



UNIVERSITY of STRATHCLYDE  
CENTRE FOR  
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UNIVERSITY  
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ISLAND



# COVID-19 Island Insights Series

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## Aotearoa New Zealand

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The COVID-19 Island Insights Series is an initiative spearheaded by the Strathclyde Centre for Environmental Law & Governance (SCELG) and the Institute of Island Studies (IIS) at the University of Prince Edward Island in collaboration with Island Innovation. The initiative brings together critical assessments of how specific islands around the world have performed during the COVID-19 pandemic and the extent to which their recovery plans can promote resilience and sustainability in the long term.

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Aotearoa New Zealand

Population: 5,101,400 (Sep 2020)<sup>1</sup>

Area: 268,838 km<sup>2</sup> <sup>2</sup>

**COVID-19 data and timeline**

(As of 20 January, 2020<sup>3</sup>)

- 2,267 cases (since first case on 28 Feb 2020): 0.0004% of population. Last case of community transmission was on 18 November 2020.
- Fatalities: 25 (0.000005% of population)
- Schools closed nationwide on 25 March 2020 and reopened 29 April 2020
- Borders closed on 19 March 2020

Only citizens and permanent residents are permitted to cross the border and must enter a 14-day mandatory quarantine in a Managed Isolation and Quarantine (MIQ) facility.<sup>4</sup>

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**Aotearoa New Zealand<sup>5</sup>**

<sup>1</sup> Source: StatsNZ. Sep 2020. *Estimated Population of New Zealand.*

<sup>2</sup> Source: Stuff. Aug 2019. *How New Zealand's land mass compares to Europe.*

<sup>3</sup> Source: Ministry of Health. 20 Jan 2021. *Covid-19: Current cases.*

<sup>4</sup> Source: Ministry of Business, Innovation & Employment. Jan 2020. *Managed Isolation and Quarantine.*

<sup>5</sup> Source: <https://www.nationsonline.org/maps/new-zealand-map.jpg>

## **COVID-19 on Aotearoa New Zealand**

Aotearoa New Zealand is a bicultural island nation of about five million people in the South Pacific, based on the Treaty of Waitangi of 1840 between Indigenous Māori (comprising about 16% of today's population) and the British Crown, now the country's Westminster-style Parliament.

The first confirmed case of COVID-19 was an incoming traveller on 28 February 2020, but soon it became clear that the number of infections caused by community transmissions began to increase.<sup>6</sup> Government consulted with public health scientists and, considering the country's limited capacity to conduct an effective track-and-trace programme and anticipating potential cases in the tens of thousands, it was decided to abandon a mitigation strategy, or 'flattening the curve'. Instead, government opted for an elimination strategy at the national level. On 21 March, a four-tiered elimination strategy was presented, from an Alert Level 1 (international travel restrictions, contact tracing protocols) escalating to an Alert Level 4 (full lockdown at home, all schools, offices and businesses closed except supermarkets and pharmacies). By 26 March, Alert Level 4 had been declared.<sup>7</sup>

Travel restrictions for people coming to Aotearoa New Zealand started on 2 February 2020, when travellers from a growing list of points of departure were banned. On 19 March all international travellers were banned from entering. Since then, only citizens and permanent residents have been allowed to return home and are required to enter in a government-controlled

Managed Isolation and Quarantine facility. In evolving forms, the nation-wide lockdown lasted seven weeks until 14 May.<sup>8</sup>

On 8 June government returned to Alert Level 1, "effectively declaring the pandemic over in New Zealand, 103 days after the first identified case".<sup>9</sup> Since then, there have been occasional infections in the community, but contact tracing efforts have proven to be effective. According to a 'Government Stringency Index', this country had the world's strictest COVID-19 response in April 2020 (96.3 out of a 100) before ranking as the country with the world's least restricted daily life since June (22.2 out of a 100).<sup>10</sup> This reflects the government's response to the pandemic: "Go hard, go early".<sup>11</sup>

As matters stand, international travellers cannot enter. On this day in January 2020, there were 24,758 people crossing the border; today in 2021, only 292 people crossed the border – all returning citizens or permanent residents.<sup>12</sup> Even this inflow is strictly controlled. There are 5,800 beds in the 32 Quarantine facilities and people have to book a spot before they can book a ticket. On 4 January, the earliest vacancy was mid-March.<sup>13</sup> This system ensures people who want to come home can return, but the waiting time in the queue can be up to eight weeks. By the end of January 2021, Prime Minister Jacinda Ardern stated that the upcoming vaccination campaign would not result in lifting the ban on incoming travel and she expected the border to remain closed "for much of the year".<sup>14</sup>

<sup>6</sup> Source: Jefferies, S., et al. (2020). *COVID-19 in New Zealand and the impact of the national response: A descriptive epidemiological study*. *The Lancet Public Health*, 5(11), e612-e623.

<sup>7</sup> Source: Baker, M. et al. (2020). *New Zealand's elimination strategy for the COVID-19 pandemic and what is required to make it work*. *The New Zealand Medical Journal*, 133(1512), 10-14.

<sup>8</sup> Source: New Zealand Government. 2020. *History of the COVID-19 Alert System*.

<sup>9</sup> Source: Baker, M. et al. 2020. *Successful elimination of Covid-19 transmission in New Zealand*. *New England Journal of Medicine*, 383(8) e56.

<sup>10</sup> Source: Hale, T. et al. (2020). *Oxford COVID-19 Government Response Tracker*. Oxford Blavatnik School of Government.

<sup>11</sup> See: Jamieson, T. 2020. "Go hard, go early": Preliminary lessons from New Zealand's response to COVID-19. *The American Review of Public Administration*, 50(6-7): 598-605.

<sup>12</sup> Source: StatsNZ. Jan 2021. *COVID-19 data portal*. Travel/Daily border crossings – arrival.

<sup>13</sup> Source: Hunt, E. 2021. *New Zealand tightens border again amid fears over new Covid variant*. *The Guardian*.

<sup>14</sup> Source: Radio New Zealand. Jan 2021. *Jacinda Ardern speaks in first post-Cabinet briefing of 2021*.

## Key socioeconomic pressures in the Aotearoa New Zealand during COVID-19

The pandemic see-sawed the economy: a record drop of 11.0% in GDP of second quarter of 2020 was followed by a record rebound of 14.0% in the third quarter. Even though this meant a year-on-year decline in GDP of 2.2%<sup>15</sup>, it was less than the 4.8% decline projected.<sup>16</sup> The pandemic impact was cushioned by a government wage subsidy for affected employers from June to September 2020, paying employers (and the self-employed) USD 424 (NZD 585) per week per employee if they kept employment.<sup>17</sup>

Nonetheless, unemployment crept up from 4.2% to 5.3% by the end of 2020.<sup>18</sup> In January, government spoke of a “recovery from COVID-19 on the New Zealand job market” noting vacancies were going up in four of the ten regions.<sup>19</sup> Government borrowing for the “Covid-19 Response and Recovery Fund” amounted to USD 44.6 billion (NZD 62.1 billion). Before COVID-19, the government’s debt-to-GDP ratio was 19%; it is expected to triple by 2024 to 55% of GDP.<sup>20</sup> While the economy’s rebound is remarkable, different sectors were affected in different and sometimes surprising ways – as discussed next.

Prior to COVID-19, international tourism was the fastest growing sector, employing 14% of the workforce.<sup>21</sup> Nearly four million tourists ac-

counted for 10% of national GDP, but with borders closed, nearly 50,000 jobs were lost.<sup>22</sup> The impact is illustrated with a look at one well-known tourism business. Ngāi Tahu Tourism is a business collectively owned by 60,000 tribal members and normally hosts more than a million visitors a year to its twelve sites.<sup>23</sup> However, the business ceased operations in May 2020, shedding more than 90% of its workforce. “Our tourism businesses, alongside the rest of the industry, no longer have any revenue, and even when the industry does eventually re-establish, it is expected to take a long time to recover”.<sup>24</sup>

The expected inflow of 120,000 international students to universities, language schools, and polytechnics also came to a halt. This sector supported 49,000 jobs<sup>25</sup> and contributes nearly 2% to GDP.<sup>26</sup> For 2020 and 2021, the country’s eight universities have seen “none of the first-year [international] intake” which will “cause difficult financial decisions”.<sup>27</sup> The other education providers, enrolling 65% of international students, will also be devastated: “without extra government funding schools would have to lay off staff”.<sup>28</sup>

The impact on the agriculture sector is divergent. The USD 6.9 billion (NZD 9.5 billion) horticulture industry saw crops rotting because the more than 10,000 seasonal workers from the Pacific needed for harvesting were not able to arrive.<sup>29</sup> On the other hand, the dairy industry that contributes about 10% to GDP does not depend on international travellers and produced

<sup>15</sup> Source: StatsNZ. Dec 2020. *Quarterly GDP bounces back, but COVID still a drag on annual growth*.

<sup>16</sup> Source: Tandon, A. et al. Sep 2020. *Economic impact of COVID-19. Implications for health financing in Asia and Pacific*. Washington: World Bank Group. Page 4.

<sup>17</sup> Source: Employment New Zealand. 2021. *Wage subsidy schemes*. Wellington: MBIE.

<sup>18</sup> Source: Stats NZ. 2021. *Labour market*. Wellington: Stats NZ.

<sup>19</sup> Source: Ministry of Business Innovation & Employment. Jan 2021. *Jobs Online monthly data release*. Wellington: MBIE.

<sup>20</sup> Source: Cotton, J. Oct 2020. *Debt to the future: The cost of recovery. The Spinoff*.

<sup>21</sup> Source: Ministry of Business Innovation & Employment. Sep 2019. *Optimising Tourism New Zealand’s future role and contribution to New Zealand*. Wellington: MBIE. Page 4.

<sup>22</sup> Source: Stats NZ. (2020). *Tourism satellite account: Year ended March 2020*. Wellington: Stats NZ.

<sup>23</sup> See: *Website of Ngāi Tahu Tourism*.

<sup>24</sup> Source: Ngāi Tahu Tourism. Apr 2020. *Ngāi Tahu Tourism update*.

<sup>25</sup> Source: Beehive.govt.nz. Oct 2018. *International education contributes \$5.1 billion to New Zealand economy*.

<sup>26</sup> Source: Auckland University of Technology. Jun 2020. *International students – an opportunity*.

<sup>27</sup> Source: Radio New Zealand. Jan 2021. *Foreign students in country fewer than half normal number*.

<sup>28</sup> Ibid.

<sup>29</sup> Flaws, B. Sep 2020. *‘This just cannot happen’: \$9.5 billion at risk as horticulture sector struggles to fill \$25-an-hour jobs*. Wellington: Stuff.



as much milk solids in 2020 as in preceding years.<sup>30</sup>

A sector that fared surprisingly well was retail. Inevitably, its sales during lockdown plummeted by 80%. However, once lockdown was over, retail sales surged and monthly sales growth since June far exceeded preceding years. Sales in December 2020 were 20.6% up compared to December 2019.<sup>31</sup> It has been speculated that the inability to spend on travel has led consumers to spend more on electronics, cars, and garden items.<sup>32</sup>

### Post Covid-19 recovery on Aotearoa New Zealand

The overall mood in the country at the time of writing seems to be one of an anxious relief – asking, ‘Have we really dodged the pandemic’s worst impact?’ – rather than a keen desire to discuss visions of the future. Perhaps the following comment captures the mood of many people best: “Our freedom to go to the office is something to be appreciated”, as well as domestic holidays during this southern hemisphere’s summer: “A New Zealand summer pretty much set aside for New Zealanders ... and it felt good”.<sup>33</sup>

Nonetheless, there is of course an awareness the crisis is not over and that COVID-19 may be a crisis that could, or should, be used to consider issues of resilience and sustainability with more urgency, as well as an eye for structural inequalities. In addition, the room for fundamental discussions has perhaps increased because

the Labour Party – having led the country through the COVID-19 crisis – was re-elected into government in October 2020 with an absolute majority and the largest proportion of the popular vote since 1951.<sup>34</sup> Yet debate about post-COVID-19 recovery still seem rather muted and views appear divided between people and sectors who seek to return to the pre-COVID life and those who argue COVID revealed the need to reset policies for a post-pandemic nation.

In recent months, several industry bodies have presented reports to government outlining how they envision post-COVID-19 recovery policies. The powerful construction and building industry, for example, presented government with a six-year recovery plan that basically seeks a return to pre-COVID-19 conditions.<sup>35</sup> The tourism industry presented a report to the new government with a largely similar view.<sup>36</sup> Overall, many of the plans submitted to government for post-COVID-19 recovery “were to-do lists from existing councils and private organisations”.<sup>37</sup>

On the other side, there are clear voices for change. For example, people associated with the tourism industry advocate resuming in a more vigorous fashion approaches to more sustainable tourism that actually emerged just prior to COVID-19 – such as the Tiaki Promise<sup>38</sup> – and thus building a more resilient post-pandemic sector.<sup>39</sup> Similarly, advocates for social policy reform emphasise that reducing inequalities, with a reference to the Sustainable Development Goals (SDGs), should guide post-COVID-19 recovery policies.<sup>40</sup>

<sup>30</sup> Diaries Companies Association of New Zealand. Nov 2020. *New Zealand milk production monthly update*.

<sup>31</sup> Retail NZ. Jan 2021. *Retail NZ sales index*.

<sup>32</sup> Source: Radio New Zealand. Nov 2020. *Retail surges post-lockdown on demand for cars, electronics*.

<sup>33</sup> Source: Braunias, S. Jan 2021. *The daily grind never felt sweeter: New Zealanders should enjoy their Covid-free liberties*. *The Guardian*.

<sup>34</sup> Shaw, R. et al. Oct 2020. *Jacinda Ardern and Labour returned in a landslide — 5 experts on a historic New Zealand election*. *The Conversation*.

<sup>35</sup> See: Ministry of Business Innovation & Employment & Building Research Association of New Zealand (BRANZ). Dec 2020. *National Construction Pipeline Report*.

<sup>36</sup> See: Tourism New Zealand. Nov 2020. *Briefing for the Incoming Minister*.

<sup>37</sup> Thomas, M. May 2020. *Sustainable Development Goals should drive the Covid-19 rebuild*. *The Spinoff*.

<sup>38</sup> See: website of the *Tiaki Promise New Zealand*.

<sup>39</sup> See: Carr, A. (2020) *COVID-19, indigenous peoples and tourism: A view from New Zealand*. *Tourism Geographies*, 22(3): 491-502.

<sup>40</sup> See: Spoonley, P. et al. 2020. *He oranga hou: Social cohesion in a post COVID-19 world*. Auckland: University of Auckland.

Overall, having so far escaped the worst pandemic effects, there seems little inclination in Aotearoa New Zealand to ‘go back to the drawing board’ and discuss a future in terms of a response to the effects of the pandemic. Instead, a drive may be emerging to *resume* pre-pandemic discussions about sustainability and resilience with more vigour and a sense of urgency. Prior to the COVID-19 pandemic, the government’s statistics agency developed a national set of indicators to measure wellbeing that explicitly integrated the SDGs.<sup>41</sup> However, while many non-governmental organisations advocate strongly to use the SDGs in response to the impact of COVID-19, the official response so far has been limited to an acknowledgement of these calls; for example in a Research Brief for parties by the New Zealand Parliament.<sup>42</sup> The words of one of the country’s major accounting firm in January 2021, probably capture the mood when it noted government and businesses needed to move “from Business-as-Usual to Change-as-Usual”.<sup>43</sup>

### Useful Sources

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- ***Beehive Government***. Portal for Government initiatives and policies
- ***Radio New Zealand***. Publicly funded non-commercial New Zealand radio and news network
- ***StatsNZ COVID-19 data portal***. New Zealand's official data agency
- ***Unite against COVID-19***. Portal for official COVID-19 data and messages

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<sup>41</sup> Source: StatsNZ. Jul 2019. *Indicators Aotearoa New Zealand – Ngā Tūtohu Aotearoa*.

<sup>42</sup> New Zealand Parliament. Nov 2020. *Research Brief - Sustainable Development Goals*.

<sup>43</sup> Source: KPMG New Zealand. 2021. *From Business-as-Usual to Change-as-Usual*.

### Published COVID-19 Island Insights Papers

- |                                        |                                          |
|----------------------------------------|------------------------------------------|
| #1. Malta. November 2020               | #7. Guam. December 2020                  |
| #2. Egadi Islands. November 2020       | #8. Okinawa. February 2021               |
| #3. Grenada. November 2020             | #9. Mauritius. February 2021             |
| #4. Trinidad and Tobago. November 2020 | #10. Seychelles. February 2021           |
| #5. Shetland Islands. November 2020    | #11. Aotearoa New Zealand. February 2021 |
| #6. Åland Islands. November 2020       |                                          |



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