



## Proactive Release

The following item has been proactively released by the Rt Hon Jacinda Ardern, Prime Minister:

### **Noting paper: Critical Issues and Area of Focus**

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 code:**

- 6(c), to protect the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial
- 9(2)(f)(iv), to maintain the confidentiality of advice tendered by or to Ministers and officials

# Noting paper:

## CRITICAL ISSUES AND AREAS OF FOCUS

<b>To</b>	Ad Hoc Cabinet Committee on COVID-19 Response		
<b>From</b>	John Ombler, All of Government Controller	<b>Date</b>	10/03/2020

### Purpose

1. This paper outlines emerging critical policy issues that Ministers will need to make decisions on and notes the operational areas of focus for responding on COVID-19 and emerging pressures on government agencies.

### The response to date has helped us for the challenges ahead

2. Government agencies are co-ordinating to contain the outbreak and impacts of COVID-19 on New Zealand. This combined response effort over the past weeks has helped us for the challenges ahead.
3. We know more about the virus and how it spreads. We now understand the genetic make-up of the disease, the source of the virus and how it progresses. Among many other things, we better understand the disease's incubation period, its transmissibility, the main means of transition, and age-specific risk of the disease.
4. We have taken concrete steps to contain the spread of the virus. New Zealand has had temporary border measures in place since the 2<sup>nd</sup> February. Contact tracing and isolation measures are intensifying. We have it in place for all five confirmed cases and their close contacts. This is progressing well.
5. We know that timely public information from all parts of government and civil society will be critical in minimising the impacts. We have increased our public communications and put place a National Public Information Management team (refer accompanying Noting Paper).
6. Preparation is well underway for a more severe outbreak (see Annex One which outlines the current areas of operational focus). The Ministry of Health is working with the health sector to identify resources that can be surged to areas of need within the health sector and planning for the potential activation of community assessment centres.

### Key upcoming decision points for Ministers

7. There are some key choices that we may need to make as the outbreak unfolds
8. Some of these policy choices will require trade-offs in order to manage competing demands.
9. The New Zealand Influenza Pandemic Plan has five phases: keep it out; stamp it out; manage it; manage it (post-peak); and recover from it. As new phases are entered into decisions will need to account for different situations in different parts of the country.

10. It is likely that NZ will enter multiple phases simultaneously, and some regions will be in different phases at different times. As the phases are not accompanied by clear actions, decisions will need to be made accordingly.

11. Decision points include:

- a. **Resourcing and sustained gearing of Departments** to adequately and sustainably manage the response, including responding to All-of-Government requests for staffing. In particular, increasing resources for public health to expand and accelerate containment efforts and communications (including facilitating re-deployment of public sector staff and supporting volunteer efforts).
- b. **Deciding to move from *Keep It Out* to *Manage It***, while noting that some regions may be in different phases. This will require decisions around the extent and nature of:
  - border measures (entry and exit)
  - containment efforts including contact tracing
- c. **Managing and slowing the spread** will require taking decisions on:
  - cancelling mass gatherings
  - closing school
  - issuing travel advisories
  - restricting movement
  - promoting and supporting alternative ways of working e.g. working from home
  - issuing proactive messaging around social distancing
- d. **Prioritisation of essential supply chains and critical services** will be required should we move to a severe outbreak
- e. **Fiscal stimulus options** and support measures will be ongoing and may need increase in magnitude. There are currently uneven economic effects across sectors and regions.
- f. **Assisting the Pacific** while still meeting the needs of New Zealand.
- g. Implement broad measures to protect **high-risk, vulnerable populations**.

### **The impact on the state sector from COVID-19 is already significant**

12. The impact of the COVID-19 response is already being felt acutely by key agencies at the forefront of the response and is consuming significant public sector resource (refer Annex Two).

13. In addition to initiatives already underway, there is significant monitoring and preparatory work going on across the wider public sector. Many government agencies are managing a very active flow of queries, from their staff and stakeholders.

14. Individual ministers are commissioning agencies for an increasing amount of advice on a range of operational responses and policy issues. Many agencies are responding to multiple

requests that have been commissioned both by individual ministers and through a more coordinated process.

15. Significant disruption to existing government work programmes is now likely.
16. Putting in place dedicated COVID-19 funding will be desirable to minimise disruption to the Government's work programme.

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Annex One

Operational areas of focus	
<b>Border</b>	<p>Temporary travel restrictions are active for mainland China and Iran. These are under constant review.</p> <p>Operational efforts at the border are also focussed on supporting efforts to manage arrivals from points of departure subject to border measures will, currently these remain as:</p> <ul style="list-style-type: none"> <li>• Category 1A: mainland China and Iran</li> <li>• Category 1B: Northern Italy and the Republic of Korea</li> <li>• Category 2: Hong Kong, Italy (other areas), Japan, Singapore, and Thailand</li> </ul> <p>Border agencies have been engaged in updating processes to reflect the change in status for COVID-19 to a quarantinable disease.</p> <p>Early warnings to border staff around tracing infected passengers and supporting their engagement with potentially infected passengers is ongoing and remains critical.</p> <p>Cruise ships (and maritime controls) continue to consume significant attention. Cabinet has agreed (9 March) to make available new powers to detain vessels</p>
<b>Health</b>	<p>The main focus is on “keeping it out” and slowing it down. This includes applying immediate containment measures for confirmed cases, including contact tracing and contact management.</p> <p>Other key areas of operational focus are –</p> <ul style="list-style-type: none"> <li>• Preparing primary care and DHBs for possible widespread community transmission. Planning is underway for community assessment centres, where appropriate.</li> <li>• Actively working with health sector to identify resources to surge to areas of need within sector</li> <li>• An active public health campaign to promote basic hygiene messages and for the public to seek phone advice first if they feel unwell. Telehealth services are receiving large numbers of calls.</li> </ul>
<b>Infrastructure</b>	<p>MBIE is working with lifeline infrastructure services (e.g. energy, telecommunications) to ensure they are prepared and ready.</p> <p>To support continuation of critical government services, an ODESC forum on business continuity planning is being held this week.</p>
<b>Economic</b>	<p>Further design work on options for targeted wage subsidies, worker redeployment, and potential tax relief is the main focus.</p> <p>A number of initiatives to mitigate the impact of COVID-19 on affected sectors and regions have been announced and economic agencies are focussed on implementation. This includes initial funding of \$11.0 million for tourism marketing, and \$4m to augment the Regional Business Partner Programme.</p> <p>All economic agencies are working with their sector to understand impacts and share information.</p>
<b>Welfare</b>	<p>Welfare agencies are looking at how to remove the stand-down period for beneficiaries and identifying other potential welfare support.</p> <p>An emerging issue is provision of shelter, accommodation and households goods. There is a small but growing number of people in self-isolation that require assistance.</p>

**IN CONFIDENCE**

	<p>NEMA is also looking at how to sustain the welfare agency workforce to deliver services for two concurrent responses – COVID-19 and drought.</p>
<b>International</b>	<p>MFAT (and international agencies) are focussed on consular services to affected New Zealanders overseas and safeguarding our international relationships</p> <p>Supporting our Pacific neighbours is also a current focus - starting with the Realm, and then Samoa and Tonga. s9(2)(f)(iv)</p>
<b>Workplace</b>	<p>The current focus is on providing clear guidance on leave and pay for workers who are sick or in self-isolation. Minimum leave entitlements are unlikely to be sufficient for many workers outside the public sector. Policy advice will be provided under the economic pillar on potential options, alongside business support and wage subsidies.</p>

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Annex 2

COVID-19 response: examples of emerging impact on state sector agencies

**Border sector agencies** have committed over 100 dedicated staff to support the response. In addition to this, operational staff (visa processing, border operations) are all supporting border restrictions and health screening processes (which impacts over 1000 staff in some shape or form). S6(c)

At **Ministry of Health** the National Health Coordination Centre (NHCC) has been stood up for two months and approximately 70 staff are currently redeployed to work across this response team. The team are working extended hours and seven days a week so the staff numbers extend well beyond 70 full time equivalents. The NHCC is actively scaling up with more redeployment of Ministry staff into an expanded response team as we move into the next phase of the response. There will a doubling of the resource in the next few weeks to approximately 140 people deployed to support the Ministry's response activity. There are also an estimated 30-50 staff actively supporting the response activity with wider policy activity, provisioning of IT services and other support activity. By the end of March it is likely there will be approx 200 Ministry of Health staff focused on COVID-19 response activity.

The Ministry is currently reviewing its work programme and identifying activity that can be deferred or paused.

The Ministry's staffing shifts reflect only one part of the wider health response. There is a significant increase in resourcing in the wider health sector including the National Health service (Health Line), major deployment of staff in Public Health Units and DHB's and increased Laboratory capacity. Further work is underway to understand the cost and impact of this additional health sector activity.

Approximately 37% of staff at **NEMA** (29 people) have been diverted to COVID-19 work. This is expected to increase. NEMA has had to stop work on the National Planning and Recovery team work programmes.

At **MBIE**, approximately 65 people have now been diverted specifically onto COVID-19 response work, which is resulting in some deferral of key work programmes. For example, work on the Holidays Act review and immigration policy priorities will be delayed. Legal resource is being diverted on to issues such as pay and leave, which is beginning to impact on the pace of key legislative reform (e.g. the Equal Pay Amendment Bill).

A similar number (circa 65) have been diverted from Immigration NZ business-as-usual activity to the COVID-19 response. Additionally, there has been the need to reprioritise some operational activity given the significant increase in call volumes to service centres (for example, the Immigration Contact Centre has received an average of 2000 COVID-19 related calls per week since 2 Feb 2020).

At **Treasury**, there is about 15 people working full-time on the response and another 20 full-time equivalents spread around the organisation. Work is being deprioritised across a range of areas, including on the Economic Plan, APEC 2021 preparations, working with other agencies on key programmes such as climate change, health and welfare reform, the tax policy work programme and work on macroeconomic resilience.