



Briefing

TRANSITION TO PHASE THREE OF THE OMICRON RESPONSE STRATEGY

To: Hon Chris Hipkins
Minister for COVID-19 Response

Date	22/02/2022	Priority	Urgent
Deadline	23/02/2022	Briefing Number	DPMC-2021/22-1489

Purpose

This briefing seeks your agreement to transition to Phase Three of the Omicron response strategy at 11.59pm Thursday 24 February 2022 and confirms the wider system is ready to implement, and supportive of, this transition.

Recommendations

1. **Note** that the Ministry of Health has undertaken a Public Health Risk Assessment of whether to shift from Phase Two to Three of the Omicron Response Strategy;
2. **Note** that Ministry of Health's view is that the conditions have been met to justify a shift to Phase Three, and that they recommend this shift occur at 11.59pm Thursday 24 February 2022;
3. **Note** that there are social and economic considerations supporting a move to Phase Three and the wider system is ready for this transition;
4. **Note** that 11.59pm Thursday 24 February 2022 is anticipated to be the earliest that the amended Order can come into effect;
5. **Agree** to move New Zealand to Phase Three on 11.59pm Thursday 24 February 2022;
6. **Note** that while the move to Phase Three is likely to ease some pressure on New Zealand's supply chains and core services, that further system-wide action will likely be required to mitigate these issues in support of New Zealand's COVID-19 response;


YES NO

7. Agree that this briefing is proactively released, with any appropriate redaction where information would have been withheld under the Official Information Act 1982, in May 2022.

YES NO


Ruth Fairhall
Head of Strategy & Policy

22/2/2022


Hon Chris Hipkins
Minister for COVID-19 Response

22/2/2022

Contact for telephone discussion if required:

Name	Position	Telephone	1st contact
Ruth Fairhall	Head of Strategy & Policy, COVID-19 Group	s9(2)(a)	✓
Beth Hampton	Senior Policy Advisor	N/A	

Minister's office comments:

- Noted
- Seen
- Approved
- Needs change
- Withdrawn
- Not seen by Minister
- Overtaken by events
- Referred to

TRANSITION TO PHASE THREE OF THE OMICRON RESPONSE STRATEGY

Background

1. On 23 January 2022, Ministers with Power to Act moved all New Zealand into the Red setting of the COVID-19 Protection Framework (the Framework) in response to unlinked cases of the Omicron variant in the community. On 26 January, the Associate Minister of Health announced the Government's three-phase Omicron response strategy, which is intended to promote an equitable, sustainable and agile health response while continuing to deliver business as usual healthcare for New Zealanders. At the time of the announcement New Zealand was at Phase One of the response strategy, and at 11.59pm 15 February, in response to rising case numbers and pressure on the health system, New Zealand moved to Phase Two.
2. The move to Phase Two triggered reduced isolation periods for cases and close contacts; availability of the Close Contact Exemption Scheme (CCES) and Bubble of One to facilitate asymptomatic, vaccinated close contacts to return to work during their isolation periods; and other changes to testing and contact tracing requirements to ease burden on the health system.
3. Key changes from Phase Two to Three will include:
 - a) close contacts other than household contacts will no longer be required to isolate;
 - b) there will be far less individual case management (e.g. such resources will be reserved for highly vulnerable people); and
 - c) Rapid Antigen Tests will also be used for diagnostic purposes to help preserve laboratory PCR testing capacity.

Recommendation to move to Phase Three

4. From a public health perspective, there are three critical indicators to consider for a shift to Phase Three: the rate of growth in cases, testing demand and capacity, and contact tracing and case management capacity.
5. On 21 February, the Ministry of Health conducted a public health risk assessment to consider whether to shift from Phase Two to Three of the Omicron response (Attachment A refers). The assessment involved a comprehensive analysis and discussion of the Omicron outbreak and these three critical indicators. The assessment resulted in a recommendation that New Zealand shift from Phase Two to Phase Three of the Omicron response at 11:59pm Thursday 24 February.
6. DPMC has confirmed with PCO that 11.59pm Thursday 24 February is likely to be the earliest that the necessary legal instruments can come into effect to enable Phase Three.

Non-health factors relevant to a shift to Phase Three

7. There are also social and economic considerations that support a move to Phase Three. In particular, the Phase Two isolation requirements for close contacts are proving problematic for the operation of New Zealand's supply chains and core services. For example, current issues include:
 - a) [Commercial in confidence] A major supermarket chain is reporting that its supply chain is under pressure. Drivers of this include the fact that two Auckland Distribution Centres have absenteeism levels of 40%, resulting in delivery of stock to stores reducing to 50%. This will impact stores across the country with potential for empty shelves;
 - b) As of 10.30am Monday 21 February, Education had 1389 active COVID-19 cases (1102 young people and 161 educators), affecting 553 education settings across Early Learning Services, Primary, Intermediate and Secondary schools). This has flow on implications for parents and whanau, whose ability to work may be affected while they care and educate children within the home;
 - c) [Commercial in confidence] all Auckland branches of one of New Zealand's courier providers are at critical status level, which is causing delays in freight in Auckland and across the country; and
 - d) Global logistics and domestic port constraints remain, and whilst the CCES has reduced the complexities associated with isolation requirements of close contacts, increased numbers of cases in Auckland are placing strain on the ability to move containers to warehouses. This is providing an extended time delay in the movement of products across the country.
8. Moving to Phase Three, under which only household contacts are required to isolate, will help to mitigate some of these issues to some degree. However, we anticipate supply chain, education, and other economic issues will continue to occur due to the combination of Phase Three requirements, risk averse behaviour to avoid potential exposure to the virus, and the Red COVID-19 Protection Framework settings.

System readiness to shift to Phase Three

9. The Ministry of Health has undertaken an assessment of health system operational readiness to shift to Phase Three. The assessment covered operational readiness to shift in areas such as testing, Healthline, contact tracing, care in the community, digital enablers, and communications, and determined that 24-48 hours is required for it to be operationally ready.
10. The shift to Phase Three (compared to Phase Two) does not impact the Ministry of Social Development's (MSD) operational readiness for provision of Care in the Community welfare support. MSD anticipates that the change in isolation requirements will proportionally reduce some demand for support, but that demand for support for cases will remain and that there is a risk of capacity pressure on the model should numbers surge. Work is continuing to increase the Community Connector Workforce, provide additional funding to foodbank providers, and enhance access to Care in the Community support and streamlining of referrals to appropriate providers.

11. Contingency planning for if case numbers reach over 5000 per day is underway. This includes standing up commercial arrangements for food parcel distribution should demand exceed 50,000 parcels per week. At 5000 cases per day, MSD anticipates that Community Connectors will reach their case load capacity, and that some diversion of business as usual services may be required. The Minister for Social Development and Employment has been invited to return to Cabinet should additional funding or changes to settings be required under Phase Three, or should there be a prolonged period with cases above 5,000 per day.
12. Treasury and MSD officials will monitor the operation of the Leave Support Scheme and Short-Term Absence Payment under Phase Three to ensure settings remain fit for purpose.

Next steps

13. Officials recommend that New Zealand move to Phase Three at 11.59pm Thursday 24 February. Should you agree, officials will provide an Order for signing on Thursday.
14. Officials anticipate that further action will be required to mitigate the non-health impacts that Phase Three requirements and Red settings may have on New Zealanders' way of life – particularly if these settings are in place for an extended period of time. If left unmitigated, these impacts could undermine New Zealanders' willingness to comply with COVID-19 requirements.
15. DPMC is therefore leading a process to facilitate identification of areas most at risk of service disruption of such scale that government intervention, or changes to Phase Three settings, may be justified and required. This process, which will be centrally coordinated to ensure system coherency, is anticipated to result in development of proposals, led by relevant agencies, to be considered as a portfolio of specific measures by Ministers with Power to Act or changes to public health settings if required. System level indicators are also being developed to help monitor the sustainability of our response from an all-of-system perspective.
16. The shift to Phase Three measures will have implications on the proportionality of our current border settings and self-isolation settings under Reconnecting New Zealanders. DPMC will provide initial advice later this week on this matter.

Consultation

17. The Ministry of Social Development and Treasury provided input to this paper. The Ministry of Education provided relevant case data.

Communications

18. The Unite Against COVID-19 website will be updated to reflect the Phase Three settings. There are regular meetings with Iwi Chairs and other Māori groups. The next meetings are scheduled for tomorrow evening and we understand Minister Verrall will attend to talk about Phase Three.

ATTACHMENT A

Health Report: Shifting to Phase Three of the Omicron response strategy

Proactively Released