

March 23, 2020

COVID-19: New Zealand moves to lockdown in 48 hours

Major events in New Zealand today, with the Government announcing the country will go into full lockdown in 48 hours.

This update covers the severe restrictions on daily life including business activity that will take place over the next four weeks, as well as the Government's increased economic support and changes to the conduct of Parliament during this period.

We understand this will have a significant impact on many clients' businesses. During this time, the Government will continue to operate, however the way we engage will change and decision-makers will be heavily focused on the COVID-19 response.

We are here to assist you, both in relation to COVID-19 and other matters. In particular, let us know if there's anything relating to COVID-19 policy that you are unclear about or would like to communicate to Government. Our government contacts are being as forthcoming as they can be with information. They want to work with business as much as possible to lessen the impacts of this crisis.

New Zealand moves to implement full lockdown

Prime Minister Jacinda Ardern today [announced](#) the Government has lifted the COVID-19 Alert to [Level 3](#) (Restrict) immediately, and will lift to [Level 4](#) (Eliminate) in 48 hours. This follows the first known community transmissions of COVID-19.

This means all non-essential businesses must close from Wednesday. Schools will be closed from Tuesday, except for the children of essential workers, who be able to go to school until Wednesday.

All bars, restaurants, cafes, gyms, cinemas, pools, museums, libraries, playgrounds and any other places where the public congregate must close their face to face function. Takeaway food businesses must close on Wednesday.

Air transport and public transport will only be available for those working in essential services, and for freight.

The Level 4 restrictions will remain in place for at least four weeks, in the hope of stopping community transmission. If that has not been achieved, Level 4 restrictions will remain in effect for longer. There is a possibility that some regions will be lifted out of Level 4 after the four-week period earlier than others.



Medical modelling provided to Cabinet today showed that, without Level 4 measures, tens of thousands of New Zealanders could die. Prime Minister Ardern [stated](#): “The worst case scenario is simply intolerable. It would represent the greatest loss of New Zealanders’ lives in our country’s history. I will not take that chance.”

The Prime Minister is also issuing an epidemic notice to allow for the use of special powers for Police and the military to enforce the Level 4 restrictions, as well as declaring a civil defence emergency.

Essential services

Details on essential services and workers are yet to be finalised, however the following broad categories [have been listed](#):

- Accommodation
- Border
- Building and Construction (related to essential activities)
- Courts
- Fast-moving consumer goods
- Financial Services
- Health
- Key public services and social services
- Primary industries including food and beverage production
- Public safety and national security
- Science involved in COVID-19 response
- Transport and logistics
- Utilities and communications

The Government will update the list of essential services and workers at www.covid19.govt.nz, and this list is subject to change.

Business and incomes package

Finance Minister Grant Robertson has [outlined](#) a further set of economic policies in reaction to COVID-19:

- The 12-week wage subsidy will no longer be capped, meaning that any business that has lost 30% or more of its income due to COVID-19 may apply. This will inject a further \$4 billion into the economy over the next eleven weeks.
- Rent increases are frozen and no-cause rent terminations are set to be banned. Implementation detail of this is being worked on.
- Business financing guarantee scheme – The Government, the Reserve Bank and the retail banks have agreed in principle that the Reserve Bank will back banks to lend to businesses that would be viable if not for COVID-19. Implementation of this is being worked through.
- The Government and banks are also working on details of support for mortgage holders



Robertson indicated there is more economic support to come, as the Government responds to this fast-moving situation.

Reserve Bank begins quantitative easing

This morning, the Reserve Bank of New Zealand [announced](#) it had begun a \$30b (10% of GDP) bond purchase programme (quantitative easing), following a reduction in the official interest rate to 0.25% last week. This is in reaction to a sudden increase in bond rates and bank funding costs and is intended to inject liquidity into the financial system, keeping the cost of borrowing down.

Parliament to change procedures

Parliament's Business Committee will meet tomorrow via teleconference and the Speaker has been asked to recall Parliament on Wednesday.

Parties will be asked to not have MPs travel to Wellington unless absolutely vital.

Parliament will look to pass an Imprest Supply Bill in order to ensure the flow of money to the Government, then will rise with no next sitting date determined.

There will be a motion to suspend all non-vital parliamentary business, including business in front of select committees.

An accountability mechanism will be established to allow the opposition to continue to question the Government when Parliament is not able to meet.

Prime Minister Jacinda Ardern will base herself in Wellington in order to be close to the machinery of government. She will however be limiting her contact with other people.

For official government information visit www.covid19.govt.nz

New Zealand COVID-19 Alert Levels

- 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 town, 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)
Level 4 - Eliminate Likely that disease is not contained	<ul style="list-style-type: none"> • Sustained and intensive transmission • Widespread outbreaks 	<ul style="list-style-type: none"> • People instructed to stay at home • Educational facilities closed • Businesses closed except for essential services (e.g. 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	<ul style="list-style-type: none"> • Community transmission occurring OR • Multiple clusters break out 	<ul style="list-style-type: none"> • Travel in areas with clusters or community transmission limited • Affected educational facilities closed • Mass gatherings cancelled • Public venues closed (e.g. 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	<ul style="list-style-type: none"> • High risk of importing COVID-19 OR • Increase in imported cases OR • Increase in household transmission OR • Single or isolated cluster outbreak 	<ul style="list-style-type: none"> • Entry border measures maximised • Further restrictions on mass gatherings • Physical distancing on public transport (e.g. 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 (e.g. 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 (e.g. those over 70 or those with other existing medical conditions)
Level 1 - Prepare Disease is contained	<ul style="list-style-type: none"> • Heightened risk of importing COVID-19 OR • Sporadic imported cases OR • Isolated household transmission associated with imported cases 	<ul style="list-style-type: none"> • 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

Further information

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