



Aide-Mémoire

Update on COVID-19 Response

To:	Hon Chris Hipkins Minister for COVID-19 Response		
From:	Ruth Fairhall, Head of Strategy & Policy, COVID-19 Group	Date:	13/05/2022
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Purpose

1. This aide memoire provides an update on the COVID-19 system response to the Omicron outbreak, modelling, and observed and emerging impacts. Talking points to support your oral update to Cabinet on the response are attached (**Attachment A**).

Situation update

2. Daily case numbers have levelled out at a seven-day rolling average of 7,400 (or 145 cases per 100,000 resident population). This is higher than our earlier estimated baseline of approximately 5,000 cases per day (or 100 cases per 100,000 resident population), which is where New South Wales, Victoria, Queensland, and South Australia levelled out after their first Omicron wave, but is similar to where these four states plateaued after their second (BA.2 variant) waves.
3. While some DHBs are still declining in terms of daily cases (Bay of Plenty, Canterbury, Southern, West Coast, Whanganui), most have plateaued at a baseline with a steady seven day rolling average for several weeks. Daily cases in the Auckland region (particularly in Auckland and Waitemata DHBs) have been steadily increasing over the past few weeks. It is still too early to call this a second wave; it is possibly a smaller wave driven by sub-regional transmission.
4. Hospital bed occupancy is continuing to decline nationally, and in all health regions except Southern. Part of this can be attributed to a review of how recovered cases are recorded in the Northern Region (which resulted in a substantial decline), as well as DHBs in the Southern Region being at a different point in the Omicron wave.
5. Daily reported fatalities counts are sitting at a seven-day rolling average of 14 (down slightly from 15 on Friday 6 May), although this includes fatalities from several months (i.e., there is a difference between reported date and the date of death). It is likely that total COVID-19 fatalities will surpass 1,000 by the middle of next week.

Health system capacity

6. COVID-19 cases remain high, but the Ministry of Health is receiving assurance that the health sector is coping, which suggest most cases are managing well at home or in the community. In some cases, demand has returned to pre-Omicron levels, particularly in general practice and ambulance services.
7. Health staff absenteeism is generally stabilising, although the Ministry of Health is aware of an increase in nursing, medical and allied health absences reported in the Te Manawa Taki (Bay of Plenty, Lakes, Hauora Tairāwhiti, Taranaki and Waikato DHBs) and Central regions in the last week.
8. Inpatient hospital occupancy over 90 percent is trending upwards across the motu – hospitals with the largest frequency of occupancy over 90 percent are in the Central region.
9. Waiting list numbers for planned care have continued to increase. The planned care taskforce has been established to address planned care delivery focussing on equity, national consistency, and vulnerable services. Modelling shows that the resumption of planned care delivery to pre-Omicron levels is likely to occur this month.

Care in the Community

10. Demand for welfare support grew slightly in the last week, with the number of requests increasing by nearly 100 from the prior week (up to 2,769), while referrals to providers increased around 160 (up to 807). Most demand in the last week was in the Auckland Central area, related to food, and came through MSD's online channels.
11. The proportion of confirmed COVID-19 cases who requested support has remained stable at five percent for the last two weeks.

Supply chain update

12. According to Flexport's Ocean Timeliness Indicator, the time taken for containers to travel across the Transpacific Eastbound route has fallen to 103 days this week. This is the lowest it has been since 7 November 2021. Similarly, times for the Far East Westbound route have dropped to 105 days, down from a high of 120+ days in April. Flexport attributes the change to seasonality. New Zealand logistics company Kotahi reports that about 12 percent of the world's vessel capacity remains held up waiting to berth at any given time.
13. Air connectivity is improving following New Zealand's border reopening to Australians on 12 April and visa waiver tourists on 1 May. Airlines are resuming flying to New Zealand, including Air Tahiti Nui in May, Cathay Pacific in June, and Hawaiian Airlines in July.

China

14. Shanghai's Omicron outbreak and associated lockdown continue to exacerbate global supply chain disruption. Although the Port of Shanghai is open, there are significant delays and congestion. International analysts estimate that it is operating at a third of normal capacity due to warehousing shortages and workforce absences. About 500 ships are waiting to berth.
15. Refrigerated storage capacity is severely constrained. While Maersk is still operating two direct services between New Zealand and Shanghai, it has stopped bookings for reefer (refrigerated) cargo ships and dangerous goods. New Zealand exporters have responded by redirecting shipments to other Chinese ports, diverting products to different markets, and changing the types of product sent (e.g. from fresh to frozen).

16. Shanghai's Pudong International Airport is open, but operations have significantly slowed due to workforce shortages. Flexport reports that over 80 percent of commercial freighter services to/from this airport have been cancelled.
17. There has been an increase in cargo flights at Guangzhou's Baiyun Airport, as airlines reroute from Pudong. The time taken to process air cargo has grown from 1-3 days to 3-4 weeks.

Other updates of note

18. Russia's war on Ukraine, and the resulting economic sanctions and counter-sanctions, continue to heighten supply chain disruptions globally. New Zealand remains impacted through increased energy, food and commodity prices.
19. Shipping is under extra pressure as a result of underwater mines being placed in the Black Sea. The International Chamber of Shipping notes that 80-100 ships are stuck in Ukraine, which the World Food Programme says contain millions of tonnes of grain. There are also container shortages because containers in Russia cannot be easily diverted due to sanctions. Maersk has established a pop-up container yard in Kalundborg, Denmark to store containers that were originally destined for Russia, but need rerouting in light of sanctions. The terminal is currently holding more than 8000 containers while Maersk's customers gradually re-sell goods and ship them to different markets.
20. Sri Lanka is experiencing shortages of fuel, gas, medicines and food as it grapples with a political crisis. Food inflation for April reached 46.6 percent (the highest figure ever recorded), and restrictions have been placed on non-essential goods. The majority of goods imported from New Zealand are exempt as they are considered essential.
21. Indonesia has banned exports of palm oil so that it can meet domestic needs. Since Indonesia supplies about a third of the world's edible oil, New Zealand may feel an impact through price increases.

Next steps

22. The Ministry of Health will review New Zealand's colour settings on Monday 16 May, and as part of this process, will also provide advice on whether to amend isolation and quarantine settings. Once the health advice is received, the Department of the Prime Minister and Cabinet will develop a briefing that assesses the health proposal against the agreed non-health factors; this will be provided to COVID-19 Ministers with Power to Act on Wednesday 18 May for decision.

Attachments:

Attachment A:	Attachment A – Talking points	Withheld in full under section 9(2)(g) (i) of the Act
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