



## COVID-19 update, 17 August

# (MOH, 2021bb)

### News article

17 August 2021

Prime Minister Jacinda Ardern and Director General of Health Ashley Bloomfield will update the media later this evening.

[Transcript](#) ▾

>> Good evening, everyone.

As we advised earlier this afternoon, we have a positive case of COVID-19 in the community.

We will not be in a position to identify if this is a case of the Delta variant of COVID-19 until genome sequencing is returned tomorrow. However, every case we have had in MIQ recently has been the Delta variant of COVID. And delta is surging around the world.

While we cannot confirm it yet, we need to assume that our case will be, too. And that has shaped all of the decisions we have made this afternoon.

Public health officials have been working at pace this afternoon to gather information on the case and their movements, and I will pass over to Dr Bloomfield shortly to set out the facts as we currently know them including locations of interest that have been identified so far.

First, I want to assure New Zealand that we have planned for this eventuality and we will now be putting in place that plan to contain and stamp out COVID-19 once again. Going hard and early has worked for us before. While we know that delta is a more dangerous enemy to combat, the same actions that overcame the virus last year can be applied to beat it again.

I will now pass over to Dr Bloomfield.

>> Thank you, a minister. -- thank you Prime Minister.

Just to update you on the details around the community case announced this afternoon, to recap just after midday I was alerted to a positive COVID-19 test in Auckland.

This case was identified when the person presented to their GP yesterday with symptoms, and was tested.

To start with, I want to thank both the person who has tested positive and of course the general practice. We can only act on cases if we know they are there as soon as possible.

The case is a 58-year-old male from a household in Devonport on the North Shore of Auckland. He became symptomatic on Saturday, 14 August, so the infectious period is considered to have started on Thursday, 12 August. Importantly, and this has been fundamental to our advice to the government, at this point there is no obvious link between this case and the border.

Whole genome sequencing is being rapidly carried out at ESR's laboratory in Auckland for this case and we expect results in the early hours of tomorrow morning. The whole genome sequencing will help us learn about this infection and whether or not it is confirmed to be one of the Delta variant's we have seen overseas and it should also give us information about potential links to other cases and you will be aware that every case we have a New Zealand in managed isolation, the sample goes to ESR for testing for whole genome sequencing. That is not always successful but we have a database of all of those that have been sequenced successfully so that will help us with our source investigation.

In the meantime, as the Prime Minister said, we are assuming this is the Delta variant as all of the genome is sequenced over the last three weeks, in fact all but one, since late June, have been the Delta variant.

The person lives with his wife who was also tested yesterday and yesterday returned a negative test.

Both individuals have been self-isolating at home up to this point. On the earlier movements, the couple travelled by private vehicle on Friday, 13 August two, and Township Coromandel Township and stayed there.

There are a small number of contacts who are isolating and being tested.

The man is not vaccinated but was in the process of actively booking his vaccination, and he had trouble with the website but he had been making efforts to do that. His wife is fully vaccinated. I do want to commend the case for being a frequent user of the NZ COVID Tracer app and this has helped very much helping us speed up identifying locations of interest.

We have identified at last count 23 locations of interest, 13 in and around Coromandel township and 10 in Auckland.

I have five that I will run through now. These and any subsequent locations confirmed will be added to the Ministry of health's website. These five locations are all around Coromandel.

The star and garter hotel on 13 August between 6:39pm and 7:40pm.

The Umu cafe between 7:40pm and 8:30pm on the 14th.

The star and garter hotel on 14 August, between 7pm and 9pm.

The BP gas station on Saturday 14th, between 9:30am and 9:40am, and Taras Beads between 10am and 10:05am.

If you have been at those locations in those times, immediately self-isolating and call the Healthline for advice about what to do.

These locations and others will be on our website as will be clear instructions about what people are required to do. I should say there will be people from outside of Auckland and Coromandel I have visited and been at these identified locations of interest and subsequent ones so it's important for anyone who has been in these locations over the last week to check our website and see if they are included.

If you are, wherever you are in the country, you are required under the Health Act Section 70 order to follow the instructions around isolation and testing. It will also likely be locations en route between Coromandel land, so keep an eye on the website and we will publish that as it becomes available -- Auckland.

Further interviews are underway to help us establish how this case was infected and further details on his movements. I understand people will be concerned, however, I want to assure people both in Auckland, Coromandel and across the country we are taking necessary actions to limit the spread of the virus.

Our systems have swung into action to gather up the facts. An important action from here is we identify, of course, any other potential cases out there. So there are testing centres open across metropolitan Auckland until 8pm tonight, so there are extended hours. All testing locations nationwide are available on the Healthpoint website.

It will be additional testing centres across Tamaki Makaurau tomorrow, and further details and likewise we are wanting anyone around the country if they have any symptoms at all to be tested. So all of our areas will be ensuring there is good testing capacity and that it is accessible including extended hours across the country.

Most recent wastewater testing result for the North Shore was on 11 August, and that was negative. A sample taken yesterday is being analysed presently and we will have the results tomorrow. Daily sampling will now be undertaken and ESR is looking at options for sampling around Coromandel.

They public precautions especially around visitors will be in place at relevant hospitals.

This case was identified in Auckland but it is a national issue. Because we cannot link the case to the border at this point, it is possible there are other cases around in Auckland and other possible chains of transmission. People from around the country will have travelled to Auckland, and back to other parts of New Zealand. Therefore while the case is identified in Auckland, it requires us all to be part of the response. Hard work from everyone across the country will help us get on top of this outbreak. There has been a huge amount of work already over the past few hours by teams here and in Auckland, there will be people working into the night to carry on that response. The health system cannot do it alone. As always it is together we will make a difference.

>> Thank you, Dr Bloomfield. As I said we are assuming we have a case of Delta that we are dealing with. International evidence and science around the Delta variant of COVID-19 shows that it is potentially twice as infectious and more liable to cause severe illness. As Professor Skeggs' report set out last week, with the Delta variant raging around the world, it was experts' view that it was not a matter of if but when. As it is, we are one of the last countries in the world to have the Delta variant in our community. This has given us the chance to learn from others. While this is a situation no one wants to be in, there are benefits to being amongst the last. We are in the position to learn from experience overseas, and what actions work and what actions don't work. On that front, the Delta variant has been called a game changer and it is. It means we need to again go hard and early to stop the spread. We have seen what can happen elsewhere if we fail to get on top of it. We only get one chance. That's why cabinet has met this afternoon and made the decision that New Zealand will move to a alert level IV from 11:59pm tonight. This will be for an initial period of three days, except for Auckland and the Coromandel insular who we anticipate will be at -- peninsular who we anticipate will be in this alert level for seven days due to the close link to our current case. Over this time we will be looking for testing results for people from locations of interest, wastewater testing and general community testing of those with cold and flu symptoms elsewhere in the country. Our plan over the coming days is to assess if there are undetected chains of transmission elsewhere, to track down the source case, and assure ourselves that there are not other cases in the community elsewhere. We have made decisions on the basis that it is better to start high and go down levels, rather than start to low, not contain the virus and see it move quickly -- too low. Seen the dire consequences of taking too long to act in other countries, not least our neighbours. Just as we successfully stayed home and saved lives last year, I am asking the team of 5 million to unite once more to defeat what is likely to be this more dangerous and transmissible variant of the virus. I want to come back to what level 4 involves, given it has been a year since we have used this, the highest alert level we have. The underlying principle for level 4 is reduce contact between people to a bare minimum, essential contact only. That means the simplest thing that the people of New Zealand can do to stop the spread of the virus is to stay at home. Beating the Delta variant means lifting our game. The Delta variant spreads more easily through the air so physical distancing is even more important. As we have seen overseas, particularly in Sydney, unnecessary trips outdoors have spread the virus and communities have not been able to get on top of it. So I ask New Zealanders, please follow the rules to the letter. Let me quickly expand on each of the reasons for leaving your home briefly, and some of the common questions that you might have. The reasons for leaving your home under alert level 4 include physical exercise in your neighbourhood, visiting the supermarket, the dairy, or pharmacy. Necessary medical care, or getting a test. And if you undertake these activities, please wear a mask when you leave the house. Let me expand in more detail on each of those reasons for leaving your home. People in the past have asked if they can leave their homes for a walk, for instance. Yes you can. Or to take your children out on their scooter, for instance. But we ask people to stay 2 m away from those people you pass, stay local, do not create, do not talk to your neighbours and keep to your bubbles. It comes down to those simple principles. We know from overseas cases of We know from overseas that the Delta variant can be spread just by people walking past each other. Please wear a mask and make sure you keep up the physical distancing. The bubble is back, and the people in your bubble should be the people in your immediate household or the



people dependent on you. Once you go into the bubble, you must stay in it, and others cannot join. If you are completely isolated or you live alone, remember you can join a bubble with one other person that you have contact with. It needs to be just you and that person, though. You must be faithful to them and they must be faithful to you. Those in those circumstances will remember those rules from the last level 4. If you have contact with others, that is where the risk increases and we cannot afford that. You can drive locally to your supermarket to get food, but again we ask that you maintain your physical distancing to make 2 m, from others who might be undertaking essential errands. And again, please wear a mask. Other than that, we are asking people to stay home, only shop when you need to, and it is preferable there is only just one person per household that goes shopping to reduce any risk of spread and that they follow the instructions of staff. Remember to always act like you have COVID-19. Stay clear of others. Don't put them in harms way, in the same way you expect that they do not put you in harm's way. There will be economic support available and I will ask Minister Robertson to outline the available measures at the conclusion of this first introductory press conference and questions. On vaccinations - we will be suspending vaccinations for 48 hours while we ensure that vaccinations are able to take place in a safe environment, both for those performing the vaccinations and those who may be visiting. We have 40% of the eligible population vaccinated with at least one dose. We want that to continue safely. And when we can, we will. We will provide a further update on that in the next 24 hours. I want to finish by acknowledging our frontline workers. The most important thing we can do to acknowledge their work is to only leave home for the reasons I have described. I know one of the worst things about COVID-19 is the absolute uncertainty that it creates. But we know more now than we did a year ago. We know that this strategy works. We know that we are a strong team of 5 million. And we know that life will get easier. We just need to keep going. We will both be back tomorrow at 1pm to provide you with an update of all of the information that we have. Until then, please take care, and please be kind to one another. We are happy to take questions.

>> Prime Minister, how likely is it that the lockdowns will be extended, if you are taking this harder and faster approach?

>> As it stands, the decision to go for seven days was because we didn't want to provide for those areas that really are closely linked to this case any false hope by saying it would be a short lockdown. At this stage, we don't know. So we wanted to give a clear indication, it is most likely to be seven. We keep it under constant advisement. And for the rest of the country, that is why I have indicated at this stage that we are working to make three.

>> What was the issue with the case not being able to access the vaccine system ?

>> Just reported that he had an issue with the website. But his wife have been fully vaccinated and he was in the process of doing so.

>> Is that related to how infectious Delta could be... ?

>> Mixed results on that at the moment.

>> He was making every attempt to book in his vaccination. He is 20 age group of 55-60 that has come online in the last week or two. although even though he is not vaccinated, and I have not been vaccinated but I have my first vaccination books, he was making every effort.

>> The one thing I would add is, we are seeing evidence that suggests for the first dose, something in the range of 30% reduction and the likelihood of transmission, but it is not 100%. So that is why vaccinated people should follow the rules like everybody else. We need everyone to play their part here.

>> In Australia Day have seen problems with compliance. What is your message to people who question the need for the level 4 lockdown?

>> Australia. We just need to look overseas at what has happened there. Because of some of those decisions of those covered by the lockdowns, some who may not have necessarily followed the rules, it has extended the period of time that they are there. New Zealand has not had that same experience. For the periods we have had lockdowns, by and large there has been really good compliance. I say to Kiwis, do what you have done before. We want to be short and sharp rather than light and long. We have seen what happened in Sydney and we don't want that experience here. If we all comply, it lifts our chances of getting out of this earlier.

>> How much more vulnerable is New Zealand because of the comparatively low rates of vaccination?

>> I will let Dr Bloomfield touch or, but even some of those countries which have the highest vaccination rates in the world are still seeing cases of the Delta variant. So yes, vaccinations make a difference to hospitalisations and deaths, but it is not the entire answer. And that is why I say to people that actually complying with these rules, making sure we can do all we can to stamp it out still remains the best strategy in the world we are in now, even with vaccines.

>> Just to add to that, we have heard this past week from Professor Skegg and others, even with the high vaccination rates - and one reason for this is because there is still a group we are unable to vaccinate, which is our children and younger teens. Even with high vaccination rates, we would still need to have a range of public health measures in place. And while we continue to pursue an elimination strategy, we do everything we can to keep it out, if it does come into the community, our approach is to go hard...

>> Why do you feel that three days is safe enough for the rest of the country in terms of the lockdown?

>> We have discussed this, and there are some key bits of information we will have in the next few days. First of all, we will have whole-of-genome sequencing which will allow us to look and see not just where the case may be linked to the border, but potentially how many people are between. If there are any more people that when the border case and this person or whether it is a direct link. The second thing is, we will have further results of wastewater testing. It is reassuring that the testing done last Wednesday in Auckland did not detect any virus, other than the one that drains the jet Park, which happens all the time. Which suggests there is not widespread infection around Tamaki Makaurau. And the third thing of course is we will have the results of testing, of contacts, particularly those in those locations of interest, and it will give an idea if there is further spread, particularly some locations, one was a crowded pub on a Saturday night watching the rugby. Those people could be anywhere around the country and we want to make sure none of those people are infected.

>> The starting principle was, we're better to start high and be cautious and then move out as soon as we have comfort to do so, rather than start low and be in that phase for much longer. We only need to look at Australia to see the alternative. That was not an option for us. For New Zealand, it has never been and 'go hard, go early' has never been.

>> Not so much that three days is too high or too hard, but is it not hard enough?

>> We are indicating at this point an initial three days. Of course, people see at our 1:00 press conferences, we share everything we have. They will get a sense of whether it continues to be contained to the areas we have identified early on as areas of concern, linked to the case we have identified. But what we have learned from the past that identifying the source of this case, it will give us much more information about how much more risk exists for the rest of New Zealand. Because we have not yet identified the source, that is another reason for caution.

>> Just people who are around the country, away from home...

>> Yes, thank you.

>> What happens?

>> You will recall in the past that we have given people time to go back to their place of residence. If for instance they are under position to shelter in place and stay where they are. We are giving a 48 hour period for that, but as soon as possible we would like people to relocate. The reason for 48 hours, we learned from the last time we moved to level 4 that when we gave a shorter window, there were some people in exceptional circumstances who may for instance have been at the bottom of the South Island and it needed to move up with a vehicle. But again, we want people to move as quickly as they can to where they need to be, but we are cutting off at 48 hours.

>> Has been more than a year since there has been a nationwide lockdown. Since then New Zealand has been held up as a shining light as a way to combat COVID. How hard was the decision for you and your cabinet to make?

>> The reason New Zealand has been held up as an example is we have used strategies like this. They have worked for us before. But we have always adapted to what we have learnt. In between, when we have the alpha variant, it made us step up our game plan. Delta has been a game changer and we are responding to that. Our hope of course is to move away in the long-term from lockdowns, but with this variant and the way it behaves, the best thing we can do to make get out of this as quickly as we can is to go hard. The Treasury modelling I will leave to Minister Robertson, who will also outline the COVID support payments that will be available. The indicative seven-day decision triggers economic support for the country and businesses.

>> What attention is being given to the sewage in Auckland?

>> We had initial conversations. We wanted to make sure we were helping those coming in for vaccines safe. 48 hours gives us the ability to explore, as has already been done by the health workforce, they had been considering options like drive-through vaccination. We will be looking at what extra protocols we will put in place to resume the vaccination campaign. I think from what we have seen in Australia, it has caused an uptick in take-up. We want to use the opportunity, if we can, to safely vaccinate people in the interim.

>> Can I just add to that, in this early phase of this outbreak, the most important thing is to stop the outbreak, and the best way is to stop any unnecessary movement that could see spread of the virus. The approach in Sydney and New South Wales to make surge up the vaccinations because they are using it to control a much bigger outbreak, at our teams have been working on ways to safely vaccinate. They are working on it already.

>> Dr Bloomfield do you have any indications of the number of contacts? You mentioned a few workplace contacts...

>> Yes, it looks like a handful of close contacts. Household and workplace. But our experience, of course, with Delta, and certainly has happened in Australia, and indeed the one Delta community case we have had previously, which was our visitor from Sydney early on in the Sydney outbreak, is that very transient exposure can lead to someone being infected. So in a sense, there is less distinction between a close and casual contact and that is the approach we are taking.

>> What is material in this case relative to the case in Wellington is source identification. We as yet do not know the source of this case. One of the clues we will have, which in the past, back in those early days of our first lockdowns that we didn't have in the same way we do now, is Jean I am sequencing. — genome sequencing. It will give us a sense of whether we can trace it back to our managed border facilities. If we are unable to do that, it raises questions as to the source. But that will give us a strong link as to whether there are other people we need to worry about.

>> With regards to students, what protocols will there be regarding that? Because businesses shut and get students out or merge them...

>> I will make sure Minister Chris Hipkins makes contact with tertiary providers immediately. Of course those in a position or who may choose to go into an area where they are able to be in a bubble with family, they may relocate, in a short period of time. But we need to make sure people are doing so safely and we don't leave people in a position where they are not sheltered at all.

>> Is there any information about the Canadian ship docked at Devonport?

>> They had to comply with an order that required those individuals to be at sea for 14 days, double-Max noted and produce negative tests. So that is part of the border order, and they complied with that.

>> That is correct, Prime Minister. The ship arrived on 4 August and left at 11 August, it berthed at the port of Auckland. Everyone who disembarked had tested negative for COVID-19, all 250 personnel on board were vaccinated and had been at sea for 17 days.



>> They did not doc in Devonport, either, of Aecio in Auckland. -- obviously in Auckland. We're not going to rule anything out when we are still sequencing a case, but nobody tested positive, everyone was double-X undated and they have been at sea for seven days .

>> Can you please remind people about schools? What happens with kids?

>> Education facilities are closed. In the previous lockdown, we did stand up some support for those who wear essential workers, obviously those who are essential health workers, and those working in our supermarkets and those who are, for instance, part of the police or MIQ workforce now. That is not something that will be able to be stood up in three days. We will undertake work, in the instance that we may be in a lockdown for a longer period of time and we will stand that up, but a reminder, educational facilities under level 4 will close and children are at home.

>> Are you asking teachers to be proactive about making sure kids get what they need...

>> Yes, and they have done this before. I know how hard its and I say a huge thank you to our teachers, but also our parents. I absolutely understand what we are asking of them. Many of them try and work at home and become the supervisor and teacher as well. We do have an expectation that schools will stand up the systems they have had in the past. And I Point 2 New Zealanders and parents in particular, TV NZ On Demand, if you have that capability, it has the education channel produced in the early days of lockdown with the resources that I know many found help. -- helpful.

>> There was previously not much mask is, is there a mandate?

>> We are asking people to wear masks. Cabinet has only recently made some additional decisions around mandating in certain circumstances mask use. I am going to give you an update over the next 24 on those decisions. But in the meantime we are asking everyone, please, as a courtesy, as an act of service to others, to look after yourselves and others, please wear a mask when you go out, and when it comes to mandated mask use, we will give you an update tomorrow. Look, again, we do want people to be really considerate of others. Just walking past or running past someone is a risk. If you are going to be engaging, for instance, in running, where it is very difficult to wear a mask, making sure you do it in no proximity to anyone else. Because passing people is still a risk. Just use your common sense.

>> In the next 48 hours we mandate mask use and QR code scanning?

>> If I may, I would rather come down with absolute clarity for you on the mandated areas and I will look to do that in the next 24 cabinet has made decisions, but they need to be drafted into orders, and rather than boring everybody, I would rather have absolute clarity. I just encourage you, when you step outside your house, pop a mask on.

>> What about people who have immediately gone out... ?

>> At every stage, people will Understand whatever level we go to, supermarkets are always open and there is always access to the local dairy. There is no need for panic- buying. At this stage I have got used to the fact that nothing I say overcomes human behaviour. We have a natural instinct, I think, when the alert level changes, people worry about provisions. I remind you again, you don't need to worry. Will be open so please remember others need to buy things, too. The kind, be courteous. -- be kind.

>> The Russian on supermarkets, -- the rush on supermarkets, and that create a problem to make

>> If you rush, it creates more risk. Plan your trip, make sure you only have one person in the household going out. We have learned these things before and I expect it will die down.

>> Does the level change have any impact...

>> Thank you for the question, we had an explicit conversation on this. The orders drafted for the 11:59pm Alert Level 4 will give an exclusion to the New Zealand defence Force as it relates to the deployment of troops to Afghanistan so we don't expect that to be affected by this change. The New Zealand defence Force for the most part are double vaccinated, especially those where they may be at risk when deployed for an emergency so I expect those individuals being deployed will be vaccinated. And it will be the entry back into New Zealand, we know there are rates of COVID in the places they are going, but we will think about the health considerations on the return which we would have done anyway.

>> Why is there not a plan for continuing vaccination rollout at Alert Level 4?

>> There is the view from health officials that in the early stages, that regardless, the most important thing is to try and reduce as much movement as possible in this critical stages. Our view, however, is we can balance by things. But as you can imagine all our COVID vaccine sites are set up in a particular way. Maximise the floor plan and throughput. There has been work on preparation for these scenarios. Health were briefing me on some of the thoughts being worked on around drive-through's, but regardless, time is needed to put those in place.

>> Will you be considering closing the travel bubble?

>> Those are decisions for the Cook Islands. My assumption and conversations in the past have led us to assume they will likely close, not to speak on behalf of the Cook Islands, likely they will close outbound flights into the Cook Islands but still allow outgoing flights so New Zealanders can come home. Of course that is where the 48- hour relocation becomes important for people to get home. I will take the last few.

>> Why were these scenarios not put in place?

>> As I said, Health indicated they are working through it.

>> I can add to that. You will recall an increasing number of our sites are general practices as well and under Alert Level 4 and even level 3, GPs are encouraged to do as much as possible of their consultations remotely and by video. So it is a matter of working out not just which sites but also how we can implement safe protocols in those sites. The key thing here is

in the early days of this is to absolutely reduce unnecessary movement of people outside their homes.

>> Can you clarify for people who have got vaccinations booked at the GP, those will be cancelled?

>> We are pausing for the moment and we will be working with the College of General practice and of course our vaccination team. It may not take 48 hours. We may get those things in position more quickly.

>> I feel like will be able to give you greater clarity at one PM tomorrow, certainly for those bookings going forward. But for those bookings tomorrow, we will ask people to stand down for tomorrow and we'll come back at 1pm and give you a long-term view on what we believe will be safe vaccinations. I'm going to take the last few.

>> On the COVID website, it is waiting to be updated, do you have a timeline for that?

>> Do you mean... Which page are you referring to? You'll forgive me, I have to go away and check what you are referring to. My eyesight is not that good. As I indicated today on the podium broadly those are the principles we expect everyone to follow. A are very much in keeping with what we did last year. I will make sure all that information that has previously been available is on the specific page you asked about.

>> Can you tell us what will happen after the alert level situation is over, when we go straight from 4 down to 1, or will it be staged?

>> The general practice we have taken is a level of predict ability. So that is staged. We don't do something that is jarring most often. We are usually moving into a place where we are waiting to see we have cut off all those chains of transmission so we don't jump around. But again we take every situation as it comes, based on the evidence in front of us but New Zealanders unfortunately have some experience and can generally predict what we are likely to do. I'll finish up with the last two...

>> In lockdown last year, you came out and told us tens of thousands of New Zealanders could die, that was a year ago, can you send Kiwis a direct message about how serious this is and why they need to obey the rules?

>> Delta is serious. We have every reason to believe this is likely to be the Delta variant. We can see from around the world it is a game changer. That means we need to respond to that. That's why we're going hard and early. But all the things we have done before have worked. And they will work again if people, please, follow the rules, look after one another, get a test if you are sick, wash your hands, stay home.

>> Is it your view, Dr Bloomfield, the wife tested negative because she has received a jab, and are they in a managed isolation facility, which one?

>> That is quite a few questions.

>> All useful ones.

>> She is fully vaccinated, she is in a different age group, and she has tested negative. One of the things we're going to do is test again and also do serology because we are not assuming she might not have been infected a symptomatically because she is vaccinated and then infected her partner. Arrangements are being made at the moment to move the case and the partner to the Debt Park Facility. -- jet part.

>> Thank you, everyone. Look after yourselves and we will be back at 1pm tomorrow.

>> (SPEAKS TE REO MAORI) as the Prime Minister said, I'll give you a brief update around economic support responses and I'm also in a position to give an update on the emergency notice issued by trans Power. We know the best response is a strong response. For New Zealand that means we have had our economy recover significant faster than many other countries in the world. GDP has returned to pre-COVID levels. Employment is up, unemployment is down, businesses and export continue to grow and be strong in comparison to the rest of the world, and our strong public health response has led to a strong economic response. We will apply similar principles now to deal with the uncertainty that we are facing. We know we can do this, we have done this before and we can do it again. Therefore, in terms of our economic response, in consultation with the Minister of Social Development, we're going to trigger the income support mechanisms we have. The Prime Minister indicated shortly before this Auckland is likely to be in Alert Level 4 for seven days. It is seven days that triggers the wage subsidy scheme, and in order to give certainty to our businesses that is what we will be doing. Eligible employers, anywhere in the country, and apply for the wage subsidy scheme if they expect a loss of 40% of revenue as a result of the alert level increase. I want to note the wage subsidy rates have been increased to reflect increases in wage costs since the scheme was first used in March 2020. Businesses will be eligible for \$600 per week per full-time equivalent employee and \$359 per week per part-time employee. It will be paid as a 2-week lump-sum, and otherwise core settings for the scheme will remain the same as they have previously and we will put out more details on all this tomorrow. I am sure you can understand we have made this decision rapidly today. Also eligible businesses anywhere in the country can apply for the resurgent support payment. This is the payment that applies whatever alert level increase we see. If they incur a loss of 30% of revenue as a result of that alert level increase. To remind you, the resurgence support payment is worth up to \$1500, plus \$400 per full-time employee up to a maximum of 50 employees employed full-time. This is the scheme we had in place with the recent Wellington alert level change. It's different from the wage subsidy scheme and does not need to be applied directly to wages, it can be used for other costs and therefore businesses are able to avail themselves of both the wage subsidy scheme and the resurgence support scheme. Businesses will be able to apply for the wage subsidy scheme at the work and income website and the resurgence support scheme at the Inland Revenue website. At this stage we will be looking to open applications for the wage subsidy support scheme from Friday, this Friday 20 August. We expect payments would normally reach applicants within three days of applying. Inland Revenue is working to open the resurgent support payment applications as soon as possible but likely early next week. Can I note at this point, our thanks to the staff at the Ministry of Social Affairs in particular -- social development. Obviously it does take a few days to set things up and that's the process we're moving into now. I want to note of course the lead support scheme and the short-term absence scheme -- leave support scheme, designed for people who have COVID or who need to take time off to get tested, are both still in operation and available for people to access. As I said, we will have more information over the next 24 hours on some of the details but we wanted to provide certainty today so people know. I'll talk about the grid emergency notice if you like and then



we will come to questions on the income support measures. As most of you would be aware, trans Power issued a grid emergency notice this evening. This was as a result of a conductor wire falling from a tower around State Highway seven in the Weka Pass area, Waikari in North Canterbury. No one was harmed. But this has triggered the need for that notice. Clearly those of you who will be aware of the significant contribution that South Island Power makes to the power of the North Island means this has reduced by half the amount of power coming across the Cook Strait cable. There will be a number of media releases made by generators tonight. They are working hard to bring on extra generation capacity. There has been an excellent response from generators and indeed from the industry more broadly, as there has from those who provide power directly to consumers. For this evening, the situation appears stable. There has been a use by providers of what is called ripple control which is using things like modulating hot water rather than there being a need for any particular power outage, and so far this evening that appears to have been successful. In terms of the wire itself, there are crews on site tonight. They are going to be working as much as they can this evening but as you will also understand it is work that requires daylight so they will continue that work tomorrow. At this stage the advice I have is they are confident they will be able to get that up and running fully within the next 48 hours. Hopefully earlier than that but within the next 48 hours. As a result of that, there will be continuing work done over this evening and into tomorrow to manage tomorrow evening's peak as well. As long as there are no equipment or plant failures, around the country, then we are confident we will be able to get through this.

>> Is it likely to be tomorrow, when you have got the whole country staying at home, peaking?

>> There is always an evening peak. there will be increased loading during the day. I am confident with the advice I have had that the industry has come on board, the generators are looking at generating all they can. We know have the concern that we did around weeds in one-off Genesis's plants. And in the time we have been sitting here in the conference tonight, the third rank at Huntly is going to be fired up so I am confident we have the capacity to deal with this. It is an unfortunate coincidence with the country moving to Alert Level 4.

>> I think the last time costing was done, a week at level 3 was going to cost \$500 million, do you have costings?

>> The numbers I got here, the scenario we are looking at with seven days and three days doesn't quite fit the numbers that you will be able to see the range. For one week at Alert Level 4 across the whole country the cost is estimated to be \$1.5 billion. For Alert Level 4 and then level 3 in the rest of the country, it is around \$920 million. Somewhere in that range is what you can expect. I think it is important to note while that is a significant cost to the economy, the long run benefit of stamping out COVID now, quickly, is well and truly eclipsing any of that cost. But that is the range we have.

>> You have \$5 billion on the COVID fund, and you have wriggle room, but when it gets extended, how much are you going to run into problems?

>> That is the economic cost to the country, not the cost of the scheme per se. And obviously the cost of the scheme per se depends on how new people apply for it. Obviously we have around the \$5 billion figure there. But I've always said that if it is necessary to borrow more money to get New Zealanders through this, we will do that. The great news is that the New Zealand economy has outperformed all of the expectations and we are in a stronger position. Obviously I am not in a position today to give you the exact update on debt levels, but we are in a much stronger position than we expected to be. New Zealand has the capacity to deal with this. We know this approach worked for us last time. The wage subsidy scheme worked for us last time and now we have the resurgence support payment and I'm confident it will do so again.

>> Are these figures just a straight economic loss, not prepared on the cost of any wage subsidy and resurgence payments on top of this?

>> It depends what you want to measure, but the modelling tells us, the output that is lost in the economy. It is not quite comparable to them, that is not the cost of the wage subsidy scheme. It is the cost of the loss of output.

>> Could you give us an indication about what this decision means today for the review tomorrow? Is it still going to go ahead or is it still on hold?

>> I spoke to the Reserve Bank governor earlier this evening and got the indication that they will still go ahead with their announcement. But I imagine given the alert level change, it is not going to be an in-person announcement, you would need to ask him to stop

>> Economists were forecasting a bit of a rates rise and this puts a spanner in the works. I know you are independent, and all that sort of jazz, but...

>> It is not my place to give guidance on those matters.

>> Did the government consider putting the wage subsidy across the entire country rather than just... ?

>> It is available across the entire country. The change we made when we assessed the wage subsidy scheme is that no matter where an alert level rises to, whether it is level 3 or level 4, the wage subsidy is available across the country. What you have to demonstrate is that the alert level increase has caused the 40% reduction in revenue.

>> Is it possible to increase supply?

>> There definitely will not be a need for that. If you recall the increase of supply bill that we did the other day, it is a significant amount of money. And it is not a target, it is a limit, and we gave ourselves sufficient space within that.

>> Have you considered industry-specific payments, for areas such as hospitality, and specific events that are only running for this week?

>> This has been a very rapid set of decisions. One of the reasons we brought in place the resurgence support payment was a recognition for businesses that the immediate alert level change can have a -- and impact on the business. It will give, some of the hospitality businesses in Wellington know all about it, because they recently accessed it, it can get up to \$21,000 to a business.

>> Back on the issue with giving the Wallabies an exception, was it the right call?

>> I believe it is, and I do think you can make a link between this and that, particularly.

>> Would you have any concerns if interest rates did go up? I know the cooling effect it would have on top of the COVID situation?

>> As I said, it is not my practice, as you know, to comment on those matters. It is the job of the Reserve Bank to look to the medium term, and that is exactly what they are asked to do. Throughout COVID-19 they have had to balance short-term issues with medium and long-term objectives and I'm sure you will hear more from the Reserve Bank about that tomorrow. I will just take a couple more.

>> Is it your assumption that you will be borrowing more money for this?

>> At this stage we don't need to. In terms of what is likely and was outlined tonight, seven days in Auckland and three days and the rest of the country, we would not need to, we have enough money set aside. Bear in mind that while we have the money left over in the COVID response fund, we also have allocations for example, for business support, that have not been used. So the famous business finance guarantees came that I have stood on this podium and talked about a few times was not used to the extent we expected it. There was money left from earlier on that we haven't spent, as well as the money we have set aside. So at this point I don't believe that is a realistic respect. We would have to be in a period of level 4 for a long time for that to be an issue.

>> What would you say to those businesses that are taking the resurgence payment and the wage subsidy and whether this is only short-term...

>> The first thing I would say is one of the changes we made since we initially did this is there a much greater emphasis now on the fact that it is the alert level change that needs to have caused your revenue drop. And following on from the report of the auditor general and others, there will be more pursued of whether or not that is an accurate statement to be made. I repeat what I said in the very early days of standing up here - if you make a statutory declaration to that effect and it is not true, and you knew it wasn't true, that is fraud. That message is clear. Bear in mind, we had August as well and then February, last year, August last year and February this year. We see that the take-up is not as high, as businesses do take their time. Bear in mind also the resurgence support payment caps out for 50 FTEs.

>> The resurgence support payment, that requires...

>> I know there is a difference between the two, but we can get into the reasons, but it is a 30% reduction in revenue for the resurgence support payment, but it is not tied to wages in the way the wage subsidy scheme is, there are issues around things like rent and so on which we have had in the past. Jason.

>> Did you after any four letter words when you got the news that Transpower was happening at the same time as the COVID outbreak? That cotton not have been good.

>> They may have been more than one four letter word that I may have uttered. This is a very specific set of reasons around a very particular cable going down in the South Island. I think the response is good from what I have read tonight, from all parts of the sector, from generators, retailers and industry. So I am optimistic that we are in a strong position here. But quite clearly, it is not a coincidence we were looking for this evening.

>> Can you guarantee Kiwis that they will be able to turn on their power...

>> We are doing everything we can to make that happen, and I believe that on the basis that we have seen tonight, from the response from everybody, that we are in a very strong position to give that assurance. We will no doubt be giving more updates about this over the next couple of days.

>> Because people are in lockdown, they need to...

>> Of course. And the point here is, we are doing everything we can. We lost a wire on a very important poll in the South Island that was not expected. Everybody is now doing the right thing, and tonight we are all here, the lights are on, and I'm very optimistic the same will happen. Of course it is not something any of us would want in this situation. We will keep everybody updated and as long as everybody plays their part, I'm very confident there will not be a problem. Thanks, everybody.

>> I don't suppose you know or you have heard of any other power being turned on and other parts being fired up?

>> Off the top of my head, I don't. But I have had an assurance from all of the generators that I have seen, they are putting everything available in. The problem last week was, it was available generation that was not put in. The feedback I am seeing is that everything that is available, is. And obviously with the third ranking coming on, it takes some time, but that should deal with concerns people have about the coming days of this week.

>> Do we need to conserve energy?

>> We always want people to be careful with their consumption of energy, but now we are managing that via the generators and strip it is. That is what rebel control is about. -- ripple control. I'm not saying that. People need to be warm and comfortable in their homes this evening. We have a process for managing this which takes place at the generator point of view and distributor point of view, with the regulators on top of that. That is the process we are using, and this evening it is working and I'm confident it will work tomorrow.