

Cabinet

## COVID-19 RESURGENCE: SECOND REVIEW OF ALERT LEVELS

### Proposal

1. This paper reviews the effectiveness of our latest measures against the spread of COVID-19 and proposes options for next steps.

### Summary

2. On August 14, Cabinet extended the Level 3 Alert Level restrictions in Auckland and the nationwide Level 2 controls for 12 further days, until Wednesday August 26. The initial evidence that we had found the outbreak early was encouraging. But we wanted to continue to slow any undetected transmission while widespread testing of symptomatic people and contact tracing took place. We aimed to prevent the need to consider broader national lockdown by moving quickly.
3. This paper reviews what we know now, and provides options for next steps.

### *Situation report*

4. As at 10am on August 21, we have discovered 89 confirmed and probable cases outside of MIQ, all of whom are isolated. There are nine people in hospital. All but two of the cases are confirmed to be part of a single cluster, with the remaining two under investigation. All but three cases are in the Auckland region, with the others being linked cases in the Waikato. There are no cases in aged care facilities. The vast majority of those infected are from the Pacific community.
5. Overall, the system we have built over the last few months has responded well in this latest outbreak. There has been a very high volume of testing, including more rigorous testing at the border, and speedy contact tracing. Public support has also been strong with high compliance with controls, including at the roadblocks at the boundaries of Auckland. We were able to quickly rule out any further spread in the Waikato centres we knew our newly infected cases had visited. A million more people have downloaded the COVID Tracer app in the last ten days, and daily scans are about ten times higher than they were before this outbreak. Masks and face coverings, while not compulsory, are encouraged and are becoming more visible in our communities.

### *Options*

6. Alert Level controls are costly, both economically and socially. We should aim to impose the minimum level of restrictions that is consistent with maintaining our elimination strategy. The interim view of the Director-General is that we are now in a position to consider stepping down controls in Auckland to Alert Level 2 but that we should maintain Alert Level 2 elsewhere. Given the Director-General's view, there is no option in this paper that would retain our existing Level 3 controls in Auckland combined with the current Alert Level 2 controls elsewhere.
7. Using the agreed transmission thresholds for Alert Level decisions, and based on the information we have at present, this outbreak now best fits the definition of Alert Level 2 in Auckland (with limited community transmission occurring), and Alert Level 1 elsewhere. But there are some troubling elements that could support a different

approach, notably a small number of cases whose origin remains uncertain and the large number of places and contacts still being traced in Auckland.

8. Recent modelling from Te Punaha Matatini suggests that the index case (the original infected person) was exposed to the virus in the last week of July, about two weeks before we discovered the first case, and that an infected individual is highly likely to have travelled outside of Auckland by now but is much less likely to have travelled to the South Island.
9. This paper presents three options for consideration, all to take effect from 11:59pm on Wednesday August 26:
  - a. Option A: Maintain Level 3 controls in Auckland for at least seven additional days and move to Level 1 controls in the remainder of the country.
  - b. Option B: Move to Level 2 controls nationwide for at least the next seven days. This is the preferred option of the Director-General of Health.
  - c. Option C: Move to Level 2 controls in Auckland for at least the next seven days, and to Level 1 in the remainder of the country.
10. Under Option B and C I propose that in Auckland we step gradually up to the gathering limit of 100 people, as we did the last time around in leaving Level 2. This is also the view of the Director-General.
11. As well, under any option, we would:
  - a. Make the display of QR codes at premises compulsory at all Alert Levels, and
  - b. Phase in a requirement for the wearing of face coverings on public transport and airplanes at Alert Level 2 and above, and encourage the wearing of face coverings in other situations where physical distancing is impractical.
  - c. Continue to emphasise the importance of core public health measures, including staying home when you are sick, seeking a test if you have symptoms, and to further normalise physical distancing where possible and appropriate.

#### *Process*

12. There is more discussion of the situation around the transmission of the virus, including the Director-General's view at paragraphs 20 to 27. There is more discussion of the options at paragraphs 62 to 83. New information will continue to flow through up to the time Cabinet meets. The Director-General will provide his final assessment and advice for Cabinet on Monday.
13. The legislation that puts in place the Alert Level framework requires that there be 48 hours between notifying an Order and its coming into force, except in the case of urgency in order to stop the spread (which won't apply to our situation this time). This means that the earliest any change can be made is from 11:59pm on Wednesday August 26. Officials are drafting potential Orders before Cabinet considers this paper to make the Wednesday timing possible, but implementation of some options or additional policy decisions taken at Cabinet could require a later amendment to the Order with delayed implementation.
14. Given the dynamic environment, I propose that the next check in be at a Cabinet meeting on Monday August 31, with any changes to Alert Levels made subsequent to that coming in to effect from 11:59pm on Wednesday September 2.

### *What comes next*

15. While we are now in a position to consider scaling back some controls, this does not mean that we can relax our guard. New cases will continue to emerge from this cluster, which is already large by comparison with the clusters we have seen previously. We will need to maintain our vigilance at the border. And we need to reinforce important measures such as staying home when sick, getting tested quickly if you have symptoms, checking in with the app, and wearing masks in situations where physical distancing is not possible.
16. We have had the first test of our COVID-19 rapid response plan and our national resilience to a resurgence of the virus. We have come through it well so far. But COVID-19 continues to spread rapidly across the globe. This is the first time the virus has re-emerged in our community. We should not expect it to be the last.

### **Introduction**

17. This paper has two main parts:
  - a. A situation report against the eight factors we use to make Alert Level decisions, including the initial views of the Director-General, and
  - b. A consideration of some options for the next phase.
18. A reminder of the eight factors is attached as an Appendix, as well as a reminder of the thresholds for virus transmission that inform decisions about moving Alert Levels.

### **Situation report**

19. Our COVID-19 strategy remains elimination, which includes stamping the virus out every time it comes back. We have seen the very significant economic and health benefits available from eliminating the virus, and we must work hard together to do that again.

### *Transmission situation*

20. As mentioned above, at 10am on August 21, there are 89 identified cases of COVID-19 beyond MIQ, including probable cases. All but two of these cases can be linked epidemiologically to a single case confirmed on August 11. The earliest date of reported symptoms amongst these cases is July 31.
  - a. There are 86 cases in the Auckland region, with three linked cases confirmed in the Waikato. No cases have been confirmed in other regions of New Zealand despite very high levels of testing.
  - b. The average age is 38, with the largest age groups those aged 50 to 59 (20 per cent of all cases are in this band. There are more women than men.
  - c. Seventy six per cent of cases are in the Pacific community and another 14 per cent identify as Māori, both communities that are particularly vulnerable to COVID-19. There is more on this later in the paper.
21. We are yet to discover the source of the original outbreak. The results of genomic testing do not connect the outbreak to a known case in MIQ. While investigations are continuing, we may never know how the virus was carried through our border safety nets.
22. All cases in the new cluster are in a pattern that is consistent with previous outbreaks: they are contained geographically and have resulted from household and close

contacts in workplaces plus some larger gatherings. There has been little spread from inter-regional travel. This gives us confidence that this cluster is under control.

23. Using the agreed transmission thresholds and based on the information we have, this outbreak now best fits the definition of Level 2 in Auckland, with limited community transmission occurring, and all but two cases in a single cluster. The rest of the country best fits in the definition of Alert Level 1, with sporadic imported cases captured at MIQ. We will continue to keep a close eye on the situation, but the balance of risk currently points to slowing further spread through known close contacts and household transmission.
24. There are three complicating factors for this relatively positive assessment:
  - a. There are two confirmed community cases that are not directly linked to the cluster. In one case, a maintenance worker at one of the isolation hotels in Auckland. Genomic testing has found the infection is a different strain from the cluster strain, but there is a clear link between this case and an MIQ case at the same hotel. Contacts of the worker have been isolated, and testing has not identified spread, which suggests we have identified this case in good time to avoid a new cluster. All staff and residents at the hotel have been retested and serology indicates no other staff members have been infected.
  - b. There are several hundred possible contacts at five churches. As at Sunday August 23, 75 of the 88 close contacts at one church have been tested, with 60 returning negative results, 11 returning positive results, and the remaining 4 pending. Test results of contacts at the other churches are pending, and at three church members are continuing to attend for day 12 testing.
  - c. There is a relatively low risk of undetected community transmission to regions outside Auckland, but the volume of sites being investigated there and the fact of inter-regional travel in the days before we discovered our first case means that we cannot yet discount the possibility of some as yet undetected spread. As noted above, modelling suggests a high likelihood of some spread outside of Auckland.
  - d. We as yet have one case that has recently been identified that remains unlinked epidemiologically.
25. This cluster is already large by comparison with the 33 clusters that we managed in the first outbreak. The two largest of those reached 96 (Marist College) and 98 (Bluff wedding) cases in total, versus the 87 we have in this cluster already and this cluster will continue to produce cases for some weeks. An active cluster at Alert Level 1 would be a new experience and a new challenge to manage.
26. Even though we expect growth in this cluster to slow, it will be with us for a long time. The fastest cluster took six weeks to close last time around. The slowest took nearly 13 weeks. The Ministry of Health considers a cluster closed 28 days after the last case finished their isolation period.
27. Overall, the interim view of the Director-General is that we are now in a position to consider stepping down controls in Auckland.

#### *Wider health system factors*

28. The Director-General is satisfied that there is sufficient surge capacity in testing and contact tracing to respond to the current demand. Testing is at record levels: as at August 20, our seven day average is more than 21,000 tests per day. This level of activity has been managed with our surge capacity, with supplies in stock for over

290,000 tests, and more on the way. However, it has placed significant pressure on the limited number of lab technicians, and will lead to some delays in processing and to deprioritisation of regular non-COVID tests. Testing demand has fallen in recent days towards more sustainable levels.

29. In the nine days from August 12 to August 20, just under 155,000 swabs have been taken. Over 135,000 of these are community tests, with 98,000 in Auckland. The remaining 19,000 are from MIQ guests (6,200), MIQ staff (4,600), at ports (4,900) and airports (3,600).
30. Nationwide total contact tracing capacity is sufficient to manage 350 cases per day, and meets the WHO's guidelines for responsiveness, testing speed and notification of results. Delays are the result of contacts being identified late, rather than any capacity constraint for tracing. Public Health Units are working well to support each other's efforts.
31. As at 9am on August 21, 1,999 close contacts have been identified since August 11, with 1,924 contacted and self-isolating. Over the period from August 12 to 18, 81 per cent of contacts are being contacted within 48 hours against the 80 per cent standard.
32. Although the source of the new outbreak has not yet been identified, in principle border measures remain robust and there is no evidence of widespread or systematic failure. More broadly, there is still strong support for and compliance with the Government's approach and control measures. Demand for voluntary testing, telephone consultations and downloads of the COVID Tracer app in the past week demonstrate that the public continues to take the situation seriously where risk is clear.
33. The health system has sufficient capacity, including workforce and ICU capacity, to respond to COVID-19 and has identified surge capacity and contingency plans. There is sufficient PPE capacity for those for whom it is recommended.

#### *Economic and fiscal factors*

34. Treasury estimates that the Level 3 restrictions for the Auckland region and Level 2 for the rest of New Zealand will directly result in GDP being around \$500 million per week lower relative to operating at Alert Level 1, about a 12 per cent reduction in weekly GDP. However, there is much uncertainty around these figures.
35. Auckland represents 38 per cent of New Zealand's GDP, but locking down this region is disproportionately costly given the important role it plays in national supply chains, and the fact that it is New Zealand's most important point of international connectivity. Relative to the rest of the country, Auckland's economy is also more heavily dependent on the most affected sectors, such as retail, hospitality and tourism.
36. There is some heartening evidence that economic activity was stronger than originally thought during the last lockdown, and that it has bounced back more quickly than expected. The latest labour market data, for example, has led most market commentators to reduce their expectations of the employment impacts of COVID-19. Whereas many originally expected unemployment to peak at 10 per cent or more, now some estimates are as low as seven per cent. The housing market has also defied expectations of a slowdown to date, and aggregate savings data suggests that some businesses and households were able to rebuild their balance sheets. Businesses are also now much better prepared to operate at higher Alert Levels, which should help reduce the costs of lockdown.
37. On the downside, however, businesses and households that were adversely impacted by the last lockdown will be starting from a weaker position this time around. Each successive week of restrictions makes it more likely that businesses will close and jobs

will be lost, and reduces the underlying strength of the economy. Confidence will also reduce, driven by the risk of further resurgence, and confidence drives employment and investment. Transport and tourism businesses will be amongst the most affected, as they were in the previous outbreak.

38. The shorter-term economic costs of higher Alert Levels need to be considered against the alternative scenario of not successfully stamping out the resurgence. Without stricter measures now, we could end up with a similar choice later to enter lockdown, but with a much wider and uncontrolled outbreak, and consequently potentially much higher economic costs for a longer period. Our elimination strategy continues to be based on the logic that a strong health response is the best way of minimising the overall economic costs.
39. Further economic support from the Government will be important to mitigate economic and social impacts. Treasury estimates that the current restrictions will increase take-up of the Wage Subsidy Extension scheme at a cost of around \$1.1 billion. In addition, a new Resurgence Wage Subsidy Scheme has been put in place for an initial two weeks, with the possibility of extension, for firms that have already exhausted their entitlements. This Scheme is estimated to cost \$500 million for each two-week block. In addition, the tests for the Leave Support Scheme have been relaxed to ensure that employees are supported to self-isolate if necessary, at a cost of around \$30 million. Further measures are under consideration.
40. Managing a regional boundary is also a new and complex task that will be an impediment on businesses relying on the movement of people and goods. The exemptions process at the Auckland boundary does give an avenue for softening the economic impact by allowing workers to move across the border in certain controlled circumstances.
41. The impacts of restrictions in Auckland are felt nationwide. Auckland customers are the biggest source of revenue for Queenstown tourism operators. And nearly 40 per cent of New Zealand's goods exports and imports go through the Ports of Auckland or Auckland Airport. Maintaining the flow of freight across the regional boundary reduces the negative impacts from the restrictions in Auckland on the rest of New Zealand and helps us maintain as far as possible our trade links with the rest of the world.

#### *At risk populations*

42. Pacific and Māori communities are disproportionately affected by this outbreak, with 76 percent of cases in the Pacific community and 14 percent identifying as Māori. This is quite different than our previous experience with COVID-19. Despite DHBs undertaking wide sentinel testing to ensure we weren't missing cases within vulnerable groups such as Māori and Pacific populations, at that time these communities accounted for a lower proportion of cases than they represented in the general population.
43. Cabinet is also considering a paper to increase investment for the Pacific health and disability sector to ensure greater capacity to respond to the resurgence of COVID-19 in this community and associated risks. There is particularly concern arising from issues with access to healthcare in the Pasifika community, meaning that risks from undetected cases cannot be discounted and may justify a more conservative approach.
44. Māori and Pacific communities have a higher prevalence of long-term conditions and diseases, higher barriers to access to health care and testing, and larger households and a higher prevalence of overcrowding that limit the possibilities for physical distancing, all of which make these communities especially vulnerable to COVID-19.

45. Based on experience with past outbreaks, for example with measles, and given the current trajectory of cases in Auckland, Pacific communities are going to be disproportionately affected both in numbers and in severity by this outbreak of COVID-19. Unsurprisingly, anxiety and concern among the Pacific communities is increasing, exacerbated by messaging on social media that is not always helpful or accurate.
46. Contact tracers aim to reach all close contacts within 48 hours of being notified of an active case. NCCS refers those who cannot be found through phone or email to the Police for further followup. These close contacts can be individuals for whom Police contact can be overwhelming and intimidating. Some may actively avoid contact.
47. Government departments and community groups have again stepped up, particularly in Auckland, to support vulnerable New Zealanders. In many cases, funding and supports made available to support the previous period of lockdown have been able to be deployed in the current environment. Examples include funding for foodbanks and for community groups, which has been rapidly deployed to where it is needed most.
48. While Level 3 restrictions are a known quantity, there have been some differences this time around. Communicating with South Auckland communities, including Pacific, Māori, and ethnic communities, has been a critical element of the response and has required nuance and the extensive use of existing networks in those communities. Effective communication has meant working through different channels and networks, ensuring information is available in a range of languages, and in the context of this outbreak, addressing misinformation. In addition to the public health messages, the focus has been on ensuring people are aware that financial support is available, including to stay home if they are sick. Communication will still be critical when there is a shift down the Alert Levels in Auckland, as many people will be nervous about moving around the community, including returning to early learning, schools or tertiary education.
49. There has been some concern and public comment from Māori and Pacific leaders about measures to control contagion using quarantine facilities. The provision of quarantine facilities for those infected in this recent outbreak is different from the requirements for those infected earlier this year. This has meant that there appears to be a difference in treatment between the mostly Pacific peoples infected this time from the mostly pakeha people in the first outbreak. However, it is our developing understanding of managing the spread of the virus and the availability of alternatives to home isolation or hospitalisation that are the reasons for promoting quarantine facilities where it is sensible and best meets the needs of individuals. In fact, this was an approach officials and Ministers discussed using several months ago as we exited our first wave, especially given it would help reduce the tail of infection we experience at that time. Public health leaders have been explaining this approach in these communities.

#### *Public attitudes and compliance*

50. Overall there has been firm public support for our actions in moving early and firmly to contain the spread of the virus. We have seen strong participation from New Zealanders in the actions that they need to do, including working from home, wearing masks and face coverings, putting up QR code posters, and keeping a record of where they have been, as well as maintaining physical distancing and good hygiene, and staying home when sick. That said, there has been some frustration expressed by businesses that are affected by the regional boundary. There is more detail on this below.
51. Data from Google and Apple services shows that population movement is down about 60 per cent in Auckland under Level 3 restrictions. This is comparable with the last

period at Level 3, indicating a similarly high level of compliance with the requirements to generally stay at home and to work from home where possible. Movement in the areas under Level 2 controls is a little higher than it was last time at this Alert Level.

52. The primary enforcement mechanism for Alert Levels continues to be the operation of Police checkpoints around Auckland. As at 4pm on August 18, 87,000 vehicles had been stopped, and nearly 5,000 turned around for not having a legitimate reason to cross the boundary under the terms of the Order. This suggests a reasonable level of compliance, with Police now stepping up expectations in accordance with a graduated enforcement approach, as travellers can be expected to be more familiar with the requirements and exemptions.
53. Police considers that the public response has been generally understanding, though with some understandable frustration around wait times. Police resources are being supplemented by NZDF, but even with that this work is resource intensive with 200 dedicated Police staff across the 13 checkpoints. There are a wide variety of reasons for travel that are permitted, and variable evidence is being made available by those travelling. Judgment and interpretation are required in each case. That is expected to continue driving some questions about consistency across different officers and checkpoints.
54. On enforcement more generally, as at 4pm on August 18, there had been 732 reports of suspected breaches in Auckland and 157 reports elsewhere to the Police non-emergency 105 number. Most of the Auckland allegations related to large gatherings. There has been one prosecution and three warnings for breaches of the Alert Level rules. These figures are much lower than last time around.
55. Neither WorkSafe nor MBIE Employment Services are experiencing significant levels of complaints. Engagements with business and union leaders have not revealed significant issues where workers are being put at risk or businesses don't understand what is required.

#### *Our ability to operationalise the restrictions*

56. The significant operational difference in our controls this time is the differentiation of Alert Levels between adjacent regions.
57. From an enforcement perspective, the complexity depends on the volume of traffic, the volume of exceptions, the extent to which those require interpretation, and where the physical boundary is. The current boundaries have a fairly high degree of commuter traffic in ordinary times, and so carry an inherent degree of difficulty, particularly when coupled with an intricate exemption environment.
58. Government agencies have had to rapidly adjust to the new boundaries and address workforce issues, and have put in place additional support for communities (for example in Tuakau and Pokeno) whose access to food was affected by the boundary.
59. The regional boundary has also caused a series of issues for certain primary sector businesses, especially but not exclusively in the Pukekohe, Tuakau, Pokeno areas around the southern boundary of Auckland. Depending on the business in question, there are food security, animal welfare, and environmental issues to manage, as well as economic implications. Seasonal issues are also relevant (eg, milk production in the area is increasing rapidly right now). Thus far, exemptions to travel across the regional boundary have been granted to certain workers in the dairy, beef and sheep, horticulture and poultry sectors, as well as for relevant MPI enforcement and verification staff. Other exemptions are being sought.



60. There have also been impacts across a range of sectors where people have faced difficulties in getting to work across the boundary, and challenges for the distribution of freight inter-regionally in situations of significant delay.
61. The Ministry of Health has put in place a process to manage requests for exemptions, and has increased the capacity to manage the high volume of applications. As at August 21, it has received more than 9,000 applications, approved 1,200 and declined 200. This too is resource-intensive work.

## Options

62. This paper presents three options, all to take effect from 11:59pm on Wednesday August 26:
  - a. Option A: Maintain Level 3 controls in Auckland for at least seven additional days, and move to Level 1 controls in the remainder of the country;
  - b. Option B: Move to Level 2 controls nationwide for at least seven days;
  - c. Option C: Move to Level 2 controls in Auckland for at least seven days, and to Level 1 in the remainder of the country.
63. Option A maintains the precautionary approach currently in place in Auckland while giving us more time to more fully understand the outbreak in our largest city. Option B reduces controls in Auckland but holds them at Level 2 elsewhere given the risk of wider spread. It also has some practical and communication advantages. Option C moves more quickly to liberalise controls.
64. Whichever option we choose, the next check-in will be at Cabinet on Monday August 31, with the next change in Alert Levels to take effect from 11:59pm on Wednesday September 2.

### *Option A (Level 3 in Auckland, Level 1 elsewhere)*

65. By Wednesday August 26, Level 3 controls will have been in place for a total of two weeks, a full cycle of transmission for COVID-19. This option maintains the status quo of Level 3 controls in Auckland for an additional seven days, but moves the remainder of the country down to Alert Level 1.
66. As noted above, the one cluster that we have is continuing to grow, with a number of places and contacts being traced across Auckland, including large church groups. Maintaining Level 3 controls that limit gatherings and movement until we see a reduction in new cases would give us higher confidence that the spread of the virus is under control. And if other unconnected cases emerge, Level 3 controls will be effective in reducing subsequent infections.
67. Moving to Level 1 for the rest of New Zealand is consistent with the fact that we haven't seen any cases outside of Auckland and the linked cases in the Waikato, and that we have put in place controls to reduce inter-regional movement from Auckland. It would balance the economic and social costs of the restrictions of Level 2 against the risk of emergence of the virus, particularly in areas that are disconnected from Auckland.
68. The main changes from Level 2 to Level 1 are that there are no physical distancing requirements in businesses and services, gathering limits of 100 fall away, and normal service in bars and restaurants can resume. The Treasury estimates the economic loss of this option relative to being at Level 1 at about \$400m per week.

69. This option continues the pressure on the Auckland boundary, including on Police enforcement and the exemption process. Under this option we would review with an eye to reducing the number of exemptions available for crossing the Auckland boundary. This tighter enforcement is because the consequences of any spread of the virus from Auckland to adjacent regions would be more significant. Any infected person coming would be moving to an environment of relatively less control than our present Level 2 restrictions.

*Option B (Level 2 nationwide)*

70. This option involves putting in place Level 2 controls nationwide, with a reduction in controls from Level 3 in Auckland, and everywhere else staying the same.
71. In Auckland, this option reflects the fact that the cases identified in the community are almost all linked to a single cluster. New cases have continued to be identified, but increasingly in contacts who have already been isolated, which suggests we have contained this cluster. Testing of contacts of the non-cluster cases so far has found no further transmission.
72. As mentioned above, we can have confidence that there is a relatively low risk of undetected community transmission to regions outside Auckland. But the volume of sites being investigated in Auckland in connection to the cluster means that we cannot discount the possibility of some as yet undetected spread.
73. Aligned Alert Levels nationwide would provide a platform for renewed messaging to the public on what they can do to respond to the pandemic. It would also have the benefit of removing the differential between regions and the practical challenges experienced to date in maintaining the regional boundary.
74. In some previous steps down Alert Levels, we have staggered the move. For example, we relaxed restrictions on gathering numbers more slowly in the transition to Alert Level 2. Under Option B, as well as Option C set out below, we should consider a staggered move to Level 2 by retaining the gathering limit of 10 at first, moving to the final number of 100 over time.
75. During our previous move to Alert Level 2, we established a process to allow funerals and tangihanga to have up to 50 people in attendance as long as funerals were registered with the Ministry of Health and met a range of public health measures. Acknowledging the importance of funerals and tangihanga, to the community, we should also consider this under Option B and Option C.

*Option C (Level 2 in Auckland, Level 1 elsewhere)*

76. This is the most liberal option, reducing controls in Auckland to Alert Level 2 and moving to Alert Level 1 elsewhere. The Treasury estimates that holding Auckland at Level 2 costs about \$200m a week relative to Alert Level 1.
77. This option makes sense if we are confident that the cluster is sufficiently contained that we can continue to keep control of it with Level 2 restrictions in Auckland, contact tracing and ongoing testing. This option is the best fit for the transmission risk criteria we have established for decision making on Alert Levels. Our very high volume of negative tests in the last week should reassure us that COVID-19 is not spreading undetected out in the community.
78. The standard Level 2 controls do not include restrictions on inter-regional travel. We may see people who live in Auckland travelling around the country to attend larger events or visit entertainment options that are less constrained under Level 1 controls.

### *Other options*

79. There is no basis at this stage for tightening of controls further to Alert Level 4 in Auckland. The number of cases is only growing slowly and so far they are nearly all connected to a single cluster. Alert Level 4 is for situations of sustained and intensive community transmission and widespread outbreaks. We expect that Level 3 controls will already be sharply reducing transmission of the virus.
80. One further option that has been raised amongst officials but not directly progress is a more complex three part option, with Level 3 controls persisting in Auckland, Level 2 controls in the remainder of the North Island, and Level 1 controls in the South Island. This would reflect the lower likelihood that infected cases have travelled from Auckland to the South Island, but it would be complex to communicate and to deliver operationally.
81. Under any option we would also:
  - a. Continue to make the display of QR codes at premises compulsory at all Alert Levels and further promote the use of the app. This is a helpful support to an effective contact tracing system.
  - b. Phase in a requirement for the wearing of face coverings on public transport and airplanes at all Alert Levels above Level 1, and encourage them in other situations where physical distancing is impractical.
  - c. Continue to emphasise the importance of core public health measures, including staying home when you are sick, seeking a test if you have symptoms, and to further normalising physical distancing where possible and appropriate.

### *Implementation*

82. While a new Order could be in force as soon as 11:59pm August 26, it might take more time for businesses and families to adjust to any change in circumstances, as we have seen with previous Alert Level changes. For example, if we move to Level 2 controls in Auckland, businesses may take time to prepare for retail customers again, and some schools might take a Teacher Only day to plan for a full return of students. And as we move down the Alert Levels, aged care facilities will be able to consider a transition out of their current restricted operating models.

### **Financial Implications**

83. Imposing Alert Level controls reduces economic activity as mentioned above, and this will impact on tax revenues. We have also recently announced further support for households and businesses affected by the heightened Alert Levels.

### **Legislative Implications**

84. The Minister of Health will consider whether to replace or amend the Order under s11 of the COVID-19 Public Health Response Act 2020 that has put in place the current Alert Level controls.
85. Before making a replacement Order, the Minister of Health must have regard to the Director-General's advice about the risks of the outbreak or spread of COVID-19, and the nature and extent of any measures that are appropriate to address those risks. The Minister may also have regard to Cabinet's decision on the level of public health measures appropriate to respond to those risks and avoid, mitigate, or remedy the effects of the outbreak or spread of COVID-19.

86. The Act requires that there be 48 hours between notifying the Order and its coming into force. This requirement does not apply in the case of urgency, where the Order is made “to prevent or contain the outbreak or spread”. This condition will not be met where restrictions are relaxed. So, for example, implementing Option A (to move to Alert Level 1 outside of Auckland) would require 48 hours between the Minister’s decision being published and notified, and its coming into force.
87. The existing Order does not expire. This means that it can continue in place until a new Order is drafted.

### **Impact Analysis**

88. In the time available to prepare this paper, it has not been feasible to undertake an Impact Analysis.

### **Human Rights**

89. The human rights implications of the controls in place to slow the spread of COVID-19 are significant and have been set out in detail in previous papers on Alert Level decisions [CAB-20-MIN-0161, CAB-20-MIN-0176].
90. Relevant departments and the Solicitor-General will continue to keep any remaining restrictive measures under review to ensure that they remain necessary and are implemented in a way that is consistent with the New Zealand Bill of Rights Act.

### **Population impacts**

91. Impacts for at risk populations are explored in this paper at paragraphs 43 to 50.

### **Consultation**

92. This paper was prepared by the Department of the Prime Minister and Cabinet (Policy Advisory Group), working with the All of Government COVID-19 unit. The Ministries of Health, Business, Innovation and Employment, Education, Foreign Affairs and Trade, Social Development, Transport and Primary Industries, the Treasury, the State Services Commission, Crown Law and my Chief Science Advisor were given a brief opportunity to comment on a late draft.

### **Communications**

93. I will communicate the decisions set out in this paper after Cabinet agreement. Communications will be co-ordinated with the Government’s broader communications around its COVID-19 response.

### **Proactive Release**

94. I intend to proactively release this Cabinet paper following Cabinet consideration.

### **Recommendations**

95. The Prime Minister recommends that Cabinet:
  1. **note** that we extended Alert Level controls at Level 3 in Auckland and Level 2 elsewhere until 11:59pm on Wednesday August 26 to reduce the potential spread of the virus while we gathered more information [CAB-20-MIN-0396];

## Situation

2. **note** that our plan to respond to a resurgence of COVID-19 is going well, with high levels of testing, speedy contact tracing, and strong public support for and compliance with the controls we have imposed;
3. **note** that the Director-General of Health is satisfied that:
  - 3.1. Almost all of the identified cases can be considered part of one cluster.
  - 3.2. Testing is at record levels, although the volume has placed significant pressure on parts of the system and so cannot be sustained indefinitely;
  - 3.3. Contact tracing capacity is sufficient to manage 350 cases per day, and meets the WHO's guidelines for responsiveness, testing speed and notification of results;
  - 3.4. Although we cannot be certain of the source of the new outbreak, in principle border measures remain robust and there is no evidence of widespread or systematic failure;
  - 3.5. The health system has sufficient capacity, including workforce and ICU capacity, to respond to COVID-19 and has identified surge capacity and contingency plans, and there is sufficient PPE capacity for those for whom it is recommended;
4. **note** that the Director-General sees the following risks:
  - 4.1. There are two cases that have not been definitively linked to the active cluster;
  - 4.2. The volume of sites being investigated in Auckland in connection to the cluster means that we cannot discount the possibility of some as yet undetected spread outside of Auckland;
5. **note** that the Director-General is of the view that, on balance, we are on track to reduce the Alert Level in Auckland from 11:59pm on Wednesday August 26;
6. **note** that Cabinet may decide the appropriate level of public health measures to avoid, mitigate, or remedy the effects of the outbreak or spread of COVID-19 (taking into account the social, economic, or other factors) and to that end;

## Options

### **EITHER (Option A)**

7. **agree** to maintain Level 3 controls in Auckland for seven additional days, until 11:59pm on Wednesday September 2, and move to Level 1 controls elsewhere from 11:59pm on Wednesday August 26;
8. **direct** the Ministry of Health to lead work with other agencies to review the existing exemptions regime with an eye to reducing the availability of exemptions, given the increased risk presented by a land boundary between an area at Alert Level 3 and areas at Alert Level 1 by the time this is in effect from 11:59pm Wednesday August 26;

### **Or (Option B)**

9. **agree** to move to Level 2 controls in Auckland and maintain Level 2 controls elsewhere from 11:59pm on Wednesday August 26, for seven additional days until 11:59pm on Wednesday September 2;

10. **agree** to initially limit gathering numbers in Auckland to 10, except for funeral or tangihanga which can have up to 50 people if registered with the Ministry of Health and meet a range of public health measures, with a view to progressively increasing these numbers over time;
11. **agree** to permit interregional travel in, out and through Auckland in line with the standard Alert Level definitions despite the higher Alert Level in Auckland, but to discourage unnecessary travel or attendance at large gatherings under Alert Level 1 settings by those coming from the Level 2 area;

**OR (Option C)**

12. **agree** to move to Level 2 controls in Auckland and to Level 1 controls in the remainder of the country from 11:59pm on Wednesday August 26 for seven days until 11:59pm on Wednesday September 2;
13. **agree** to initially limit gathering numbers in Auckland to 10, except for funeral or tangihanga which can have up to 50 people if registered with the Ministry of Health and meet a range of public health measures, with a view to progressively increasing these numbers over time;
14. **agree** to permit interregional travel in, out and through Auckland in line with the standard Alert Level definitions despite the higher Alert Level in Auckland, but to discourage unnecessary travel or attendance at large gatherings under Alert Level 1 settings by those coming from the Level 2 area;

**AND (for all options)**

15. **agree** that Cabinet will again consider these Alert Level matters not later than Monday August 31, with the expectation that any changes in Alert Levels made subsequent to that discussion would come into effect from 11:59pm on Wednesday September 2;
16. **agree** to phase in a requirement to make face coverings compulsory on airplanes and on public transport at all Alert Levels above Level 1;
17. **agree** that the display of QR codes in workplaces will remain mandatory at Alert Level 1
18. **note** the Minister of Health, in making any changes to the current Order under s11 of the COVID-19 Public Health Response Act 2020, will have regard to Cabinet's decisions and further comments from Ministers arising out of consultation, as well as considering what is appropriate to achieve the purpose of the Act;
19. **note** that we will continue to monitor our situation closely and make adjustments quickly if necessary;

*Other matters*

20. **agree** that Cabinet's decisions today will be communicated by the Prime Minister.

**Rt. Hon. Jacinda Ardern**  
**Prime Minister**

## Appendix: How we make Alert Level decisions

1. Cabinet has previously agreed to use eight factors to guide decisions on the appropriate Alert Level settings [CAB-20-MIN-0199; CAB-20-MIN-0387]:
  - a. the Director-General of Health's satisfaction on four health matters:
    - i. trends in the transmission of the virus, including his confidence in the data and having regard to the risk assessment levels agreed by Cabinet;
    - ii. the capacity and capability of our testing and contact tracing systems;
    - iii. the effectiveness of our self-isolation, quarantine and border measures; and
    - iv. the capacity in the health system more generally to move to the new Level
  - b. evidence of the effects of the measures on the economy and society more broadly;
  - c. evidence of the impacts of the measures for at risk populations in particular;
  - d. public attitudes towards the measures and the extent to which people and businesses understand, accept and abide by them; and
  - e. our ability to operationalise the restrictions, including satisfactory implementation planning.
2. On August 10, Cabinet agreed the following risk assessments as being the thresholds to inform decisions on moving between Alert Levels [CAB-20-MIN-0367 refers]:

Alert Level	Risk assessment
	The Director-General of Health is satisfied that there is sufficient data from a range of sources to have reasonable certainty that there is/are:
Level 4	<ul style="list-style-type: none"> <li>• Sustained and intensive community transmission</li> <li>• Widespread outbreaks</li> </ul>
Level 3	<ul style="list-style-type: none"> <li>• Multiple cases of community transmission occurring</li> <li>• Multiple active clusters in multiple regions</li> </ul>
Level 2	<ul style="list-style-type: none"> <li>• Limited community transmission occurring</li> <li>• Active clusters in more than one region</li> </ul>
Level 1	<ul style="list-style-type: none"> <li>• COVID-19 is uncontrolled overseas</li> <li>• Sporadic imported cases</li> <li>• Isolated local transmission could be occurring in New Zealand</li> </ul>

3. These risk assessments can be applied at a local or national level, with appropriate flexibility and judgement. In general, it will make sense to have a lower risk tolerance when applying Alert Levels at a local level, particularly in the immediate response phase as we ascertain the scope of the situation.
4. In determining what comes after the immediate response phase, we are particularly interested in:
  - a. the connection of the cases to a known source at the border;

- b. the number of cases and close contacts; and
- c. the geographic spread of cases, including across regions.

Proactively Released





# Cabinet

## Minute of Decision

*This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.*

### COVID-19 Resurgence: Second Review of Alert Levels

Portfolio                      Prime Minister

On 24 August 2020, Cabinet:

#### Situation

- 1        **noted** that Alert Level controls at Level 3 in Auckland and Level 2 elsewhere were extended until 11:59 pm on Wednesday, 26 August 2020, to reduce the potential spread of the virus while more information was gathered [CAB-20-MIN-0396];
- 2        **noted** that the plan to respond to a resurgence of COVID-19 is going well, with high levels of testing, speedy contact tracing, and strong public support for and compliance with the controls the government has imposed;
- 3        **noted** that the Director-General of Health is satisfied that:
  - 3.1        almost all of the identified cases can be considered part of one cluster;
  - 3.2        testing is at record levels, although the volume has placed significant pressure on parts of the system and so cannot be sustained indefinitely;
  - 3.3        contact tracing capacity is sufficient to manage 350 cases per day, and meets the WHO's guidelines for responsiveness, testing speed and notification of results;
  - 3.4        although we cannot be certain of the source of the new outbreak, in principle border measures remain robust and there is no evidence of widespread or systematic failure;
  - 3.5        the health system has sufficient capacity, including workforce and ICU capacity, to respond to COVID-19 and has identified surge capacity and contingency plans, and there is sufficient PPE capacity for those for whom it is recommended;
- 4        **noted** that the Director-General of Health sees the following risks:
  - 4.1        there are two cases that have not been definitively linked to the active cluster;
  - 4.2        the volume of sites being investigated in Auckland in connection to the cluster means that we cannot discount the possibility of some as yet undetected spread outside of Auckland;

## Review of Alert Levels

- 5 **noted** that Cabinet may decide the appropriate level of public health measures to avoid, mitigate, or remedy the effects of the outbreak or spread of COVID-19 (taking into account the social, economic, or other factors);
- 6 **noted** the update from the Director-General of Health on the current situation and his advice that there should be a short extension of Alert Level 3 in Auckland before moving to Alert Level 2;
- 7 7.1 **agreed** to maintain Alert Level 3 controls in Auckland until 11.59 pm on Sunday, 30 August 2020, and to move to Alert Level 2 controls in Auckland from then, to be reviewed by Sunday, 6 September 2020;
- 7.2 **agreed** to initially limit gathering numbers in Auckland under Alert Level 2 to 10, except for funeral or tangihanga which can have up to 50 people if registered with the Ministry of Health and meet a range of public health measures, with a view to progressively increasing these numbers over time;
- 7.1 **agreed** to permit interregional travel in, out and through Auckland under Alert Level 2;
- 8 **agreed** to maintain Alert Level 2 controls for the rest of New Zealand from 11.59 pm on Wednesday, 26 August 2020, to be reviewed by Sunday, 6 September 2020;

## Other matters

- 9 **agreed** to a requirement to make face coverings compulsory on airplanes and on public transport at all Alert Levels above Level 1 from Monday, 31 August 2020;
- 10 **agreed** that the display of QR codes in workplaces will remain mandatory at Alert Level 1;
- 11 **invited** the Director-General of Health to consider providing class exemptions where appropriate for travel across the Auckland boundary under Alert Level 3;
- 12 **noted** that the Minister of Health, in making any changes to the current Order under s11 of the COVID-19 Public Health Response Act 2020, will have regard to Cabinet's decisions and further comments from Ministers arising out of consultation, as well as considering what is appropriate to achieve the purpose of the Act;
- 13 **noted** that that the situation will continue to be monitored closely and adjustments made quickly if necessary;
- 14 **agreed** that Cabinet's decisions be communicated by the Prime Minister.

Michael Webster  
Secretary of the Cabinet

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