

New Zealand	
Policy responses	
Containment	<ul style="list-style-type: none"> • March 26-April 27, 2020: A lockdown was announced following earlier social distancing measures. Afterwards, a return to extensive social distancing measures such as (1) closure of public places, (2) travel restrictions, reopening of schools and businesses.¹ • March 25, 2020: State of emergency declared and since then extended weekly until May 13, 2020. • April 26, 2020: Border restrictions remain in place and incoming visitors are placed in mandatory quarantine.² • June 8, 2020: All social distancing and business restrictions were lifted, and New Zealand was declared “COVID-19 free”.³ • June 16, 2020: With 2 new cases of COVID-19 recorded on 16 June, New Zealand is no longer “COVID-19 free”.⁴ • July 10, 2020: There are 23 active cases in New Zealand.⁵ • August 24, 2020: “Lockdown in Auckland extended, with large gatherings restricted until at least September 6.”⁶ • September 14, 2020: New Zealand remains at Alert Level 2.⁷ • October 24, 2020: most of the country returned to lowest alert level, no face coverings are required in public, locations tracking still in progress • November 16, 2020: Masks are required on all public transport in Auckland and in and out of Auckland and on domestic flights.⁸ • December 11, 2020: The NZ COVID Tracer app has been updated to include Bluetooth tracing technology.⁹ • December 14, 2020: New Zealand decided to allow quarantine-free travel with Australia in the first quarter of 2021.¹⁰ • December 19, 2020: New Zealand ordered 18 million doses of COVID vaccine for itself and other six neighbors: Tokelau, Niue, the Cook Islands, Tonga, Samoa and Tuvalu.¹¹ • February 10, 2021: Quarantine personnel, front line health workers and

¹ www.covid19.govt.nz/alert-system/covid-19-alert-system/#alert-level-3 —restrict

² www.immigration.govt.nz/about-us/covid-19/coronavirus-update-inz-response

³ www.immigration.govt.nz/about-us/covid-19/coronavirus-update-inz-response

⁴ www.theguardian.com/world/2020/jun/16/new-zealand-records-first-new-covid-19-cases-after-women-arrive-from-uk-carrying-virus

⁵ www.health.govt.nz/our-work/diseases-and-conditions/covid-19-novel-coronavirus/covid-19-current-situation/covid-19-current-cases

⁶ www.republicworld.com/world-news/rest-of-the-world-news/new-zealand-pm-extends-auckland-lockdown-to-control-covid-19-outbreak.html

⁷ <https://covid19policy.adb.org/policy-measures/NZL>

⁸ <https://covid19policy.adb.org/policy-measures/NZL>

⁹ <https://covid19policy.adb.org/index.php/policy-measures/NZL>

¹⁰ <https://www.reuters.com/article/health-coronavirus-newzealand/new-zealand-agrees-on-travel-bubble-with-australia-early-next-year-idUSKBN28O03U?il=0>

¹¹ <https://nypost.com/2020/12/19/new-zealand-buys-enough-covid-vaccine-for-its-neighbors/>

	<p>airline staff will first receive COVID-19 vaccines.¹²</p> <ul style="list-style-type: none"> January 12, 2021: All travellers, including anyone exempted from the pre-departure testing requirement, are still required to complete the 14 days mandatory isolation; 12 January 2021, Beginning 11.59 pm on Friday 15 January 2021, travellers arriving on all flights from the UK and US must have had a negative test result for COVID-19 in the 72 hours before their departure; 12 January 2021, Passengers from any destination, excluding Australia, Antarctica, and some Pacific Islands, will be required to undergo Day 0/1 testing upon arrival in New Zealand. January 15, 2021, Travellers from the Cook Islands can resume quarantine-free travel into New Zealand from 21 January, enabling access to essential services such as health.¹³ Mar 22, 2021: ¹⁴ <ul style="list-style-type: none"> -Travellers Banned <ul style="list-style-type: none"> Masks are not required Quarantined for 14 days required for all countries. COVID-19 test required for all countries. -No lockdown in effect -Events Partially Allowed (All events and gatherings are now - allowed up to 100 people with public health controls in place.) Transport Operational with restrictions -All shops open -Tourist attractions are open -Restaurants and bars open with restrictions
Fiscal	<ul style="list-style-type: none"> April 9, 2020: The Government announced a fiscal stimulus package totaling NZD 20bn (6% of New Zealand's GDP), which will largely be spent on employment support/security, tax cuts and exemptions, social assistance and health (in that order).¹⁵ May 14, 2020: Budget 2020 Announced <ul style="list-style-type: none"> \$50 billion to establish the COVID-19 Response and Recovery Fund. This includes: <ul style="list-style-type: none"> (i) healthcare-related spending to reinforce capacity (NZ\$0.5 billion or 0.2 percent of GDP); (ii) a permanent increase in social spending to protect vulnerable people (total NZ\$2.4 billion or 0.8 percent of GDP); (iii) a lump sum 12-week wage subsidy to support employers severely affected by the impact of COVID-19 (NZ\$14.9 billion or 5.1 percent of GDP); (iv) income relief payment to support people who lost their jobs (NZ\$3.1 billion or 1 percent of GDP); (v) a permanent change in business taxes to help

¹² <https://www.reuters.com/article/us-health-coronavirus-newzealand/new-zealand-to-inoculate-high-risk-people-first-as-covid-19-vaccine-gets-full-approval-idUSKBN2AA04L>

¹³ <https://covid19policy.adb.org/index.php/policy-measures/NZL>

¹⁴ <https://covidcontrols.co/restrictions/new-zealand>

¹⁵ www.reuters.com/article/us-newzealand-economy-budget/new-zealands-pandemic-budget-sets-stage-for-arderns-re-election-bid-idUSKBN22O0FX

	<p>cashflow (NZ\$2.8 billion or 1.0 percent of GDP);</p> <ul style="list-style-type: none"> ▪ (vi) infrastructure investment (NZ\$3 billion or 1 percent of GDP); ▪ (vii) a temporary tax loss carry-back scheme (NZ\$3.1 billion or 1.1 percent of GDP); ▪ (viii) support for the aviation sector (NZ\$0.6 billion or 0.2 percent of GDP); and ▪ (ix) tourism recovery package (NZ\$0.4 billion or 0.1 percent of GDP). The New Zealand government also provides loans of up to NZ\$100,000 to small businesses that employ 50 or less employees (NZ\$5.2 billion) <ul style="list-style-type: none"> ○ \$3.9 billion to ensure all DHBs continue to meet the needs of their populations ○ \$1.1 billion capital invested in improving transport across New Zealand, including replacing ageing ferries and locomotives ○ \$414.2 million for the Early Learning Sector, including funding subsidies, pay increases for educators, additional support for home-based educators and investment in playcenter sustainability ○ \$246.1 million investment in community services, including a significant funding boost for family violence service providers ○ \$193.5 million to support farmers through the eradication of <i>Mycoplasma Bovis</i> ○ \$47.8 million to replace ageing communications capabilities for Police, Fire and Ambulance to support healthier, safer and more connected communities <ul style="list-style-type: none"> • May 14, 2020: Given the costs of the investment plan, government debt is expected to almost triple from 20% to 54% in 2023.¹⁶ • August 18, 2020: COVID-19 tax relief measures for taxpayers, through amendments on: <ul style="list-style-type: none"> ○ Commissioner of Inland Revenue's authority to vary due dates and deadlines; ○ Commissioner of Inland Revenue's ability to remit use-of-money interest for some provisional taxpayers; and ○ Support implementation of the research/development loan scheme; ○ Amend qualification periods for in-work tax credit.”¹⁷ • (as of) July 15, 2020: Contribution of US\$1,258,285 to the WHO COVID-19 Fund.¹⁸ • (as of) August 27, 2020: With the FY2020-21 budget and previous fiscal packages, the government has announced fiscal measures amounting to a total of NZ\$62.1 billion (21.3 percent of GDP) through FY2023-24.
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¹⁶ www.euronews.com/2020/05/14/new-zealand-s-debt-to-soar-to-counter-covid-19-europe-s-will-too

¹⁷ www.tax-news.com/news/New_Zealand_Explains_Latest_COVID19_Tax_Reliefs_97786.html

¹⁸ www.who.int/emergencies/diseases/novel-coronavirus-2019/donors-and-partners/funding

	<ul style="list-style-type: none"> • November 19, 2020: The Government has made an in-principle agreement with Janssen Pharmaceutica to buy up to 5 million COVID-19 vaccine doses.¹⁹ • December 17, 2020: With two further pre-purchase agreements for Covid-19 vaccines signed by the government, \$75 million was allocated.²⁰ • as of February 4, 2021: The government has announced fiscal measures amounting to a total of NZ\$62.1 billion (19.2 percent of GDP) through FY2024-25. The total amount includes the COVID-19 Response and Recovery Fund, of which NZ\$10.3 billion have been set aside as contingency for a possible resurgence.²¹
Monetary	<ul style="list-style-type: none"> • March 17, 2020: The Reserve Bank of New Zealand cut the official cash rate to 0.25% by 75 basis points and announced to maintain this level for at least 12 months. • Interest and principal repayments for mortgages and small business owners have been deferred for 6 months. • Residential rents have been frozen for 6 months and tenant termination rights heightened. • Planned regulatory changes increasing bank's mandatory capital ratios have been postponed. Bank's core funding ratio requirements have been reduced to incentivize lending. As a counter to ensure financial stability, dividend payments and capital note redemptions are not allowed currently for banks. • August 12, 2020: Official cash rate (OCR) kept at 0.25 percent, unchanged since March 17, 2020.²² • September 23rd: RBNZ kept official cash rate at 0.25 percent, expansion of large scale Asset Purchase Program (LSAP) in government bonds between NZ\$60-100 billion for the next 12 month period. RBNZ remains ready with future possible monetary stimulus depending on inflation and employment outlook. This includes a negative OCR supported by a funding for lending program and purchases of foreign assets. • as of February 4, 2021: To further support the stability of the financial system, the start date for a regulatory change requiring higher capital for banks was initially postponed for 12 months to July 2021, and subsequently for a further 12 months to July 2022.²³ • In its February 2021 Board meeting, the Reserve Bank of New Zealand (RBNZ) kept the official cash rate (OCR) at 0.25 percent and maintained unchanged the Large Scale Asset Purchase (LSAP) of up to NZ\$100 billion and the Funding for Lending Program (FLP).²⁴ • 24 February 2021: the RBNZ announced that it will keep the OCR at

¹⁹ <https://covid19policy.adb.org/policy-measures/NZL>

²⁰ <https://www.stuff.co.nz/national/health/coronavirus/123736995/new-zealand-to-purchase-covid19-vaccines-for-pacific-island-neighbours-including-samoa-and-tonga>

²¹ <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#N>

²² www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#N

²³ <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#N>

²⁴ <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#K>

	0.25%. ²⁵
Financial	<ul style="list-style-type: none"> • Additional liquidity for the FX market has been provided. • May 12, 2020: The exchange rate has been allowed to adjust flexibly. After a devaluation against the US Dollar in mid-March, the NZD/USD FX rate as of May 12 (1.64) has rebounded stronger than its pre-crisis value (1.54 on June 11 compared to 1.60 on March 1).
Trade measures ²⁶	<p>Restrictive: N/A</p> <p>Liberalizing:</p> <ul style="list-style-type: none"> • New Zealand temporarily removes tariffs on all medical and hygiene imports needed for the COVID-19 response.
SME measures ²⁷ (last update 22 January 2021)	<p>Tax refund:</p> <ul style="list-style-type: none"> • Businesses making a loss in the 2020 income year, or expecting to make a loss in 2021, may be eligible for a tax refund by carrying back that loss to the preceding income year.²⁸ <p>Tax reduction:</p> <ul style="list-style-type: none"> • The low-value asset threshold for depreciation has been temporarily increased until 16 March 2021 to allow businesses to deduct the full cost of their assets (purchased after 16 March 2020) with a value of less than NZD 5,000 in the year of purchase. From 17 March 2021, the low-value asset threshold will be permanently increased to NZD 1,000 (up from NZD 500 pre-COVID-19).²⁹ <p>Other fiscal support:</p> <ul style="list-style-type: none"> • As part of the NZD 62.1 billion-worth fiscal package a permanent change in business taxes to help cashflow has been set. • Interest and penalties charged on late tax payments can be written-off for taxpayers that have had their ability to make a tax payment on time significantly adversely affected by COVID-19.³⁰ <p>Loan support:</p> <ul style="list-style-type: none"> • In March 2020, the New Zealand government, the RBNZ, and the New Zealand Bankers Association set up an NZD 6.25 billion Business Finance Guarantee scheme for SME loans, in which 80 per cent of the credit risk is borne by the government.³¹ • In May 2020, the Inland Revenue launched the Small Business Cashflow Loan scheme providing a maximum loan of NZD 100,000 for each SME with 50 employees or less from 12 May 2020. The loan is interest-free for the first year. After the first year, the interest rate will be increased to 3 per cent, the maximum term is five years, and

²⁵ <https://covid19policy.adb.org/policy-measures/NZL>

²⁶ <https://www.macmap.org/covid19>

²⁷ <https://www.rnz.co.nz/news/political/415584/government-to-provide-smes-with-interest-free-loans>

²⁸ https://treasury.govt.nz/sites/default/files/2020-08/TRE_CovidBusinessSupport_20%20Aug.pdf

²⁹ Ibid.

³⁰ Ibid.

³¹ <https://covid19.govt.nz/business-work-and-money/financial-support/financial-support-for-businesses/>

	<p>no any repayments are required for the first two years³². In July 2020, the government has extended the deadline for applications until December 31.³³</p> <p>Deferral of loan repayment:</p> <ul style="list-style-type: none"> • The government and its Central Bank, the Reserve Bank of New Zealand (RBNZ), and the New Zealand Bankers Association set up a six-month principal and interest repayment deferrals to affected SMEs. • The government has also committed to a temporary law change to enable businesses to put existing debt into hibernation for six months. • December 17, 2020: The government has extended the Business Debt Hibernation scheme which allows businesses to place their existing debts on hold by 10 months to October 31, 2021. • As of Mar 4, 2021: The lending term of the TLF was extended to July 28, 2021. The availability period of Business Finance Guarantee Scheme (BFGS) has been extended to June 30, 2021. • As of Mar 4, 2021: The start date for a regulatory change requiring higher capital for banks was initially postponed for 12 months to July 2021, and subsequently for a further 12 months to July 2022. • As of Mar 4, 2021: The government has extended the Business Debt Hibernation scheme, which allows businesses to place their existing debts on hold by 10 months, to October 31, 2021.³⁴ <p>Other financial support:</p> <ul style="list-style-type: none"> • The government introduced a six-month freeze on residential rent increases and increased protections for tenants for termination of tenancies. • Starting from April 2020, business debt hibernation allows businesses affected by COVID-19 disruptions to place their existing debts on hold for up to seven months to help them start trading normally again.³⁵ • In August 2020, the RBNZ had expanded the LSAP program to purchase government bonds and Local Government Funding Agency (LGFA) bonds in the secondary market from up to NZ\$60 billion for 12 months to a maximum of NZ\$100 billion by June 2022.³⁶ • [Date ???]: Starting 1 May 2021, LVR restrictions for owner-occupiers will remain at a maximum of 20% of new lending at LVRs above 80%. LVR restrictions for investors will be further raised to a maximum of 5% of new lending at LVRs above 60%.³⁷ <p>Employment support:</p> <ul style="list-style-type: none"> • Wage Subsidy Scheme: From March 17, and for 12 weeks, wage
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³² <https://home.kpmg/xx/en/home/insights/2020/04/new-zealand-government-and-institution-measures-in-response-to-covid.html>

³³ <https://www.nzadviseronline.co.nz/news/government-extends-small-business-cashflow-loan-scheme-272213.aspx>

³⁴ <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#K>

³⁵ https://treasury.govt.nz/sites/default/files/2020-08/TRE_CovidBusinessSupport_20%20Aug.pdf

³⁶ <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#K>

³⁷ <https://covid19policy.adb.org/policy-measures/NZL>

	<p>subsidies will be available for all employers that are significantly impacted by COVID-19 and are struggling to retain employees as a result. The scheme will be open to sole traders and the self-employed as well as firms.³⁸</p> <ul style="list-style-type: none"> • Wage Subsidy Extension: From 10 June 2020 to 1 September 2020, employers can apply to cover the wages of their employees over an eight-week period.³⁹ • Resurgence Wage Subsidy: From August 12, 2020 to September 10, 2020, employers, including self-employed people, can benefit from a 2-week COVID-19 wage subsidy to continue to pay employees.⁴⁰ • 3 February 2021: Medsafe has provisionally approved New Zealand's first COVID-19 vaccine.⁴¹
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Source: IMF, Policy Responses to COVID-19, if not specified.

³⁸ <https://www.beehive.govt.nz/sites/default/files/2020-03/Wage%20subsidy%20scheme%20factsheet.pdf>

³⁹ <https://www.workandincome.govt.nz/covid-19/wage-subsidy-extension/index.html>

⁴⁰ <https://covid19.govt.nz/business-work-and-money/financial-support/financial-support-for-businesses/>

⁴¹ <https://covid19policy.adb.org/index.php/policy-measures/NZL>