Office of the Minister for COVID-19 Response
Office of the Minister for Social Development
Office of the Associate Minister of Health

Cabinet

COVID-19 RESPONSE: MANAGING OMICRON IN THE COMMUNITY

Proposal

1 This paper updates Cabinet on our approach to managing community transmission of Omicron.

Relation to government priorities

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

Executive Summary

3 In November 2021 the SARS-CoV-2 variant of concern, Omicron, was identified overseas. Waves of Omicron have subsequently surged through nations at an unprecedented rate. International reports suggest new cases from Omicron can double every two to four days, meaning a 10-case outbreak could reach 1000 new cases per day in six to twelve days.

4 While data suggests that hospitalisation rates are lower for Omicron than Delta, the sheer number of cases (some jurisdictions have seen more than 1,500 cases per 100,000 people per day) will put significant pressure on the health system, which will also impact delivery of non-COVID related health services. The number of cases and subsequent contacts requiring isolation also risks impacts on critical services, infrastructure, and supply chains.

5 Omicron is now in New Zealand communities. While it is not yet widespread, we must be ready for this and able to respond at pace. Work is underway to increase the preparedness of our communities and businesses. There are priority infrastructure and critical services that New Zealand cannot afford to have compromised by widescale absenteeism. Engagement with these sectors has been prioritised to ensure their business continuity plans are robust, and so that we have a good understanding of what support we might need to provide to maintain services.

6 The three pillars of our Minimise and Protect strategy, vaccination, border control, and the COVID-19 Protection Framework (the Framework) remain key levers for our response:

i. **Vaccination** is the most effective tool for reducing significant illness from COVID-19 and so this must remain a priority.

ii. **Border control** – in December we delayed the start of reconnecting until the end of the February and the accompanying paper recommends confirming that date. It will give us more time to prepare and vaccinate.

iii. **The Framework** proportionately protects us all as we go about our daily lives and provides certainty and predictability for businesses and the public alike.

7 While our overall strategy remains to minimise and protect, now Omicron has seeded in the community our response will focus on protecting priority populations, ensuring equity of access and outcomes, limiting the impact on the health system and broader society, and minimising disruption to critical infrastructure and workforces.

8 Our approach to Omicron will be highly responsive to the number of community cases and the rapidly evolving impacts. It will follow three phases. **Phase One**, which is where we are now, is when we are in the initial stages of transmission. Our response to cases and management of contacts will look largely the same as New Zealanders are used to. However, there will be a point at which there will be so many new cases and contacts that this approach will no longer be realistic. We then move to **Phase Two**, where our focus will be on minimising and slowing further spread, and assisting our vulnerable communities. We will move to **Phase Three** when there are thousands of cases per day. At this phase most people will self-manage and health and social services will focus on families and communities that have the highest needs.

9 Our approach to Omicron will be enabled through an enhanced level of the Red Framework setting, which has been adjusted to take into account the differences between Omicron and Delta, rather than through extensive use of localised lockdowns. This approach will be supported by changes to our Testing, Tracing, Isolation and Quarantine Strategy, our Care in the Communities model, and action to support the continued function of critical services and supply chains. Support for individuals to comply with public health restrictions will be provided through the Leave Support Scheme (LSS) and Short-Term Absence Payment (STAP).

10 It is critical that all parts of our response are ready and able to scale. We seek your agreement to delegate authority to the Ministers with Power to Act, and the Minister for Social Development and Employment, to make decisions on pathway options to ensure that the Care in Community welfare approach is aligned with our approach to managing Omicron and can be scaled to meet demand. This will include decisions on the funding required to provide this support. We also seek your agreement to defer the scheduled March report back on the Care in Community Accommodation and Welfare system approaches to April 2022.

11 It has become clear that more can be done to support Māori health and social providers, whānau, hapū, iwi and marae to prepare for and manage widespread transmission of Omicron. We therefore seek your in-principle

agreement to allocate additional funding for this purpose, and to invite the Ministers of Finance, Māori Development, Māori Crown Relations, Whānau Ora and Social Development and Employment to report back to Cabinet on 8 February to provide detail of how this will be invested.

Introduction

12 We expect widespread cases of Omicron in New Zealand communities imminently. There have been extremely high rates of cases in Managed Isolation and Quarantine (MIQ), and as expected, we are now starting to see infections around the country. These are anticipated to increase rapidly. As at Friday 28 January, there were 105 new cases in the preceding 24 hours. It has become clear there may be significant undetected spread throughout the country. Unless mitigating action is taken, it is likely that further case growth and particularly tracing super-spreader events will place our contact tracing system under immediate pressure shortly. The Ministry of Health will provide a further Public Health Risk Assessment on Tuesday 1 February to assess the need for any further public health measures to minimise community transmission and protect those most at risk, for example changes to capacity limits for public venues, or movement along our response phases.

13 The Omicron variant has very different characteristics to Delta. It is:

13.1 **More transmissible** - Omicron is much more transmissible than Delta, due to a combination of higher base transmissibility, and reduced effectiveness of vaccines against transmission of the variant.

13.2 **Less severe for most people** – Evidence suggests Omicron causes less severe illness in terms of risk of hospitalisation and fatalities, than Delta. Vaccination still appears to significantly reduce risk of hospitalisation and death.

13.3 **Unclear how it impacts the most vulnerable** – Data is scarce on severity for people and communities at higher risk of negative health outcomes. This suggests the need for a precautionary approach given the disproportionate burden of disease borne by these groups.

14 International reports suggest new cases from Omicron are doubling every two to four days. This means a 10-case outbreak could reach 1000 new cases per day in six to 12 days. While we expect more mild infections and illness in across those most vulnerable, evidence from overseas shows that through rapid spread and consequent extreme case numbers, there is significant risk of high rates of hospitalisation, reduced access to primary health care, and supply chain disruption.

15 This rapid increase in case numbers necessitates a change in how we deliver our strategy. It is imperative that we adapt our approach to mitigate the risk of health care, critical infrastructure and supply chains being overwhelmed, to keep New Zealand going, and ensure a sustainable response. In **Phase One** we will stamp out Omicron if we can, and give ourselves time and options. When we do have an Omicron outbreak that we can no longer stamp out, we

will move to **Phase Two**, where our focus will be on minimising and slowing further spread, and assisting our vulnerable communities. When there are thousands of cases each day, we will shift to **Phase Three**, in which most people will self-manage and health and social services will focus on families and communities that have the highest needs. It is likely that we will be at a Red setting throughout these phases; the key changes that people will see throughout phases will be to our testing, tracing, isolation, and quarantine regimes. While this means we expect large case numbers at some point, we will aim to avoid the extremes, and associated health and supply chain impacts that other countries have experienced.

16 At this time I do not anticipate that lockdowns as experienced during our Elimination Strategy will feature significantly, if at all, as part of our response to Omicron. Lockdowns represent a significant restriction on people and the economy, we are no longer working towards elimination, and there is currently limited evidence regarding the effectiveness of lockdowns to manage Omicron. The questions to inform the Ministry of Health's assessment of which Framework level parts of New Zealand should be at will be updated to reflect this, and our evolving understanding of Omicron. Officials will also review the Orange and Green levels of the Framework in light of Omicron.

Modelling

17 Given the new, fast-moving nature of Omicron, what is known about the variant is still growing. There is significant uncertainty about the relative contribution of intrinsic transmissibility (as measured by the reproduction number), generation time, and immune evasion to Omicron's transmission advantage over the earlier Delta variant.

18 Key model parameters include the rate of hospitalisation for Omicron cases, including distribution across age groups, the severity of illness, and the risk of death. The initial modelling results from Te Pūnaha Matatini (TPM) for a large wave of Omicron indicate that the stringency of public health measures will reduce the overall impact:

18.1 For minimal public health response (similar to New York), daily cases are modelled to peak in the 10,000-20,000 range (or higher) around two months after the outbreak begins. Hospital utilisation peaks shortly after at around 2,000-4,000 beds. Cumulative deaths over the outbreak are estimated to be in the 750 – 1,500 range, and peak in months three and four of the outbreak.[1]

18.2 For a stronger public health response (similar to South Australia), daily cases are modelled to peak in the 6,000 – 10,000 range around three months after the outbreak begins. Hospital utilisation peaks shortly after at around 700 – 1,000 beds. Cumulative deaths over the outbreak are estimated to be in the 400 – 600 range, and peak in months three

[1] The estimates of peak deaths are based on assumptions using available data, rather than observations as many comparable countries have not yet experienced these peaks.

to five of the outbreak[2]. This scenario is more akin to New Zealand's likely response than the first one. But there is significant uncertainty around the extent to which New Zealand's public health and social measures and Test-Trace-Isolate-Quarantine policies would reduce transmission of Omicron (and impact hospitalisation and death rates).

19 This is initial modelling and will be subject to variance. We will provide updated modelling as and when we have it. Each additional day is providing valuable information, and will improve confidence in the model parameters used, narrowing the uncertainty of the outputs. Of particular relevance are outcomes in communities that have experienced very low rates of infection and with comparable vaccination coverage prior to Omicron, such as seen in some Australian states.

20 Internationally, Omicron has demonstrated its transmissibility very clearly. Many European countries that experienced Delta peaks in late November and early December are now seeing significantly greater peaks of Omicron cases. This has also occurred in several Australian states (particularly New South Wales and Victoria), where COVID-19 suppression measures have been variable.

21 In contrast, several Asian countries (in particular, South Korea) have moved aggressively with lower cost, more effective public health measures, such as strict mask wearing, remote working where practical, air filtration requirements, and gathering and event limits. These countries have to date been relatively successful in limiting the spread of Omicron in the community (Appendix 1 refers).

Approach to managing Omicron

22 Following the move to Red at 11.59pm Sunday 23 January, on 25 January Cabinet agreed to tighten the Red level setting to account for the increased transmissibility of Omicron and lower rates of vaccine effectiveness to the Omicron variant than Delta. As of Friday 4 February, changes to masking requirements come into effect, as there is strong evidence that the correct use of masks decreases the risk of transmission, and that some types of masks are more effective than others in decreasing this risk.

23 At this stage, we anticipate that New Zealand will stay at Red until case numbers begin to decline to a system manageable and sustainable position, and a public health risk assessment confirms that a shift downwards in Framework setting is appropriate.

24 While our overall strategy remains to minimise and protect, once Omicron transmission is widespread, we will focus on protecting the most vulnerable,

[2] In South Australia the peak appears to have been between four and six weeks after significant public health precautions. It is possible that for Omicron, generation time is shorter and infectiousness is greater than the TPM model has parameterised. We have commissioned TPM to undertake modelling to replicate the waves in Australian states and will report back on this when we have it.

ensuring equity, and limiting the impact on society through the protection of critical infrastructure and workforces.

25 To achieve this, we will follow a three-phase approach to testing and case management that is highly responsive to the number of community cases and the evolving impacts these will likely give rise to. We are currently in Phase One phase, but we should expect to escalate rapidly through next two phases. This phased approach is enabled by the work we have done to prepare in communications and engagement, business continuity planning, and vaccination. An overview of some of this is provided in Appendix 2.

Goal	Minimise hospitalisations and deaths		
Principles	• Equity – Protect at risk communities and individuals • Sustainability – ensure health system can sustain response to COVID-19, while continuing to deliver non-COVID healthcare effectively • Agility – adapt our approach and actions as needed		
Scenarios	Low: Some cases in the community, but containment may be possible	Medium: Sustained spread of Omicron in the population	High: Widespread community cases
Aims + approach	***Phase I:*** *Stamp it out* - Contain and eliminate outbreaks as quickly as possible	***Phase II:*** Minimise and protect - minimise and slow further spread and focus on protecting those most at risk	***Phase III***: Manage it - Move to self-management, protect vulnerable, preserve critical services and infrastructure
Rationale	Delay Omicron becoming widespread, buying time to vaccinate and prepare the system	Work to keep cases low (testing, tracing, isolation), to lower impost on primary care, hospitals and protect most at risk	Protect primary care and hospitals from being overwhelmed and ensure most at risk receive priority access to primary and hospital care

Implications for Testing, Tracing, Isolation, and Quarantine strategy

Case and contact management, case investigation, and tracing

26 Case and contact management will look different as we escalate through our three phased approach to Omicron. An overview of the key changes in each stage provided in Appendix 3. We are currently in Phase One, which looks very similar to what New Zealanders are used to experiencing. As part of this case investigation and contact tracing teams are currently actively managing cases and contacts that are identified in the community to try and ring fence the incursion.

27 From Friday 21 January, Phase One case quarantine and contact isolation times have been extended to 14 days and 10 days respectively, regardless of vaccination status or COVID-19 variant. We will continue this management pathway for all close contacts throughout the ‘stamp it out’ stage. Other than the extension to isolation periods, this stage will look very similar to our current approach (e.g. phone-based investigations, active management of close contact, and use of ‘Locations of Interest’).

28 As we move into Phase Two, high intensity contact tracing and management will be less effective, meaning a different approach will be required. As the outbreak progresses, the focus will therefore shift to greater self-identification and management, and public health resources will focus on management of high priority cases. The isolation times will reduce. Cases will

isolate for 10 days. Their household contacts (who they live with) will begin their isolation from the same day as the case tests positive, and will remain in isolation until the case is released, but no more than 10 days from the date the case was originally tested, if they themselves remain negative. Contacts outside the household will isolate for seven days.

29 When there is significant community transmission, we will shift to Phase Three. A key change at this phase is that only the highest risk close contacts will be required to isolate.

30 As part of this progression through higher volumes of cases, outbreak intelligence and reporting, including contact tracing metrics will be limited due to the self-management of cases and contacts at volume. Work is underway to revise performance measures to enable appropriate reporting, including breakdowns by ethnicity.

Changes to testing

31 We have been clear with the public that COVID-19 testing for the public health response will be free and widely available.

32 In Phase Three phase, PCR testing as it is currently used will not be sustainable. Before this point, testing will transition to greater use of supervised and un-supervised Rapid Antigen Testing (RAT) in clinical and non-clinical settings to allow for demand to be met. PCR testing will be protected for prioritised purposes, such as protecting priority populations from severe disease or death and ensuring equity.

33 RATs used in essential public services, including healthcare and education providers, and for a transitional period of time those used in businesses that are considered 'critical'[3], will be provided by the Ministry of Health centralised supply, similar to the model in operation for PPE a transitional period of time. More information is provided in paragraphs 49-54 on the scheme that will be in place for critical businesses. Other businesses who choose to use RATs as part of their own health and safety measures will need to procure RATs themselves.

34 There is unprecedented global demand for rapid antigen test kits, and the Ministry of Health is working closely with suppliers to get as many test kits as possible into the country. The immediate focus is creating a "front loaded" supply through January/February and then ensuring orders across March-June for ongoing resupply.[4]

[3] The intention is for businesses, over time, to source their own supply of RATs rather than rely on Ministry of Health supply.

[4] There are global supply constraints on many critical medical and intensive care supplies and consumables, and laboratory consumables, including RAT test kits. While New Zealand has forward purchase orders in place, when exactly all these kits will be available for use is not known at this time.

35 RATs will not be authorised for retail sale, at this point in time, due to tight global supply. The Ministry of Health considers that while the retail sale of RATs may meet public expectations and provide surveillance or screening information (if reported), at this time, ensuring availability of RATs for our public health response and critical testing should be prioritised. Retail sale could create a level of demand that consumes supplies, and risks price gouging and equity issues.

Changes to Care in the Community

36 Given the likely pace and scale of a widespread Omicron outbreak, the Care in the Community model is unlikely to be able to provide the same high level of health and welfare support for all people required to isolate as was intended for Delta. In response we are rapidly developing a self-service model for low-risk patients, while scaling up the welfare model to help people, with welfare needs, safely self-isolate.

37 The model, which will be supported by the welfare response, will have the following principles:

37.1 It will be equity focused, ensuring that those with the greatest risk will be able to access the level of clinical care they need;

37.2 Non-digital support will be available for those who are unable to access digital platforms;

37.3 Those that can safely self-manage at home will have guidance to enable them to do this, including instructions on how to access emergency clinical assessment should their condition deteriorate at any time.

38 Work is underway to enable the Care in the Community welfare model to scale significantly, to align the approach with new health settings at Phases Two and Three, and to ensure it can continue to provide adequate levels of support to people in self-isolation. As part of this, decisions will be required on how people should be able to access Care in the Community welfare and accommodation support, and how the approach can scale to meet demand.

39 The level of scaling required for Care in the Community has financial implications. Key areas for changes include:

39.1 The referral process – to ensure that the contact centre and regional response teams can effectively receive, assess and respond to the increased numbers of referrals for welfare support;

39.2 Community Connection Service – the current number of staff is based on an estimate of 4,500 positive cases per week, with 20 percent of

The Ministry of Health is actively seeking increased global allocation of RAT and other medical consumables and is actively working alongside Pharmac and DHBs to manage supplies.

households requiring some form of welfare support – rather than the over 5000 cases per day which we can expect to see with Omicron. An additional 105 FTE community connectors have already been contracted to prepare for increased cases, bringing the total to 246 FTE, with a further 57 to be contracted rapidly. It is anticipated that there is some capacity in the sector to scale these further, although this may mean deprioritising other work. Community Connectors may also need to provide connectivity support to those that test positive and have welfare needs, but do cannot use the online portal (including because of the digital divide); and

39.3 Support for community providers – to mitigate risks of burnout and to support providers to respond to increased demand for their services. MSD is also working with the community provider sector to support preparedness and capacity. Work is underway on a contingency plan to reallocate existing contracted service providers to pivot towards the Omicron response when needed.

40 Funding allocated for welfare supports under the Care in Community model in November 2021 (CAB-21-MIN-0493 refers) has now been fully allocated and has enabled us to:

40.1 Stand up regional/local coordinated triage and response teams which receive referrals from the National Contact Tracing triage team;

40.2 Ensure Regional Leadership Groups and Regional Public Service Commissioners are resourced to oversee planning, alignment and delivery to support the Framework;

40.3 Resource iwi to engage and participate in Regional Leadership Groups;

40.4 Repurpose existing Community Connectors for support of those self-isolating and increase the number of overall Connectors to 303; and

40.5 Provide funding for over 200 food providers to support those self-isolating.

41 Agreement to draw down the remaining $52 million in tagged contingency will be sought in the next week to ensure there are sufficient funds available for food and other welfare supports delivered through the Community Connection Service as daily case numbers are anticipated to increase. Even with this draw down on the tagged contingency, funding is expected to be exhausted by March should case numbers increase to 5,000 per day within 19 days and additional funding would be required to maintain welfare supports at peak levels and to ensure that there are sufficient community connectors available to provide support.

42 We note also that with widespread COVID-19 transmission the number of people who are voluntarily self-isolating because they are at greater risk of severe illness from COVID-19 will increase. Under current settings these

groups do not have access to Care in Community welfare support (as you must have a positive COVID-19 test or have been directed to isolate), and so it may be timely for consideration to be given to expanding the eligibility for Care in the Community welfare support to include people in priority populations at-risk of severe illness should they contract COVID-19, and to explore specific actions to support disabled people to safely self-isolate.

43 To provide enough time to align the welfare model with Health settings, and ensure the community sector has sufficient capacity to respond to the projected increase in cases through February, we propose that decisions on how people should be able to access Care in the Community welfare and accommodation support, and how the model scales to meet demand (including financial implications) are delegated to Ministers with Power to Act and the Minister for Social Development and Employment so they occur as soon as possible.

44 Cabinet invited officials to report back on the Care in Community Welfare and Accommodation approach in March 2022 (CAB-21-MIN-0493 refers). Given the focus is now on adapting the Care in Community welfare approach to manage Omicron, we recommend we defer this report back to April. This will ensure the report back captures the impacts of Omicron, and how the system has responded to increased demand for accommodation and welfare support.

Accommodation

45 The anticipated scale of Omicron infections will also put further pressure on accommodation supply. Alternative housing for self-isolation supply remains tight across the country despite no escalations required through the Care in Community response to COVID-19 over the December and early January period. The use of alternative accommodation (i.e. finding people somewhere to safely self-isolate that is not where they usually reside) is expected to be exhausted when we reach very high case numbers, and there may be a point in which it is not be sensible nor possible to relocate people given the rate of transmission of Omicron. This would have potential implications for COVID-19 transmission, alongside welfare outcomes. There is unlikely to be any capacity in MIQ for community cases.

46 Cabinet has previously approved $0.5 m to set up an alternative accommodation service and $5.0 million in funding to support this initiative.

47 MBIE has established the Mobile Community Isolation Reserve (MCIR) capability to assist regions with the provision of Campervans that can be requested, once a region has exhausted its accommodation options. Prior to community transmission of Omicron, the number of positive COVID-19 cases in the community has been manageable, and there has been minimal demand on the MCIR service. To date, only one MCIR has been deployed; this was to Golden Bay, as a back-up accommodation option over the summer period should they get cases. However, we expect requests to the MCIR from across the country for Omicron cases over the coming weeks, namely regions where alternative accommodation options are limited.

48 To ensure we can meet immediate demand for alternative accommodation for self-isolation of COVID-19 cases, MBIE, who are proposed to lead the sourcing of alternative accommodation, will accelerate work, including commercial conversations with a third-party accommodation provider, to stand up in a phased approach, a service for sourcing alternative accommodation by mid-February 2022. This phased approach will include the rapid set up of an accommodation sourcing service using a third-party provider to directly assist regions source and secure accommodation, and another phase to centralise the overall process and provision of funding. This supply alongside locally led solutions including those identified by iwi and Māori would be used to support and potentially increase capacity on top of existing DHB funded self-isolation and quarantine accommodation in regions of high need.

49 MBIE will continue to work with MSD and MOH to determine the level of demand or any ongoing need for alternative accommodation for self-isolation that may be required under the phased response to Omicron. This will be used to inform a future funding request to Ministers for the alternative accommodation service.

Support for critical infrastructure and supply chains

50 International evidence is clear that Omicron, and resultant high rates of workforce absenteeism, has put severe strain on national supply chains and critical infrastructure. This risks the availability and accessibility of basic goods and services, including food, energy and access to critical maintenance services. If these supply chains fail, the efficacy of and confidence in our response, and the wellbeing of New Zealanders, could be significantly undermined. We consider a differentiated approach to support for these services to keep operating is prudent and necessary to minimise disruption to New Zealanders' way of life.[5]

51 To ensure that sufficient workers are available to maintain critical infrastructure and supply chains throughout the Omicron outbreak, a critical workforce registration system will prioritise allocation of RATs to businesses and provide for a 'Test to Return' approach for critical workers. Under a Test to Return approach, critical workers that are close contacts will be permitted to return to work during their isolation period, provided they:

51.1 are asymptomatic; and

51.2 have a valid vaccine pass; and

51.3 return a negative RAT every day that they need to work throughout their isolation period[6]; and

[5] s9(2)(b)(ii) [redacted]

[6] The option of enabling critical workers who can work in a 'Bubble of one', which refers to the ability of a worker to undertake their work without physical proximity to any other person, to return to work without being required to use a RAT is also being explored.

51.4 adhere to any other requirements as directed by the Ministry of Health.

52 Government agencies have been proactively engaging with key businesses in their sectors to ensure that critical workforces have been identified and registered, and that there are sufficient supplies of RATs for those workers when needed. Beyond this, MBIE will develop an online portal – similar to that used for the Business Travel Registration system – to allow individual businesses to apply for critical worker status. This system will be called the Critical Services Register and more information will be made available to businesses shortly about this.

53 The Critical Services Register will hold a database of the critical workforce by sector and location. This information will be used by the Ministry of Health to allocate RATs depending on supply and need, including the geographical spread of any outbreak. Delivery of RATs will be managed by the Ministry of Health to ensure necessary storage and handling protocols are maintained.

54 This Test to Return regime will be fully funded by government for an initial period once the scheme starts, although businesses will be encouraged to access their own supply. This will provide businesses with time to source their own supply and for any operational system issues to be worked through.

55 If the Test to Return approach is not sufficient as an individual support measure, and supply of critical goods like food or pharmaceuticals, or provision of services such as childcare that are essential for the continuation of other services, becomes of significant concern we expect agencies to take prompt action to address these issues. Any significant decisions related to these matters will be made by Ministers with Power to Act.

Economic support for Omicron

56 Since an Omicron outbreak will have a significant impact on individuals and communities, it is the Minister of Finance and my view that support for individuals to comply with public health restrictions should be provided through the Leave Support Scheme (LSS) and Short-Term Absence Payment (STAP). The policy and operational settings for these schemes are being revisited by Treasury and MSD, with advice due to Ministers in early February, as we need to ensure they are appropriate to support the changes to the public health strategy alongside managing the expected very high number of Omicron cases and increase in demand for this support.

57 The Treasury recommends that no additional business support is provided in an Omicron outbreak. We are in a strong economic position, with a tight labour market and significant inflationary pressure, and there is already significant stimulus in the economy. With the move to a minimisation and protection approach, more outbreaks can be expected, so businesses need to be able to transition to a COVID-resilient economy.

58 If Cabinet wishes to provide business support, Treasury recommends that the following options are considered (in order of preference):

58.1 **Providing flexibility on tax payment and debt**. Inland Revenue can offer this to firms experiencing financial difficulty, and this is a common method of crisis support (and has commonly been used throughout the COVID-19 pandemic).

58.2 **Loan-based measures** that help see firms through short dips in cashflow. The Small Business Cashflow Scheme has already been extended to 31 December 2023. Officials are considering what changes to the scheme are possible for an Omicron outbreak.

58.3 **Heavily targeted grants** to businesses that are most affected, such as the COVID-19 Support Payment. This option should only be considered if the economic impact is much worse than expected, and if sectoral-specific packages are not available or desirable.

59 The Minister of Finance has asked officials to track carefully economic data (such as movement and retail spending data), so as to have the best possible picture of the economic impacts from the recent shift to Red. The Minister is concerned that where the settings of the Framework are the cause of economic disruption (e.g. some events being cancelled due to gathering restrictions), we should look closely as to whether there should be further targeted support provided, particularly given that businesses in certain regions and sectors have been and will continue to be most adversely impacted by COVID-19 and the restrictions necessary to control its transmission.

60 There is some evidence that people are already 'self-policing' and reducing their movements. That will further exacerbate the situation for the self-employed and casual workforce, particularly those involved in the tourism, accommodation, hospitality, entertainment, and events sectors, which will be more affected by the shift to Red. It is difficult to design economic supports around human behaviour but we will continue to closely monitor this and the Minister will report back to Cabinet if the data suggests that it may become necessary to provide some form of economic support, such as the Covid-19 Support Payment, to firms.

61 Any additional costs associated with economic support measures will likely be met from the COVID-19 Response and Recovery Fund (CRRF). In a separate paper being considered by Cabinet today, the Minister of Finance is proposing to increase the size of the CRRF s9(2)(f)(iv)

Implications for education

62 Omicron is causing significant disruption to schooling overseas. The latest evidence[7] shows that school closures cause significant indirect harm to children, including widening educational inequities, poorer mental health, behavioural difficulties, social isolation, family stress, family violence, and food

[7] *Schools and COVID-19 in Aotearoa New Zealand: Keeping schools open as safely as possible* by Dr Jin Russell, Dr Subha Rajanaidu, Dr Philippa Anderson, Dr Emma Best, Dr Danny de Lore (Ngāti Tuwharetoa), Dr Rawiri McKree Jansen (Ngāti Raukawa), Dr Alison Leversha, Dr Teuila Percival, Dr Owen Sinclair (Te Rawara), and Dr Rachel Webb, 24 January 2022.

insecurity. They also have a disproportionate impact on Māori and Pacific children and children from low socioeconomic backgrounds. COVID-19 is a less severe illness for children and schools are not a major driver of transmission when other higher risk contexts remain open.

63 We want to make child-centred policy decisions that aim to protect children from both the direct and indirect harms of COVID-19 and the pandemic. We are committed to keeping schools and early learning services open, with closures only as a last resort due to a significant outbreak in a school or service, staff absences that make it unsafe to operate, or a local lockdown.

64 The education system will continue to prioritise on-site kanohi ki te kanohi learning. Public health measures are in place including masks for all children in year 4 and above, vaccine mandates for all staff, and many children and young people will be vaccinated, good hygiene, and people staying at home when unwell.

65 The Ministry is guiding schools to maximise natural ventilation through management practices such as opening windows and doors. Schools will be supported by a toolkit and carbon dioxide monitors which will help them identify spaces that may need a property intervention to improve natural ventilation. Where this is not achievable, the provision of air cleaning equipment may be considered (noting that air cleaners are no substitute for fresh air).

66 Education providers will make decisions that best reflect their own context and situation, including at what point they can no longer support learners on-site due to staffing shortages. Children who need to attend school and early childhood education because they do not have an appropriate care option at home will be supported to learn on-site wherever possible.

67 For schools, distance/online learning will be implemented so that learners, whether onsite or offsite, will be supported. Under the Framework, tertiary providers will determine for themselves the appropriate mix of online and in-person provision. They are weighing the educational and social benefits of in-person provision with their health and safety obligations, and risks of significant staff and student absences. For many early learning services, because of the close nature of their operations, if one child or staff member is a confirmed case, all children and staff are usually treated as close contacts and asked to isolate, meaning the centre would close for this period.

68 Education providers also have the authority to implement health measures additional to the minimum Framework requirements, and will be given advice from the Ministry of Education, the New Zealand School Trustees Association, and Te Rūnanga Nui o Ngā Kura Kaupapa Māori.

Implications for Māori

69 Whānau Māori are disproportionately at risk of both infection and severe health outcomes from COVID-19. There are also inequities in vaccination rates, the timing of boost eligibility, and health outcomes across the board

that may be worsened by further outbreaks. Over 85% of Māori aged 12+ have now received two doses, lower than the overall average of 94%, but the timing of those doses means that many will not be eligible for a third dose until after February. Around a third of those vaccinated only had their second dose in November or December, meaning they will not become eligible for a third dose until March or April.

70 In particular, iwi in Te Tai Tokerau are most at risk due to the lower uptake of vaccinations in this region and the objection to face masks for young children in this region. The Iwi Chairs Pandemic Sub-group and the Māori Council are very concerned about the threat that Omicron poses to Māori, health and welfare system preparedness, and the ability of some Māori to be able to prepare themselves. They are seeking evidence that there is funding and support for Māori health and community providers and whānau to prepare.

71 Phase Two of the Māori Community Covid Fund (MCCF) ($46m) is focussed on building Māori community and whānau resilience. It will support the most vulnerable Māori communities, including through support for planning for home isolation; supporting the capability of iwi, hapū and Māori organisations; communications and connections; support for hapori Māori to operate under the Framework; vaccination support; and urgent community needs that fall between existing services.

72 Phase Two of the MCCF was developed to respond to Delta. It did not anticipate the changes in the level and type of support likely required to help Māori health and community providers and whanau prepare for Omicron. The demand for Phase Two of the MCCF has already outstripped available funding by over 100 percent. This suggests that there is a high amount of unmet need for providers and communities; this should be taken into account when we consider future resourcing implications of our response.

73 It is clear that more needs to be done to support Māori in our response to Covid-19 and that we now have a limited window to act to mitigate the risk of exacerbating inequities. To ensure that Māori health and social providers, whānau, hapū, iwi and marae are able to further prepare for and manage widespread transmission of Omicron, we propose that funding is made available for:

73.1 Direct funding injections to Māori health providers;

73.2 Provision through Whānau Ora Commissioning Agencies;

73.3 As a top up to the MCCF; and

73.4 Provision of ‘care’ packs (to support whanau’s ability to isolate safely)

74 This funding will be used to enhance current efforts to strengthen resilience, facilitate Māori-led responses that meet the needs of iwi and whanau (including those hesitant to engage directly with the Crown), and complement the Care in Communities approach. As existing Regional Leadership Groups are already in place and working with iwi, we expect that these groups are

leveraged to minimise duplication and ensure funds are distributed to iwi Māori where funding is needed to support their planning and preparedness for the Omicron variant. We propose that the Ministers of Finance, Māori Development, Māori Crown Relations, Whanau Ora and Social Development and Employment work jointly to determine the required detail of this funding.

Risks and Impacts

Health and social impacts

75 When Omicron spreads across New Zealand, most people will likely only experience reasonably mild levels of illness (i.e. not requiring hospitalisation). However, as with Delta, there remains significantly higher risk for some communities and population groups. This includes those who are not vaccinated, or sufficiently vaccinated, older people, people with co-morbidities, lower socio-economic groups (and with reduced incomes), and those who live far from healthcare. These risk factors disproportionately affect Māori and Pacific communities, disabled people and older people. This will require effective monitoring of the impact of Omicron and our response for these population groups.

76 Evidence from previous outbreaks suggests that boosting vaccination rates early and preparing well to care for priority populations can help to mitigate these risks, and mitigate risk of exacerbating existing inequities.

77 New Zealand is at the end of global supply chains, and disruptions throughout the international supply chain system have flowed through to New Zealand. Ministry of Transport's assessment is that New Zealand's domestic supply chain remains under considerable stress and is vulnerable to shocks from an Omicron outbreak. An outbreak will present a concurrent supply chain risk alongside the health risk, driven by increased staff absenteeism, which could result in shortage of consumer goods and key manufacturing inputs. The proposals can be mitigated to some extent by the proposals in this paper to alter isolation and testing requirements for critical workers.

78 The ongoing stability of supermarket workflow and workforce, in particular packing, delivery, click and collect functions are critical. At the peak of previous lockdowns, there have been food supply and delivery challenges. If this happens again, MSD's ability to support people via hardship assistance (rather than through referrals to foodbanks) will not be possible. Work will continue with supermarkets to ensure workforce capacity is maintained (including via the Test to Return regime) to a reasonable level and prioritisation is given to households who are self-isolating, and other households deemed high risk.

79 MSD will also continue to develop options for commercial food supply should foodbanks and community food organisations become overwhelmed, and in addition to funding allocated pre-Christmas, $1 million has been provided to the New Zealand Food Network to pre-stock food to be ready for distribution to community food providers so that they have sufficient supplies to support communities. The advice to Ministers with Power to Act and the Minister for

Social Development and Employment will include decisions on further funding to ensure people who are required to self-isolate can access food.

Equity

80 Equity concerns related to Omicron and Whānau Māori have been outlined above.

81 As Omicron expands in New Zealand there will be increased risk of cases being exported to Pacific countries, which rely on New Zealand as their primary gateway to the world. As Omicron spreads in the region, there will likely be expectations that we will provide assistance as Pacific partners also grapple with the variant.

82 Moving to self-referral models of care, and models that require increased use of personal technology (for example to upload test results), risks exacerbating inequities in those affected by the digital divide. We must be mindful of this and ensure that connectivity support, whether it be to help with access and using technology or to ensure those affected have alternative ways to access our care models, is available for the most at-risk communities.

83 We must work to mitigate the impact that Omicron has on provision of education, particularly the provision of on-site learning. Education is a fundamental social determinant of health and wellbeing. Ongoing school closures can have public health implications as they deny students physical learning opportunities, social and emotional development, and access to school-based support services.

Changes to My Vaccine Pass

84 Given the lesser efficacy in reducing transmission of two doses compared to three doses of the Pfizer vaccine, policy work on the definition of fully vaccinated and the requirement for a valid vaccine pass is underway. Currently, you do not need to have a booster dose to be 'fully vaccinated' for My Vaccine Pass.

85 MBIE and Health will also consider the impact of Omicron on the ongoing justification for various vaccination mandates, including for workers in Part 10 of Schedule 2 Groups of affected persons of the COVID-19 Public Health Response (Vaccinations) Order 2021, colloquially known as workers covered by the 'My Vaccine Mandate', and workers covered by the COVID-19 Public Health Response (Specified Work Vaccinations) Order 2021[8].

[8] Group 10 workers (e.g. workers at a food and drink business or service, close contact businesses and tertiary education at the Red traffic light setting) were required to be double-vaccinated (or otherwise authorised or exempted) by 17 January. Police and Defence workers covered by the COVID-19 Public Health Response (Specified Work Vaccinations) Order have until the close of 28 February to be double-vaccinated (except for those Police and Defence workers at MIQ Facilities, education or healthcare workplaces, who are already covered by booster requirements).

Economic impacts

86 The economy enters this outbreak in a solid position. The economy was performing strongly prior to the Delta lockdown, and unemployment had fallen to low levels. The Government is providing considerable fiscal support and public debt is projected to increase to a peak of about 40 percent of GDP, which compares favourably to our peers. Initial indicators show activity is recovering from the fall in the September quarter and that the labour market remains tight. However, the prolonged pandemic is weighing on business confidence as rising inflation and the continued closure of the international border are causing disruption to economy.

87 The Treasury's initial assessment of the potential impacts of an Omicron outbreak is highly uncertain and is likely to change as further details on the potential path of the virus and the associated response become available. Under the Framework, a transition of the entire country from amber to red is assumed to constrain economic activity by an additional $50m to $290m per week. The economic impacts are highly concentrated in the arts and recreational services, food and beverage services and the accommodation sectors.

88 Reflecting the high transmissibility of the Omicron variant, the Treasury also consider the additional impacts of an outbreak on labour supply, through worker absence due to either COVID related illness or self-isolation requirements. Depending on the case number the level of additional disruption varies significantly.

89 Should daily cases peak in the low thousands, the additional economic impacts remain relatively low. At these case levels, there will be modest reduction in aggregate hours work, offset by non-absent workers increasing their hours worked in response. This assumes that cases are not highly concentrated in one industry.

90 If average daily cases are to peak in the tens of thousands, aggregate hours worked will be more severely impacted. At this level of case volume, there will likely be additional supply chain disruption that will constrain economic activity more broadly. In addition, at high case volumes it is likely that a behavioural change will occur in consumers, as confidence falls and demand declines, creating an additional headwind to economic activity. Changes in policy in response may offset some of these impacts.

91 While an Omicron outbreak may present a period of significant disruption, we expect impacts on the economy to be transitory. International experience to date suggests an Omicron wave has a short and sharp peak. Should the outbreak persist for a longer period, the economic impacts will be greater.

Public sentiment

92 New Zealanders have never before experienced widespread transmission of COVID-19, and metrics of our management approach's success have previously been premised in maintaining relatively low case numbers. It will be

important that our approach to managing Omicron, and what we are trying to achieve, is well understood so the public are aware that the situation is markedly different to our previous experience of COVID 19 case numbers because of the nature and transmissibility of the Omicron variant.

93 As case numbers rise, it will be important to proactively communicate with the public that the response to Omicron and some of the behaviours required of the public will shift depending on Omicron's impact on New Zealand (for example, changes to self-isolation times or testing requirements). This will help maintain social licence, avoid confusion and provide reassurance that the Government's response to Omicron is guided by public health advice.

Financial Implications

94 Widespread transmission of Omicron will give rise to a significant increase in referrals for welfare support through the Care in Community welfare model, which will require additional funding. Work is underway to identify options to ensure the welfare response can meet this increased level of demand. This includes work to support household and community provider preparation, consideration of further community connection positions and work to ensure there is sufficient food supply. Officials will provide advice to Ministers on these options in the next week.

95 Work is underway to estimate the fiscal impact of an Omicron outbreak on the COVID-19 Leave Schemes. The fiscal cost is contingent on several variables including the expected length of the outbreak, testing and self-isolation requirements, and behavioural impacts of employers in light of other economic support no longer being available.

96 As at 27 January, there is $146.670 million remaining in the LSS/STAP appropriations. Based on the Ministry of Health case scenarios, there is likely to be a significant uptake in the Schemes compared to current levels which will deplete the remaining funding and necessitate a funding top-up.

Legislative Implications

97 There are no legislative implications directly arising from this paper.

Impact Analysis

98 Treasury's Regulatory Impact Analysis team has determined that the proposal to amend the COVID-19 Protection Framework is exempt from the requirement to provide a Regulatory Impact Statement. The exemption is on the grounds that the proposal is intended to mitigate the short-term impacts of the COVID-19 pandemic and it is required urgently to be effective (making a complete, robust and timely Regulatory Impact Statement unfeasible). DPMC will review the COVID Protection Framework generally in early 2022.

Te Tiriti O Waitangi Analysis

99 s9(2)(h)

s9(2)(h)

Human Rights

103 s9(2)(h)

104 s9(2)(h)

s9(2)(h)

[redacted]

Consultation

106 This paper was prepared by the COVID-19 Group in the Department of the Prime Minister and Cabinet. The Ministry of Health reviewed the paper and provided specific input including that related to the revised Testing, Tracing, Isolation, and Quarantine approach. Crown Law advised on the Bill of Rights and Treaty of Waitangi implications.

107 The following agencies were also consulted on the paper: Customs, Departments of Internal Affairs, Corrections, Ministries of Education, Ethnic Communities, Foreign Affairs and Trade, Culture and Heritage, Social Development, Justice, Primary Industries, Business, Innovation and Employment, Transport, Pacific Peoples, Te Arawhiti, NEMA, the Treasury, Te Puni Kokiri, Oranga Tamariki, Office for Disability Issues, Office for Seniors, Police, and the Public Service Commission.

108 The COVID-19 Independent Continuous Review, Improvement and Advice Group and Strategic COVID-19 Public Health Advisory Group were also consulted. The groups were largely comfortable with the proposed strategy for managing Omicron, and stressed the importance of buying time, and using it for targeting increases in immunity, ensuring equity in our response, and stress testing our systems for the response. The Strategic COVID-19 Public Health Advisory Group indicated there would be a need to continue to review settings, for example, gathering limits.

109 The National Iwi Chairs Forum Pandemic Response Group and Te Rōpū Whakakaupapa Urutā provided their advice on managing Omicron in the community in a letter to Ministers for Māori Crown Relations, Whānau Ora (and Associate Minister of Māori Health), and Māori Development Davis, Henare and Jackson on 28 January. The groups' advice covered vaccination, Care in the Community and Reconnecting New Zealand. One theme was to ensure equity of access to services and supplies to the most vulnerable and

the Kaupapa Māori providers who support them. Recommendations included food packs, care packs that contain access to digital technology, and a grant of up to $150 per whānau member to enable a household to purchase essential items. They also advise prioritising access for Kaupapa Māori providers to PPE, N95/K95 mask, and rapid antigen tests, specifically for those in rural communities. Discussions are ongoing and will continue to inform officials' advice.

Nest steps, communications and proactive release

110 As case numbers of Omicron increase, we must be mindful of the impacts that decisions related to individual control mechanisms, such as isolation periods, have cumulatively across social, economic, cultural, health, and intergenerational outcomes. All parts of our response, including Reconnecting New Zealand, must be integrated to ensure we are best placed to manage these, and retain strategy coherence. We must also be prepared to quickly adapt our approach in light of new evidence, resource and capacity constraints, and to mitigate disproportionate impacts. This means we should expect changes to our policy and operational settings as the outbreak progresses – some of which may be required to occur urgently. I therefore propose system-wide reporting by DPMC to COVID-19 Ministers regularly, with updates and decisions taken to Cabinet on an as required basis, including for any potential Framework measure changes. Reconnecting New Zealand will be included within the scope of this reporting.

111 On Tuesday 25 January, we agreed that once we enter phase three of this outbreak, public messaging and guidance will be strengthened to encourage people to work from home if practicable, rather than suggesting that people 'work from home if appropriate', which is the current guidance for Red [CAB-22-MIN-0001 refers]. Further consideration will be given to guidance to employers for when staff should be working from home to align with the phases and regarding returning to the workplace following the outbreak.

112 The decisions in this paper will be announced by the Prime Minister. The paper will be proactively released following Cabinet consideration.

Recommendations

The Minister for COVID-19 Response, Minister for Social Development, and the Associate Minister of Health recommend that Cabinet:

1 note that on 18 October 2021, Cabinet agreed to move from the Alert Level system to a new COVID-19 Protection Framework (the Framework), supporting the move from an elimination strategy to a minimise and protect strategy for managing the virus [CAB-21-MIN-0421];

2 note that international evidence suggests that while Omicron is less severe than Delta in terms in terms of hospitalisation and mortality rates, it is significantly more transmissible than Delta, and that two doses of the Pfizer vaccine are likely to be insufficient protection against transmitting the virus to others to prevent widespread outbreaks;

3 note that international evidence is clear that Omicron infections, and resultant high rates of workforce absenteeism, put severe strain on national supply chains and critical infrastructure, risking the availability of and access to basic goods and services, including food, energy and access to critical maintenance services;

Strategy

4 agree that while our overall strategy will remain to minimise and protect, once Omicron has seeded in the community, our focus will be on protecting the most vulnerable, ensuring equity, and limiting the impact on society through the protection of critical infrastructure and workforces;

Strategy implementation

5 note that as of 11.59pm Sunday 23 January 2022, all New Zealand is at Red following confirmation of cases of Omicron in the community, consistent with the approach agreed in principle by Ministers with Power to Act on 19 January 2022, signifying that we had entered 'Stamp it Out';

6 note that Red settings have been adjusted to account of the distinct characteristics of Omicron, and that more stringent masking requirements will be in place on 4 February;

7 note that changes to our Testing, Tracing, Isolation, and Quarantine approach have been made to account for Omicron, such that a three phased approach (referred to as Phase One, Phase Two, and Phase Three) will be taken to implementing these;

8 note that out Testing, Tracing, Isolation, and Quarantine approach will be updated in line with emerging evidence and impacts;

9 note that to minimise significant disruption to critical services and supply chains, eligible workers will be enabled to follow a 'Test to Return' approach;

10 agree that sector agencies will be responsible for bringing proposals to Ministers with Power to Act, should support beyond a 'Test to Return' approach be required to ensure the continued operation of critical services and infrastructure;

Care in the Community

11 note that in "Phase 1 – Stamp it out" Care in Community welfare support will continue to be provided to people who are COVID-positive and/or are required by government to self-isolate;

12 note that work is underway to align the Care in Community welfare approach with Phase Two and Three health settings, and ensure it can continue to provide adequate levels of support to people in self-isolation but decisions are required on pathways to access support, and how the approach can scale to meet demand;

13 note that due to Omicron, the welfare and accommodation approach will experience a significant increase in demand including for referral, the community connection service, community services and food provision;

14 note that without further investment and preparatory measures the welfare model would not be able to be provide adequate levels of support to people in self-isolation, which risks undermining the health response;

15 delegate authority to the Ministers with Power to Act, and the Minister for Social Development and Employment, to make decisions on pathway options to ensure that the Care in Community welfare approach is aligned with the new Health settings and can be scaled to meet demand, and to appropriate funding for the initiatives as required;

16 note that recommendation 15 will have financial implications, and is likely to result in a request for additional funding from the COVID-19 Response and Recovery Fund;

17 agree to defer the March report back (CAB-21-MIN-0493 refers) to Cabinet on how funding has been allocated to meet costs to support people who are self-isolating under the COVID-19 Protection Framework to April 2022;

18 note that the Ministry of Business, Innovation, and Employment is proposed to be the lead procurement agency to provide an Alternative Accommodation Service and will accelerate implementing a service to meet the expected demand for Omicron Cases;

19 approve in advance of the Cabinet report back described in recommendation 17, the Ministry of Business, Innovation, and Employment advancing commercial discussions with an accommodation sourcing provider and implementing an operational solution to support the rapid establishment of the first phase of the Alternative Accommodation Service;

Economic supports

20 note that officials are reviewing the policy, operational and integrity settings for the Leave Support Scheme and Short Term Absence Payment and will provide advice to the Ministers of Finance, Social Development, and Workplace Relations in early February on options to adapt these schemes and these Ministers will report back to Cabinet on proposed changes;

21 note officials are working on revisions to the Small Business Cash Flow Scheme, to provide greater support to small businesses affected by Omicron, and invite the Ministers of Finance and Revenue to report back on progress;

22 invite the Minister of Finance to report back to Cabinet if data suggests that it may become necessary to provide some form of economic support, such as the Covid-19 Support Payment, to firms;

23 agree in principle, subject to the work in recommendation 24, to provide funding to mitigate the impacts of Omicron on Māori, who are

disproportionately at risk of both infection and severe health outcomes from COVID-19;

24 invite the Ministers of Finance, Māori Development, Māori Crown Relations and Whānau Ora to report back to Cabinet on 8 February 2022, outlining details of the fund and a plan to ensure it is delivered quickly;

Next steps

25 note that the Minister for COVID-19 Response will provide regular system-wide updates to Cabinet as this outbreak progresses, to ensure our COVID-19 strategy is up to date with current evidence and is responsive to cumulative impacts, and that implementation remains well coordinated across government;

26 agree that the Prime Minister will announce today's decisions.

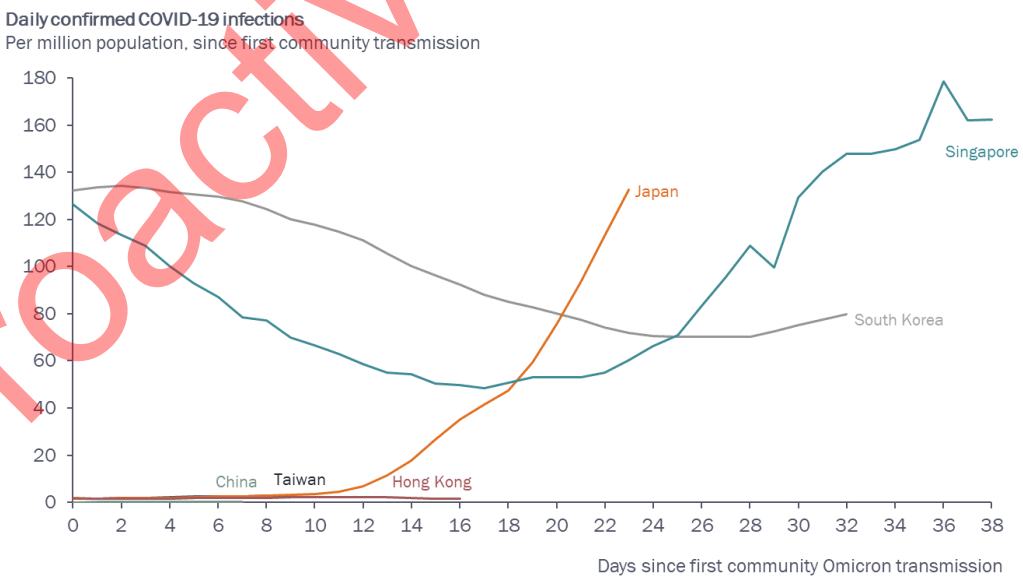
Authorised for lodgement

Hon Chris Hipkins
Minister for COVID-19 Response

Appendix 1 - Comparable country analysis

In comparison to other low infection countries, Australia has a very high case rate. The difference in cases levels is a result of a significant difference between Australia and other low infection countries in terms of the level of response that the government has imposed. In contrast, several Asian countries (in particular, South Korea) have moved aggressively with lower cost, public health measures, such as strict mask wearing, remote working where practical, air filtration requirements, and gathering and event limits. These countries have to date been relatively successful in limiting the spread of Omicron in the community.

Source: Our World In Data



Source: Our World In Data

Appendix 2 - Overview of key preparedness activity for Omicron

Communications

Communications and engagement planning to ensure readiness for Omicron is well underway. The initial focus has been on encouraging readiness (individual, community and business), and on explaining the changes to strategy and measures that will occur, while maintaining trust and confidence. A campaign is already underway featuring TV, radio, press and digital advertising as well as collateral and messaging. Practical steps include making a plan and having the right items on hand for self-isolation – especially those to help with COVID-19 symptoms. A readiness checklist is available in 27 languages, both online and as hard copies.

Business continuity planning

Engagement with stakeholders and business leaders across key supply chains, including fast moving consumer goods and lifeline utilities, has been prioritised to ensure their business continuity plans are robust. The key utilities sector will be challenged by large-scale absenteeism. The sector is working with MBIE to identify critical infrastructure and workforces that may require preferential support to ensure continued operation. Local government is also refreshing business continuity plans with particular attention to critical services including water, waste-water, solid waste, public transport and roading. Oranga Tamariki is supporting its regional teams to connect into and participate in regional leadership responses and is supporting and assessing the readiness of caregiving households that it works with directly and through partners/providers.

All government departments have refreshed, or are in the process of refreshing their business continuity planning to ensure provision of key services and response activity will continue even when there are high volumes of cases. As part of this, consideration may need to be given to prioritisation of work programmes to ensure resourcing is sufficient for these tasks. The Public Services Commission is leading this work. The Ministry of Education has been working with education providers to ensure they are as prepared as possible to manage through Omicron.

Vaccination

To maintain high levels of personal protection against the Omicron variant, New Zealand has already reduced the interval of eligibility for booster vaccinations for adults to four months. As a result, the population's eligibility for boosters is earlier than anticipated, meaning that most of the eligible population will have received their booster vaccine by June 2022.

Work is now underway to manage the potential gap in vaccine supply that this has given rise to. Officials are currently addressing this through:

- continuing to actively prioritise obtaining additional Pfizer doses earlier than planned; and
- potentially using the wider vaccine portfolio (i.e. doses other thn Pfizer) to support the immunisation programme

The roll-out of the paediatric vaccine for children aged 5-11 years started on 17 January, further increasing the opportunity to protect a greater number of New Zealand's population. As at 268January more than 1370,000 paediatric doses have been administered across New Zealand.

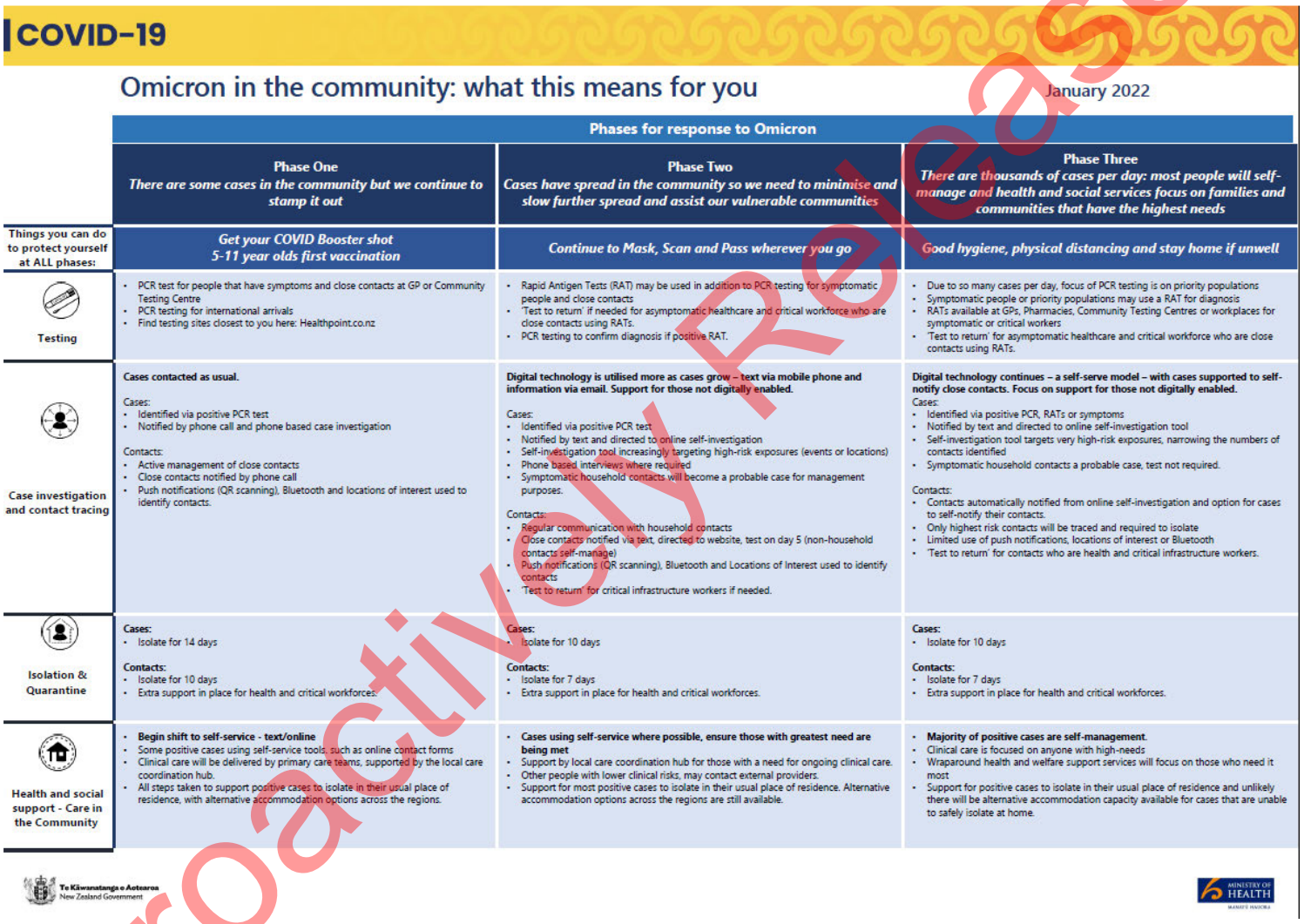
DHBs have developed implementation plans, which leverage their local provider networks, in particular through Māori and Pacific health providers and working with disability support services to reach priority populations. DHBs are expected to take a whānau-orientated approach to the roll-out to encourage uptake of the vaccine among other age cohorts, including booster doses.

Appendix 3 - Key features of case and contact management across stages

Phase One	• case quarantine and contact isolation times extended to 14 days and 10 days respectively, regardless of vaccination status or COVID-19 variant. • All cases notified by phone call and phone-based case investigation • Public health resources will focus on high intensity case investigation and management of medium-high risk exposure events, especially in vulnerable communities. • All close contacts will be informed by phone call and will be actively managed • Push notifications, Bluetooth and Locations of Interest will continue to be used
Phase Two	• Case quarantine and contact isolation times will be reduced. Cases will isolate for 10 days. Their household contacts (that they live with) will begin their isolation from the same day as the case tests positive, and will remain in isolation until the case is released, but no more than 10 days from the date the case was originally tested. Contacts outside the household will isolate for seven days. • Cases will continue to be identified via positive PCR. They will be notified by text message and directed to complete an online self-investigation but will increasing targeting only contacts from high-risk exposures. • Phone based case interviews will be carried out for non-responders or those unable to use the online tool. • Known close contacts will be notified via text, directed to website and to test on day 5. Household contacts will be actively managed; all other close contacts will self-manage. • 'Test to return' protocols will be used for critical infrastructure workers to enable to them to remain at work.
Phase Three	• Only the highest risk close contacts will need to isolate.

	• Case investigations will not be undertaken for the majority of cases but rather completed in a targeted manner, with existing case investigation telehealth service capacity focusing on the highest risk cases and their households. • Other cases will be directed to the existing digital tools and will be directed to advise their close contacts themselves and access publicly available information. Close contacts will have to self-assess their own exposure risk and self-manage their care. • 'Test-to-return definitions will need to be applied to contacts in critical infrastructure services to manage the broader societal impacts. • Public health resources will be focussed on outbreak management in very high-risk settings and priority populations e.g. Māori and Pacific communities.

Appendix 4 - Three Phased approach to Managing Omicron



COVID-19

Omicron in the community: what this means for you

January 2022

	Phase One *There are some cases in the community but we continue to stamp it out*	Phase Two *Cases have spread in the community so we need to minimise and slow further spread and assist our vulnerable communities*	Phase Three *There are thousands of cases per day: most people will self-manage and health and social services focus on families and communities that have the highest needs*
Things you can do to protect yourself at ALL phases:	***Get your COVID Booster shot 5-11 year olds first vaccination***	***Continue to Mask, Scan and Pass wherever you go***	***Good hygiene, physical distancing and stay home if unwell***
Testing	• PCR test for people that have symptoms and close contacts at GP or Community Testing Centre • PCR testing for international arrivals • Find testing sites closest to you here: Healthpoint.co.nz	• Rapid Antigen Tests (RAT) may be used in addition to PCR testing for symptomatic people and close contacts • 'Test to return' if needed for asymptomatic healthcare and critical workforce who are close contacts using RATs. • PCR testing to confirm diagnosis if positive RAT.	• Due to so many cases per day, focus of PCR testing is on priority populations • Symptomatic people or priority populations may use a RAT for diagnosis • RATs available at GPs, Pharmacies, Community Testing Centres or workplaces for symptomatic or critical workers • 'Test to return' for asymptomatic healthcare and critical workforce who are close contacts using RATs.
Case investigation and contact tracing	**Cases contacted as usual.** Cases: • Identified via positive PCR test • Notified by phone call and phone based case investigation Contacts: • Active management of close contacts • Close contacts notified by phone call • Push notifications (QR scanning), Bluetooth and locations of interest used to identify contacts.	**Digital technology is utilised more as cases grow – text via mobile phone and information via email. Support for those not digitally enabled.** Cases: • Identified via positive PCR test • Notified by text and directed to online self-investigation • Self-investigation tool increasingly targeting high-risk exposures (events or locations) • Phone based interviews where required • Symptomatic household contacts will become a probable case for management purposes. Contacts: • Regular communication with household contacts • Close contacts notified via text, directed to website, test on day 5 (non-household contacts self-manage) • Push notifications (QR scanning), Bluetooth and Locations of Interest used to identify contacts • 'Test to return' for critical infrastructure workers if needed.	**Digital technology continues – a self-serve model – with cases supported to self-notify close contacts. Focus on support for those not digitally enabled.** Cases: • Identified via positive PCR, RATs or symptoms • Notified by text and directed to online self-investigation tool • Self-investigation tool targets very high-risk exposures, narrowing the numbers of contacts identified • Symptomatic household contacts a probable case, test not required. Contacts: • Contacts automatically notified from online self-investigation and option for cases to self-notify their contacts. • Only highest risk contacts will be traced and required to isolate • Limited use of push notifications, locations of interest or Bluetooth • 'Test to return' for contacts who are health and critical infrastructure workers.
Isolation & Quarantine	**Cases:** • Isolate for 14 days **Contacts:** • Isolate for 10 days • Extra support in place for health and critical workforces.	**Cases:** • Isolate for 10 days **Contacts:** • Isolate for 7 days • Extra support in place for health and critical workforces.	**Cases:** • Isolate for 10 days **Contacts:** • Isolate for 7 days • Extra support in place for health and critical workforces.
Health and social support - Care in the Community	• **Begin shift to self-service - text/online** • Some positive cases using self-service tools, such as online contact forms • Clinical care will be delivered by primary care teams, supported by the local care coordination hub. • All steps taken to support positive cases to isolate in their usual place of residence, with alternative accommodation options across the regions.	• **Cases using self-service where possible, ensure those with greatest need are being met** • Support by local care coordination hub for those with a need for ongoing clinical care. • Other people with lower clinical risks, may contact external providers. • Support for most positive cases to isolate in their usual place of residence. Alternative accommodation options across the regions are still available.	• **Majority of positive cases are self-management.** • Clinical care is focused on anyone with high-needs • Wraparound health and welfare support services will focus on those who need it most • Support for positive cases to isolate in their usual place of residence and unlikely there will be alternative accommodation capacity available for cases that are unable to safely isolate at home.

Te Kāwanatanga o Aotearoa New Zealand Government

MINISTRY OF HEALTH

CAB-22-MIN-0007

Cabinet

Minute of Decision

COVID-19 Response: Managing Omicron in the Community

Portfolios **COVID-19 Response / Social Development and Employment / Associate Health (Hon Dr Ayesha Verrall)**

On 1 February 2022, Cabinet:

Background

1 **noted** that on 18 October 2021, Cabinet agreed to move from the Alert Level system to a new COVID-19 Protection Framework (the Framework), supporting the move from an elimination strategy to a minimise and protect strategy for managing the COVID-19 virus [CAB-21-MIN-0421];

2 **noted** that international evidence suggests that while Omicron is less severe than Delta in terms of hospitalisation and mortality rates, it is significantly more transmissible than Delta, and that two doses of the Pfizer vaccine are likely to be insufficient protection against transmitting the virus to others to prevent widespread outbreaks;

3 **noted** that international evidence is clear that Omicron infections, and resultant high rates of workforce absenteeism, put severe strain on national supply chains and critical infrastructure, risking the availability of and access to basic goods and services, including food, energy and access to critical maintenance services;

Strategy

4 **agreed** that while the overall strategy will remain to minimise and protect, once Omicron has seeded in the community, the focus will be on protecting the most vulnerable, ensuring equity, and limiting the impact on society through the protection of critical infrastructure and workforces;

Strategy implementation

5 **noted** that as of 11.59 pm on Sunday, 23 January 2022, all New Zealand is at Red following confirmation of cases of Omicron in the community, consistent with the approach agreed in principle by Ministers with Power to Act on 19 January 2022, signifying that the 'Stamp it Out' stage had been entered into;

6 **noted** that Red settings have been adjusted to take account of the distinct characteristics of Omicron, and that more stringent masking requirements will be in place on 4 February 2022;

7 **noted** that changes to the Testing, Tracing, Isolation, and Quarantine approach have been made to account for Omicron, such that a three phased approach (referred to as Phase One, Phase Two, and Phase Three) will be taken to implementing these;

8 **noted** that the Testing, Tracing, Isolation, and Quarantine approach will be updated in line with emerging evidence and impacts;

9 **noted** that to minimise significant disruption to critical services and supply chains, eligible workers will be enabled to follow a 'Test to Return' approach;

10 **agreed** that sector agencies will be responsible for bringing proposals to Ministers with Power to Act, should support beyond a 'Test to Return' approach be required to ensure the continued operation of critical services and infrastructure;

Care in the Community

11 **noted** that in 'Phase 1 – Stamp it out', Care in Community welfare support will continue to be provided to people who are COVID-positive and/or are required by government to self-isolate;

12 **noted** that work is underway to align the Care in Community welfare approach with Phase Two and Phase Three health settings and ensure it can continue to provide adequate levels of support to people in self-isolation, but that decisions are required on pathways to access support and how the approach can scale to meet demand;

13 **noted** that due to Omicron, the welfare and accommodation approach will experience a significant increase in demand, including for referral, the community connection service, community services, and food provision;

14 **noted** that without further investment and preparatory measures, the welfare model would not be able to provide adequate levels of support to people in self-isolation, which risks undermining the health response;

15 **authorised** the Ministers with Power to Act, and the Minister for Social Development and Employment, to make decisions on pathway options to ensure that the Care in Community welfare approach is aligned with the new Health settings and can be scaled and/or targeted to meet demand, and to appropriate funding for the initiatives as required;

16 **noted** that paragraph 15 above will have financial implications, and is likely to result in a request for additional funding from the COVID-19 Response and Recovery Fund;

17 **invited** the Minister for Social Development and Employment to report back to Cabinet on decisions related to paragraph 15 in February 2022;

18 **agreed** to defer the March 2022 report to Cabinet on how funding has been allocated to meet costs to support people who are self-isolating under the Framework [CAB-21-MIN-0556] to April 2022 to enable the report back to include decisions related to recommendation 15;

19 **noted** that the Ministry of Business, Innovation, and Employment is proposed to be the lead procurement agency to provide an Alternative Accommodation Service, and will accelerate implementing a service to meet the expected demand for Omicron cases;

20 **approved**, in advance of the Cabinet report back described in paragraph 18 above, the Ministry of Business, Innovation, and Employment advancing commercial discussions with an accommodation sourcing provider and implementing an operational solution to support the rapid establishment of the first phase of the Alternative Accommodation Service;

Economic supports

21 **noted** that officials are reviewing the policy, operational and integrity settings for the Leave Support Scheme and Short Term Absence Payment, and will provide advice to the Ministers of Finance, Social Development and Employment, and Workplace Relations and Safety in early February 2022 on options to adapt these schemes, and **invited** relevant Ministers to report back to Cabinet on any proposed changes;

22 **noted** that officials are working on revisions to the Small Business Cash Flow Scheme to provide greater support to small businesses affected by Omicron, and **invited** the Ministers of Finance and Revenue to report back to Cabinet on progress;

23 **invited** the Minister of Finance to report back to Cabinet if data suggests that it may become necessary to provide some form of economic support, such as the COVID-19 Support Payment, to firms;

24 **agreed in principle**, subject to the work referred to in paragraph 25 below, to provide funding to mitigate the impacts of Omicron on Māori based on need, who are disproportionately at risk of both infection and severe health outcomes from COVID-19;

25 **invited** the Ministers of Finance, Māori Development, Māori Crown Relations: Te Arawhiti, and Whānau Ora to report back to Cabinet on 8 February 2022, outlining details of the fund and a plan to ensure it is delivered quickly;

Next steps

26 **noted** that the Minister for COVID-19 Response will provide regular system-wide updates to Cabinet as the outbreak progresses, to ensure the COVID-19 strategy is up to date with current evidence and is responsive to cumulative impacts, and that implementation remains well coordinated across government;

27 **noted** that the Prime Minister will announce the above decisions.

Michael Webster
Secretary of the Cabinet