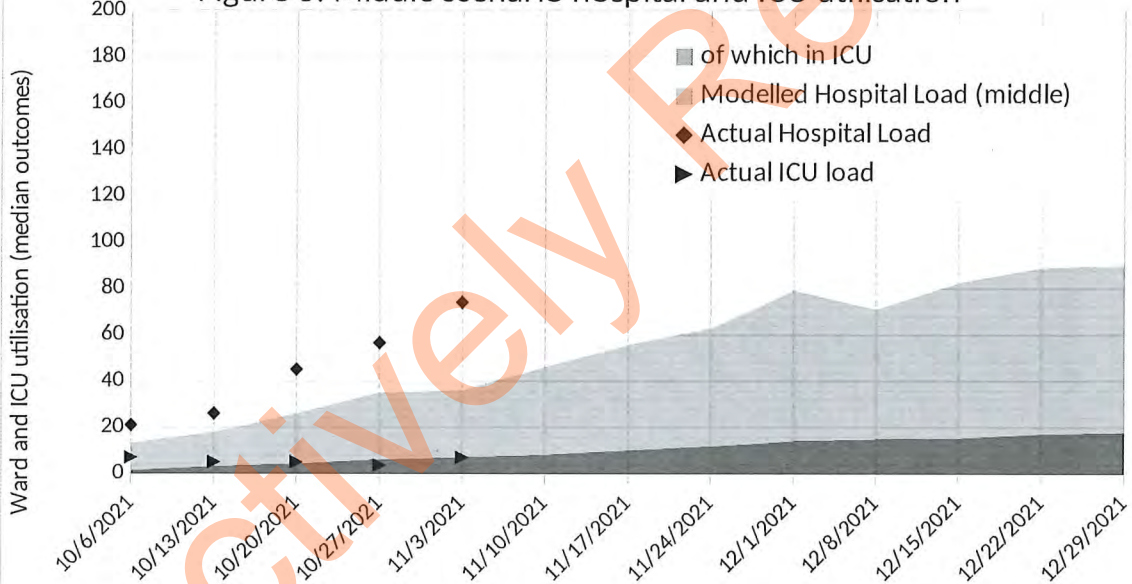
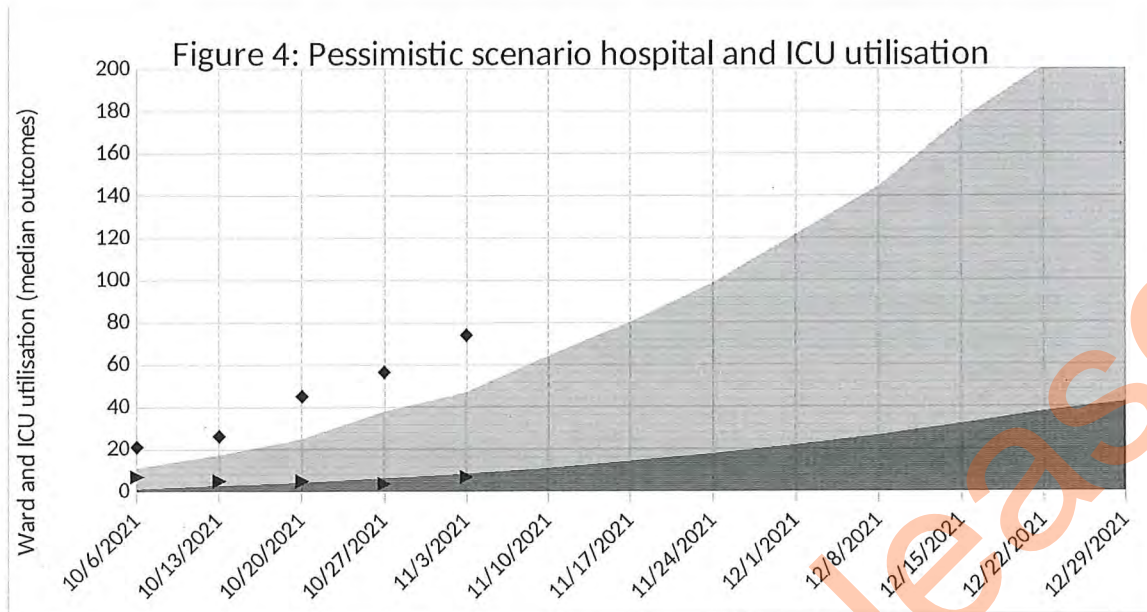


Figure 3: Middle scenario hospital and ICU utilisation





16 Previous weeks are shown to compare projections with recent trends for estimates of  $R_{\text{eff}}$ , cases and hospitalisations. Together, these metrics suggest that transmission is currently tracking between the “middle” and “pessimistic” scenarios (and may be tending towards the latter).

16.1 In the week starting Wednesday 3 November, there were 1106 cases, which suggests that transmission may be beginning to tracking more closely with the “pessimistic” scenario.

16.2 Estimates for the previous two weeks continue to suggest that  $R_{\text{eff}}$  is consistently around 1.2. Initial estimates for  $R_{\text{eff}}$  can be responsive to sharp changes (increases or plateaus) in cases, and the most recent data point in Figure 1 (for week commencing 3 November) is liable to change.

16.3 Hospital utilisation is consistently higher than model expectations, but ICU utilisation continues to track between the “middle” and “pessimistic” scenarios. Note that some of the hospitalisations are people with COVID-19 who require care for other reasons. Currently, around 60 percent of the dedicated “COVID beds” are in use in Auckland.

17 In reality,  $R_{\text{eff}}$  is unlikely to behave in accordance with any particular pathways depicted in Figure 1 over the coming weeks. There are several factors which will drive  $R_{\text{eff}}$ , each of which comes with a lag before influencing daily case numbers, such as: alert level changes; changing levels of compliance; or different demographics or case management protocols for new cases.

18 Officials will continue to receive weekly updated projections from Te Pūnaha Matatini modellers, conditioned on recent reported case numbers. These will project future case numbers based on high, medium and low transmission scenarios. The outputs will be routinely included in future Alert Level Review Cabinet Papers. If case numbers continue to track in line with the current

“pessimistic” scenario, updated projections will include a more pessimistic trajectory.

- 19 These scenarios do not incorporate assumptions about the impacts of recent or future policy choices or operational changes, some of which are likely to have material effects on transmission. This includes age groups returning to school, the transition to Alert Level 3 Stage 2 in Auckland, increasing volumes of positive cases being cared for in the community and future choices around the transition to the Framework. Cabinet should consider the relative likelihood of the scenario projections in light of recent and future policy choices.

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

- 20 In the 24 hours to 9am Friday 12 November, 201 new community cases were confirmed – 181 in the Auckland region, 15 in Waikato, 4 in Northland, and 1 in Taranaki (there were 5 additional cases reported in the media overnight, but will be in official numbers tomorrow). The seven-day rolling average for New Zealand is 166 cases per day. As at Friday 12 November, there are currently 85 people in hospital, 11 of whom are in ICU (with one in Taranaki DHB). So far during this outbreak, 7 people have died whilst infected with COVID-19.
- 21 While new cases are continuing to be identified in Waikato, they remain mostly linked to existing cases. Most cases are also confined to household groups rather than indicative of widespread community transmission. For example, of the 25 cases confirmed on Thursday 11 November, 15 were in one household and of the remaining 10 cases, 3 were contacts of other cases. The Public Health Risk Assessment notes that the Waikato outbreak has a  $R_{\text{eff}}$  of approximately 1.1. There are currently no hospitalisations in Waikato related to COVID-19 cases.
- 22 Testing rates in Waikato remain consistently high (amongst the highest in the country, between 3.9 – 8.4 people per 1,000 population) and the public health view is that testing is occurring in the right places. Public health officials note that the Waikato Public Health Unit is working to improve its processes to identify positive cases more efficiently. Wastewater testing continues to show no unexpected detections despite continued testing.
- 23 Vaccination rates in the Waikato area continue to reflect most national averages, including for age and ethnicity. As at Thursday 11 November, based on average daily rates of vaccination, Waikato is predicted to hit the 90 percent first dose milestone in the coming days, and 90 percent second dose milestone around mid-late December. Further detail on vaccine uptake by key ethnicities within the Waikato DHB is set out in Appendix 1.
- 24 From a public health perspective, the recommendation to move Waikato to Alert Level 2 is proportionate to the risk of transmission of COVID-19, given the current level of risk for communities in these areas. The Waikato DHB health system reports having adequate capacity to respond to new cases being detected, however a significant escalation in case numbers and

hospitalisations would likely strain capacity. It is difficult to predict with any certainty what case numbers will do under Alert Level 2 restrictions (should Cabinet take the decision move Waikato to there).

### **Director-General of Health's conclusions as at Thursday 11 November**

#### *Director-General's interim public health advice*

- 25 Based on the public health risk assessment completed on Thursday 11 November, the Director-General's interim public health advice is that:
- 25.1 Upper Northland and the rest of Northland remains Low, and Upper Northland can proceed with the planned move back to Alert Level 2 on Thursday 11 November (which has occurred);
  - 25.2 the risk of undetected community transmission in Waikato is now Low-Medium; and
  - 25.3 depending on whether moving to Alert Level 2 or Alert Level 3.3 is the better 'pathway' towards the new Framework, and pending no unexpected developments, parts of Waikato should move to Alert Level 3, Stage 3.
- 26 The Director-General also recommended advising Ministers that the Auckland Alert Level 3 boundary testing settings could be changed to only require testing of unvaccinated people so that the testing of swabs taken from contacts, symptomatic, and unvaccinated people can be prioritised. This is based on the very low positivity rate from testing of workers with exemptions crossing the boundary (33 of 72,746 or 0.045% over the last three weeks), of which just 4 people were fully vaccinated.
- 27 Ministers have directed officials to work on options around maximising testing capacity including, increasing capacity and freeing up laboratory workforces and exploring the introduction of rapid testing. Further work is needed on operational feasibility and there are upcoming related papers, including on the testing strategy. I would like to review these options before bringing any decisions around testing at the Auckland boundary to Cabinet.

#### **Proposal regarding Alert Levels**

- 28 On the basis of the public health risk assessments and the Director-General's interim public health advice, I propose Cabinet agrees to move Waikato to Alert Level 2 at 11.59pm Tuesday 16 November and keep the rest of New Zealand (except Auckland) at Alert Level 2.
- 29 The settings for Auckland are due to be reviewed Monday 22 November, and I propose that the settings for the rest of the country (including the Northland and Waikato regions) are reviewed at that time as well.
- 30 Given that the Director-General of Health's advice recommends a move to either Alert Level 3.3 or Alert Level 2, pending consideration of the best

pathway to the Framework, I propose Cabinet moves Waikato to Alert Level 2. The accompanying paper, *COVID-19: The Auckland Alert Level Boundary and Transition to the COVID-19 Protection Framework*, notes that we are considering moving the whole country to the Framework before Christmas.

- 31 Moving Waikato to Alert Level 2 would avoid the operational complexities and other unintended consequences of a move to Alert Level 3.3 before potentially moving to the Framework soon afterwards. Moving Waikato down to Alert Level 2 will also increase economic activity and improve the wellbeing of people living in the region, particularly as vaccination rates continue to increase.
- 32 Alternatively, Cabinet could decide to leave Waikato at Alert Level 3, Stage 2 to be reviewed again on 22 November on the basis that cases are still arising and the continued level of control would limit the potential for instances of wider community transmission.

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

- 33 I have assessed the options against the non-health factors agreed by Cabinet, as set out below. On balance, the assessment supports the proposals in this paper.

#### *Economic impacts from Alert Levels*

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

Approximate economic impacts of the Alert Level restrictions relative to Alert Level 1 (rounded to nearest \$10m)<sup>2,3</sup>

Restrictions	Reduction in economic activity per week	
AL2 across all of NZ	\$70 million	1% of national GDP
AL3 in Auckland, AL2 rest of country	\$250 million	4% of national GDP
AL3 in Auckland and Waikato, AL2 rest of country	\$290 million	5% of national GDP
AL3 in Auckland, Waikato and Northland, AL2 rest of country	\$300 million	5% of national GDP
AL4 across all of NZ	\$1,520 million	25% of national GDP

- 35 High frequency economic indicators continue to demonstrate the relative economic impact of Alert Level 3 restrictions in relevant regions. For example, in the week ended Sunday 7 November card spending in Waikato was 7.4%

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

<sup>3</sup> The estimates of Alert Level 3 impacts are based on scenarios where entire regions are at a standard Alert Level 3. The data currently available does not allow for estimates of the economic impact of sub-regional restrictions, or for estimates of the impacts of intermediate steps to ease Alert level 3 restrictions.



below 2019 levels, recovering over the course of the week after being down 26.0% in the previous week.

*Uptake of grants and benefits*

- 36 The Wage Subsidy Scheme August 2021 has had strong uptake with \$4,022 million paid over six payments as at Tuesday 9 November, though uptake has fallen with each subsequent fortnightly payment. Overall, the payments have supported 1,292,617 jobs, of which the vast majority are for businesses with under 500 employees. As at Friday 29 October, half of the payments that went to employees (i.e. excluding self-employed people) went to employees based in Auckland.
- 37 The number of people on a main benefit increased after lockdown, peaking at 10,401 higher in the week of Friday 17 September. However, it has fallen since then, with 4,314 more people now on main benefit than before lockdown.
- 38 Food grants increased significantly in the first two weeks after lockdown and then began trending lower. From the week ending 24 September food grants have generally remained at a similar level to before the national lockdown, however they have increased slightly in the last week to week to around 24,400. In the last week the Waikato region was receiving 11 percent of food grants which is a similar level to the week prior to the national lockdown.
- 39 The August 2021 Resurgence Support Payment Scheme has also had strong uptake with \$1.407 billion paid across the four payments as of Tuesday 9 November (the fourth payment opened on Friday 29 October). As at Thursday 4 November, around 95 percent of recipients has been for businesses with fewer than 10 FTE, and around 54 percent of payments have gone to businesses in Auckland. Auckland has received a higher proportion of more recent payments, including 69 percent of the fourth payment.

*Impacts on at-risk populations.*

- 40 The issues raised in previous Alert Level reviews continue to persist despite the gradual easing of Alert Level restrictions in some parts of the country. A broad assessment of cumulative impact of three months of lockdown in Auckland (and to a lesser extent, around the country) is set out in further detail in paragraphs 62-69.

*Public attitudes and compliance*

- 41 Analysis of the online public conversation during 31 October to 3 November revealed that conversation related to all aspects of COVID 19 fell by one percent. The conversation around most topics became more polarised, with sentiment shifting away from neutral to either positive or negative.
- 42 Analysis of the social media conversation during Monday 8 November to Wednesday 10 November observed lower volumes than previous periods

around shifting Alert Levels. This might be due to earlier indications of the move, or some fatigue around COVID-19 response announcements.

- 43 Conversation during this period across the Unite Against COVID-19 channels focused on which kind of businesses/public facility could open and when, shopping safely and mask wearing compliance (with many voicing concerns at lack of compliance). The impact of Alert Level 3, Stage 2 on case numbers is also being discussed and whether Stage 3 will be used before Auckland moves to the Framework.
- 44 The public indication that Aucklanders would be able to cross the current borders at Christmas was met with concern from some living elsewhere in the country.
- 45 Police are monitoring increased protest activity at a range of locations across the country. On Tuesday 9 November, Police were on site monitoring protests in Wellington, a checkpoint at Auckland's northern boundary, and outside Government House in Epsom. Police were also aware of, and in some cases monitoring gatherings in Invercargill, Balclutha, Tauranga and Whangarei.

*Ability to operationalise Alert Level restrictions*

- 46 The proposal to move Waikato to Alert Level 2 is not anticipated to have any additional significant operational impacts. Agency feedback supports a move in Waikato to Alert Level 2, rather than any move to Alert Level 3, Stage 3, due to a range of operational considerations. These include but are not limited to:
  - 46.1 the proportionality between the reduction of Alert Level settings in Upper Northland (3 to 2) announced on Monday 8 November and the restrictions in place in Waikato are being perceived as inconsistent. Regional Leadership in Waikato have become more vocal about this and have sought a reduction in Alert Levels that would be commensurate with Northland.
  - 46.2 the geographical boundary cannot be enforced due to the size of the region, the number of roads and demands on NZ Police resources elsewhere (specifically the Auckland boundary checkpoints).

**Conditions and considerations for Auckland to step down to AL3, Stage 3**

- 47 At Stage 3 of Alert Level 3, hospitality venues can reopen with a limit of 50 people. Event facilities like cinemas, casinos, and theatres can open with a limit of 50 people in a defined space, wearing face coverings and 2-metre physical distancing. Close contact businesses, like hairdressers, barbers and beauty salons, can reopen, with workers wearing face coverings. Social gatherings (both indoors and outdoors) can take place with a limit of 50 people in a defined space. These changes are detailed further in Appendix 2.
- 48 On 18 October, Cabinet agreed that Auckland would shift to the Framework when all three District Health Boards in the Auckland region reach the target

of having 90 percent of the eligible population fully vaccinated. The Ministry of Health projects this will occur in early December. Today's paper on the Transition to the Framework and Auckland Alert Level Boundary recommends moving Auckland to the new Framework from the week of Monday 29 November.

- 49 We will next review the Alert Level settings for Auckland on Monday 22 November. If Auckland continues to step through the reduced Alert Level 3 restrictions, it may move to Stage 3 immediately before transitioning to the Framework. Should the Auckland region then transition to Red, restrictions will ease for vaccinated people (e.g. gathering limits will increase from 50 to 100) but they will tighten for unvaccinated people (e.g. cannot access close-proximity businesses, events or gyms).
- 50 COVID-19 Vaccination Certificates (CVCs) will be ready to use at the start of December, about the same time as Auckland moves into the Framework. Businesses will need to make and implement decisions about operating systems and processes once CVCs are available. Work on running a CVC verification pilot is underway, with a view to test with select businesses in Auckland, when feasible.
- 51 Our original intent was to step down all stages of Alert Level 3 towards the Framework. These decisions around moving Auckland must strike a balance between increased freedoms and the potential confusion of new set of rules alongside the risk of compounding change. People and businesses will need to get used to a new set of restrictions which could now be in place for little over a week. For some businesses (e.g. close-proximity businesses) it would be worth going to 3.3 as it would mean an additional week of operating, however for others who are already operating at 3.2, the cumulative impact of these changes may generate net-negative outcomes.

#### **Assessment of cumulative impact of three months at elevated Alert Levels**

- 52 With an estimated economic cost of almost \$8b and a reduction in expected GDP for the current lockdown of around 10%, alongside considerable social impacts and disruption to schooling, the impacts of this Auckland Delta community outbreak have been significant. Operational impacts are complex and continuing to grow. Police are reporting difficulty of managing compliance with reducing restrictions when there is public confusion, general dissatisfaction, lowering levels of compliance and social licence, including increasing willingness to demonstrate. This is also reflected at the boundaries around Auckland and officials note difficulty of maintaining those in the longer term with increasing traffic volumes, particularly if expectations of the strength of the boundary is increasing.
- 53 This is why, as we become an increasingly vaccinated population, the new Framework has been designed to enable more activity and fewer lockdowns (with the associated economic and social costs) whilst still protecting people and the health system. These impacts also demonstrate why opening the Auckland boundary before Christmas is a priority (see the accompanying

paper COVID-19: The Auckland Alert Level Boundary and Transition to the COVID-19 Protection Framework).

*Economic impact of Alert Level restrictions during the Delta outbreak*

- 54 New Zealand's economic performance continues to reflect that the economy has been resilient during the COVID-19 pandemic. However, Alert Level restrictions since the beginning of the Delta outbreak have come at an economic cost, particularly for regions and sectors most impacted by restrictions.
- 55 The Treasury estimates that between 17 August and 5 November, the cumulative economic impact of Alert Level restrictions for Auckland was around \$4.5 billion (approximately 5.6% of expected national GDP over the period). For the rest of New Zealand, the estimated economic impact was around \$3.4 billion (approximately 4.2% of expected national GDP over the period).
- 56 GDP losses would have occurred even without Alert Level restrictions, as New Zealanders adjusted their behaviour in response to what likely would have been a more severe Delta outbreak.
- 57 In regard to our economic position moving forward, the Treasury expects that the current outbreak and restrictions will continue to dampen activity over the remainder of 2021, with a strong rebound expected in the first half of 2022 as we shift to the Framework and as supply-chain disruptions unwind. However, significant uncertainty remains regarding these forecasts.

*Education sector impacts*

- 58 The general cumulative effect of the outbreak and associated Alert Level restrictions on the education sector has seen disengagement of learners, lower educational attainment, and frustration of staff, learners and parents. The general feel from the education sector is that there is real change fatigue, which is believed to reflect the mood in Auckland generally. People are tired of change and uncertainty.
- 59 There has also been some loss of resilience along the way with some uncertainty about how and when to reengage with education by students and whānau. Even though education settings are reopening in Auckland for face to face learning, there is hesitancy around re-engaging. Unions and providers have also been reporting that dual delivery provision (online and in person) has led to increased staff fatigue.
- 60 The Ministry of Education has heard from providers, unions and students that the Alert Level 'lockdowns' have had a significant impact on many students' ability to undertake or complete their studies. Restrictions on bubble sizes, distancing, and onsite provision mean that many courses cannot be delivered as they would be otherwise. This impacts all staff and students, but it has been particularly hard for students who are required to complete practicum

placements for professional courses, secondary students who study at tertiary providers, and for those who cannot access devices/internet at home.

*Social impacts*

- 61 There are also concerns regarding increased pressure on the emergency housing system. Some motelliers have indicated to the Ministry of Social Development they will only take vaccinated clients, which will likely result in reduced availability of places for non-vaccinated households who are eligible for an Emergency Housing Special Needs Grant. Since the initial lockdown there has been a 29 percent increase in households requiring emergency housing nationally. In Auckland, there has been a 64 percent increase in the number of households in emergency housing. As regional boundaries open up and the potential for domestic travel increases, we may see areas where the Ministry of Social Development are unable to offer emergency housing.
- 62 Concern around the impact of prolonged restrictions on mental health, wellbeing and isolation is becoming more pronounced, especially as new cases emerge outside of Auckland. There is increased reporting that Aucklanders' compliance and patience has worn out, alongside a desire for decisions to be made and clearly communicated as soon as possible.
- 63 The weekly total contacts (median) with Youthline Helpline has increased by nine percent during the lockdown, from 425 (July to mid-August) to 464 (17 August to date). The number of weekly incidents (median) has also increased by 14 percent, from 90 to 103. 'Suicide' and 'Depression & Sadness' are the two most common presenting issues among young people, but the issues of Relationships-Partners, Relationships-Family, and of Loneliness & Isolation have heightened during the lockdown.

*Population specific impacts*

- 64 The cumulative impact of the Alert Level 4-3 lockdown(s) in Auckland/Northland/Waikato and around the country has had a significant, disproportionately negative impact on Māori and Pacific populations. This outbreak has also involved a much higher proportion of cases among the Pacific and Māori populations than the first outbreak.
- 65 As a relationship community, the social implications of the long-term lockdown restrictions for Pacific peoples on church, family and community gatherings during this period are reported to have a significant impact on many Pacific peoples who find connectedness and positive wellbeing from their faith, families and community connections.
- 66 There have been indications from the Auckland and Northland areas of increased levels of unrest and of increased distrust of government and government agencies by Maori. The balance between managing the protection of a low vaccinated population and the need to open up access to employment and education has increased this tension. We know that locally led responses for Māori by Māori are most effective and can help to overcome distrust of government agencies.

- 67 Many disabled people, their families and whānau have been very anxious throughout the long period of lockdown. Some disabled people are at greater risk of catching COVID-19 and experiencing it at a more severe level, compared to the general population. Disabled people, and their family and whānau’s confidence in having greater freedoms will be tempered by their concerns about risk.
- 68 Older people are experiencing ongoing loneliness and social isolation. While some relaxation on restrictions is welcomed, with COVID in the community many older people are anxious about going out to get food, keep medical appointments or meet up with family/whanau. They are also starting to get concerned about the impacts of continuing restrictions on their ability to plan to enjoy the company of family, whanau and friends over Christmas and the summer holiday period.

### Financial implications

- 69 The high-level cost estimates for a scenario with Auckland and parts of Waikato at Alert Level 3 and the rest of New Zealand (except Auckland) at Alert Level 2 is \$300 – 550 million for the Wage Subsidy Scheme and approximately \$200 – 440 million for the Resurgence Support Payment.
- 70 The table below outlines the actual WSSAUG21 and RSPAUG21 payments made at 9 November and updates the remaining appropriation balances.

**WSSAUG21 and RSPAUG21 actual payments made and appropriation balances at 9 November 2021**

	WSSAUG21	RSPAUG21
Payments made	\$4,022 million <sup>4</sup>	\$1,407 million
Amount remaining in appropriations	\$1,295 million <sup>5</sup>	\$1,443 million <sup>6</sup>

- 71 As at Wednesday 10 November, the balance of the COVID-19 Response and Recovery Fund was [Section 9\(2\)\(f\)\(iv\)](#)

#### *Wage Subsidy Scheme August 2021*

- 72 Applications for the sixth payment for the WSSAUG 21 opened at 9am on Friday 29 October and closed on Thursday 11 November [CAB-21-MIN-0392 refers].

<sup>4</sup> Note the \$4,022 million represents actual payments made. It does not represent the value of actual applications made due to the lag in processing time.

<sup>5</sup> On 8 November 2021, Cabinet agreed to appropriate an additional \$725 million for the Wage Subsidy Scheme. This brings the total approved from the CRRF for the August 2021 scheme to \$3,875 million.

<sup>6</sup>

- 73 Cabinet has agreed to continue the Wage Subsidy August 2021 scheme for a further six weeks with the same settings should Alert Level 3 or above remain in place anywhere in the country. The seventh payment for the WSSAUG21 was triggered and opened at 9am Friday 12 November. Applications will close on Thursday 25 November [CAB-21-MIN-0458 refers].
- 74 The eighth payment will be triggered if Alert Level 3 or 4 remains in place anywhere in New Zealand after 11.59pm Friday 26 November.

*Resurgence Support Payment August 2021*

- 75 A fourth round of RSP was opened on 29 October. This is expected to cost approximately \$200 million.
- 76 On 21 October, the COVID-19 Ministerial Group agreed that further RSP payments would be issued on 12 November, 26 November and 10 December (should the Alert Level conditions be met) with the rate being increased to double that of RSP payments to date (\$3,000 + \$800 per FTE).
- 77 The RSP payments on the 12 and 26 of November are expected to each cost up to \$440 million. These costings reflect the possibility that parts of the Waikato and Northland regions remain at elevated Alert Levels to the time of the payments, however there is no material difference to these costings given Northland has now moved to Alert Level 2.

**Legislative Implications**

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

**Impact Analysis**

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

**Human Rights**

- 80 Section 9(2)(h) [Redacted]
- 81 Section 9(2)(h) [Redacted]
- 82 Section 9(2)(h) [Redacted]

Section 9(2)(h)

83 Section 9(2)(h)

84 Section 9(2)(h)

85 Section 9(2)(h)

### Population impacts

86 The impacts of community outbreaks of COVID-19 (and the associated Alert Level measures put in place) on vulnerable populations have been discussed in previous papers and above.

### Consultation

87 This paper was prepared by the COVID-19 Group within the Department of the Prime Minister and Cabinet. The Ministry of Health reviewed the paper and provided specific input and text, including advice on the course of the outbreak, the public health response, and the views and recommendations of the Director-General of Health. The Crown Law Office advised on New Zealand Bill of Rights Act implications.

88 The Treasury, Ministry of Business, Innovation and Employment, Ministry of Transport, Customs, and Police were consulted on the paper.

### Communications and proactive release

89 The Prime Minister will communicate the decisions set out in this paper after Cabinet agreement. I intend to proactively release this paper after Cabinet consideration subject to redaction as appropriate under the Official Information Act 1982.

### Recommendations

The Minister for COVID-19 Response recommends that Cabinet:



IN CONFIDENCE

- 1 note that since Tuesday 17 August 2021, there have been 5196 community cases of COVID-19 associated with the Auckland August outbreak in New Zealand (as at 9am Friday 12 November 2021);
- 2 note in the 24 hours to 9am Friday 12 November, 201 new community cases were confirmed – 181 in the Auckland region, 15 in Waikato, 4 in Northland, and 1 in Taranaki;
- 3 note the seven-day rolling average for New Zealand is 166 cases per day, with 85 people currently in hospital, 11 of whom are in ICU (with 5 on ventilators);
- 4 note that on Monday 8 November Cabinet made the following decisions in relation to Auckland's Alert Level settings:
  - 4.1 agreed to move Auckland to Alert Level 3 Stage 2 at 11:59 pm, Tuesday, 9 November 2021 for a minimum of two weeks, pending no unexpected developments;
  - 4.2 agreed to move upper Northland to Alert Level 2 at 11:59 pm, Thursday, 11 November 2021;
  - 4.3 invited the Minister for COVID-19 Response to report back to Cabinet on 15 November 2021 on the path for moving Auckland to Alert Level 3 Stage 3;
  - 4.4 agreed that Cabinet next review the Alert Level settings for Auckland on 22 November 2021; and
  - 4.5 noted that the Alert Level settings for Northland will be reviewed alongside the rest of New Zealand, excluding Auckland, on 15 November 2021;
- 5 note the public health risk assessment of community transmission has been assessed as:
  - 5.1 within Waikato has reduced from Medium to Low-Medium; and
  - 5.2 for Upper Northland and the rest of Northland remains at Low;

*Alert Levels*

- 6 note the Director-General of Health's interim public health advice is:
  - 6.1 depending on whether moving to Alert Level 3.3 or Alert Level 2 is the better 'pathway' for the new COVID Protection Framework, and pending no unexpected developments, parts of Waikato should move to Alert Level 3 Stage 3;
  - 6.2 that the Auckland Alert Level 3 boundary testing settings could be changed to only require testing of unvaccinated people so that the

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testing of swabs taken from contacts, symptomatic, and unvaccinated people can be prioritised.

- 7 note that moving Waikato to Alert Level 2 would avoid the operational complexities and other unintended consequences of a move to Alert Level 3 Stage 3 before moving to the COVID-19 Protection Framework (the Framework) soon afterwards;
- 8 note moving Waikato down to Alert Level 2 will also increase economic activity and improve the wellbeing of people living in the region;
- 9 note that further work on the Auckland boundary is needed, and I would like to review these options before bringing any decisions around testing at the Auckland boundary to Cabinet;
- 10 agree an appropriate measure in response to the level of public health risk would be to:
  - 10.1 move Waikato to Alert Level 2 at 11.59pm Tuesday 16 November;OR
  - 10.2 keep Waikato at Alert Level 3, Stage 2, to be reviewed on 22 November; and
  - 10.3 keep the rest of New Zealand (except Auckland) at Alert Level 2;
- 11 agree that Cabinet will next review Alert Level settings both for Auckland, and the rest of New Zealand, on Monday 22 November 2021;

*Considerations for transitioning to the COVID-19 Protection Framework*

- 12 note decisions around moving Auckland to Alert Level 3.3 must strike a balance between increased freedoms and the potential confusion of new set of rules for a very short period of time together with the risk of compounding change; and

*Other matters*

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

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Hon Chris Hipkins  
Minister for COVID-19 Response

**Appendix 1: Vaccine uptake by key ethnicities within Waikato DHB  
11:59pm on Wednesday 10 November**

Ethnicity	DHB	First dose		Second dose	
		Doses %	To 90%	Doses %	To 90%
All ethnicities	Waikato	<b>88%</b>	6,090	<b>77%</b>	46,480
	New Zealand	<b>90%</b>	15,083	<b>80%</b>	438,047
Māori	Waikato	<b>76%</b>	9,677	<b>58%</b>	22,393
	New Zealand	<b>75%</b>	84,015	<b>59%</b>	178,988
Pacific Peoples	Waikato	<b>88%</b>	241	<b>74%</b>	1,725
	New Zealand	<b>87%</b>	<b>7,922</b>	<b>74%</b>	46,033

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**Appendix 2: Three-stage reduction in Alert Level settings**

Setting	Step 1	Step 2	Step 3	Current Alert Level 2
<b>Retail businesses</b>	Contactless only	Open*	Open*	Open with 2m Physical distancing
<b>Public facilities</b>	Closed	Open*	Open*	Open with 2m physical distancing
<b>Hospitality businesses</b>	Contactless only	Contactless only	Open** Up to 50 people	Open with 1m physical distancing
<b>Event facilities</b>	Closed	Closed	Open** Up to 50 people per defined space	Open with 1m physical distancing
<b>Close-proximity businesses</b>	Closed	Closed	Open*	Open with 1m physical distancing where possible and mask use for staff
<b>Indoor or outdoor controlled gatherings (food and drink permitted)</b>	Up to 10 people (plus staff)	Up to 25 people (plus staff)	Up to 50 people (plus staff)	Up to 100 people (plus staff)
<b>Indoor social gatherings</b>	Not permitted	Not permitted	Up to 50 people	Up to 100 people (plus staff)
<b>Outdoor gatherings</b>	Up to 10 people, from two households	Up to 25 people (no limit on households)	Up to 50 people (no limit on households)	Up to 100 people (plus staff, no limits on households)
<b>Outdoor recreation</b>	Expanded to allow movement anywhere in the region and previously prohibited activities (e.g. longer hikes or recreational flying)			No restrictions other than adhering to gathering rules.