



## Proactive Release

The following Cabinet paper and related Cabinet minute has been proactively released by the Department of the Prime Minister and Cabinet, on behalf of Rt Hon Jacinda Ardern, Prime Minister:

Review of COVID-19 Alert Level 2

The following documents have been included in this release:

***Paper: Review of COVID-19 Alert Level 2 (CAB-20-SUB-0270 refers)***

***Minute: Review of COVID-19 Alert Level 2 (CAB-20-MIN-0270 refers)***

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.

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- 9(2)(f)(iv), to maintain the confidentiality of advice tendered by or to Ministers and officials,
- 9(2)(g)(i), to maintain the effective conduct of public affairs through the free and frank expression of opinion, and
- 9(2)(h), to maintain legal professional privilege.

Cabinet

## REVIEW OF COVID-19 ALERT LEVEL 2

### Proposal

1. This paper considers how we are going in countering the spread of COVID-19, reviews our current Alert Level 2 status, and proposes a path for the next period.

### Summary

2. A lot has happened since we were first at Alert Level 2 in late March, prior to entering Alert Level 4. We took strong early action against the spread of COVID-19, closing the borders to passengers, moving up Alert Levels, and imposing a lock down when we had reported only a small number of cases. We saw high compliance with the rules by New Zealanders and high levels of public support for our actions despite their social, economic and fiscal costs. And our collective efforts have paid off. For now, we can have high confidence that we have eliminated COVID-19 within New Zealand, ie that there are no more infectious people in our population.
3. When we last considered these issues two weeks ago, we chose the fastest option for liberalising Alert Level 2 controls. As part of that decision, we indicated that we would consider a move to Level 1 no later than June 22, and set the expectation that our review today may not involve substantial change. However, the situation has progressed more positively than we expected. With ongoing zero case numbers and our growing confidence in the situation as time passes since we last significantly loosened controls, it is prudent to bring forward a decision on Level 1 to mitigate the economic and social impacts of our Alert Level controls.

### *Moving down*

4. This paper proposes a move to Level 1 from 11.59pm on Monday June 8.
5. Given the costs of Alert Level controls, we should move as quickly as we safely can. Taking this decision today depends on our view of the probability that the virus is still circulating invisibly, the reduction in risk available from waiting, our ongoing social licence, and on our expectations of public compliance.
  - a. We fit the overarching definition we set for Level 1 of there being only isolated household transmission within New Zealand and the wider criteria set by Cabinet. As explained further below, recent modelling says that we are at least 95 per cent likely to have eliminated COVID-19 by June 8 based on the long series of days with zero new reported cases.
  - b. The remaining small uncertainty is because we may have missed some cases. Some small but significant proportion of people are asymptomatic but still infectious. Some people with symptoms will not have been tested. And it is only recently that we have moved to the full Level 2 controls, with gatherings of up to 100 possible with no physical distancing requirements.
  - c. The Director-General's previous advice was that a move to Level 1 should not be considered until at least Friday June 26, 28 days after fully implementing Level 2 controls. However, the data now available shows that our situation is more positive than previously thought. The long period of zero new cases, the fact that

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surveillance testing has not found any otherwise undetected cases, and the new statistical modelling showing a very high likelihood that New Zealand has eliminated transmission all support an earlier move.

- d. We still see strong public support, but in more recent survey results New Zealanders report lower levels of compliance with the rules. Level 2 has relied on guidance and voluntary action in large part. Level 1 takes this another step, and removes nearly all controls except at the border.
6. The risk of importing new cases when we open the border to more passengers remains significant, but it is not directly relevant to our decision today. When we make decisions about loosening our border controls, we may wish to reconsider aspects of our Alert Level controls or our other public health measures, since the liberal environment of Level 1 will increase the risks posed by a new imported case.
7. There is more information on the Director-General's view on today's decision in paragraphs 32 to 33. There is more detail on the definition and assessment of a move to Level 1 in paragraphs 47 to 64.

### *QR codes*

8. At SWC last week, I undertook to explore further whether to require businesses and other organisations to display a QR code to aid contact tracing. I discuss that question in this paper. There is a choice to be made between making it a legal requirement, backed by enforcement, and a voluntary approach, working with businesses, hospitality firms, churches, schools and others to encourage QR code display.

### *Continuing to be prepared*

9. Although our early and cohesive actions have brought us to this positive place, we must maintain our defences to protect the freedoms that we have gained. These defences are robust border controls, public health basics especially hand hygiene, extensive surveillance and testing, speedy contact tracing and case isolation, and strong public support for the Government's overall approach.
10. We have seen lower volumes of testing in recent days, although New Zealand's test capacity is now up to 12,500 tests per day. The Ministry of Health's revised testing strategy will be considered at SWC **9(2)(f)(iv)**. With the very low number of people with symptoms of COVID-19, testing will focus more broadly on those with symptoms of respiratory illness, and on arrivals at the border and other areas and populations that are higher risk. Assessments to define the areas of focus will be informed by the Ministry's influenza-like illness surveillance programme. We need to maintain high test numbers and get people used to the idea of ongoing surveillance testing of individuals who are more likely to be exposed to infected people, including those at the border.
11. We will continue to monitor our situation closely and make adjustments quickly if necessary. We have asked officials to report back with a detailed operational plan for managing a resurgence of cases **9(2)(f)(iv)**. This will include plans for localised responses to localised outbreaks that are effectively contained, as well as situations where the appropriate response would be controls at a regional level or an increase in Alert Level nationwide. Officials are also working on a review of the settings of Alert Levels 2 to 4 should it be necessary to return to those tighter controls **9(2)(f)(iv)**.
12. The risk of COVID-19 re-entering the country has grown, as confirmed worldwide case numbers approach seven million, and deaths near 400,000. We must continue to invest in strong detection, identification and tracing systems to give us the best

possible tools to manage any further cases coming across the border, and do that for as long as COVID-19 continues to pose a global threat.

13. With the first wave of our health response now behind us, we will be facing more directly the impact that COVID-19 is having on our economy, in particular through suppressed demand and the ongoing economic impacts of a heavily restricted border. The Government's health response has put us in the best position to respond to the economic damage caused by the virus.

### **Introduction**

14. There are three main parts to this paper:
  - a. An update on where we stand against the eight factors Cabinet agreed to consider in making Alert Level decisions.
  - b. A brief description of the controls at Level 1, and the question of encouraging display of QR codes.
  - c. A discussion of the timing of moving to Level 1.

### **Our situation now**

15. In short, the news on the transmission of the virus is good, the move to Level 2 has brought some economic relief, and there are signs of a lower level of concern about the disease and compliance with physical distancing rules.

*We are continuing to see positive results in case numbers*

16. We continue to see low numbers of cases each day, with no new cases for the last 14 days as at June 5, and one active case. We have had no cases of community transmission since April 30. We have not seen any new clusters emerge. There have been no cases for 28 days or longer in 59 of the 66 territorial authorities, and five more have never recorded a case.
17. It takes about two weeks for changes in controls to start showing up in case numbers. So we can be confident now that the effects of the move to Level 2 on May 14 and the reopening of bars on May 21 are reflected in the zero case numbers. In the next few days, any impacts of our move to lift gathering limits to 100 people on May 29 will begin to be seen. The signs are encouraging, but we should also bear in mind the experiences of countries that thought they had the virus contained only to suddenly experience large outbreaks.
18. As at June 5, we had reported a total of 22 deaths, virtually all from the particularly vulnerable older population with underlying health conditions. We have no current hospital admissions.
19. We have had 16 significant clusters, ie groups of more than 10 connected cases. As at June 5, nine of these clusters were classified as active, ie, it has been less than 28 days since the last case completed their isolation period, although in all cases the last case was now more than 14 days ago. The other seven clusters are closed.

*The economic, fiscal, social and wider health system factors continue to favour the safe easing of controls.*

20. Treasury estimates that output is reduced by 10 to 15 per cent from normal levels under Alert Level 2, and by 5 to 10 per cent at Alert Level 1. In the main Budget forecasts, real GDP is forecast to fall sharply in the June quarter, resulting in an annual contraction of -4.6 per cent over the June 2020 year, with GDP falling a further one per

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cent by June 2021. The unemployment rate is forecast to approach 10 per cent in the September quarter, and to reduce to 8 per cent only by mid-2021.

21. A recent report by the Commission for Financial Capacity found that as a consequence of COVID-19 and Alert Level restrictions, most New Zealand households were in financial difficulty or were at risk of tipping into hardship. Māori, Pacific Peoples and young people were among the worst affected. Ten per cent of households across the country had already missed a rent or mortgage payment, with housing stress being the highest in Auckland.
22. There is some evidence that the move to Level 2 has improved the economic situation. Traffic volumes, electricity demand and consumer spending have all risen markedly as New Zealand has moved progressively from Level 4 to Level 2. The ANZ Business Outlook Survey in May showed slight improvements in most indicators versus the preliminary results. However, it is still a long way back to normal levels of economic activity, and most indicators remain consistent with a recession deeper than that experienced through the GFC. Demand for Special Needs Grants for food continues to slow. Levels are now similar to other peak times of the year, such as Christmas, although it is difficult to disentangle the impact of COVID-19 over and above other factors, such as the start of Winter Energy Payments.
23. Business as usual has largely resumed in the health system, with workload estimated at 85 per cent of normal. In light of the large number of health appointments that were cancelled or deferred as a result of COVID-19, DHBs are working to increase the number of interventions that they can deliver. But they are still dealing with the need to provide additional infection control and use physical spaces differently due to the risk of COVID-19. This means that delivery will not return to pre-COVID-19 levels immediately. In the event that there is a new outbreak, hospitals are well-placed to manage cases that do require hospital care.
24. Much progress has been made to improve our systems for contact tracing, and the Government will continue to make improvements over the coming months on the basis of the recommendations from the Verrall Report and the s11 Committee chaired by Sir Brian Roche.
25. Public Health Units have been funded to increase case management capacity to a minimum of 350 cases a day with surge capacity to scale to up to 500 cases per day within three to four days. The National Close Contact Service (NCCS) is staffed to support contact tracing as required, and can support up to 10,000 calls a day with a combination of its own workforce and a contracted provider with trained staff on hand if they are required. The technology available to support contact tracing is now integrated with a number of health datasets that provide up-to-date information on phone numbers or other contact details. Processes and procedures have improved across all services involved in contact tracing to address the initial contact tracing challenges. As at June 4, there have been 495,000 registrations for the Tracer app, about 12 per cent of the population with a smartphone.

*We are seeing declining levels of concern about COVID-19 and falling perceptions of compliance with the rules*

26. Much of the data in the most recent weekly monitoring report points to the same overall trend: a New Zealand population less and less concerned about COVID-19. Survey data from Perceptive, a market research firm, shows that the proportion of respondents who reported being highly concerned about COVID-19 has fallen from 53 per cent in late March to 23 per cent last week. This lower level of concern is showing up in lower demand for testing and increased movement.

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27. Light vehicle traffic and mobile phone movement data show that people are moving around a lot more under Level 2, but still remain subdued relative to pre-COVID levels. Unlike the shift to Alert Level 3, which involved a single one-off increase, movement continues to increase as Level 2 continues.
28. Testing rates are at the lowest levels since early to mid-April. Other surveillance mechanisms, such as Flutracking.net, indicate a low level of symptomatic people. Sustained low case numbers may be reducing the urgency people feel to get tested. With more social and community activities restarting, and people returning to workplaces and to school, there are also more competing demands for time.
29. Public reports and Police recorded breaches have continued to reduce, and are now nearly zero. Given the nature of the controls at Level 2, there are far fewer activities that could lead to a breach. The low volumes could also reflect a change in people's propensity to make complaints. We did observe some mass gatherings where attendees evidently did not comply with the Level 2 rules.
30. The level of workplace-related compliance concerns and enforcement has remained stable. As at June 2, Worksafe had conducted 750 COVID-19 related assessments of workplaces under Level 2. A total of 36 COVID-related actions have been taken, of which 21 were verbal. Worksafe has received 203 COVID-related notifications of concern under Alert Level 2 compared with a total of 328 under Level 3.
31. In the most recent weekly Research NZ survey, which was in the field from 22 to 25 May, about two thirds of respondents thought that New Zealanders were observing the rules most of the time (59 per cent) or all of the time (five per cent). This compares with much higher levels of reported compliance at Levels 3 and 4.

### *View of the Director-General*

32. Overall, the Director-General's interim advice is that New Zealand has met the identified public health criteria agreed by Cabinet on May 4 for decisions on moving Alert Levels, and is on track to move to Alert Level 1 in the week beginning June 8. In particular:
  - a. There has been no community transmission since at least 30 April. The last case of COVID-19 was reported to public health staff on 15 May, even with high levels of testing of asymptomatic people; there is one active case in New Zealand, who had been isolated since 25 March. The Director-General is highly confident that any new case would be a result of isolated household transmission or an overseas linked case detected in a person undertaking managed isolation.
  - b. There is sufficient capacity in testing and contact tracing to respond to a surge in demand in the event of an outbreak:
    - i. Testing capacity is more than 12,000 a day; testing is expected to focus increasingly on border arrivals and people with respiratory symptoms and vulnerable groups.
    - ii. The National Close Contact Service has capacity to complete up to 10,000 calls per day. Public Health Units have been funded to manage up to 350 cases per day, with surge capacity available to rapidly (over 3-4 days) scale up to 500 cases per day.
  - c. Border measures remain critical for our elimination strategy. The border is robust for arrivals by air, and the Ministry of Health is working with border agencies to ensure the maritime border is sufficiently robust.

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- d. 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.
33. As noted above, the Director-General's previous recommendation was that a move to Level 1 should not happen until at least 28 days after fully implementing Level 2. New information, in the form of the long run of zero case days, the positive results from widespread asymptomatic testing and the new modelling showing that New Zealand is highly likely to have eliminated transmission of the virus, makes it prudent to revisit that recommendation.

### Defining Level 1

34. Alert Level 1 looks like pre-COVID-19 business as usual but with border restrictions, some encouragement to support contact tracing, and continued public health messaging.
- a. The main controls under Alert Level 1 are border restrictions and managed isolation or quarantine for people entering the country.
  - b. Other public health measures include guidance for individuals, communities and businesses on hygiene, contact tracing, testing, isolation and quarantine for people displaying symptoms or who have tested positive for COVID-19.
  - c. There are no controls on businesses and services (including hospitality), gatherings, physical distancing, or sport and recreation. Officials are working with those who organise large events and ticketing agents to develop a voluntary code to maintain records of attendees for a short period to enable rapid contact tracing if that becomes necessary. This code will be up and running by the time of a move to Alert Level 1.
  - d. There are no requirements to keep records to enable contact tracing. But messaging will encourage people to use the app to help contact tracers create a picture of their movements. Plus, following advice from officials, I present below some options for how to encourage businesses and services to display a Ministry of Health QR code.
35. The intent of Level 1 is to enable the maximum level of domestic economic and social activity possible, consistent with protecting ourselves from the pandemic that continues beyond our shores. We can expect a significant further resumption of activity, especially in terms of sport and recreation, gatherings, and hospitality.
36. To maintain these additional freedoms, we will all still be expected to follow the basic public health measures on hygiene, keeping track of where we have been, and self-isolation when we are sick.
37. I propose that we reinforce through public communications that at Level 1 the risk of contracting COVID-19 is negligible, and there is no reason not to return to work and normal activity (including the use of public transport).

### *Encouraging the display of QR codes*

38. SWC noted last week that I would report back on additional measures to encourage individuals to maintain records for contact tracing, including consideration of requiring businesses and services to display QR codes.
39. More widespread display of government-issued QR codes would help individuals to keep a record of where they have been. Officials do not think that it is appropriate to

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require entities or individuals to keep records directly at Level 1. This requirement could not be justified by the level of public health risk. But if more businesses and other organisations were to display government-issued QR codes, this could assist people without imposing a direct requirement to keep a record.

40. There is a choice to be made about whether the best way to encourage businesses and organisations to download and display a QR code is a voluntary approach, or one that involves a legal requirement and enforcement. My recommendation is to take a voluntary approach at this time, but with the knowledge that the option to make it a legal requirement is available if required.

### *Legal requirement*

41. A legal requirement could have the following features:
  - a. A government-issued QR code would be required to be displayed in situations where a person customarily carries on a business, service or undertaking at a premises, and where visitors, customers or clients regularly come on the premises. This would include voluntary, social, recreational and religious activities.
  - b. These QR codes would need to be prominently displayed near any main entrances and exits to the premises. They would be able to be scanned with the Tracer app.
  - c. There would be exemptions for entities where it is not reasonably practical or necessary for them to obtain, display or enable the use of a government-issued QR code.
  - d. The requirements could be established by a new s11 Order under the COVID-19 Public Health Response Act 2020, and non-compliance would be subject to penalties of:
    - i. Imprisonment of up to 6 months or a fine not exceeding \$4,000 in the case of intentional non-compliance; or
    - ii. An infringement fee of \$300 or a court-imposed fine of up to \$1,000 in any other case.
42. It would take some time to put such a system in place. Officials have advised that a new Order giving effect to the above should not come into force before Tuesday June 23 at the earliest, in order to give those subject to it time to comply. This two week window would also allow more time for the Ministry of Health to put in place a new self-service process, explained further below. Time would also be required to determine which businesses and services would qualify for an exemption.

### *Voluntary approach*

43. An alternative would be to proactively work with sector groups, and businesses, hospitality firms, churches, schools and others to encourage them to display QR codes.
44. This voluntary option has some appeal especially because the practical side of enabling organisations to generate their own QR codes still needs some work:
  - a. Officials do not recommend using MBIE's Business Connect service because obtaining a QR code that way involves a number of hurdles, including needing a RealMe login, a New Zealand Business Number, authority over the business or organisation, and to be registered with Business Connect.



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- b. The Ministry of Health rapid QR code generation service has already sent out around 10,000 posters via the bulk upload process, including to DHBs, churches, banks, all schools and ECE centres, and all gyms and fitness clubs. Processes are also underway to reach businesses and services through their associations, including hairdressers, restaurants, retail and hospitality. However, the process involves manual steps at present and it lacks a self-service option, so it would not be able to cope with the high demand that would no doubt result from a legal requirement to obtain and display a QR code.
  - c. The Ministry of Health is developing an online self-service function and an automated process and expects to have this functionality available by June 12. But even once the system has been updated, it will take some time for all entities to create their QR codes.
45. There would also be challenges for enforcement of a mandatory approach. As mentioned above, officials recommend exemptions for organisations where obtaining a QR code is not reasonably necessary or practical. This would make it difficult to know if an organisation not displaying a code is non-compliant or exempt. And a mandatory requirement would need to cover retail outlets. It might seem discordant that retailers would face enforceable requirements to support contact tracing at Alert Level 1 when they did not at Level 2.
46. A voluntary approach could be accompanied by guidance and proactive promotion and public messaging with key sectors, and would generate a more positive tone to the campaign than a legal requirement backed by sanctions.

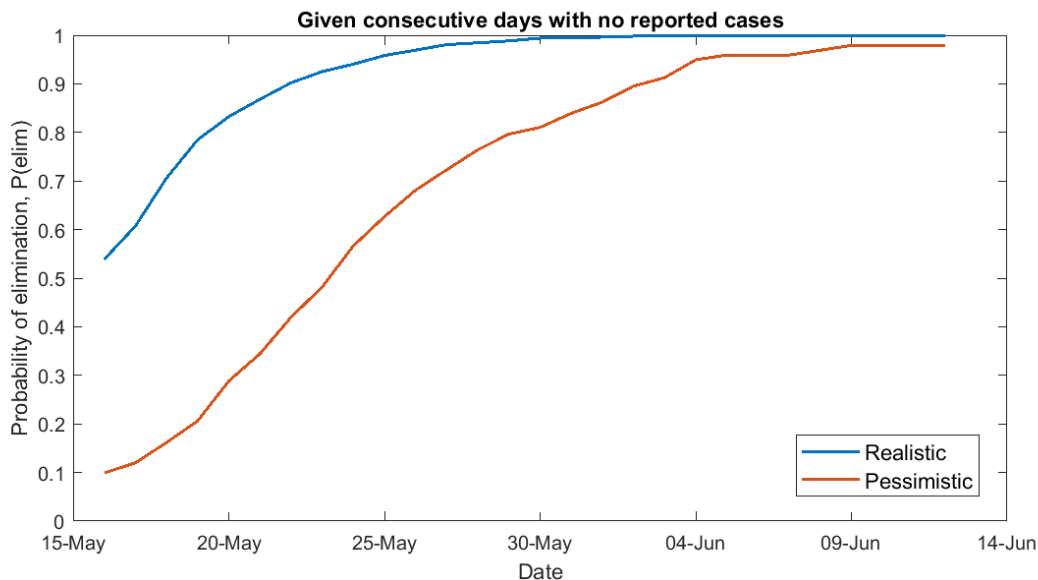
### Timing for a move to Level 1

47. The decision to move Alert Levels is for Cabinet, based on advice from the Director-General of Health. Our judgement needs to take into account the current level of public health risk and assess what a proportionate restriction on economic and social activity is in light of that.
48. This paper proposes moving to Alert Level 1 on June 8 (implementation from 11.59pm Monday, June 8).
49. Our Alert Level framework defines Level 1 as being for a situation where COVID-19 is controlled in New Zealand, with any transmission restricted to isolated cases within households. In previous consideration, officials indicated that at Level 1 we would expect to be seeing sporadic cases of COVID-19 only, and a long period with no or few cases of unknown transmission [CAB-20-MIN-0199].
50. It is apparent that we should move as quickly as we safely can. Physical distancing on public transport networks and in workplaces in particular continues to depress economic activity by limiting workforce participation and productivity, as well as social, cultural and community activities. A rough estimate from the Treasury is that an extra week at Alert Level 2 compared with Alert Level 1 amounts to around \$450m in lost output. Those costs do not fully reflect the impact of reduced demand putting pressure on business balance sheets, particularly for those businesses that are most affected by physical distancing rules.
51. Even before a move to Alert Level 1, we already have very few restrictions compared with other countries and we are moving very quickly to de-escalate. Our timely lockdown, high compliance and widespread testing, together with the stream of very low case numbers give us a high degree of confidence about our situation, and more freedom to chart our own course.

*Measuring uncertainty*

52. One important factor in the decision is the level of risk we are willing to take that the virus is still circulating undetected somewhere in the community. The long period with zero case numbers increases our confidence that asymptomatic or infected but untested people are not circulating, because if they were, eventually someone who was infected by such a person would have shown symptoms, been tested and become visible.
53. In recent days two different academic groups using different methodologies have independently estimated the probability that New Zealand has eliminated COVID-19. Both suggest around 95 per cent or higher confidence that we have now achieved elimination, which in this context means that there are at present no contagious people in New Zealand.
54. A graph from the academic group led by Professor Shaun Hendy is shown below. The y axis shows the probability of elimination after a given number of consecutive days with no reported cases. The x axis starts from May 15, the date that ESR reported the last new case. (The cases reported by the Ministry of Health after 15 May are considered historical, or are in people who had been in isolation throughout the lockdown period).
55. The blue line reflects what Professor Hendy calls “realistic” assumptions for variables including the proportion of undetected cases and effectiveness of Alert Level controls. The red line is a more pessimistic scenario where there are assumed to be more asymptomatic and untested cases and Alert Level controls are less effective. In either case, Professor Hendy calculates that we are highly likely to have eliminated COVID-19 for now.

**Figure 1: Probability of elimination given consecutive days with no reported cases**



56. Separately and using a different approach, a group led by Professor Nick Wilson estimated if there are no new cases within New Zealand (not from overseas travel) for 28 days, then there is a 95 per cent probability that there are no infectious people in the population. If there are no new cases for 42 days, then the probability rises to about 99 per cent.
57. The last reported case of community transmission, ie one that was acquired locally with no known source, was on April 30. By June 8 it has been 39 days since this case,

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indicating a very high probability that we have now eliminated COVID-19 within New Zealand.

58. Professor Wilson considers that his estimates are conservative, ie the chances of elimination might be even higher. In particular, this is because clusters and in particular “super spreaders”, individuals who infect a large number of others, are a big influence on the rate of transmission of COVID-19. The fact that we have not seen any new clusters emerge therefore increases his confidence that the virus has been eliminated.

### *Other factors*

59. As explained above, moving now to Level 1 will speed the expansion of economic and social activity, while noting that the best available information shows that a severe recession lies before us. We have not yet seen the full economic costs of COVID-19 because of the policy support that we have put into place through programmes like the wage subsidy. Freer movement enabled by Level 1 will soften the economic impacts as inevitably that support is withdrawn.
60. A move now to the more normal life of Level 1 is an opportunity also to acknowledge the public's efforts and the fact that it was only the depth of their support for the actions we have taken that have allowed us the choices we face today. A move will also reduce the perception of a mismatch between our low case numbers and our ongoing controls. If we stick at Level 2 for longer, then we might find that compliance would be less willing and immediate were we to need to increase Alert Levels again in the future.

### *This decision in context*

61. These Alert Level timing decisions have been complex ones, involving a balancing of a wide set of factors, including the advice of the Director-General on public health matters. Over time, we have seen a large number of scenarios for how things might turn out, but we have managed to avoid the worst case scenarios and are so far progressing well in our response. The recent long period of zero case numbers and the new modelling explained above are particularly reassuring, and are reflected in the change of the Director-General's previous recommendation to hold for longer at Alert Level 2.
62. The level of certainty we have in our situation has been an important matter in these Alert Level decisions. It has taken time to assemble the data that we needed to make informed decisions. We have placed significant weight on having confidence in our assessment of our situation across a range of factors before moving, and in being able to provide a firm assurance to New Zealanders that it is safe for them to go about their daily lives with the controls that we propose. These are reasons why it has been a measured and cautious process.
63. It has also been important that there be enough time to see the effects of reducing controls before we take the next step, in line with the public health advice we have received. I note that it is only just over two weeks ago that we allowed bars and clubs to reopen, and just over a week since we last eased controls by raising the gathering limits. As mentioned above, we will not yet be seeing any impacts of this last change in the case numbers. We have aimed to do all we can to avoid having to increase Alert Levels again in the future.
64. It is positive that we are liberalising much earlier and much more quickly than many other countries. I take this to be an endorsement of the effectiveness of the Government's early and decisive actions and the widespread support and participation of all New Zealanders in our collective effort against the spread of COVID-19.

**Border measures review**

- 65. Global conditions continue to be such that we cannot reopen the border in an unrestricted way. But the same border restrictions that protect public health and our economy also have negative economic and social effects. Flows of people generate export revenue, inward investment and knowledge transfers for New Zealand firms. New Zealand earns \$17b from tourism and \$5b from incoming foreign students annually, while 390,000 business trips abroad and 340,000 business trips into New Zealand play an important role in facilitating trade in goods and other services as well as transferring knowledge and ideas. Overseas workers also fill specialised roles in our labour markets, meet skills shortages and undertake seasonal work.
- 66. A paper on exemptions to the border regime is being considered by Cabinet today. Maintaining strict controls while exploring ways to increase flows through the border where it can be done safely should be a goal for the near future. This will require coordination between agencies, airports and airlines to ensure that the necessary arrangements for managed isolation can be made, with appropriate testing and contact tracing arrangements to ensure the health risks are well managed. All of this will make our border controls more complex.
- 67. While the pandemic is still running its course internationally, some of our significant trading partners are already easing border restrictions. Different models are being trialled. We can learn from others and adopt those practices that prove successful at opening borders and managing the risk of transmission of the virus.
- 68. Further papers on the approach to future border settings are expected to be considered in the coming weeks. This week we also approved consultation on an airport licensing regime that may help. The Ministry of Health is also working with border agencies to ensure the maritime border is sufficiently robust. In particular, consideration is being given to no longer counting time at sea towards the required 14-day quarantine period for crew on ships. This would have a range of implications that need to be carefully worked through.

*Transit passengers*

- 69. On March 25, the COVID-19 Ministerial Group agreed to close the borders to incoming transit passengers, with exemptions made in the case where passengers departing from New Zealand were disembarking at an overseas port where there was a Government-to-Government assurance that those passengers will be accepted as part of repatriation.
- 70. This has been effected through the Minister of Immigration making an initial Special Direction removing all transit visa waivers and then subsequent Special Directions to support the repatriation of stranded people through removing the requirement that they hold a transit visa before travel.
- 71. The Immigration Act 2009 establishes that Special Directions that relate to transit visas may be for a maximum of three months and cannot be extended. The previous regulatory transit visa regime will therefore come back into effect from June 20. At that point, people of 83 particular nationalities and those transiting to or from Australia will not require a transit visa as long as they have a confirmed flight out within 24 hours to a port that will accept them.

72. 9(2)(g)(i)



9(2)(g)(i)

73. 9(2)(g)(i)

### Financial Implications

74. It is not possible to quantify the implications of a change to Alert Levels on the Government's finances, though moves to more liberal controls are expected to be more positive than more restrictive controls, so long as we do not have to return to more restrictive controls at a later date as a result of liberalising too early.

### Legislative Implications

75. There are no legislative implications arising from the recommendations in this paper.
76. The Minister of Health will consider whether to revoke the current Order under s11 of the COVID-19 Public Health Response Act 2020. The Order relates specifically to Alert Level 2 settings and requirements, and so the Minister is expected to revoke it in the move to Level 1.
77. Under the agreed Alert Level 1 settings a replacement Order will not be needed unless Cabinet chooses to make displaying a QR code legally required and enforceable.
78. Before revoking the Level 2 Order or putting in place a new Order for Level 1, 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 our 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.

79. 9(2)(h)

### Impact Analysis

80. The requirement for a Regulatory Impact Analysis did not apply because this is a policy proposal directly related to the COVID-19 response.

### Human Rights

81. The human rights implications of the controls in place to slow the spread of COVID-19 were significant and have been set out in detail in previous papers on Alert Level decisions [CAB-20-MIN-0161, CAB-20-MIN-0176].
82. 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

83. The opinion leaders in the Māori and Pasifika communities are concerned largely with two competing issues. On one hand they continue to fear that moving down to Level 1 will increase the infection risks for the more vulnerable parts of their populations, ie. the elderly and immuno-compromised people, and those living in crowded housing. Tangihanga and funeral gatherings have featured extensively in the media but these issues are largely resolved while at Level 2. On the other hand, there is a growing fear of the consequences of rising unemployment and the need to move soon to reconstruct the economy. Sound testing and contact tracing regimes will provide confidence on the health measures and allow people to support the economic measures.

### Consultation

84. This paper was prepared by the Department of the Prime Minister and Cabinet (Policy Advisory Group). Consultation on a draft of the paper was undertaken with the Ministries of Health, Business, Innovation and Employment, Education, Foreign Affairs, Social Development, Transport and Primary Industries, the All of Government COVID-19 unit, the Treasury, the State Services Commission, Crown Law and my Chief Science Advisor.

### Communications

85. 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

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

### Recommendations

87. The Prime Minister recommends that Cabinet:
1. **note** that we declared border restrictions and have imposed a series of restrictive controls in an attempt to eliminate the COVID-19 virus in New Zealand [CAB-20-MIN-0142, CAB-20-MIN-0133, COVID Ministers 25/03/2020 decision, CAB-20-MIN-0176, CAB-20-MIN-0220];
  2. **note** that these measures have worked, and we can now have high confidence that the COVID-19 virus has been eliminated from New Zealand;

#### *Move to Level 1*

3. **note** that a review of the best available information shows that we can now consider a move to Level 1;
4. **note** that the Director-General of Health is satisfied that:
  - 4.1. There has been no community transmission since at least 30 April, and that any new case would be a result of isolated household transmission or an overseas linked case detected in a person undertaking managed isolation;
  - 4.2. There is sufficient capacity in testing and contact tracing to respond to a surge in demand in the event of an outbreak;

SENSITIVE

- 4.3. Our border is robust for arrivals by air, and the Ministry of Health is working with border agencies to ensure the maritime border is sufficiently robust also;
  - 4.4. 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;
  5. **note** that the Director-General of Health's advice is that New Zealand has met the identified criteria and is on track to move to Alert Level 1 in the week beginning June 8;
  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;
  7. **agree** to move to Alert Level 1 effective from 11:59pm on Monday, June 8;
- EITHER**
8. **agree** that requiring businesses and other organisations to display QR codes at their premises to enable more rapid contact tracing would be an appropriate public health measure at Alert Level 1;
- OR (recommended option)**
9. **note** that officials will work with businesses and other organisations to encourage them to obtain and display government-issued QR codes at their premises to enable more rapid contact tracing;
  10. **note** that the Minister of Health will consider revoking the current Order under s11 of the COVID-19 Public Health Response Act 2020 and making a new Order if necessary to give effect to the recommendations above;
  11. **note** that we will continue to monitor our situation closely and make adjustments quickly if necessary;
  12. **note** the importance of maintaining high levels of testing, especially surveillance testing of those who are more likely to be exposed to infected people, and that the Ministry of Health's revised testing strategy will be considered at SWC on 9(2)(f)(iv);
  13. **note** that officials will report back to SWC with a detailed operational plan for responding to a resurgence of cases on 9(2)(f)(iv), and with the results of a review of the settings of Alert Levels 2 to 4 on 9(2)(f)(iv)
  14. **note** the risk that if COVID-19 re-emerges in New Zealand, we may need to return to higher Alert Levels in the future but that we will have the flexibility to respond to localised outbreaks with local or regional-level controls;
  15. **note** that the Minister of Health is undertaking work to explore strengthening measures at the maritime border;

*Transit passengers*

16. **note** that on 25 March 2020, the COVID-19 Ministerial Group agreed to close the borders to incoming transit passengers, with exemptions made in the case where passengers departing from New Zealand are disembarking at an overseas port where there is a Government-to-Government assurance that those passengers will be accepted as part of repatriation;

17. **note** that the Special Directions that effected this will expire on June 20 and cannot be renewed, 9(2)(g)(i) [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED];
18. 9(2)(g)(i) [REDACTED]

*Other matters*

19. **note** that the human rights implications of the restrictions imposed under Alert Levels have been significant and any remaining measures will be subject to regular review, including scrutiny by the Solicitor-General;
20. **agree** that Cabinet's decisions will be communicated by the Prime Minister.

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





# Cabinet

## Minute of Decision

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*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.*

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### Review of COVID-19 Alert Level 2

**Portfolio**                      **Prime Minister**

On 8 June 2020, Cabinet:

#### Current situation

- 1        **noted** that the government declared border restrictions and imposed a series of restrictive controls in an attempt to eliminate the COVID-19 virus in New Zealand [CAB-20-MIN-0142, CAB-20-MIN-0133, COVID Ministers 25/03/2020 decision, CAB-20-MIN-0176, CAB-20-MIN-0220];
- 2        **noted** that these measures have worked, and we can now have high confidence that the COVID-19 virus has been eliminated from New Zealand;

#### Move to Alert Level 1

- 3        **noted** that a review of the best available information shows that we can now consider a move to Alert Level 1;
- 4        **noted** that the Director-General of Health is satisfied that:
  - 4.1      there has been no community transmission since at least 30 April 2020, and that any new case would be a result of isolated household transmission or an overseas linked case detected in a person undertaking managed isolation;
  - 4.2      there is sufficient capacity in testing and contact tracing to respond to a surge in demand in the event of an outbreak;
  - 4.3      our border is robust for arrivals by air, and the Ministry of Health is working with border agencies to ensure the maritime border is sufficiently robust also;
  - 4.4      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;
- 5        **noted** that the Director-General of Health's advice is that New Zealand has met the identified criteria and is on track to move to Alert Level 1 in the week beginning 8 June 2020;

- 6 **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);
- 7 **agreed** to move to Alert Level 1 effective from 11:59 pm on Monday, 8 June 2020;
- 8 **noted** that officials will work with businesses and other organisations to encourage them to obtain and display government-issued QR codes at their premises to enable more rapid contact tracing;
- 9 **invited** the Minister of Health to report back to Cabinet by 29 June 2020 on the progress of the voluntary approach to encourage businesses and organisations to download and display government-issued QR codes and whether any additional measures are required;
- 10 **noted** that the Minister of Health will consider revoking the current Order under Section 11 of the COVID-19 Public Health Response Act 2020 and making a new Order if necessary to give effect to the decisions above;
- 11 **noted** that we will continue to monitor our situation closely and make adjustments quickly if necessary;
- 12 **noted** the importance of maintaining high levels of testing, especially surveillance testing of those who are more likely to be exposed to infected people, and that the Ministry of Health’s revised testing strategy will be considered at the Cabinet Social Wellbeing Committee (SWC) 9(2)(f)(iv) ;
- 13 **noted** that officials will report back to SWC with a detailed operational plan for responding to a resurgence of cases on 9(2)(f)(iv) , and with the results of a review of the settings of Alert Levels 2 to 4 on 9(2)(f)(iv) ;
- 14 **noted** the risk that if COVID-19 re-emerges in New Zealand, we may need to return to higher Alert Levels in the future but that we will have the flexibility to respond to localised outbreaks with local or regional-level controls;
- 15 **noted** that the Minister of Health is undertaking work to explore strengthening measures at the maritime border;

**Transit passengers**

- 16 **noted** that on 25 March 2020, the COVID-19 Ministerial Group agreed to close the borders to incoming transit passengers, with exemptions made in the case where passengers departing from New Zealand are disembarking at an overseas port where there is a Government-to-Government assurance that those passengers will be accepted as part of repatriation;
- 17 **noted** that the Special Directions that effected this will expire on 20 June 2020 and cannot be renewed, 9(2)(g)(i) ;
- 18 9(2)(g)(i) ;

**Other matters**

- 19 **noted** that the human rights implications of the restrictions imposed under Alert Levels have been significant and any remaining measures will be subject to regular review, including scrutiny by the Solicitor-General;
- 20 **noted** that the Attorney-General, in consultation with the Leader of the House and Minister of Health, will consider whether there is a need to continue the COVID-19 Public Health Response Act 2020, which is currently due to be repealed 90 days after its commencement if no resolution is passed to continue the Act by the House of Representatives within that period;
- 21 **agreed** that Cabinet's decisions be communicated by the Prime Minister.

Michael Webster  
Secretary of the Cabinet