

#### **Proactive Release**

The following documents have been proactively released by the Department of the Prime Minister and Cabinet (DPMC), on behalf of Minister for COVID-19 Response, Hon Dr Ayesha Verrall:

#### COVID-19 Response Weekly Reports – July 2022

The following documents have been included in this release:

Title of paper: COVID-19 Response Weekly Report 1 July 2022 Title of paper: COVID-19 Response Weekly Report 8 July 2022 Title of paper: COVID-19 Response Weekly Report 15 July 2022 Title of paper: COVID-19 Response Weekly Report 22 July 2022

Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the Act). Where this is the case, the relevant section of the Act that would apply has been identified. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

#### Key to redaction codes:

- Section 6(a), to protect the security or defence of New Zealand or the international relations of the Government of New Zealand;
- Section 6(b)(i), to protect the entrusting of information to the Government of New Zealand on a basis of confidence by the Government of any other country or any agency of such a Government;
- Section 9(2)(a), to protect the privacy of individuals;
- Section 9(2)(b)(ii), to protect the commercial position of the person who supplied the information, or who is the subject of the information; and
- Section 9(2)(f)(iv), to maintain the confidentiality of advice tendered by or to Ministers and officials.

© Crown Copyright, Creative Commons Attribution 4.0 International (CC BY 4.0)







# BORDER EXECUTIVE BOARD



DEPARTMENT OF THE PRIME MINISTER AND CABINET TE TARI O TE PIRIMIA ME TE KOMITI MATUA



**FOREIGN AFFAIRS & TRADE** 

MANATŪ AORERE

# COVID-19 Response Weekly Report



#### Contents

Status Summary	2
Insight of Note by the Department of the Prime Minister and Cabinet	5
.1 Economic Update Related to COVID-19 2022	5
Ministry of Health	9
.1 Policy/Programme Updates	9
.1 Upcoming Publications	10
Managed Isolation and Quarantine Weekly Report	11
.1 Transition and Readiness	11
.2 Operational Update	
.1 Items to Note/Update	
.1 Items to Note/Updates	15
COVID-19 Chief Executives Board	17
Strategic COVID-19 Public Health Advisory Group	17
Business Leaders Forum	17
. Community Panel	17
. Government Modelling Group	17
. Office of the Auditor-General Performance Audit	17
. Upcoming Cabinet Papers	19
	Insight of Note by the Department of the Prime Minister and Cabinet         .1       Economic Update Related to COVID-19 2022         Ministry of Health

#### DESTRICTED

# 1. Status Summary

Key		
Symbol	Colour	Meaning
	Green	On track, no roadblocks, no significant delays anticipated
•	Amber	Slow progression, some delays, some roadblocks present
	Red	Not progressing, on hold, significant delays

#### Border

Agency	Last	This	Agency Comment
Agency	Week	Week	
Zealanders	•	•	<ul> <li>Changes to various COVID-19 Orders in relation to vaccination requirements applying to border workers, corrections workers and the remaining groups of workers under the Vaccination Order are currently being finalised. Following the amendments, only specified workers in the health and disability sector will be required to be vaccinated and have received a booster dose. Amendments to the Protection Framework Order will require certain border workers to wear a medical-grade face covering when carrying out work. The revocation of the COVID-19 Public Health Response (Required Testing) Order 2020 has been gazetted, which came into effect on 30 June.</li> <li>A policy review for the COVID-19 Public Health Response (Air Border) Order 2021 is underway to consider options in relation to testing on arrival. Changes to these settings could have implications for the NZTD. Advice is expected to be provided to Ministers in early July.</li> </ul>
Gting New Zea	•		Air border implementation <ul> <li>Pre-departure testing has been removed and has been well received by passengers. Customs are messaging on the requirement to complete the New Zealand Traveller Declaration (NZTD) upon entry.</li> <li>Agencies are on track to successfully implement Step 4, with no outstanding readiness items.</li> <li>Preparation for Step 5 is on track.</li> </ul>
BEB			<ul> <li>Maritime border programme</li> <li>The draft Maritime Border Order was circulated for agency consultation on 29 June 2022.</li> <li>Operational readiness to reopen the maritime border from 31 July 2022 is on track.</li> <li>The compliance approach for cruise passengers was endorsed by the Border Executive Board.</li> <li>A briefing will be sent to you on 1 July 2022 from Health New Zealand which will include the draft Maritime Border Order, the cruise travellers' compliance approach and the operational readiness summary.</li> <li>\$9(2)(f)(iv)</li> </ul>
Pacific Travel	•	•	<ul> <li>Niue opened its borders to quarantine free travel on 28 June (NZT) to weekly flights from New Zealand (vaccine and testing requirements remain in place). New Zealand officials have been supporting the Government of Niue on its preparations for re-opening and the likely subsequent arrival of COVID-19.</li> <li>From July, self-isolation requirements for arrivals into Tonga will be reduced to three days and a Contact Tracing App will be rolled out. Arrivals will be required to undertake RATs and, if positive, further PCR testing and genomic sequencing. The Tongan Government continues to work through plans for progressive reopening of borders in August/September. S9(2)(b)(ii)</li> <li>New Zealand visitor arrivals to Fiji in May rebounded to two-thirds of pre-COVID numbers (47,813 Aotearoa New Zealand tourists visited in May 2022).</li> <li>A COVID-19 community outbreak continues to grow in Nauru (2,392 active cases and 53 percent test positivity rate, as of 26 June). Travel routes from Nauru to New Zealand require transit through Australia, therefore despite one-way QFT settings, all arrivals from Nauru are subject to post-arrival testing.</li> </ul>
			2 Mathadal

Agoney	Last	This	tine Agency Comment
Agency	Week	Week	Agency comment
MBIE	•	•	<ul> <li>Decommissioning of Facilities</li> <li>To date a total of 29 facilities have been decommissioned and handed back. The 'make good' work on these facilities continues.</li> <li>The final three facilities (Waipuna, Jet Park Auckland and Holiday Inn) have now closed to guests and will be decommissioned on 5 August.</li> <li>Decommissioning of the three regional offices is now also underway and on track to be completed by mid-August.</li> <li>MIQ Readiness Programme</li> <li>MBIE remains on track to deliver Version 2 of the Readiness Plan by 29 July 2022.</li> </ul>
IHNZ		•	No update

	Agency		This Week	
Surveillance and Testing	IHNZ	•	•	<ul> <li>Digital enhancements from 21 June 22 link travellers' positive RAT results with PCR tests. These changes give a more integrated end-to-end view of testing-on-arrival reporting.</li> <li>The digital enhancement allows for automatic tracking of PCR tests that are yet to be completed. Overseas acquired cases will then be emailed a reminder to get a PCR test after reporting a positive RAT and they will get a letter with instructions, including the laboratory order form for the PCR test.</li> <li>On 28 June 22, 3,772 PCR tests were processed, with a total of 21,068 tests completed over the last seven days before 29 June 22. The rolling seven-day average is 3,010. Currently, 97.3% of PCRs have a turnaround time under 24 hours.</li> <li>iHNZ is focused on closely monitoring the Whole Genome Sequencing (WGS) process, which includes COVID-19 border-related cases.</li> </ul>
Contact Tracing	iHNZ	•	•	No update
Technology Updates	iHNZ	•	•	No update
Care in the Community	iHNZ	•	•	<ul> <li>COVID-19 Care in the Community has developed a grants programme where disability providers can apply for grants of up to \$50,000 to support disabled people through COVID-19, with bespoke communications and/or care packages. Applications closed on 26 June and will be reviewed by a procurement panel over the coming weeks. 35 applications have been received from around the country. The evaluation will be completed by 30 June 2022 with contractual negotiations completed 15 July and expected contract start date 22 July.</li> <li>An additional Care Coordination Hub was established in the northern te tairawhiti. This hub (the kereru hub), was established to support the whanau in northern east coast with clinical and manaaki support and is supported by the care coordination hub (takatu hub) located in Gisborne. This brings the total count of care coordination hubs to 53.</li> </ul>
		·		3 RETINCTED

DECEDICEED

Vaccina	ation		
Agency	Last Week	This Week	
iHNZ	•	•	<ul> <li>Vaccine uptake remains stable and we continue to deliver more than 5,500 first booster doses per week.</li> <li>The rollout of second boosters for those eligible began 28 June, the majority of people become eligible from the second week of July onwards. 11,529 second boosters have been administered since 28 June.</li> <li>Aged residential care facility second booster vaccinations are underway with DHBs providing vaccines onsite to eligible residents.</li> <li>Direct messaging will be sent on 6 July via SMS, email and postal letter to Māori and Pacific people aged 50 and over, and all people aged over 65 who received their first booster at least six months ago and have not registered a COVID infection in the past three months. These messages will be sent to 84,000 people.</li> <li>Direct messages will also be sent to 133,000 people in the same group as above who have not yet received their first booster.</li> <li>Ministers have agreed with advice provided by the Programme to make Novavax available as a booster without a prescription for anyone who has completed a primary course of any recognised COVID-19 vaccine. This will be rolled out from 5 July, allowing consumers to book a Novavax booster at the selected sites where it is administered.</li> </ul>

#### System Readiness & Planning

Agency	Last Week	This Week	Agency Comment on Status of Focus Area
Health Supply Chain ZMHI	•	•	<ul> <li>Overall supply and distribution of RATs is very steady, with good volumes of RATs in stock and being distributed. Existing stock volumes are surge ready. For the week ending 22 June, iHNZ had 48.5M RATs in stock on hand (38 weeks supply) and 43 3M RATs on order to 30 September.</li> <li>Approximately 1M RATs were sent from the warehouse in the last six days from 22 June. There were 19,000 orders placed in the RAT Requestor system (representing 71,000 people). There were 47 delivery orders for those unable to collect RATs (covering 116 people), including Targeted Rural Service, immunocompromised, aged, and disability sectors.</li> <li>As at 22 June, Healthpoint shows 509 sites offering RATs collection and/or testing. This includes 351 community collection sites, 92 Community Testing Centres, and 107 providers supporting priority population groups. With the agreed community pharmacy changes from 10 June, 483 providers have ceased supervised RATs for travel and courts, although RATs can be purchased.</li> <li>19 RAT devices are now authorised by the Ministry of Health, plus five rapid molecular/NAAT POC (1 self-test) devices. In total, on 29 June 22, 29 POCT applications are open.</li> </ul>
DPMC			<ul> <li>The "Catalogue of Response Measures" has been distributed to NRG and SQG members. This document now provides the core readiness artefact that agencies have been consulted on.</li> <li>Fortnightly NRG meetings remain in place to maintain oversight and integration across the AoG system. This may, however, reduce to monthly dependent on assessed need. Ad-hoc working groups and meetings will be called to resolve system problems, as needed.</li> </ul>
System Readines ZNH!	•	•	<ul> <li>The Risk Score for Call Prioritization (Risk Score) tool is used to support care coordination hubs in prioritising people to call back when insufficient health information exists after a positive test result is uploaded into the National Contact Tracing Solution (NCTS) system.</li> <li>Version 2 of the Risk Score was released on 30 June, and will enable improved outcomes for higher risk people by incorporating the following additional data points:         <ul> <li>Hospitalisation data from the National Minimum Data Set (NMDS).</li> <li>Data from the New Zealand Electronic Prescribing System (NZEPS) to identify those people who have at least four medications prescribed for long-term conditions (as a proxy for clinical complexity).</li> <li>Deprivation Index data.</li> <li>Previous COVID-19 test results.</li> <li>Booster vaccination status</li> </ul> </li> </ul>
DPMC			<ul> <li>The National Management Approach for quarter two has been released and distributed.</li> <li>Commissioning of the planning for the quarter three National Management Plan has been done and initial working group notification has been made.</li> </ul>
Planning for Ne	•	•	The COVID-19 Advisory Committee is expected to next meet in mid-July to review any changes to the COVID-19 Protection Framework.
			4

# 2. Insight of Note by the Department of the Prime Minister and Cabinet

#### 2.1 Economic Update Related to COVID-19 2022

#### **Key Points**

- COVID-19 has impacted the global economy and is reshaping the way the world thinks about international trade. Countries around the world are seeing record inflation, and New Zealand is facing the highest inflationary pressure in the last 30 years.
- The high inflationary environment seen in New Zealand today is in part being driven by COVID-19
  related disruptions to global supply chains, resilient domestic demand supported by a combination of
  fiscal and monetary policy support, and the ongoing conflict in the Ukraine. The resulting outcome is a
  rising Official Cash Rate (OCR),<sup>1</sup> driving up interest rates to slow spending and slow the economy to
  combat inflation.
- New Zealand is also facing a tight labour market, with very low unemployment and high labour market participation. The resulting impact means business are struggling to fill roles, which is amplified by COVID-19 related absenteeism. The absence of migration has also played a role in the tight labour market.
- Forecasts provided by the Reserve Bank of New Zealand show that the OCR will continue to be increased to control inflationary pressures, with the expectation inflationary pressures will start to reside in early 2023.
- It is unclear what role net inwards migration will play in resolving labour shortages. New Zealanders
  have been delaying their Oversees Experiences', holidays, and seeking wages abroad. Early forecasts
  suggest a net outward migration reaching up to 125,000 people in the coming year. This will likely
  dampen economic growth given the role net inward migration plays in the economy, especially after
  reaching record levels in 2019.

#### Introduction

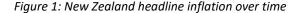
- 1. Inflation has risen sharply across the globe in 2021 and 2022 and labour shortages have grown, reaching multi-decade highs in many economies. In New Zealand annual inflation has reached 6.9 percent and is in part due to COVID-19 and public health measures.<sup>1</sup> Underlying inflationary pressure has also been building, as consumer demand has strengthened while being supported by a combination of fiscal and monetary policy. More recently, the war in Ukraine has led to a sharp increase in global commodity prices, particularly energy and food prices.
- 2. This insight will focus on the economic impact of COVID-19 and COVID-19 related health measures on New Zealand. This includes the impact of supply chain disruptions globally on domestic inflation and the impacts on the labour market. While other major economic disruptions have occurred due to the war in Ukraine, they are not the focus in this paper.

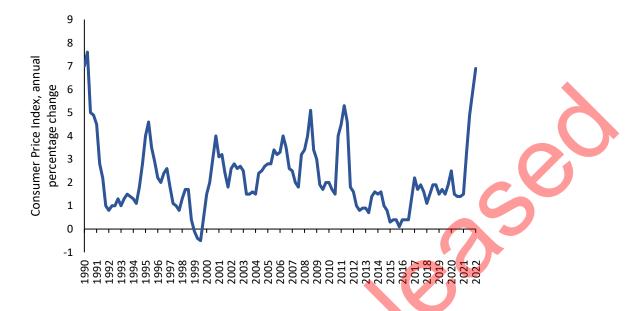
#### Inflation Reaches a 30-Year High in New Zealand



New Zealand is currently seeing record inflation, which reached 6.9 percent for the year ending March 2022, a 30 year high. COVID-19 and COVID-19 health measures have impacted New Zealand through both tradeable and non-tradeable inflation, but likely more so through tradable inflation. Tradeable inflation measures goods and services that are influenced by foreign markets, such as petrol and consumer goods. A key avenue driving tradable inflation is global supply chain disruptions, which creates a shortage in supply of goods, causing rising prices. Figure 1 highlights the large increase in inflation since the beginning of 2021.

<sup>&</sup>lt;sup>1</sup> The OCR is the wholesale rate for borrowing money which is used to stabilise the economy.





China's Transport Constraints Continue to Impact the Economy

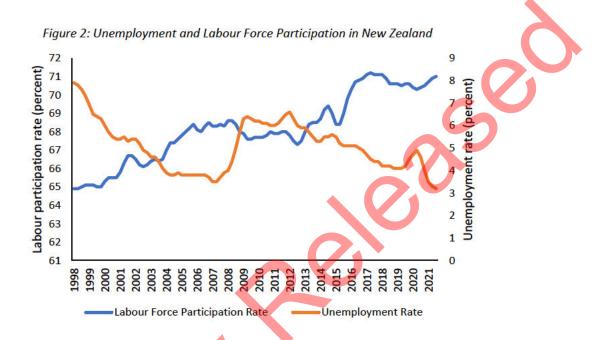
- 4. China's 'zero COVID' policy has resulted in health-related restrictions having a direct impact on global growth, supply chain efficiency, and New Zealand's trade outlook. COVID-19 restrictions and worker shortages have cause significant congestion in ports around the world. China's 'zero COVID' policy and subsequent lockdown in Shanghai have exacerbated pre-existing supply-chain disruptions, adding cost and complexity to trade.<sup>2</sup> As a result the China to Europe shipping route (Far East Westbound) reached a peak of just over 120 days to complete a voyage, compared to around 60 days in late 2019.<sup>3</sup>
- 5. Shanghai's Omicron outbreak and associated lockdown continue to exacerbate global supply chain disruption. Although the Port of Shanghai is open and the citywide lockdown has ended, there are still significant delays and congestion. The Port of Shanghai is operating at a lower capacity due to warehousing shortages and workforce absences.<sup>4</sup>
- 6. Worker shortages in China have also heavily impacted trucking capacity. Trucking capacity around China is also constrained, with prices increasing greatly since the start of the Omicron outbreak.<sup>5</sup>
- 7. Although there has been some relief in shipping pressures, congestion could re-emerge. Though there has been decreases in the days required to complete shipping routes, the possibility of a re-tightening of restrictions, or even a return to city-wide lockdowns in Shanghai, remains. This is highlighted by mass testing in response to new cases detected.<sup>6</sup>
- 8. Though sea freight is important to international trade, constraints around the recovery of global air connectivity also play a role. Commercial airlines are seeing a higher rate of staff leaving and are struggling to fill positions.<sup>7</sup> Commercial airlines are important for New Zealand's exports, as a larger percent of goods exported via air is in commercial airlines (goods transported in passenger planes).

#### Domestic Labour Shortages Resulting from Low Unemployment and Increased Absenteeism

9. During the initial COVID-19 outbreak in 2020 unemployment reached 5.3 percent in the September 2020 quarter in New Zealand. New Zealand faced less unemployment than other OECD countries due to monetary and fiscal stimulus and policy in the wake of COVID-19. Of the groups affected, women, youth, Māori, and Pasifika were most impacted by the sharp slowdown in economic activity. Since then, workers have been moving between sectors, for example from tourism and hospitality to construction and healthcare.<sup>8</sup>

#### REGTRICTED

10. Currently national unemployment rates of all demographic groups have declined to very low levels with unemployment reaching 3.2 for the March 2022 quarter.<sup>2</sup> <sup>9</sup> Low unemployment is being met with high labour participation rates for both male and females. The underutilisation rate of labour is also at its lowest since 2008, at 9.3 percent.<sup>10</sup> Several measures of the available labour pool are all at, or near, record lows.<sup>3</sup> This has created difficulties in hiring staff.<sup>11</sup> Figure 2 tracks the unemployment rate and the labour force participation rate over the past 25 years.



- 11. Data suggests that New Zealand is currently above its maximum sustainable level of employment. The labour shortage and increases to the minimum wage are expected to result in further increases in wage inflation over the coming year. Higher wages are one of many increased costs that businesses are expecting to pass on into higher prices of goods.<sup>12</sup>
- 12. The sharp decline in net inward migration has made it increasingly difficult for employers to find both skilled and unskilled labour. The spread of COVID-19 throughout New Zealand and more workers either being off sick or self-isolating have made labour shortages worse in the near term. The number of employed people in the March 2022 quarter who gave sickness, illness, or injury as the main reason they were away from work for a full week was up 67 percent compared with the same time last year.<sup>13</sup>
- 13. The impact of New Zealand's border reopening on the labour market is unclear. <sup>14</sup> New Zealand's population grew by 0.4 percent in the year to March 2022, but annual net migration was negative with 7,300 more people leaving the country than coming in.<sup>15</sup> Prior to the emergence of COVID-19, New Zealand had an annual population growth of just over 2 percent, around two-thirds of that from immigration. This highlights the importance of migration in New Zealand's aggregate economic growth.<sup>16</sup> The net migration loss of 7,300 people for the year to March 2022 is the largest since 2012. This is a substantial change from the highs seen for the year ending March 2020 at 91,700 people.<sup>17</sup>
  - 4. The Ministry of Business, Innovation, and Employment estimate up to 50,000 New Zealanders could leave the country in 2023 as borders reopen. 50,000 people are forecast to permanently move overseas, with up to an additional 75,000 New Zealanders going on overseas experiences if the pentup demand is met.<sup>18</sup>

#### Short Term Outlook

15. The Reserve Bank of New Zealand forecast an increasing OCR to achieve its dual mandate of achieving price stability and supporting maximum sustainable employment. The increase in projected

<sup>&</sup>lt;sup>2</sup> Which is the lowest rate in the time series available from 1986.

<sup>&</sup>lt;sup>3</sup> Unemployed, under-employed, and underutilisation.

monetary policy tightening required reflects greater global inflationary pressures and shortages of workers and materials domestically. Additional OCR increases would soften demand for goods and services and reduce demand for labour. This is likely to be utilised until persistent supply-side shortfalls can be resolved.<sup>19</sup>

16. There is a possibility that New Zealand will face a recession over the next 18 months.<sup>20</sup> A commonly used definition of a recession is when there are two consecutive quarters with negative economic growth.<sup>21</sup> This is likely as demand has been dampening against rising prices pressures.<sup>22</sup> GDP data released in March shows a 0.2 percent decrease in GDP for the March 2022 quarter. This was following a 3 percent rise in the December 2021 quarter.<sup>23</sup> Recessions can impact the economy in many different ways and tend to result in an increase in unemployment.<sup>24</sup>

Thank you to the following teams which contributed to this insight: Ministry of Foreign Affairs and Trade, The Treasury, and the Reserve Bank of New Zealand.

References for this Insight of Note report can be found at the end of this document



# 3. Ministry of Health

#### 3.1 Policy/Programme Updates

3.1.1 Publication of the 2021 COVID-19 Māori Health Protection Plan: May 2022 Monitoring Report

This item updates you on the publication of the 2021 COVID-19 Māori Health Protection Plan: May 2022 Monitoring Report (the Monitoring Report).

The Ministry of Health developed the 2021 COVID-19 Māori Health Protection Plan (the Protection Plan) in December 2021 to respond to the changing landscape of new variants of COVID-19. Since publishing the Protection Plan, the COVID-19 pandemic has evolved from isolated outbreaks of the Delta variant to community-wide transmission of the Omicron variant.

The Monitoring Report provides an update against progress made against the Protection Plan's drivers, enablers, and actions, as part of our COVID-19 Māori health response. The key highlights from the Monitoring Report include:

- improved targeted communications for Māori;
- increased funding to Māori health providers to lead localised responses;
- improved Māori access to testing; and
- a more joined-up approach to support whanau isolating at home.

The Monitoring Report also supplies an overview of Māori infection rates, hospitalisations, and deaths, as well as vaccination coverage and broader health system performance. It reiterates that the Protection Plan continues to be relevant to respond to Māori health needs within the new Omicron environment.

The Monitoring Report recognises that we have made significant progress to close the equity gap in the first and second dose vaccination rates for Māori compared to non-Māori since the release of the Protection Plan. Despite these improvements, persistent inequities remain in COVID-19 infection and hospitalisation rates, COVID-19 third (booster) dose, and child immunisation rates for Māori. The Ministry of Health will continue to work across the system to protect whānau, hapū, iwi and hapori Māori from the impacts of COVID-19.

#### Next steps

The Ministry of Health will publish the Monitoring Report on 6 July 2022.

#### 3.1.2 Technical Advisory Group: update

#### COVID-19 TAG

The COVID-19 Technical Advisory Group (COVID-19 TAG) did not meet this week, with the next meeting scheduled on 15 July 2022.

#### CV TAG

The COVID-19 Vaccine Technical Advisory Group (CV TAG) met on 21 June 2022 and discussed the following items:

- mortality and hospitalisation risk data;
- the future vaccination strategy;
- an update of the fourth dose (second booster); and
- booster eligibility for the 5 11 and 12 15 age cohorts.

#### **Therapeutics TAG**

The COVID-19 Therapeutics Technical Advisory Group (Therapeutics TAG) did not meet this week, with the next meeting scheduled on 8 July 2022.

#### CT TAG

The COVID-19 Testing Technical Advisory Group (CT TAG) did not meet this week, with the next meeting scheduled for 12 July 2022.

3.1.3 Communications Issues and Activities

As at 28 June 2022	As	at	28	Jui	ne	20	22
--------------------	----	----	----	-----	----	----	----

Date	Activity	Lead agency	Communications material	Ministerial Involvement
28 June 2022	Removal of Border and Corrections workers from the Vaccination Order	МоН	Press release	Minister Verrall
30 June 2022 TBC	Reinfection advice – full communications are being drafted. s9(2)(g)(i)	МоН	Full communications plan	Minister Verrall
30 June 2022	Review of CPF settings	МоН	Press release	Minister Verrall
July onwards	Surveillance survey / infection and immunity – full communications plan is being drafted. Population-based prevalence surveys of COVID-19 to contribute to understanding overall infection and the role of asymptomatic and mild infections in transmission.	Мон	Full communications plan	TBC Minister Verrall
Ongoing	Face mask compliance – A review is taking place of all mask related comms activity to identify new opportunities to promote proper mask wearing.	Мон	Document summarising all mask related comms activity and future opportunities	No, but mask wearing promotion might be folded into all Ministerial announcements
Ongoing	Distribution of masks for priority populations. To help protect clinically vulnerable and at- risk people and communities from COVID- 19 and other infectious respiratory diseases, the Ministry is making some masks available for free.	MoH	Communications plan	No

# 3.1 Upcoming Publications

Title	Date	Context	ELT contact
Publication: COVID-19 Māori Health Protection Plan: May 2022 Monitoring Report	6 July 2022	This May 2022 Monitoring Report provides an overview of the progress being made against the COVID-19 Māori Health Protection Plan (the Māori Protection Plan).	John Whaanga, Deputy Director-General Māori Health, S9(2)(a)

# 4. Managed Isolation and Quarantine Weekly Report



#### 4.1 Transition and Readiness

#### 4.1.1 Workforce

The formal change process for the remaining facilities, and regional and national offices is on-going. The decision for the new operating model was announced on June 15 and following the expression of interest process, people will be appointed into positions by mid-July with the new operating model in place by 01 August.

#### 4.1.2 Decommissioning of Facilities

A total of 29 facilities have been decommissioned and handed back.

The final three in-use facilities (The Waipuna, Jet Park Auckland and Holiday Inn) are closed to guests on 27 June and will be decommissioned on 5 August.

Decommissioning of the three regional offices is also underway with the Central office decommissioned on 31 July, the Auckland office decommissioned on 12 August, and the Christchurch office decommissioned on 15 August.

#### 4.2 Operational Update

#### 4.2.1 Invoicing

The table below shows the number of invoices issued up to 26 June 2022.

1	INVOICES ISSUED	INVOICES PAID	IN	VOICES ISSUED - NOT YET DUE	INVOICES OVERDUE			
	57,315	42,122	42,122 1,193		14,000			
		(24% of invoices issued)						
21 - E	TOTAL VALUE OF	PAID (BY VALUE)		ISSUED - NOT YET	INVOICES OVERDUE			
	INVOICES ISSUED	\$176M 🔦 📥		DUE (BY VALUE)	(BY VALUE)			
	\$218	81%	81% \$1.3M		\$40M			
		18%						
٠	Automated and manual invoice batches are up to date. MBIE is working through ad hoc invoices.							
•	With invoicing up to date, MBIE are investigating the 'unmatched data' for the period 2590+ days overdueMarch 2021 to 28 February 2022 to determine their liability.7,593 invoices							
•	There are 11,659 of t liability determined b	\$25.5M (by value) .7% (by value of all invoices issued)						

#### 4.2.2 Debt Recovery

The debt recovery percentage remains at 82 percent (against our nominal target recovery of 90 percent).

As of 26 June, 12,074 invoices worth \$38.6m have been passed to our debt partner. In addition:

\$14.4m has now been paid (an increase of \$563k).

A further \$563k of debt is under instalment and is expected to be converted to payments over coming weeks.

• Of the invoices sent, 236 customers worth \$939k have now submitted waiver applications. While applications are processed, they are recorded as outstanding debt.

The following chart shows the weekly MIQ debt recovery percentage since 9 January compared against MBIE's nominal recovery target.



#### 4.2.3 Fee Waivers

The table below breaks down the waiver application information between 11 August 2020 and 19 June 2022. The numbers below relate to all waiver applications; waivers can be applied for before, during and after an individual has stayed in managed isolation.

All Waiver Applications Received	Received and not progressed	Total Completed	Approved Waiver Applications			Declined Waiver Applications		
			Financial Hardship	Special Circumstances	BOTH	Financial Hardship	Special Circumstances	BOTH
19,014	3,336	15,229	103	9,715	111	1,998	2,793	509
2			Overall Approved 66.5% (of completed applications)			Overall Declined 33.5% (of completed applications)		

#### 4.2.4 Reducing the Fee Watver backlog

The table below shows the total number of backlogs for Fee Waivers, comparing numbers from the current week with the week prior.

	Fee Waiver Backlog as at 26 June 2022	Fee Waiver Backlog as at 19 June 2022	
Total Fee Waiver backlog	449	430	
Fee Waiver processing or to be processed	267	237	
Waiting for customer	182	193	

#### 4.3 Ombudsman Complaints

There are 12 active investigations:

- one is on policy advice;
- three are on emergency allocations;
- two are on exemptions from managed isolation;
- four relate to declined fee waiver decisions;
- one is about facilities; and
- one is the Chief Ombudsman's self-initiated investigation.



# BORDER EXECUTIVE BOARD

# 5. Border Executive Board Report

#### 5.1 Items to Note/Update

#### 5.1.1 Border Executive Board Meeting

The Board did not meet on 29 June 2022 as it did not have a quorum. This is an unusual circumstance and did not have a significant impact as there were no matters requiring direction from the Board.

The next Board meeting is scheduled on 13 July 2022.

5.1.2 Reconnecting New Zealanders Programme

Two steps remain for the Reconnecting New Zealanders Programme:

- Step 4: From 4 July 2022, vaccinated travellers arriving under the Accredited Employer Work Visa categories and travellers applying for a Work Visa in New Zealand can enter and self-test on arrival.
- Step 5: From 11.59pm on 31 July 2022, all visa categories including tourist, visitor and student visas will reopen for applications for travellers from anywhere in the world. The Reconnecting New Zealanders Programme is considered complete upon the final step being implemented.

Four work-steams were transferred to the Border Executive Board for governance and coordination:

#### 1. Safe and smart border (Customs lead)

Scope: Border implementation to oversee readiness of each step.

Status: Open.

Update: Agencies are on-track to successfully implement Step 4 and there are no outstanding readiness items. Pre-departure testing was removed at 11.59pm, 20 June 2022 and has been well received. There are no residual issues. Preparation for Step 5 is on track.

There was a significant lift in passenger numbers over the weekend of 25 June 2022. Volumes are expected to increase now that Australian school holidays have begun.

The fortnightly border forecasting network dashboard will be sent to your office on Friday with the latest information regarding air passenger arrivals and the estimates for the next four weeks.

#### 2. Overarching Reconnecting New Zealanders framework (DPMC lead)

Scope: Remaining Cabinet papers.

Status: Closed. Reconnecting New Zealand settings are incorporated into domestic setting processes.

#### 3. Public health (Ministry of Health lead)

Scope: Changes needed to post border testing as we reconnect.

Status: Closed. There are no upcoming public health milestone measures relating to Reconnecting New Zealanders.

Update: International passengers continue to be provided rapid-antigen tests on arrival for completion on day 0/1 and day 5/6 with results to be declared. All positive tests are required to be registered and followed up with a PCR test.



#### 4. Communication and engagement (DPMC lead)

Scope: Coordinate AoG communications across the traveller journey associated with each step. Identify long-term owner for the traveller sections of the Unite Against COVID-19 channels.

#### Status: Trending to close





# 6. New Zealand Customs Service Weekly Report

#### 6.1 Items to Note/Updates

#### 6.1.1 Compliance Checking at the Air Border

As part of Reconnecting New Zealanders, the COVID-19 Public Health Response (Air Border) Order 2021 came into force on 28 February 2022. Customs staff undertake compliance checks for all passengers on arrival for evidence of pre-departure testing or exemption, vaccination verification or exemption or a travel pass.

Travellers who do not provide the required evidence may incur an infringement offence fee between \$500 and \$4,000 depending on the nature of the offence. Non-New Zealand citizens who do not provide the required evidence of vaccination status will be referred to the Ministry of Health officials for further intervention.

#### Before pre-departure testing was removed

For the period 14 to 20 June 2022 (both dates inclusive), a total of 46,362 passengers travelled to New Zealand. Of this number, 83 were considered to not meet the requirements for air travel into New Zealand:

- two travellers were issued warning letters, and 81 travellers have been issued with an infringement offence fee for not meeting pre-departure testing requirements.
- no travellers have been issued with an infringement offence fee for not meeting vaccination verification requirements, and no travellers have been referred to the Ministry of Health for further intervention.

#### After pre-departure testing was removed

From 11.59pm on 20 June 2022, the following amendments to the COVID-19 Public Health Response (Air Border) Order 2021 came into force, the classification of risk for vaccination non-compliance has reduced to medium risk, which means the maximum amount for an infringement fee that Customs may issue for non-compliance is now \$1,000.

Non-compliance levels remained similar to previous weeks with no significant increase noted for the days between the announcement on 16 June 2022 and the removal of pre-departure test requirements. There was one infringement fee issued on 21 June 2022 for not meeting the pre-departure test requirements, as their flight had departed prior to the removal of the requirement.

Customs staff continue to undertake compliance checks for all passengers on arrival for evidence of vaccination verification or exemption or a travel pass.

#### 6.1.2 New Zealand Traveller Declaration system

Following the removal of the pre-departure test requirement at 11.59pm on 20 June 2022, Customs staff have seen improvements in traveller experience, including:

- fewer travellers requiring assistance from the New Zealand Traveller Declaration Contact Centre (the average daily number of calls received has reduced).
- more Traveller Passes being issued with a decrease in the average number of Traveller Declarations being rejected (because of not meeting pre-departure test requirements).



Customs paid campaign went live on 14 June 2022 with messaging focussed on reducing confusion about the need to do a New Zealand Traveller Declaration. From 21 June 2022, campaign messaging was updated to include pre-departure test removal messaging.

Messaging is live on the following channels:

- Facebook (which continues to be the strongest exposure driver)
- Instagram
- display banners and video on Google, and

• video on YouTube.

Messages have reached 127,200 expats in key nations, 8,317 expats in Pacific Nations, 7,122 expats in Latin America and 1,533,447 people in our domestic market either looking to travel or friends and family of those living abroad. Search engine optimisation approach is working and metrics show search growth in interest to travel into New Zealand. Australia continues to dominate the share of clicks for the Top Nations campaign with 71 per cent of total clicks.

There was a significant spike in social media activity seen in the lead up to the pre-departure test announcement on 16 June 2022 in-line with pre-emptive news coverage. Overall, sentiment is neutral to positive. Twitter sentiment from the last seven days is 90 percent neutral or positive.

Customs Friends and Whānau campaign supported a high volume of social activity driven by official channels, or partners, including embassy accounts and high commissioners.

# 7. COVID-19 Chief Executives Board

The COVID-19 Chief Executives Board (CCB) met on 28 June 2022. In addition to general updates from agencies, the meeting included updates from the Chair on the transition of centrally held response functions to a more business as usual approach, and  ${}^{\rm S9(2)(f)(iv)}$ . A

report summarising the lessons identified to date from the Omicron response was also discussed.

The CCB finalised their Terms of Reference that will ensure the focus is commensurate with a less centralised approach with a move away from the emergency response-based arrangements while retaining a preparedness to respond.

The CCB acknowledged and thanked Peter Mersi for his contribution as Chair. The CCB will now be held monthly unless required and will be chaired by DPMC Acting CE, Tony Lynch.

# 8. Strategic COVID-19 Public Health Advisory Group

The Strategic COVID-19 Public Health Advisory Group met on Wednesday 29 June 2022. The agenda covered discussions with Ministry of Health officials on mortality from COVID-19 and Ministry of Business, Innovation & Employment officials to discuss the National Quarantine Capacity work. The meeting was the final meeting under the current terms of reference and with Sir David Skegg as Chair and Philip Hill as a member.

The DPMC Secretariat have provided you with a briefing seeking decisions on appointments and reappointments of members for the Group until 30 December 2022 and to consult with you on the draft amended terms of reference and Appointment and Honours Committee paper. The briefing also encloses draft thank you letters from you for the outgoing Chair and member.

The Secretariat are continuing to work with your office to arrange a time for you to meet with the Group to welcome the new members once appointed.

#### 9. Business Leaders Forum

The Business Leaders Forum does not currently have a date for its next meeting.

# 10. Community Panel

11.

The Community Panel met on Thursday 30 June 2022 which was their final meeting. In addition to meeting with you, a workshop was held to build on the previous lessons and reflections and explore how things could be done differently in the future. The outputs of the workshop will be incorporated into a report being prepared by the Chair that will be provided to you in due course.

The DPMC Secretariat are preparing letters for you to send to members of the Panel to thank them for their mahi as members of the Panel.

# Government Modelling Group

Government Modelling Group updates are currently being provided directly to your office, rather than in this report.

# 12. Office of the Auditor-General Performance Audit

The Office of the Auditor-General (OAG) has now provided the final draft of the performance audit of the central response to COVID-19, for noting and comment on a strictly confidential basis, to the Chief Executive of DPMC. Copies have also been shared with NEMA, the Ministry of Health and the Public Service Commission.



DPMC officials will now provide feedback on the final draft. The OAG has asked for any comments to be sent to them by Wednesday 20 July.

The OAG's intention is to present the report to the House of Representatives and publish it in late-August/ early-September 2022.



# Insight of Note References



- <sup>1</sup> StatsNZ, Annual inflation reaches 30-year high of 6.9 percent, https://www.stats.govt.nz/news/annual-inflation-reaches-30-year-high-of-6-9-percent, Accessed 28 June 2022.
- <sup>2</sup> Reserve Bank of New Zealand, 05/2022 Monetary Policy Statement, https://www.rbnz.govt.nz/hub/-/media/project/sites/rbnz/files/publications/monetary-policy-statements/2022/mpsmay22.pdf, Accessed 9 June 2022.

- <sup>5</sup> BDP International, Carriers report reefer, truck shortages in China's stalled supply chains, https://www.bdpinternational.com/news/carriers-report-reefer-truck-shortages-in-china-s-stalled-supply-chains, Accessed 27 June.
- <sup>6</sup> CNN, Panic buying in Shanghai as mass testing notices spark fears of new lockdown, https://edition.cnn.com/2022/06/10/china/china-covid-shanghai-mass-testing-intl-hnk/index.html, Accessed 27 June 2022.
- <sup>7</sup> Financial Times, Airports race to fill thousands of jobs cut during pandemic, https://www.ft.com/content/352bd6fd-2178-40d2-b7ee-0c54e0141326, Accessed 27 June 2022.
- <sup>8</sup> Reserve Bank of New Zealand, 05/2022 Monetary Policy Statement, https://www.rbnz.govt.nz/hub/-/media/project/sites/rbnz/files/publications/monetary-policy-statements/2022/mpsmay22.pdf, Accessed 9 June 2022.
- <sup>9</sup> StatsNZ, Unemployment rate, https://www.stats.govt.nz/indicators/unemployment-rate, Date Accessed 13 June 2022.
- <sup>10</sup> StatsNZ, Underutilisation rate, https://www stats.govt.nz/indicators/underutilisation-rate, Accessed 30 June 2022.
- <sup>11</sup> New Zealand Immigration Law, Data shows NZ has a labour shortage not just a skills shortage, https://nzil.co.nz/news/data-shows-nz-has-a-labour-shortage-not-just-a-skills-shortage/, Accessed, 16 June 2022
- <sup>12</sup> Reserve Bank of New Zealand, 05/2022 Monetary Policy Statement, https://www.rbnz.govt.nz/hub/-/media/project/sites/rbnz/files/publications/monetary-policy-statements/2022/mpsmay22.pdf, Accessed 9 June 2022. <sup>13</sup>StatsNZ, More people away from work due to sickness, https://www.stats.govt.nz/news/more-people-away-from-work-due-to-sickness, Accessed 13 June.
- <sup>14</sup> United against COVID-19, When New Zealand's borders open, https://covid19 govt.nz/international-travel/travel-to-new-zealand/when-new-zealand-borders-open/, Accessed 14 June 2022.
- <sup>15</sup> Stuff, 'Brain drain is under way': Workforce shrinks as young people leave, https://www.stuff.co.nz/business/300589751/brain-drain-is-under-way-workforce-shrinks-as-young-people-leave, Accessed 14 June.
- <sup>16</sup> Newsroom, Where two years without immigration puts New Zealand, https://www.newsroom.co.nz/where-two-years-without-immigration-puts-new-zealand, Accessed 15 June 2022.
- <sup>17</sup> StatsNZ, International migration: March 2022, https://www.stats.govt.nz/information-releases/international-migration-march-2022, Accessed 14 June 2022.
- <sup>18</sup> StatsNZ, Brain drain: Officials estimate 50,000 Kiwis could leave over the next year, but number could surge to 125,000, https://www.stuff.co.nz/national/politics/300564486/brain-drain-officials-estimate-50000-kiwis-could-leave-over-thenext-year-but-number-could-surge-to-125000, Accessed 16 June 2022
- <sup>19</sup> Reserve Bank of New Zealand, 05/2022 Monetary Policy Statement, https://www.rbnz.govt.nz/hub/-/media/project/sites/rbnz/files/publications/monetary-policy-statements/2022/mpsmay22.pdf, Accessed 9 June 2022.
- <sup>20</sup> RNZ, Economist expects recession will hit towards end of the year, https://www.rnz.co.nz/news/business/469268/economist-expects-recession-will-hit-towards-end-of-the-year, Accessed 16 June 2022.
- <sup>21</sup> Forbes, What is a recession?, https://www.forbes.com/advisor/investing/what-is-a-recession/, Accessed 30 June 2022.
- <sup>22</sup> Scoop, Is The New Zealand Economy Heading Into A Recession?, https://www.scoop.co.nz/stories/BU2205/S00508/is-the-new-zealand-economy-heading-into-a-
- recession.htm#:~:text=Summary,countries%20developing%20resilient%20domestic%20ecosystems., Accessed 27 June 2022.
- <sup>23</sup> Newshub, GDP falls 0.2 percent, demonstrating Omicron's blow to economy, https://www.newshub co.nz/home/money/2022/06/quarterly-gdp-falls-0-2-percent.html, Accessed 15 June 2022.
- <sup>24</sup> NZherald, Is New Zealand 'halfway to a recession'?, https://www.nzherald.co.nz/business/is-new-zealand-halfway-to-a-recession/TJY3DGEMFCC3BA5GYEZNJCPQYU/, Accessed 27 June 2022.

<sup>&</sup>lt;sup>3</sup> Flexport, Ocean Timeliness Indicator, https://www.flexport com/research/ocean-timeliness-indicator/, Accessed 28 June 2022.

<sup>&</sup>lt;sup>4</sup> Talk business, The Supply Side: Global supply chain pain persists, https://talkbusiness.net/2022/06/the-supply-side-global-supply-chain-pain-persists/, Accessed 27 June 2022.