



Cabinet

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

COVID-19 Vaccine Strategy

Portfolios Foreign Affairs / Research, Science and Innovation / Health

On 18 May 2020, following reference from the Cabinet Social Wellbeing Committee, Cabinet:

- 1 **noted** that COVID-19 vaccination is currently viewed as a critical platform to support New Zealand to fully re-open its borders and to step down from Alert Level 1 to Alert Level 0;
- 2 **noted** that the Ministry of Health will undertake immunisation strategy work as vaccine development and testing progresses, and that a working assumption is that New Zealand will seek immunity of at least 80 percent of the population, with an initial focus on vulnerable groups;
- 3 **agreed** that the government should put in place a COVID-19 vaccine strategy to promote access to a sufficient quantity of a safe and effective vaccine in order to implement the government's preferred immunisation strategy at the earliest possible time;
- 4 **agreed** that the strategy should contribute to the following outcomes:
 - 4.1 sufficient supply of a safe and effective vaccine to achieve population immunity to COVID-19, affordably;
 - 4.2 protection for population groups at particular risk from COVID-19;
 - 4.3 full cultural, social and economic recovery from the impacts of COVID-19;
 - 4.4 recognition of New Zealand as a valued contributor to global wellbeing and the COVID-19 response;
 - 4.5 New Zealand, Pacific, and global preparedness for response to future disease outbreaks;
- 5 **agreed** that the vaccine strategy should be guided by the following principles:
 - 5.1 the strategy should be flexible enough to allow for changes of course as international vaccine development programmes progress, and to cope with shifts in the global context;
 - 5.2 the approach needs to hedge against a range of possible outcomes, and the size of the benefit justifies the investment in cost and effort to do this effectively;

- 5.3 the strategy should integrate and coordinate multiple approaches to make the best use of the tools New Zealand has available, including capacity and expertise outside of government;
- 5.4 the government needs to engage actively in shaping the global context and contributing to collective efforts, as well as seeking New Zealand's partnerships in support of the strategy;
- 5.5 New Zealand needs to contribute to the global effort,
- 6 **agreed** that the strategy should be structured around five inter-related pillars:
- 6.1 connecting globally to contribute to all aspects of vaccine development, distribution, and use;
- 6.2 supporting vaccine research that contributes to global efforts, builds relationships, and supports early access to a vaccine;
- 6.3 developing manufacturing capability in case it is needed to promote supply;
- 6.4 optimising regulatory approaches to ensure safety, support research, and enable manufacturing;
- 6.5 using purchasing tools to secure supply where possible and to enhance resilience;
- 7 **noted** that some early first steps have already been taken and others can be taken early to forward the strategy;
- 8 **noted** that the government should use New Zealand's full range of diplomatic tools and relationships to advance New Zealand's interests in access to a safe and effective vaccine;
- 9 **invited** the Minister of Foreign Affairs, Minister of Research, Science and Innovation, and the Minister of Health to report back to the Cabinet Social Wellbeing Committee during June 2020, and then at least quarterly, on:
- 9.1 an agreed and funded programme of vaccine research in support of the vaccine strategy;
- 9.2 actions to support the development of a manufacturing capability in New Zealand and/or contribute to other developments;
- 9.3 progress with international engagement on and contributions to vaccine development, manufacturing, regulatory, purchase, and distribution, including equitable access;
- 9.4 next steps for the strategy, including the development of a vaccine distribution plan;
- 10 **noted** that the Ministry of Foreign Affairs and Trade, Ministry of Business, Innovation and Employment, and the Ministry of Health will set up a task force to direct implementation of the strategy;
- 11 **noted** that the task force will be advised by a scientific and technical advisory group in order to ensure access to a range of views from the scientific community and potential vaccine manufacturers;
- 12 **agreed** to provide \$30 million to support domestic and international research on, and the potential for domestic manufacturing of, a COVID-19 vaccine;

13 approved the following changes to appropriations to give effect to the policy decision in paragraph 12 above with a corresponding impact on the operating balance and net core Crown debt:

Vote Business, Science and Innovation Minister of Research, Science and Innovation	\$ million – increase / (decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Multi-Category Expenses and Capital Expenditure: Research, Science and Innovation: Contract Management MCA Departmental Output Expenses: Science and Innovation Contract Management (funded by revenue Crown)		-0.250			
Total Multi-Category Expenses and Capital Expenditure: Research, Science and Innovation: Contract Management MCA	-	0.250			
Multi-Category Expenses and Capital Expenditure: Research, Science and Innovation: Strategic Science Investment Fund MCA Non-Departmental Output Expenses: Strategic Science Investment Fund - Programmes		-29.750			
Total Multi-Category Expenses and Capital Expenditure: Research, Science and Innovation: Strategic Science Investment Fund MCA		29.750			
Total Operating	-	30.000			

14 agreed that the changes to appropriation for 2020/21 above be included in the 2020/21 Supplementary Estimates, and, in the interim, the increases be met from Imprest Supply;

15 agreed that the expenses incurred under paragraph 12 above be charged against the COVID-19 Response and Recovery Fund established as part of Budget 2020.

Michael Webster
Secretary of the Cabinet

Secretary's Note: This minute replaces SWC-20-MIN-0042. Cabinet amended paragraphs 1 and 4.2.



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COVID-19 Vaccine Strategy: Update on Vaccine Purchasing

Portfolios Research, Science and Innovation / COVID-19 Response / Health / Foreign Affairs

On 7 December 2020, Cabinet:

Background

1 noted that on 18 May 2020, Cabinet approved the COVID-19 Vaccine Strategy, with the objective of ensuring access to a safe and effective vaccine in order to implement the government's preferred immunisation strategy at the earliest possible time [CAB-20-MIN-0229.01];

2 noted that the Minister of Foreign Affairs, Minister of Research, Science and Innovation and Minister of Health were invited to report at least quarterly on the Vaccine Strategy [CAB-20-MIN-0229.01];

3 noted that on 10 August 2020, Cabinet was advised that building a diverse portfolio of COVID-19 vaccines would manage uncertainty and hedge against risks, and:

3.1 agreed to establish the following appropriation to provide for minimising the health impacts of COVID-19:

Vote	Appropriation Minister	Title	Type	Scope
Health	Minister of Health	Minimising the health impacts of COVID-19	Non-departmental Output Expense	This appropriation is limited to funding the securing of potential and proven vaccines and therapeutics and to administer approved vaccines as part of minimising the health impacts of COVID-19.

3.2 agreed to establish the following tagged contingency of up to \$600 million in Vote Health, to provide for minimising the health impacts of COVID-19, including advance purchase arrangements of potential or proven vaccines and therapeutics, and New Zealand production capability and capacity:

	\$m – increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Minimising the health impacts of COVID-19 – Tagged Operating Contingency	600.000	-	-	-	-

3.3 authorised the Prime Minister, the Minister of Finance, the Minister of Research, Science and Innovation, and the Minister of Health to draw down on the tagged contingency funding in paragraph 3.2 above;

[CAB-20-MIN-0382]

4 **noted** that on 10 August 2020, Cabinet invited the Minister of Foreign Affairs, the Minister of Finance, the Minister of Research, Science and Innovation, and the Minister of Health to report to Cabinet by November 2020 on progress in:

4.1 expenditure and commitments against the tagged contingency, and any new relevant information about likely future investments;

4.2 progress in developing the immunisation strategy, including a ‘prioritisation framework’;

4.3 the development of estimates of the costs, benefits and risks of investment in potential vaccines under different scenarios, in terms of economic activity as well as health and wellbeing;

4.4 consideration of access for Pacific countries;

4.5 further development of a communications strategy;

[CAB-20-MIN-0382]

Vaccine portfolio

5 **noted** that the information in the paper under CAB-20-SUB-0508 about the fact and nature of ongoing discussions with vaccine developers and costs of vaccine candidates is confidential, and subject to legally-binding agreements between the Crown and vaccine developers;

6 **noted** that the vaccine portfolio currently comprises the following:

<i>Vaccine candidate</i>	<i>Courses secured</i>	<i>Doses per course</i>	<i>Cost (\$m)</i>	<i>Delivery schedule (courses)</i>
Pfizer/BioNTech	750,000	2	9(2)(ba)(i) & 9(2)(ba)(ii)	
Janssen Pharmaceuticals	5 million	1		
Viral vector vaccine <i>(decision pending at time of writing)</i>	3.8 million	2		
Total across all three vaccine candidates	9.55 million	—		

7 **noted** that the government has also expressed interest in options to purchase three vaccines from the COVAX Facility thus far;

- 8 **noted** that vaccine purchasing decisions are informed by scientific, commercial and legal advice;
- 9 **noted** that officials advise that further purchases are necessary to build a preferred vaccine portfolio, which would comprise at least four vaccine candidates, each offering wide population coverage;
- 10 **authorised** the Prime Minister, the Minister of Finance, the Minister of Research, Science and Innovation, the Minister for COVID-19 Response, and the Minister of Health to make vaccine purchasing decisions and draw down on the tagged contingency referred to in paragraph 3.2;
- 11 **noted** that the authorisation in paragraph 10 replaces the authorisation referred to in paragraph 3.3;
- 12 **authorised** the Ministers in paragraph 10 to continue to make decisions about the design of the vaccine portfolio, to ensure it serves its objectives;

Financial implications: general

- 13 **noted** that a COVID-19 immunisation programme will be the largest immunisation campaign to date in New Zealand, and further information about the programme's cost is provided in the accompanying paper "Update on the COVID-19 Immunisation Strategy and Programme" [CAB-20-SUB-0509];
- 14 **noted** that the full fiscal implications of purchasing COVID-19 vaccines and running a COVID-19 immunisation programme cannot be accurately quantified at this time and will depend on:
- 14.1 the final composition of the vaccine portfolio; and
- 14.2 when approved vaccines become available, their characteristics and uptake;
- 15 **noted** that the current estimated cost of vaccine purchasing and the immunisation programme is \$1,406.98 million, exceeding (as expected) the \$600 million previously set aside in the "Minimising the health impacts of COVID-19 – Tagged Operating Contingency" [CAB-20-MIN-0328];
- 16 **noted** that the estimated costs of vaccine purchasing and the immunisation programme over 2020/21 and 2021/22 are as follows:

		<i>Amount (\$m)</i>
Vaccine purchasing	Already appropriated/committed	255.85
	Remainder of tagged contingency	277.85
	New funding sought (increase to tagged contingency)	450.00
Immunisation programme	Already appropriated	66.30
	New funding sought (appropriation)	356.98
Total		1,406.98

- 17 **noted** that \$277.85 million remains of the tagged contingency;

- 18 **noted** that an estimated \$450 million is still required for vaccine purchasing in addition to the funding remaining in the tagged contingency and already appropriated, and an estimated \$356.98 million is required for the immunisation programme;
- 19 **agreed** to top up the “Minimising the health impacts of COVID-19 – Tagged Operating Contingency” with an additional \$450 million for vaccine purchasing, and to use the tagged contingency for vaccine purchases;
- 20 **agreed** to provide an additional \$356.98 million for the immunisation programme;
- 21 **noted** that Cabinet previously agreed in principle that additional costs be met from the COVID-19 Response and Recovery Fund [CAB-20-MIN-0328];

Financial implications: changes to tagged contingency for vaccine purchasing

- 22 **approved** the following changes to the tagged contingency “Minimising the health impacts of COVID-19 – Tagged Operating Contingency” in Vote Health to give effect to the decisions in paragraph 19 above:

Vote Health	\$m – increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Minister of Health					
Minimising the health impacts of COVID-19 – Tagged Operating Contingency	450.000	-	-	-	-

- 23 **agreed** that the changes to the tagged contingency referred to in paragraph 22 be charged against the COVID-19 Response and Recovery Fund with a corresponding impact on the operating balance and net core Crown debt;
- 24 **agreed** that the expiry date for the contingency referred to in paragraph 22 be 1 February 2022;
- 25 **noted** that, following the change in paragraph 22 above, there will be an uncommitted \$727.85 million in the tagged operating contingency;

Financial implications: changes to appropriations

- 26 **noted** that the Minister of Finance has approved the establishment of a new multi-category appropriation “Implementing the COVID-19 Vaccine Strategy” in Vote Health, to be administered by the Ministry of Health and with the Minister of Health as appropriation Minister, to facilitate a coordinated approach to securing potential vaccines and therapeutics and to administer approved vaccines as part of minimising the health impacts of COVID-19;
- 27 **noted** the Minister of Finance has agreed that the single overarching purpose of this appropriation is to implement the COVID-19 vaccine strategy so as to minimise the health impacts of COVID-19;

28 **agreed** that the categories for the new multi-category appropriation be as follows:

Name	Type	Scope
Supporting the Implementation of the COVID-19 Vaccine Strategy	Departmental Output Expense	This category is limited to advising on the COVID-19 Vaccine Strategy, administering the purchase of COVID-19 vaccines and other therapeutics, and supporting the delivery of an immunisation programme for COVID-19 vaccines.
Purchasing Potential and Proven COVID-19 Vaccines and Other Therapeutics	Non-departmental Output Expense	This category is limited to obtaining potential and proven vaccines and therapeutics as part of minimising the health impacts of COVID-19.
Implementing the COVID-19 Immunisation Programme	Non-departmental Output Expense	This category is limited to delivering approved vaccines through an immunisation programme as part of minimising the health impacts of COVID-19.

29 **approved** the following changes to appropriations to give effect to the decisions in paragraph 20 above, with a corresponding impact on the operating balance and net core Crown debt:

Vote Health Minister of Health	\$m – increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Multi-Category Expenses and Capital Expenditure: Implementing the COVID-19 Vaccine Strategy MCA					
Departmental Output Expenses:					
Supporting the Implementation of the COVID-19 Vaccine Strategy (funded by revenue Crown)	4.240	3.850	-	-	-
Non-departmental Output Expenses:					
Purchasing Potential and Proven COVID-19 Vaccines and Other Therapeutics	-	-	-	-	-
Implementing the COVID-19 Immunisation Programme	141.190	207.700	-	-	-
Total operating	145.43	211.550	-	-	-

30 **agreed** that the change to appropriations for 2020/21 above be included in the 2020/21 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply;

31 **agreed** that the funding agreed in paragraph 20 above be charged against the COVID-19 Response and Recovery Fund with a corresponding impact on the operating balance and net core Crown debt;

- 32 **authorised** the Minister of Finance and Minister of Health to transfer any unspent 2020/21 funding in Vote Health agreed under paragraph 20 to the 2021/22 financial year, as required, with no impact on the operating balance and net core Crown debt across the forecast period;
- 33 **noted** that all funding is ring-fenced for implementing the COVID-19 Vaccine Strategy and immunisation programme and cannot be transferred to other appropriations, and that once the COVID-19 public health response winds up, any remaining funding is to be returned to the Crown, including any Official Development Assistance funding that is reimbursed to Vote Health;

Progress in other parts of the COVID-19 Vaccine Strategy

- 34 **noted** that initial steps have been taken to ensure access to safe and effective vaccines for Polynesian countries, and further information about this is provided in the accompanying paper "Support for Pacific and Global Vaccine Access and Roll-out" [CAB-20-SUB-0504];
- 35 **noted** that a communications and engagement strategy has been developed, and implementation of its first phase (telling the story of vaccine development and immunisation) is advanced;
- 36 **noted** that expedited or emergency processes for regulatory approval of vaccine candidates for use in New Zealand are not required at this time.

Michael Webster
Secretary of the Cabinet