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(Carroll &
Pullar-Strecker, 2021)

Covid-19: BusinessNZ backs decision not to go straight to level 3

Melanie Carroll and Tom Pullar-Strecker • 16:13, Jun 23 2021

BusinessNZ has backed the Government's decision to impose alert level 2 restrictions on Wellington rather than taking the capital straight into a level 3 lockdown.

Chief executive Kirk Hope said he believed it was a "really considered" response from the Government that reflected the strength of the contact tracing system, and the fact the Australian tourist who unwittingly brought Covid into the country was using the Covid Tracer app.

Covid-19 Minister Chris Hipkins said on Wednesday that the [Wellington region would move to alert level 2](#) from 6pm until just before midnight on Sunday, while the rest of the country remains at level 1. Cabinet will review the alert levels on Sunday.

The Treasury estimated in April that previous [level 2 restrictions](#) resulted in a 4 to 6 per cent drop in economic activity in the areas where they were in place.

It revised down the impact from earlier estimates last year, in part in recognition of firms' better-than-expected ability to adapt to new ways of working.

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Infometrics economist Brad Olsen said the economy had been resilient through previous restrictions.

I think this should be a slight and temporary set-back.

"What it probably does mean for Wellington is that hospitality businesses are likely to be hit harder. I expect a lot of workers will be working from home from now until the end of the week at least," he said.

The question of whether trans-Tasman tourism should be encouraged given the emergence of the Delta Covid variant, or whether a rethink of tolerating travel for purely recreational purposes was sensible, was "a question that I think is going to be asked up and down the country", he said.

"Overall, I think it still makes sense to have that bubble open. We have just got to make sure that travellers are taking the utmost precautions," he said.

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Simon Smuts-Kennedy, general manager of Hills Hats in Petone, saw a surge in demand for masks on Wednesday.

Petone business Hills Hats sold more masks on Wednesday morning than it had in the past three weeks, general manager Simon Smuts-Kennedy said.

He expected mask-wearing to become more common with the move to alert level 2.

“There is nothing worse than going to the supermarket in this day and age and seeing someone sneeze.”

Wellington had been lucky so far, despite some complacency around scanning the Covid-19 contact tracing app but changing alert levels was the right decision, he said.

The business was prepared and had continued to be on the alert during level 1. The 25 people working in the combined factory and shop were socially distanced, and there had always been hand sanitiser for visitors.

On Wednesday he stopped customers going out the back to inspect stock, keeping them to the shop.

“We are not into that panic mode yet but I am really interested to see what happens in 24 hours when we start getting [Covid-19 test] results,” Smuts-Kennedy said.

“I knew this would possibly happen again and it will possibly happen again further down the track.”

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Business Central chief executive Simon Arcus said businesses were on high alert.

“It has reminded us of the need for the vaccine roll-out to be fast and effective because an outbreak in New Zealand is going to put us behind economically as a nation,” he said.

Business Central had lobbied for the [trans-Tasman bubble](#) ahead of its opening in April.

Arcus said the business group had not made a mistake in calling for the bubble.

“We need to pursue normalisation. It has got to be managed on a risk basis with safety first,” he said.

MATTHEW TSO/STUFF

Shops may have to close if alert levels change.

More than half of businesses could operate as usual at level 2, he said, but there was a big gap between that and level 3.

Ahead of Hipkins’ announcement, Arcus had been unsure which decision the Government would make.

But it was “important the Government is careful when it brings in restrictions”, he said.

Hope said it was a “question for the Government” whether it was justifiable for trans-Tasman tourism to be occurring while there were community cases in either country.

“I can’t answer that question,” he said.

But the bubble remained “a reasonable thing to be doing”, he said.

“Vaccination is clearly the pathway to getting those borders open.”

Businesses won’t be entitled to any Covid-19 support payments that they are not currently entitled to, unless the region stays at alert level 2 for more than seven days, a spokeswoman for Finance Minister

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MONIQUE FORD/STUFF

Whether trans-Tasman tourism should be encouraged in the wake of the Delta variant, is not a question for BusinessNZ, says its chief executive Kirk Hope.

[Te Papa closed for the day](#) on Wednesday, and [shops, bars and eateries around Wellington](#) were either closed or had their business affected after the [man flew from Sydney](#) on Saturday and spent until Monday in the city.

Fifteen places of interest have been identified and Director-General of Health Dr Ashley Bloomfield initially said on Wednesday that all options were being considered, including a possible lockdown.

[Hipkins said on Wednesday](#) that the man had received a single dose of the AstraZeneca vaccine, which meant he was likely to have been less infectious to others than if he was completely unvaccinated.

Retail New Zealand chief executive Greg Harford said retailers were “scrambling”.

“Businesses are preparing for a massive surge in demand, then a drop-off.”

Retail NZ had been talking with members for some time about the potential of Covid-19 returning and the [risk of alert levels rising](#), he said.

Auckland retailers were better prepared because they had had [more experience with lockdowns](#), he said.

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