

## **New Zealand Policy Response to COVID-19**

### **Domestic Policy Response**

Monitoring of Covid-19 began in New Zealand during January, with the establishment of a monitoring team in the Department of Health, and Covid-19 testing has since been progressively expanded.

New Zealand's first coronavirus case was reported on 28 February. Case numbers remained in single-digit figures for the next two weeks, but after the WHO declared a pandemic on 11 March the government and other organisations began cancelling sporting, cultural and other events involving significant numbers of people, and the Minister of Finance alerted the economy to the likelihood of a severe blow to the nation's economy.

On 14 March the government imposed a requirement for all arriving travellers from overseas to undergo self-isolation for 14 days after their arrival. Cruise ships were banned from docking in New Zealand. With the aim of limiting the spread of the virus to the Pacific Islands, passengers departing for those economies were required to undergo health assessments and other checks before being allowed to leave.

Other individuals infected by Covid-19 and not requiring hospitalisation are also required to self-isolate for 14 days, as are any close contacts of individuals confirmed as having been infected. There is a process for tracing the contacts of newly-identified infected individuals in an effort to identify any further infections arising from that contact. This process has resulted in the identification of a number of "clusters" of infected individuals, typically traced to a specific institution or event.

On 16 March the Reserve Bank of New Zealand, New Zealand's central bank, cut the benchmark Official Cash Rate (OCR) from 1% to 0.25%.

On 17 March a fiscal package to cushion the impact on the economy was announced, amounting to \$12.1 billion, or 4% of New Zealand's GDP. The package included \$8.7 billion to support businesses and jobs, \$2.8 billion to support incomes and jobs, and \$0.5 billion New for additional support to the health system.

On 19 March, in an unprecedented move, the government closed New Zealand's borders to all international travellers except New Zealand citizens and permanent residents. It also issued a ban on all indoor gatherings of more than 100 people, resulting in the cancellation of numerous public and private events and activities.

On 21 March, amid growing concern at the rapid international spread of the pandemic, the expected impact on New Zealand, and the growing number of cases being reported in New Zealand itself the government asked people aged 70 years and older and all people with compromised immune systems to remain at home as far as possible.

On the same day the government introduced a four-level "alert system" – levels 1-4 (see appendix), with increasingly severe measures at each level to combat the spread of Covid-19. It placed New Zealand immediately in Level 2, with measures calibrated to address the increasing risk of community transmission.

Two days later, on 23 March, with the number of Covid-19 cases in New Zealand continuing to increase, and data indicating an explosive spread of the virus in a number of economies overseas, the government announced that it was moving immediately to alert level 3, and would move to alert level 4 two further days later, implementing a “full lockdown” from midnight on 25 March. The lockdown is initially applied for a four week period. Main features include

- All businesses closed except for essential services (eg supermarkets, pharmacies, clinics, hospitals, police) and lifeline utilities
- All persons except those engaged in essential services are required to remain at home, permitted to leave home only for safe physical exercise within their local area or to access essential services
- “Social distancing” (2 metre separation between all persons except those within the same household or “bubble”)
- All schools closed, with online support provided for home schooling; tertiary education institutions physically shut down, with all teaching provided online.
- All indoor and outdoor events cancelled.
- Prohibition on termination of tenancies except in certain specified circumstances.
- Freeze on rent increases and provision for short term deferrals of mortgage serving payments for homeowners in financial difficulties.

A state of emergency has been declared to give the government and other authorities the legal powers necessary to enforce the lockdown. The state of emergency expires initially on 15 April unless renewed, and thereafter must be renewed every 7 days if it continues.

The goal of the lockdown is first, to “flatten the curve” of increasing Covid-19 infections to ensure that the public health system is not overwhelmed by new cases, and then to reduce the daily number of new cases to zero or a very low number so that the lockdown can be safely ended.

Also on 23 March the Reserve Bank of New Zealand announced that it would initiate a \$30 billion purchase of government bonds, to support liquidity in the financial system and avert any rise in long term interest rates.

The lockdown is generally considered to have been working well with relatively few breaches, despite inevitable difficulties requiring the resolution where possible of uncertainties, anomalies and inequities arising in the implementation.

On 31 March the government publicly released the modelling results that it commissioned to inform its policy response to the crisis, which had also been informed by modelling reports from overseas sources such as Imperial College in London.

The government has been giving attention to the conditions required for the lockdown to be safely ended once the numbers of new cases are reduced to zero or minimal levels. Three key conditions that are being identified are (a) expansion of Covid-19 testing to a level giving confidence that existing or new infections do not remain undetected; (b) increasing capacity for “contact tracing” to a level ensuring that any spread of infection from a newly identified case can be promptly tracked and addressed; and (c) “watertight” control of infections potentially entering at the border, probably through mandatory quarantining of all new

arrivals. Lessons from the experiences of other economies are also being factored into the decision-making on this issue.

On 9 April the Prime Minister announced an intensification of each of the above measures. With immediate effect, all persons entering the economy, including returning New Zealanders, will be required to undergo quarantine or managed isolation in an approved facility for a minimum of 14 days. A network of up to 18 hotels will be used to implement this approach. Contact tracing will be scaled up and accelerated through greater use of technology, including an app being developed locally, and possibly also the Singapore government's Bluetooth-based app TraceTogether, which Singapore plans to open source. The level of Covid-9 testing will also be further increased.

At the same time the Prime Minister announced the government's intention to make and announce a decision on 20 April as to whether the lockdown will be ended or extended when the initial four weeks expires on 22 April.

### **Governance Developments**

Parliament has been suspended while alert level 4 is in operation. Decisions are taken by the Prime Minister and the Cabinet, which is meeting virtually during the lockdown, with many members participating remotely from their homes.

Daily briefings to the press and public are provided by the Prime Minister and Director-General of Health. Other government ministers and senior government officials also appear regularly at these briefings.

To provide scrutiny and accountability of government actions during alert level 4 a special select committee, the Epidemic Response Committee, has been established, chaired by the Leader of the Opposition and including representatives from all political parties holding seats in Parliament, with a majority from opposition parties. This committee also meets virtually, up to three days a week, and the committee has the power to interview government officials, business and community leaders, and independent experts. Its meetings are televised nationally. Meetings of this committee have identified a number of issues for the government to address.

### **Trade**

When announcing the closure of the border to international travellers the Prime Minister made it clear that the border closure applies to people but not goods.

**On 19 March the government initiated a series of “aviation packages” designed to ensure that both international and domestic airfreight services continue to operate as passenger air**

On 21 March the government announced a joint commitment with Singapore to keep supply chains open and to remove any existing trade restrictive measures on essential goods, especially medical supplies, in the face of the Covid-19 crisis.

By 25 March this commitment had been joined by Canada, Australia, Chile, Brunei and Myanmar.

On 28 March the government announced that it will temporarily remove tariffs on all medical and hygiene imports needed for the COVID-19 response.

## **Progress on managing Covid-19**

### **Move to Level 3 Alert**

Following significant progress in bring the level of daily cases down, information provided by increased testing and increased confidence in its traceability efforts, the government announced that New Zealand would move to Alert Level 3 at 11:59pm on Monday 27 April. It signalled that it would stay at Alert level 3 for two weeks at which point Cabinet would reassess the next steps. It again set out comprehensive information on [Alert Level 3](#) in relation to people movement, recreation, education, work, business, travel, gatherings, and staying safe and well. This message was reinforced throughout the two week period.

#### [Tax changes introduced to help small businesses:](#)

A significant package of tax reforms was pushed through all stages in Parliament to support small and medium enterprises. The Bill gives businesses more than \$3 billion in tax refunds as they deal with the economic impact of the virus.

On May 1, the government announced it will provide interest free loans for a year to small businesses impacted by the COVID-19 economic shock to support their immediate cashflow needs.

### **Move to Alert Level 2**

Following two weeks of single digit numbers of new cases, including two days with no new cases, the Government announced on Monday 11 May that New Zealand will move from Alert Level 3 to Alert Level 2 at 11.59pm on Wednesday 13 May. This will substantially open up the economy.

Businesses, retail stores, malls, cafes, restaurants, cinemas and public spaces including parks, playgrounds and gyms can open on Thursday. Bars can open two weeks later.

All businesses must keep a record of all who come onto their premises and maintain physical distancing. Those like hairdressers, who by virtue of the nature of their activity, come into close contact with their clients must wear appropriate PPE.

Schools early childhood centres and tertiary institutions will open one week later on Monday 18 May. Tertiary institutions will be expected to apply physical distancing as appropriate.

Cognisant of the risks still potentially associated with large gatherings, the government has maintained a temporary limit of 10 for gatherings. This applies to wedding ceremonies, funerals and tangihanga, religious ceremonies, gatherings at home, and each group within a restaurant or other venue. This is a temporary measure that will be reviewed in 2 weeks' time. It does not apply to large public venues, or playing professional sports, which are controlled environments and which are expected to apply mitigation and separation requirements.

Until 21 May, venues like cafes and restaurants, are restricted to opening for dining, and with groups of 10, seated separately, and served by a single server.

People will be allowed to move beyond their local areas and can travel around the country but will need to keep records of what travel services they use. This will support domestic tourism.

The possibility of a trans-Tasman “bubble”, that would open up travel between Australia and New Zealand and provide a substantial support to renewing economic activity, is being actively explored by the parties..

## Sources

<https://covid19.govt.nz/latest-updates>

<https://covid19.govt.nz/alert-system/covid-19-alert-system/>

<https://www.mbie.govt.nz/about/open-government-and-official-information/coronavirus-covid-19/essential-services/>

<https://www.health.govt.nz/our-work/diseases-and-conditions/covid-19-novel-coronavirus>

<https://www.police.govt.nz/major-events/covid-19-novel-coronavirus>

[www.rbnz.govt.nz/covid\\_19](http://www.rbnz.govt.nz/covid_19)

<https://www.parliament.nz/en/get-involved/features/covid-19-what-is-the-epidemic-response-committee/>

<https://www.police.govt.nz/major-events/covid-19-novel-coronavirus>

<https://shorthand.radionz.co.nz/coronavirus-timeline/index.html>

<https://www.beehive.govt.nz/release/nz-and-singapore-commit-keeping-supply-and-trade-links-open-including-essential-goods-and>

<https://www.beehive.govt.nz/release/canada-australia-chile-brunei-and-myanmar-join-nz-and-singapore-committing-keeping-supply>

<https://www.beehive.govt.nz/release/tariff-concessions-covid-19-related-products>

## Appendix

# COVID-19 Alert System

The alert system means people can see and plan for the kinds of restrictions we may be required to put in place. This includes increasing or decreasing limits on human contact, travel and business operations.

[Download a table of the COVID-19 Alert Level \[PDF, 50 KB\]](#) – see below

The alert levels tell us all what public health and social measures need to be taken.

The measures may be updated on the basis of: 1). new scientific knowledge about COVID-19 and 2). information about the effectiveness of intervention measures in New Zealand and elsewhere.

The alert levels may be applied at a town, city, territorial local authority, regional or domestic level.

Different parts of the economy may be at different alert levels.

We can also move up and down alert levels.

In general, the alert levels are cumulative, eg Level 1 is a base-level response. Always prepare for the next level.

At all levels, health services, emergency services, utilities and goods transport, and other essential services, operations and staff, are expected to remain up and running. Employers in those sectors must continue to meet their health and safety obligations.

The public will notice an increased Police presence with a focus on prevention, through education and encouragement. Level 4 restrictions will only be enforced if required.

## Level 4 Eliminate

Likely that disease is not contained.

### Risk assessment

- Sustained and intensive transmission
- Widespread outbreaks.

### Range of measures

These can all be applied **locally** or **nationally**:

- people instructed to stay at home
- educational facilities closed
- businesses closed except for essential services (eg supermarkets, pharmacies, clinics) and lifeline utilities

- rationing of supplies and requisitioning of facilities
- travel severely limited
- major reprioritisation of healthcare services.

## Level 3 Restrict

Heightened risk that disease is not contained.

### Risk assessment

- Community transmission occurring OR
- Multiple clusters break out.

### Range of measures

These can all be applied **locally** or **economy-wide**:

- travel in areas with clusters or community transmission limited
- affected educational facilities closed
- mass gatherings cancelled
- public venues closed (eg libraries, museums, cinemas, food courts, gyms, pools, amusement parks)
- alternative ways of working required and some non-essential businesses should close
- non face-to-face primary care consultations
- non acute (elective) services and procedures in hospitals deferred and healthcare staff reprioritised.

## Level 2 Reduce

Disease is contained, but risks of community transmission growing.

### Risk assessment

- High risk of importing COVID-19 OR
- Increase in imported cases OR
- Increase in household transmission OR
- Single or isolated cluster outbreak.

### Range of measures

These can all be applied **locally** or **economy-wide**:

- entry border measures maximised
- further restrictions on mass gatherings
- physical distancing on public transport (eg leave the seat next to you empty if you can)
- limit non-essential travel around New Zealand
- employers start alternative ways of working if possible (eg remote working, shift-based working, physical distancing within the workplace, staggering meal breaks, flexible leave arrangements)
- business continuity plans activated

- high-risk people advised to remain at home (eg those over 70 or those with other existing medical conditions).

## **Level 1 Prepare**

Disease is contained.

### **Risk assessment**

- Heightened risk of importing COVID-19 OR
- Sporadic imported cases OR
- Isolated household transmission associated with imported cases.

### **Range of measures**

These can all be applied **locally** or **economy-wide**:

- border entry measures to minimise risk of importing COVID-19 cases applied
- contact tracing
- stringent self-isolation and quarantine
- intensive testing for COVID-19
- physical distancing encouraged
- mass gatherings over 500 cancelled
- stay home if you're sick, report flu-like symptoms
- wash and dry hands, cough into elbow, don't touch your face.

# New Zealand COVID-19 Alert Levels

Unite  
against  
COVID-19

- These alert levels specify the public health and social measures to be taken.
- The measures may be updated on the basis of (i) new scientific knowledge about COVID-19 and (ii) information about the effectiveness of intervention measures in New Zealand and elsewhere.
- The alert levels may be applied at a local, city, territorial local authority, regional or national level.
- Different parts of the country may be at different alert levels. We can move up and down alert levels.
- In general, the alert levels are cumulative, e.g. Level 1 is a base-level response. Always prepare for the next level.
- At all levels, health services, emergency services, utilities and goods transport, and other essential services, operations and staff, are expected to remain up and running. Employers in those sectors must continue to meet their health and safety obligations.

LEVEL	RISK ASSESSMENT	RANGE OF MEASURES (can be applied locally or nationally)
<b>Level 4 - Eliminate</b> Likely that disease is not contained	<ul style="list-style-type: none"> <li>- Sustained and intensive transmission</li> <li>- Widespread outbreaks</li> </ul>	<ul style="list-style-type: none"> <li>- People instructed to stay at home</li> <li>- Educational facilities closed</li> <li>- Businesses closed except for essential services (e.g. supermarkets, pharmacies, dining) and 24hr utilities</li> <li>- Restocking of supplies and repooling of facilities</li> <li>- Travel severely limited</li> <li>- Major repooling of healthcare services</li> </ul>
<b>Level 3 - Restrict</b> Heightened risk that disease is not contained	<ul style="list-style-type: none"> <li>- Community transmission occurring OR</li> <li>- Multiple clusters break out</li> </ul>	<ul style="list-style-type: none"> <li>- Travel in areas with clusters or community transmission limited</li> <li>- Affected educational facilities closed</li> <li>- Mass gatherings cancelled</li> <li>- Public venues closed (e.g. libraries, museums, cinemas, food courts, gyms, pools, amusements parks)</li> <li>- Alternative ways of working required and some non-essential businesses should close</li> <li>- Non face-to-face primary care consultations</li> <li>- Non acute (elective) services and procedures in hospitals deferred and healthcare staff reprioritised</li> </ul>
<b>Level 2 - Reduce</b> Disease is contained, but risks of community transmission growing	<ul style="list-style-type: none"> <li>- High risk of importing COVID-19 OR</li> <li>- Uptick in imported cases OR</li> <li>- Uptick in household transmission OR</li> <li>- Single or isolated cluster outbreak</li> </ul>	<ul style="list-style-type: none"> <li>- Entry border measures maintained</li> <li>- Further restrictions on mass gatherings</li> <li>- Physical distancing on public transport (e.g. leave the seat next to you empty if you can)</li> <li>- Limit non-essential travel around New Zealand</li> <li>- Employers start alternative ways of working if possible (e.g. remote working, shift-based working, physical distancing within the workplace, staggered start times, flexible leave arrangements)</li> <li>- Business continuity plans activated</li> <li>- High-risk people advised to remain at home (e.g. those over 70 or those with other medical conditions)</li> </ul>
<b>Level 1 - Prepare</b> Disease is contained	<ul style="list-style-type: none"> <li>- Heightened risk of importing COVID-19 OR</li> <li>- Specific imported cases OR</li> <li>- Isolated household transmission associated with imported cases</li> </ul>	<ul style="list-style-type: none"> <li>- Border entry measures to minimise risk of importing COVID-19 cases applied</li> <li>- Contact tracing</li> <li>- Stringent self-isolation and quarantine</li> <li>- Intensive testing for COVID-19</li> <li>- Physical distancing encouraged</li> <li>- Mass gatherings over 100 cancelled</li> <li>- Stay home if you're sick, report flu like symptoms</li> <li>- Wash and dry hands, cough into elbow, don't touch your face</li> </ul>