Te Tira Ārai Urutā – the Royal Commission of Inquiry into COVID-19 Lessons Learned
Interview Transcript: Hon. Grant Robertson

28 July 2025

Present:	Judy Kavanagh	JK	*Commissioner of the Inquiry*
	Nicolette Levy KC	NL	*Counsel assisting the Inquiry*
	Danielle Kelly	DK	*Counsel assisting the Inquiry*
	Inquiry Secretariat member	IS1	-
	Hon. Grant Robertson	GR	*Former Minister of Finance and Former Deputy Prime Minister of Aotearoa New Zealand.*
	Hon. Christopher Finlayson KC	CF	*Counsel for Hon. Grant Robertson*
	Assisting person	AS	*Person assisting Hon. Christopher Finlayson KC*

CF	Yes, well, thank you very much for making time available so that Mr. Robertson can meet you. I do wish that [inaudible 00:00:12] placed on record formally that I am very pleased to see one of the Commissioners here. However, the constant changes of procedure have been disconcerting to us as our understanding at the start that the interviews would be with more than one Commissioner and then there were going to be none, and now we have one. Which is certainly an improvement on none. But nonetheless, I record our concern about the way in which this matter has been dealt with.
DK	Thank you Chris. So I think you've probably begun the introductions. So Chris Finlayson, KC for Mr. Robertson.
GR	Grant Robertson.
AS	[Person assisting Hon. Chris Finlayson KC]
JK	Judy Kavanagh. Commissioner.
NL	Nicolette Levy, Counsel Assisting the Commissioner.
DK	And Danielle Kelly, Counsel Assisting as well.
	[redacted]
NL	Dealing with the interview protocols. So Mr. Robertson, is that how I should address you?
GR	Yes, that's fine.
NL	Thank you. So as you are aware we're here [inaudible 00:03:42] the Inquiry has quite a number of people working for it and going through the material and attending to various tasks, and the people that prepared the list of questions thought that it'll be good to start

	the first one with section 26G2 of the Public Finance Act. We thought that might be a little steep inroad into what we wanted to talk about. So we have rearranged the order of some of the questions and broken some of them up a little bit. So I don't think there'll be anything [inaudible 04:12] with that. But if there is...
CF	Well I think you're quite happy to start with section 26 G.
GR	I'm happy to start with section 26 G, but I guess it's not a debate I appreciate, but there's an underlying comment that sits underneath this that I do want to address. So...
NL	Sure.
JK	I think they will have an opportunity to address that. I have changed that question quite significantly on reviewing some of the Budget documents. But we can come to it.
CF	What is this, we receive a list of questions, we review and go through them, prepare answers, and now you're refashioning them and reordering them. It does seem rather... This is an example of chopping and changing that we find discombobulating.
NL	I understand that. I think it might be helpful if you began with your underlying comment because that might give us a steer as to what's going to be the best way to do this.
GR	Perhaps what I'll do is answer the question that was written down. So the question that's been asked is, 'Do I think the government at any point during the pandemic response in 2021/22 breached the fiscal responsibility principles? Why or why not?' No, I don't think that we did, and I think the Budget documentation from that period, which some of which I have here would show you that that is not the case. By way of background, on the 14th of June 2019, the Secretary for the Treasury, Gabriel Makhlouf gave a speech on the topic of prudent debt, which is publicly available. There are a number of relevant points in his speech for the question that's being asked. In this speech he noted that governments had since 1989, when the Public Finance Act was created, taken a number of different stances as to how to express what that prudent level of debt looked like. This included the 2017 Labour-New Zealand First-Greens government, which had agreed to a target, a net debt level of 20 percent. And in our first two Budgets in 2018/19, we achieved that goal. We had in 2019 sought to further define the debt to be arranged from 15 to 25 percent rather than a single point target to enable some flexibility, depending on economic conditions. Mr. Makhlouf also noted in his speech that the principle of prudent debt and the interpretation of section 26 had evolved over time, and there was a recognition of the need for debt to rise in the short to medium term. A good example of this was the National Government's response to the Canterbury Earthquakes which saw net debt rise to 34 percent of GDP. Thirdly, in his speech, Mr. Makhlouf makes the

	point that the definition of prudent debt, and in particular what an upper limit was, has variable answers across different countries. In the course in the COVID pandemic, many countries saw their net debt rise significantly, including in countries such as the US and UK, where it rose to around a 100 percent of GDP. In the speech Mr. Makhlouf concludes quote, "Based on our reading of the evidence, the Treasury has arrived at the view that an upper limit for net core Crown debt in New Zealand should be around 50 to 60 percent of GDP." When confronted with the COVID crisis some six months after this, we were aware of this calculation. At Budget 2022, the period that the Inquiry is covering, we were forecasting net core Crown debt using the measure that had been used up to that point to peak at 41.4 percent of GDP. Facing the biggest health and economic crisis since World War II, we considered that this was a prudent course of action and fitted within Mr. Makhlouf's definition. In terms of the question around whether or not we were veering from the principles, pages 74 and 75 of the Budget 2022 document, 'Wellbeing Budget 2022: A secure future', outlines our fiscal strategy in the short to medium term, which we believe is in line with that. One small caveat to note is that in 2022 working with the Treasury, we reset the net debt indicator to make it more consistent with how other countries measure net debt. This is the measure that excludes New Zealand Super Fund assets. We did however continue to publish both the original debt indicator and the updated one. This was for a ceiling of 30 percent net debt using the new indicator or 50 percent using the old indicator. So just to make the point that I believe that we acted at all times in line with the principles of fiscal responsibility and that of prudent debt.
NL	All right, thank you. So you've obviously... Have you prepared answers to all the questions?
GR	Some of them.
NL	Some of them. Okay. All right, well we might, that's going at quite a clip so we'll just-
GR	Oh, would you like me to do it slower?
NL	No, no, no. No, no. It'll just take us a moment to understand whether we've got anything else arising out of that.
GR	Sure.
NL	Commissioner Kavanagh?
JK	Yeah, so I haven't got that question. I'm missing three, four, five. But I was asking the question given the track back into surplus by I think about 2026. But I wanted to really ask the question, were you ever concerned about the return to...

GR	You're correct to say that that Budget forecast is returning to surplus in 2025, and clearly we were aware that it would require us to reduce government expenditure. Also for the economy to grow, it's always a combination of both things when you're managing the government's books. So we were aware that that would happen and as time wore on that, without wanting to go too far outside of the Commission's ambit, we obviously took decisions to reduce government spending and ask government agencies to come back to us with a reduction in spending.
JK	Yeah.
GR	So we were aware of that. Of course also, life never stands still, does it. And so by the time I produced the next Budget after this one in 2023, we'd had New Zealand's most significant natural disaster of the century in the form of Cyclone Gabrielle and the Auckland Anniversary weekend floods, which of course put significant pressure on the government's accounts I think between a $9 and $14 billion estimated bill. So yes, always concerned about those matters.
NL	So just going back to that first question that you're happy to see that fiscal responsibilities and principles weren't breached, and were you concerned at any time during the COVID crisis for 2021 that would just spill out and it would turn out to be worse than forecast? Is that something you had in mind?
GR	The nature of an economic forecast is that they can shift and again, the Treasury produce the forecast that are in these documents independently of the government. They produced a forecast that saw us going back into surplus by 2024/25. Obviously, as I say, events carried on from that point. But I guess I would go back to the beginning of my answer, which is that in 2018/2019 we had produced Budgets that had a surplus in both of them. That had net debt below the 20 percent number that we'd indicated was our target. Obviously, COVID came along and made a significant difference to the way we were looking at debt. But the plan as outlined in these Budget documents was for debt to return to a much lower level and for a surplus to be generated. The point of keeping debt low is to save for a rainy day, to colloquially answer that, it was pouring down-
NL	Yeah.
GR	…and we needed to utilise the balance sheet, as indeed the National Government did during the Canterbury earthquakes.
	[redacted]

GR	But the question I was asked by the Commissioner was around, you know, my concerns about how quickly we'd be able to return. And then at one point being that events, Harold McMillan would say- [inaudible 00:13:30].
CF	Harold McMillan yes. [overlapping speech]
GR	[overlapping speech] …would take over.
JK	Yes.
CF	And he was [inaudible 00:13:30] former Minister that cited that as an example. So are you satisfied with the example? If satisfied, you understand that.
JK	Absolutely
CF	Oh, splendid.
NL	All right. Okay, well we've begun with the strategy and economic considerations, so we'll keep going. Looking back, how satisfied are you with the value for money that was achieved with the government's expenditure?
GR	I presume this is the question which references the COVID Response and Recovery Fund?
NL	It is, yeah.
GR	Look, I overall am satisfied with that. The fund was created in the 2020 Budget by the Labour-New Zealand First-Greens Government in an environment of maximum uncertainty. We didn't know if the impact of the pandemic was going to last months or years. The coalition government of the time wanted a fund that could allow us to respond swiftly, but also comprehensively. And you'll hear me say this a few times today, we had a 'least regrets' approach, and the mantra that I utilised when I was speaking with the business community and with others, was that we wanted to ensure cash flow and confidence. And in order to do that we had a fund set up as we did. The other point I've made by way of background is that in setting the fund up, we were dealing with both the emergency response but also the likelihood of a very challenging recovery. And you'll recall, and this is covered in the first Royal Commission, but there were three waves that we expected. One of them was the immediate response – the health response and the economic response –, a recovery period, and then a period to try to build resilience in the New Zealand economy for any future pandemic or other event that may occur. As time wore on the third of those got a little further out of reach because the first two kept going for a longer period than any of us had hoped for.
NL	Yeah.

GR	So by way, they'd be two comments I'd make by way of background. In terms of the specific value for money questions, if I just pull out the larger parts of the package, the largest of the COVID Response Fund expenditure was around 18 billion dollars over the period of time for the wage subsidy scheme. So one can measure the value for that in a number of ways. 1.76 million unique jobs were supported in 2020, and 1.36 million unique jobs were supported in 2021. So my measure would be that that was successful at that level. But if you want to go to a higher level, one of the great concerns we had moving into COVID was the level of unemployment. There was a Treasury briefing paper in April 2020 that said that unemployment could rise as high as 13 percent, and in fact even higher if the government did nothing at all. Unemployment never went over 5.4 percent during the entire period of the pandemic. So for me that's a good example of extremely good value for money. The less pleasant thing to talk about when it comes to value for money and a number of the other initiatives that many billions of dollars spent, in the health response for example, is the number of lives that were saved. Again, at the beginning of the pandemic we had a report that told us we could expect 220,000 additional hospitalisations, 60,000 ICU admissions and up to 70,000 deaths. The fact that we ended up with one of the lowest excess mortality rates in the world, and that's just recently by the way been reinforced by a publication by Michael Plank and others which I'm sure you would have seen.
NL	Yes.
GR	I'm happy to provide it to you if you hadn't.
JK	Yeah, we did.
GR	Yeah. So that would be another measure of value for money across the projects. There were a large number of other business-related supports, the small business cash flow scheme, 128,000 businesses, the resurgence, support payment and transition payments which were particularly relevant to what you're covering in the Inquiry because they were the ones that were designed as we moved out of the nationwide responses, the more regional events. They paid out 2.9 billion dollars and supported 231,000 eligible businesses. I could go on about those. Perhaps the area that some have raised questions about, 'Were some of the bigger infrastructure programmes, the one that you did with New Zealand First and the Greens on the Infrastructure Reference Group, commonly known as the 'Shovel Ready Fund' by everybody' – that would certainly be an example of where we were looking to improve the recovery. So that's the second 'R' in the fund, but also deal with the resilience of our infrastructure. It would be fair to say that not all of those projects were in fact 'Shovel

	Ready.' Certainly, the people who proposed them to us believed that they were and told us that they were.
NL	Aspirational.
GR	They certainly were and that programme which various ministers, Shane Jones, James Shaw, and myself and others were involved in, clearly was not able to achieve its goals in the time that we had hoped. Having said that, when you travel around regional New Zealand, there's a lot of good projects either completed or nearly completed, but that is the nature I think of some of those. Just a couple of more value for money things then I'll pause. Business failures in the 2021/2022 years were either comparable or lower than other years – I think that speaks to the level of support that we were able to provide. And then finally, and I'll come back to this in another answer in more detail, the OECD and the various economic rating agencies' assessments of New Zealand's response indicated their confidence in including lifting our rating as well as maintaining them up throughout the time. Final point I'll make is that there is, I agree with the Former Auditor-General John Ryan here, a case for looking again at the way that we look at public sector performance generally. One of the frustrations the Auditor-General had during this period of time was the way in which we report on performance of projects. This is not unique, I might say to the COVID fund, this is a general point that we report on them, effectively, annually through the parliamentary scrutiny process, and Mr. Ryan expressed the view that we could be able to understand the regular basis where the projects and programmes were delivering in a helpful manner, and I do tend to agree that there probably are some changes – they are systemic changes and certainly not ones that we were able to do in the middle of responding to the COVID pandemic.
DK	Can I just clarify, sorry, just going back a couple of things. You talked about business failures in 2021/2022. Are you talking about the number of businesses that failed?
GR	Yes. There are various measures of liquidation, voluntary and an involuntary one.
DK	Yes.
GR	But yes, the term that we would normally use. And in fact, in 2020 I think they were significantly lower and then they rose a little in 21/22.
	[redacted]
DK	Do you happen to know the following year as well?
GR	Yeah, so I think it's slightly up in 23 and then 24. But these are publicly available statistics.
DK	Yes, publicly available, yeah.

NL	Can I just ask a question about the lives saved? Because 70,000 is what you were told. I understand that. As we learn more about vaccinations in the course of the pandemic and all that sort of thing, it seems that that might be...
GR	Yeah, and that number varied, and I would accept that.
NL	Yeah. No, what I was going to ask was what sort of information were you getting about how that was calculated and how likely that was to be accurate and were you calculating for example, that the statisticians or... people like Michael Plank have a phrase, years of life lost. So if you're 70 they say, well it might be 10, you've lost 10 years, but if you're 30 you've lost 50.
GR	Yeah, I understand. I understand the point you're making.
NL	Were you getting ongoing information about that sort of thing?
GR	Yes, we did. We did get ongoing information and Michael Plank's report, we're putting a lot on it. If I recall the number correctly and you will be able to correct me, I think he said something like [inaudible 00:22:28] twenty thousand and those numbers were changing. I guess the point I was making with highlighting that initial assessment was what drove us to put in place the measures we did and those measures that we were utilising in 2021 were the same measures that had been agreed in the New Zealand First Greens and Labour government. We actually added very few new ones as time wore on.
NL	Right.
GR	But we did alter the way they were delivered in line with where we thought things were going. But yes, we did get regular information about that. It's a challenging one. Commissioner Kavanagh's colleagues and the Productivity Commission at various times attempted to put a dollar figure on the value of a life. That isn't something I do, myself. I'm of the view that there's a great deal of value beyond an economic value on a life and we could see internationally, and that's where much of that data comes from as I'm sure, that the modelling grows out of the international experience.
NL	All right, so that was ongoing information that you were getting from the likes of Michael Plank?
GR	Actually, I wouldn't say necessarily Michael Plank, it was from the Ministry of Health and I'm going to forget the name of the group that was set up to...
NL	Te Pūnaha Matatini
GR	Yeah, Te Pūnaha Matatini, that was where the large part of that advice arose from.

NL	That's not something that is prominent in the Cabinet papers, it's more generic to talk about a public health response and pressure on the hospital system or that sort of thing. Was it-
GR	It did say that in my answer about the hospital admissions and ICU admissions.
NL	Yeah. But was the lives that you believed you were saving nevertheless a factor that was discussed?
GR	Oh yes, absolutely.
NL	Yeah, yeah.
GR	As was, as I said in my answer to hospitalisations and ICU admissions, I mean it was very clear watching what was happening internationally that there was a risk that our health system could be overrun.
NL	Yeah.
GR	I recall vividly getting a phone call from a friend of mine who lived in New York whose apartment was over the top of one of the hospitals and she explained to me the temporary morgues that had been set up because the hospital system in the U.S. was being overwhelmed.
NL	Yeah.
GR	So the deaths were the end point obviously of where we thought we could end up, but clearly the hospital system was in our minds as well.
NL	Thank you. Not sure whether this… I'm sure that the common message in the Cabinet papers is, the mantra if you like, that 'A strong health response is the best economic response.' Don't think that's in a particular one of the questions-
DK	It is. Question 5.
NL	All right, I've jumped a few then.
GR	That's fine, no.
NL	No, no. Let's go in order then. It's just moved around a bit on how we're working. Are there things you'd do differently or you'd recommend that future governments facing similar challenges do differently?
GR	And again, you possibly won't be surprised that I'm going to give a background comment to my answer, which is that we were operating in an environment with limited and highly [inaudible 00:26:17] information and that principal position of 'going hard and early,' a 'least regrets' approach was the approach – we took both in the initial phase and in Delta,

	and you could see that obviously in the economic response. And it is I think worth noting that that approach had widespread support across political parties. I do continue to believe that given the confidence of early and sustained government investment was vital, and I think any government facing challenges as we did needs to think a lot about the confidence of the community. You have to give people hope in these situations, and I believe that the response that we did was designed for that. In terms of what I would do differently, I would certainly want to make sure that we were continually tweaking the criteria for our support programmes – we didn't do that, so it's important to know, I'm not saying that we didn't do it at all, but the ability to do that. A lot of that comes down to the capacity of government to be able to shift and change quickly. And it is hard for the government to do that; it's a big organisation. And so there were times where the balance of whether it should be a grant-based scheme or a loan-based scheme for example.
NL	Yeah, yeah.
GR	And I think I'm looking back with the benefit of hindsight. I'm sure we could have tweaked various parts of the funds in different ways at different times, but that doesn't undermine my view that the overall response was the right one. And then I mentioned the 'Shovel Ready Fund' already as an example.
NL	Yeah.
GR	The other one of those was the Strategic Tourism Programme. They were designed rapidly, those programmes.
NL	Yeah.
GR	And we did attempt to shift and change them and again the Auditor-General's reported on that. I think one of the things, I'm not sure if it's doing it differently, but I suspect it's learning a lesson, is that having gone through this now we can actually think a little bit more clearly about how a fund like that could be deployed and what perhaps stage gates you would put in it. I think that works okay with business support. I'm less convinced it works okay with things like the Wage Subsidy Scheme. I know I'm answering your question in the negative view. But the Wage Subsidy Scheme, many people have said 'you should have put more rules in place, you should have made it so you had to pay it back if you've gone and made a profit.' The fear I have is what would that have meant to people actually deciding to take it up? Because bearing in mind the purpose of it was to keep people attached to their jobs. And I think I have a fear that some businesses, if they'd known they had to pay

	it back, if they reached a certain level of profit or if there was another catch put in it, they wouldn't have taken that, and those people would've lost their jobs.
NL	And you might've spent more money administering it then.
GR	That's right. So I know, as I say, that's answering in the negative. So I'm sure there are tweaks that we could have done, but overall in the circumstances with the information we had, I'm still very comfortable.
DK	Are you able to speak more to some examples of tweaks or something that you... As you say, if we're there now having to do it again today or tomorrow, what would you-
GR	Well for example, some of the business supports perhaps could have been loan-based, some of them were loan-based, but we could have made more of them loan-based potentially-
DK	Loan-based, yeah.
GR	…as we moved on. We tweaked the criteria as we went on eligibility to do with the amount of downturn you had to have experienced. So we had 30 and we had 40. Again, you could have gone further down the scale and so made it a larger decline in revenue to the access of support, but those are judgements made in the moment and-
NL	And then there's the deferred profits.
GR	That's right. And the other thing which other jurisdictions did was use the tax system. To this Australia in particular used the tax system. Our view was that that would not give sufficient cash flow and confidence, it was too far away for people. And also businesses' uses of the tax system varies greatly – not everybody pays company tax, it's actually quite typical in a sense to be able to identify – whereas by adopting a high trust model, which we did do, while of course there were downsides of that, I think ultimately it worked in the goal we'd set in that particular example, which was keeping people employed.
NL	Do you think that, you've said the high trust model, do you think it helped with trust as well? That people saw they were trusted with this. They were …
GR	I'm not sure. That's almost a question to ask others really. I certainly, you can imagine in the early days, and we did lift and shift the wage subsidy model from the Canterbury earthquakes where it was utilised and expanded it somewhat because it was obviously a much wider group of people. The other models that could have been deployed involved trying to directly give money to individuals and that, as we found later in a completely different context, proves to be very challenging as well. So I think to pick your point up, I think businesses appreciated that we were saying to them, 'here's a subsidy, we know it's not enough for your full wage bill, but we're trying

	to give you some confidence that it's here.' And for example, we put it in for 12 weeks and then later in the Delta outbreak we kept it going over a long period of time and in that case invented a new payment, the Resurgence Transition Payment, to help people move out of the alert levels they've been into. I think we were trying to do what we could to give confidence and if businesses felt better that it was them paying the money, that's a good thing, but I've got no evidence to back that up Nicolette.
NL	Can just wind you back to the beginning part of your answer where you said that you had good cross-party support for the initial reaction? There's some talk, and I think, correct me if I'm wrong Judy, but it's in Phase One there's some talk about having a dedicated unit that is set up that would be non-political.
GR	Oh a dedicated?
NL	A dedicated unit.
GR	Within government? You don't mean officials, you mean politicians.
NL	No officials.
GR	Which we did do.
NL	Which you did do, but which would take away some of the political decisions.
GR	I'm not sure I fully understand you. So funnily enough later on, that's something that I was going to mention that I think one of the strengths of what we did do was create the COVID unit within DPMC. That brought officials from as many agencies as we could get into the room, and that meant that there was a funnel for the advice that we were getting.
NL	Yeah.
GR	Many of the decisions were taken by officials in the sense that the COVID Act, you know, down to sort of individual permits. Like I think the Ministry of Primary Industries did-
NL	Yeah.
GR	But you can't avoid politicians having to make the final decisions, that's Cabinet, that's what we do.
JK	Can I ask a question?
NL	Yeah.
JK	Yeah. I'm really interested in you talking right at the outset about this 'least regrets' approach and clearly that's on the health response side. But there's also a 'least regrets' approach on the economic side as well. And I remember Alan Bollard telling me that we

	had massively undershot the support through the GFC. And I'm sure that there would've been a lot of economists and a lot of advice that you were receiving about the dangers of undershooting the support as opposed to overshooting. So would it be fair to say that you took a 'least regrets' approach in that sense as well?
GR	Yes it would. You won't be surprised to learn that I got advice that we were under and overshooting constantly, sometimes by the same people, I might say as well. So no, you're absolutely right. That was consistently… You raise an interesting point about the GFC. One example of that that stands out in my mind, which we did fund from the COVID Relief Fund was around apprenticeships. So one of the things that happened in the GFC was that as it often happens in the case of businesses, apprentices are the first to go. And when it came time at the end of the GFC and after the earthquake to rebuild Christchurch, we were a bit short on trained tradies. And so we took the decision at that point to use the fund to support businesses to keep apprentices on, and actually that became such a popular policy, it's carried on since then. So that was an example of where we were aware that it was possible to undershoot as well. And I do think from time to time I've heard criticisms about the COVID Recovery and Response Fund that is about some of those more economic-based initiatives. Always try to remind people that there were two 'R's – Response and Recovery. And I feel like that's an example that's given there where I think that would be true. I mean getting that right is a tough thing to do, and there's plenty of people to judge us on whether we did and didn't shoot into exactly the right place there.
NL	Are we well into the original Question three, Judy, about the risk of providing not enough stimulus or too much?
GR	Yes we are
NL	Yeah. So if we drop down to Question C, who were you getting the advice about this from?
GR	You can imagine obviously as is the nature of government, but we get an enormous amount of advice from the public service. The government's primary economic advisor is the Treasury and so you won't be surprised to learn that I was getting a lot of advice from them about the level of economic and fiscal supports, as were other ministers from other agencies as well. In addition to that, we were working closely with the private sector and you will recall that I think in late July 2020, Rob Fyfe, the former CEO of Air New Zealand was appointed as a business advisor as part of that DPMC unit. And so Rob provided some excellent conduit work for us to help provide that advice. I was meeting, and I'll come back to it later if you'd like me to, but I was meeting regularly with the business community, with unions with various professional organisations,

	chambers of commerce, etcetera, hearing from them about what supports were needed and the level at which we should put those in place. That also applied to social sector, and you can imagine also there. Iwi right across the board. So we were never short of advice about where to pitch that support.
NL	I think the reason for this question is because we've come up a bit short on that advice in receiving information from the government agencies because we've asked. So can you give us a list of the government agencies that you received advice from as well as the Treasury?
GR	Well certainly in the Ministry of Business, Innovation [and Employment] were providing advice consistently through the pandemic on a number of business-related… the feeling of the business community. It was a little different from normal times in that I was getting a lot more direct advice from the industries themselves as to where they thought we should be pitching what we were doing.
NL	Yeah. So how was that advice... Where would we find that advice now if we're looking for it, or was it in your ear?
GR	A lot of it was. Correspondence to us as Ministers. I would presume Briefing Notes provided by our Ministries to their Ministers would be available to review, just as the information from the Treasury. So I met with the Treasury daily at the beginning, and probably by 2021 even two or three times a week. Notes were provided to me for each of those meetings. Something we did do early in the pandemic actually was begin publishing a document that had been written but never published before, which was Treasury's weekly economic update.
NL	Yeah.
GR	And so we put that into the public arena, which it still is now, and that contained a lot of the information that we were utilising in making our decisions. Yeah, and like I say, numerous emails, Facebook messages, I looked at my diaries which are published and you can look at them now and I saw all the times I met and talked to Michael Barnett and people like that. I mean it was a very regular, steady flow.
NL	Can you think of any particular thing that might've gone in your ear and come out in policy?
GR	Well actually all of the support mechanisms in one way or another were designed to reflect what we'd heard. I do recall a very specific example here in Wellington by an organisation called the Wellington Hospitality Group who own a lot of bars in the city.

	And they had a particular issue, which is around the way we considered who an employer was because they had a number of bars and people who work across different bars.
NL	Right.
GR	And as a result of the way we were defining it, they weren't able to access the support that they needed. This, of course, immediately talked to the fact this would probably be an issue for a number of organisations who own multiple separately operating premises. So we were able to tweak the criteria that we were applying. I might say not quite to the satisfaction of the person concerned, but still we were able to… But that is one example of a many that occurred and obviously, as I say, when in the period that you are covering in this Inquiry, the Transition Support Payment and the Resurgence Support Payment were designed to deal with the going up and down of levels. And that was particularly as a result of conversations we had with the likes of the hospitality industry who were, you know, when we were going to go down a level, they would set themselves up for that-
NL	Yeah.
GR	…then they'd go back up a level and they would be back to not being able to have people on site. And so that notion that actually the movement between levels was an economic disruptor led us to come up with a different form of support. So it was a constantly evolving process of trying to meet the needs that were there within the fiscal boundaries that we had.
NL	So with that, just thinking then just about the issue of overcooking it or undercooking it. You did your best, did you change the way, did you change the theory of your approach to that?
GR	Well perhaps I'll put it another way round for you. So by- need this material I know that you have, when we were dealing with the Delta breaking out, Treasury and I think it was on the 19th of August wrote a paper, which then turned into a Cabinet paper-
NL	Yeah.
GR	…where they supported the approach. They said you've got the right approach, but they raised their concerns that if you put too much more additional support in at this time, that could be an overshoot-
NL	Yup.
GR	…and there are various iterations of that view, which again you would've seen. And around about the same time in October 2021, of course the Reserve Bank began in their tightening cycle in the economy because they too were concerned about that. Didn't

	stop the fact that at that point we were still having lots of people ask us to spend more money.
NL	Yeah.
GR	I recall the incoming Leader of the Opposition, now the Prime Minister, asking us to spend a billion dollars extra around about the time he came in later in 2021. So we had plenty of people... so that advice was evolving and we were listening to that, we were aware that clearly we had made a significant response. But that we were getting to the point where we were needing to think about the consequences of that. So yeah, that advice evolved over time and our response to that evolved alongside that.
NL	All right, okay.
DK	And then last one follow-up if that's alright, about saying you're hearing from lots of different groups directly – we've certainly heard that from some of the other people we've talked to as well. But I wanted to ask you about one that you might have seen because in our public hearing earlier around Auckland businesses asking for more targeted support, and it seems at least from their perspective, that was one that you weren't able to respond to or do to their satisfaction. I appreciate that there's a lot [inaudible 00:44:11]. But I just wondered if you had-
GR	Yeah. I think one of the things that became very clear to me very early in the pandemic was the interconnected nature of the New Zealand economy. And I do recall in 2021 hearing from a Nelson business or about a Nelson business, time has escaped on whether there was an intermediary or I heard directly from them, who when Auckland was in level three, they said, 'well that's effectively level three for us because the customers who rent cars,' they're a rental car company-
DK	Yeah. Yeah.
GR	…'the customers who rent cars from us come from Auckland.' And so the idea that we could really hyper-target the supports was very challenging because actually it wasn't even reflective of the impact. What we did do was change the criteria so that your declaration when you applied for the various supports, had to indicate that it was this particular level alert level restriction that had caused your revenue drop. So we began, and you can see in the statistics, the number of people applying reduces because someone who was in Nelson but whose business was people buying some widget in Nelson wouldn't have been as affected as my rental car company friends. And we did do that. And then my other answer to you would be that, as an example of the opposite of that, was the Transition Support Payment which was much more targeted around Auckland

	and what could be done for Auckland businesses there was done through Inland Revenue as I recall, rather than MSD.
DK	Okay.
NL	So the next question on the list that we gave you is, 'In making quick decisions about the fiscal response to the pandemic, how did you assess its effect on the economy?' And I think there's two parts to that question. How did you assess the likely effect when you made the decision and then how did you assess it what actually occurred?
GR	Yeah, and look obviously the initial assessments which were updated continually, and again you've got that, you can see in the assessments have been updated. We were given assessments on the relative impact on GDP on the economy and that was updated at various points. So we could see significant impacts on the economy. And I've already mentioned the unemployment rate issue, business failure issue.
NL	Yeah.
GR	So all of those things were obviously... We assessed those as we went through with the data that was available to us. And we did become more sophisticated with that as we went on. So we became very interested, I became nearby obsessed by things like traffic movement data, heavy transport movement, light transport movement data, because it told you a lot about what was happening. Credit card spending was one of our other favoured measures as well. So we began to be able to assess the impact, not just through the big picture GDP shifts that the Treasury were giving us advice about, but some of those more micro-indicators, which were very useful to be able to understand. Whether all of those eventuated, no, they didn't all, but this comes to a challenge to an Inquiry such as this, which is the counterfactual. So some of those assessments that were made in the early days were made as if the government was going to do nothing, and then some were made if the government did a little bit, and then some were made as if we were going to do them all. The Phase One version of this Inquiry didn't include the view that certainly the government's interventions meant that many things didn't eventuate. And I've certainly heard stories from people being approached saying, 'well, you told us X was going to happen and it didn't.' So yes, that's usually because of something we did. So I think that would be my first answer to that, is a number of them didn't eventuate because I think that is in part because of our actions to ensure that they didn't.
NL	So we've been asked the, as wide as it is, long question, 'were there any unexpected effects?' I'm sure there were millions of unexpected effects. What were perhaps some of the larger ones?
GR	I think probably at an economic level, the way the housing market behaved.

NL	Yeah.
GR	And so clearly we were in a period of time where interest rates were low anyway. There was stimulus in the economy, people had the confidence that we talked about before and New Zealanders' traditional reliance on housing as their favourite form of investment meant that the housing market really did go gangbusters. And some of the additional lending that was facilitated by the Reserve Bank, you will find somewhere on the record my desire that that could perhaps go more towards small business lending than towards the lending for housing. The way that works, as I'm sure you know, is that we give the Reserve Bank the tools, but we don't, because of their operational independence, tell them how to use the tools. I was asked for my opinion, I gave my opinion. The nature of the relationship between the Reserve Bank and the retail banks is that they also don't tell the retail banks how to utilise that. And so the funding for the lending programme, for example, which facilitated further lending by the Reserve Bank to retail banks mainly went into the housing area. And so we did see the housing market grow that way. Financial markets and bond markets initially were hit but then subsequently proved to be relatively stable. I would say the financial markets not quite as stable as you want it. But yeah, relatively stable. So I think those things were things that perhaps turned out a little bit unexpectedly.
NL	All right. So then we come to the-
GR	By the way, if you want, whatever questions you want to ask me is fine. I mean I have prepared myself, but I'm also capable of moving within the document, if you want.
JK	I would quite like to move to the lockdowns. Is that okay?
NL	We can do that. Why don't we just finish the strategy and economic considerations-
JK	Okay. Because then we move on-
NL	…section because we're-
CF	Lockdowns then follow.
NL	There's lockdown [overlapping speech].
GR	And with this one, this one, I think this is the one, sorry, I've been [inaudible 00:50:50] or the paper here, but this is whether a strong health response is the best economic...is that the one?
NL	Yeah, yeah. And the first question is, I mean the message is in all the Cabinet papers-
GR	Every press statement I've put out.

NL	Yeah, yeah. So like who said that first?
GR	I have no idea. I would never want to claim credit for it. It was based on the idea that the loss of life from a pandemic spreading in an unrestricted manner would severely deplete the workforce and restrain economic activity. And there was evidence for that from other countries who were seeing significant reductions in economic activity as the pandemic spread. If we look at the UK for example, they saw GDP decline by 9.7 percent in 2020. And trends show that economic activity picked up with the opening up of the economy, there would be a rise in COVID cases, there'd be further lockdowns, and economic activity would fall again. So we were observing internationally that that was happening. So that was what it was based on. I think our stance was supported by the external assessments of the New Zealand economy. So on the 22nd of February 2021, Standard & Poor's lifted New Zealand's credit rating to AAA with a stable outlook – that's the first lift made for New Zealand. Fitch Ratings agency had maintained their AA rating earlier that month. In that 22 February assessment Standard & Poor's praised the government's handling of the pandemic saying, "New Zealand is recovering quicker than most advanced economies because it has been able to contain the spread of COVID-19 better than others." So for us that statement was again a-
NL	What was the date of that one?
GR	22nd of February 2021.
NL	Yeah, 2021. Yeah. So obviously that stood true from the beginning. And then was there a time when people began to say, 'well we've had a strong health response for a long time now and the cost of this is ramping up'?
GR	Well, if I just finish that point. The ratings by Standard & Poor's and Fitch [Ratings] continued and were maintained. The IMF and the OECD in January and March 2022 also made similar kind of comments. Of course, there were people at various points who believed that we were spending too much as there were people who believed we were spending too little.
NL	So was there an identifiable change in view on that issue?
GR	Of how much we were spending?
NL	Well of, no, of the effect that health, the strong health response was the best economic response.
GR	We didn't change our view on that because the evidence for us was that we were getting good health and economic outcomes. So our view didn't alter on that, and again, we

	come back to our issue of counterfactuals where we can certainly look at our economic response and our health response as being ones, that when you look at stats and data, we did relatively well on compared to the rest of world, and that includes, I might say, when we saw the inflation spike globally-
NL	Yeah.
GR	…but while that was a significant spike in New Zealand, it wasn't as great as it was in some other areas. There's a graph, I think it's in the first Commission report that plots that, and I think you can see there. So I mean our view is that the evidence continued through this period of time… on page 259 of the first report. Our view is that that also shows the health and economic responses working together.
NL	So Question six, just a little one. 'Is there anything you know now about the impacts of the pandemic response on the economy that you wish you had known in 2020?'
GR	Again, I still find the premise of that question a bit difficult. The focus for me always was the impact of the pandemic. And the pandemic's impact was obvious to us in the loss of life and the massive pressure it was putting on health systems around the world and so on. And so of course I would've loved a crystal ball that could have told me how long everything was going to last, how long every Delta outbreak or every previous outbreak was going to last. But it's just not, you can't manage a crisis like that. So for me, the impact of the pandemic response was that we saved a lot of lives, we kept businesses going, we kept unemployment low. These were the goals that we'd set out at the start. And yes, there were restrictions in people's lives and the trading of businesses and they were things that we knew would occur, that's why we put significant support systems in place – it was to help mitigate and manage those things. To me, it's very difficult to answer that question because it requires not just hindsight, but also foresight I guess-
NL	Yeah.
GR	…in the sense that, you know in admission there are too many unknowns. I mean one of the ones I used to think about a bit was, if we hadn't have had restrictions when the Delta outbreak occurred would people have gone out? Would they have decided themselves that actually because there aren't restrictions, I'm not going out. And so would the hospitality sector have ended up facing worse or the same restrictions because-
NL	Because you weren't holding people back. But you weren't providing a safe environment.
GR	…and so we weren't providing a safe environment and not every... some businesses would argue very much against that proposition, others perhaps would have more

	sympathy for it. So that's what makes answering a question like this very challenging because the absence of counterfactuals.
NL	Yeah.
GR	I think I could be facetious and say even though we said continually, 'we shop normally,' there is something psychologically about the buying of toilet paper that is a global phenomenon.
NL	Yeah.
GR	That it doesn't matter how many times you say it, you can't... so the way people responded. And then obviously the question around people becoming tired of the restrictions, we were clearly aware of that and aware that they... And if I could have predicted at the exact moment at which someone might tire of the restriction, I would love that, but again, I think that's the level of hindsight and foresight that it is very difficult to answer.
NL	All right, I'll turn to lockdowns. I think that these questions will elicit the same information in the questions that you've answered, but we've just put them in a slightly different way. So we're in 2021 when Delta has arrived and we've got the national lockdown in August and then the prolonged lockdowns in Auckland and the Northland impact. So we've seen indications in the documentation that government and Treasury initially believed that the August 2021 outbreak would be quashed pretty fast with the level four restrictions. When do you remember Cabinet being aware or realising that the lockdown was not going to quash the outbreak in the way that it had last time?
GR	The recollection I have is that after the initial response, I think it was probably about 10 days or two weeks, the R-value, which I'm sure you will have come across in your work was less than one, and we were starting to see cases plateau. So in that period, late August/early September, that appeared to be where we were heading.
NL	It looked like the last time.
GR	I want to come back to this at the end of this answer, but we had from the beginning of 2021 said that vaccination was our way out. So the idea that the lockdown itself was the way out is not something the government ever believed. It had worked previously to help lower cases and we thought that it would do the same here and that the initial evidence was that it was doing that. I think towards the end of September we started seeing cases spike up again and our contact tracing system was really under pressure. We were struggling to link cases together and what had been a useful way of managing things then, so... And then the nature of those cases changed as well. I don't know if you recall. A lot of the emergency housing was involved, there was a major gang related outbreak.

NL	Yeah, people weren't saying where they'd been.
GR	Yeah, it was very difficult. We didn't really have room in MIQ for domestic cases anymore. So all of those things were showing us that we'd obviously moved to a different place. The other thing that, sorry, I should have said at the beginning, that was effective for us too, and I know the health advice said this, was that of course we hadn't had Delta and in fact we hadn't really had much COVID.
NL	No.
GR	And so the way that the New Zealand population was going to respond to a big outbreak was also an epidemiologically unknown factor, and that certainly at the beginning was a factor in our head about using the level four lockdown. If I can though, I just want to reiterate the fact that in early 2021, I believe it was, was it February? that the Prime Minister did a speech to Business New Zealand at the beginning of 2021 where she said, this is the year of the vaccine.
NL	Yeah.
GR	I remember it very well 'cos I remember the headline that appeared afterwards. And so from our perspective, we were always thinking that vaccination was the way out, but obviously lockdowns could bring an outbreak under control. It did look like they were going to and eventually did.
NL	Do you think that you understood or had been advised at the outset of the August outbreak about the implications if the lockdowns went on longer than you planned?
GR	Do you mean the economic implications?
NL	Yeah.
GR	Yeah. Look as I say, you've seen the Treasury advice that we got and that-
NL	Yeah, we have. And it's because it doesn't really address this issue that we've got this question. Looking back, do you think people had looked hard enough at the counterfactual of it not working like last time and needing to stay in lockdown longer?
GR	I think that the questions were being asked, I mean, I have had a look in the context of a couple of your other questions at various points in time where they were raising those questions. So the one I think about was the 4th of October paper where they certainly make some of those comments about the trade-offs that will be required, and I think that advice moved as time went on. So you saw more of it in papers in October and then again in November, the 12th of November. All of that advice was coming through that 'this is taking longer, this is going to cause the economic supports we did-' and bear mind those supports were by that point

	recalibrated. So the full suite of supports were pushed out at level four, but when we went to level three, it was a different set of supports and then again at level two. So we had already recalibrated the support framework to acknowledge where we were in the alert levels. And I know where you're heading with this, because it's the questions you later ask about cumulative effect of lockdowns. And again you saw ...-
NL	This question was really more about at the outset of the August outbreak.
GR	Yeah.
NL	Whether you had those, what's the word I want Judy? Predictions-
JK	Of the different scenarios that you had planned for.
NL	Yeah. Do you have the different scenarios planning for, if we have to stay at level four for four weeks, eight weeks, 12 weeks?
GR	Yeah-
NL	Because there must be a point, for example, if the modelling showed the costs of maybe 12 weeks. And there must be... Would there be a point at which the possible implications of having to be in level four lockdown for a long time would mean that you would have a good hard look at whether that...
GR	Again, I just return to the point that our strategy at that point was not about being in a level four lockdown for a long time.
NL	No, I know, but my question is not about what you were doing, it's about what advice you had.
GR	I hear you.
NL	Whether you had that modelling advice.
GR	You've got that August advice and it makes comment about the fact that 'this is okay at the moment, 'I'm paraphrasing here, obviously-
NL	Yeah, yeah.
GR	'This is okay at the moment, but if this goes on for too long, please don't introduce new supports,' etcetera.
NL	Yes, yeah.
GR	So that was inherent at the beginning, but it also was, again, it was a moment where I'm sure the officials, and again, you're welcome to ask the Treasury these questions about what was in their head, there was certainly no restriction on the amount of advice that they could provide and the Treasury's never felt restrained in the amount of advice it

	could provide. So they were beginning to do that in August and you can see more of that as time went on.
NL	Just thinking about that, if the possibility of the Auckland, if you'd seen in August 2021 that there was a real possibility of it lasting until the end of the year or until December, do you think you would've looked more closely at making some different decisions about how Auckland businesses could operate safely across that period? If you'd known it was going to be for so long.
GR	I think, well obviously changes were made to Alert Level 3-
NL	Yeah, yeah.
GR	…so that we would have different arrangements for people, so we did factor that in. I mean in the end, this really comes back to what your goals are in a situation like this, and we were, if you recall, in a period where we were desperately trying to get our vaccination rates up to over 90 percent.
NL	Yeah.
GR	And in order to do that, there still needed to be restrictions on people-to-people contact while we got the vaccination rate up. So in level three, we did again tweak what could be done over time, so we had construction firms operating and we had a greater range of businesses being able to operate. But we had a goal, we had support systems in place, we were utilising those.
NL	This is only a slightly related question, but we've heard from a lot of businesses who say 'if they'd let us, we could have operated safely.' That's one of those trust questions, isn't it?
GR	We certainly listened to that in different situations. I recall around processing of ports that we did listen to that and we did attempt to make tweaks and changes to the settings over time. Essentially at level three, a lot of this focus is around retail, hospitality and it is very hard to undertake those businesses in person at volume without compromising the health approach that we were indicating. As I say, I feel that we did listen and we did tweak, but I'm obviously not familiar with all of the testimony that you had.
NL	Yeah.
CF	Are there any particular businesses you want to put to Mr. Robertson?
NL	I'm thinking that we mainly heard this from manufacturing.
JK	I mean you know certainly from ports, the combined meeting with the ports expressed that view and I'm sure that they made that view known to you. So it's good to hear you say that you had listened to that, but I also appreciate that hospitality is a very different

	kind of a beast. The other interesting engagement meeting that we had was with the people who organised Fieldays.
GR	Oh, I know them well.
JK	And so that sort of raised a whole bunch of interesting questions as well about a large-
GR	I felt very, very sorry for the Fieldays because while they were outside, that's a lot of people who go to Fieldays and much of it takes place inside smaller spaces inside the convention halls. We did work with Fieldays on what kind of opportunity might be. My recollection is that that wasn't so much about whether we could tweak it but rather whether we could tweak it in a way that was economically viable for Fieldays. So something could have happened, but in the end, I suspect it just wasn't economically viable. If I can just reference back to manufacturing, I mean it is important to remember that at level three manufacturing could take place. It's more about the restrictions on manufacturing and the one to two metre spacing and that sort of thing. So we did try to listen to those things, but in those instances we were operating on public health advice about how close people should be in contact. So we'd certainly enabled that amount of income activity, I was just trying to bring up the, which again you've got, so you can look at the Treasury relative file between level four and level three. And there's a big difference between level four and level three.
JK	Absolutely.
DK	As you mentioned, there was also retail and particularly as you, [this] will not be news to you, but the smaller businesses, smaller retail businesses, especially when supermarkets and things weren't able to operate. That's been reflected in comments that we've heard also and many of them saying we could have operated safely.
GR	Yeah. And again, in level three, many of those operated the contactless system, the takeaway systems, a little harder in retail, but then online retail was an option for many. For the very small businesses that's why we targeted our support. So things like the small business cash flow scheme and indeed the Transition and Recession Support Payments really focused on smaller businesses. And we had maximum level I think of 50 FTE for the Transition Support Payments. So we were trying to acknowledge for some of those smaller businesses it was harder. It's outside of the timeframe of your, I guess it is within level four and the first one. But the question about supermarkets was very much about trying to limit the number of opportunities for people to be around each other and infect each other. And so a supermarket meant that it was a large space, you could spread people out, and I know

	some of the smaller green grocers and butchers and so on said, 'well we could do that too.' By the time we got to level three they could by operating counter based click and collect type initiatives. So we did acknowledge that, but because level four was seen to be the period in which we could make the greatest difference to transmission a supermarket was effectively a one-stop-shop.
NL	So this is a really different topic really. The documentation records that Treasury was unable to estimate the economic impacts of the alert level restrictions on sub-regions. Would having information about sub-regions have assisted your decision making in relation to alert levels, or in relation to anything else?
GR	Yeah, well that's my Nelson example. So in the end, while the data would've been interesting, I'm not sure it would've changed the way we delivered support because for two reasons. One, it actually the pandemic has impacts outside of a particular region, we might then have particular restrictions on them, but also because the government's capacity to hyper target interventions for support is limited. And again, if you were had a sort of limitless supply of money and resources, you might try to get different types of sub-regional data.
NL	Yeah.
GR	You might try to have MSD or Inland Revenue in a position to be able to target their support. But then you get into conversations about a business address being different from a home address, and is the business registered at your home or is the business registered at your business's address? And so we ended up with these...the logistics and the capacity to be able to create a system that can get to that sub-region level. If what lies under the question is, 'Did we understand the impact that this was having on Northland [inaudible 1:13:34],' we did our best to understand that through the means available to us. Things like the traffic movements, bit more on credit card spend, things that we could drill down on, we did.
NL	Yeah.
GR	But then at the end of the day, would we have either been able to or actually wanted to do that? And so I feel like sometimes when I've heard this it's people saying, 'we weren't understood by the government because they didn't know exactly…' well I don't accept that, we did understand. We understood though at an intuitive level and at the data level we had not that sub-regional. But look, as a person who used to have to make all these sorts of decisions, more data is good. So if one day a government is in a position to have sub-regional data that is usefully updated on a regular basis, let's do that. But we didn't.
NL	The realities of the situation where you'd have to draw a line as to [inaudible 01:14:33]-

GR	It was very, and as I say, I remember when we started to move to more regional lockdowns, there were people saying, 'you should just support Auckland or you should just support...' And as I say, the interconnected nature of the New Zealand economy just did not make that a sensible or fair thing to do.
NL	Now I understand and I'm not familiar with every detail of it, but the documentation records the Treasury was unable to estimate the economic impacts of the three different stages within Alert Level 3.
CF	I'm sure there's some particular documents you can refer Mr. Robertson to, to refresh his memory?
NL	Yes.
GR	I've got one. Which is the Treasury's advice, I think it was on the 4th of October.
NL	Yeah.
DK	Yes.
GR	I'll just read the relevant. There's quite a bit about different alert level impacts. It says, " the Treasury has also considered proposals to take a stage approach to relaxing alert level restrictions." Which we eventually did. Etcetera, etcetera. "When fully implemented the Treasury estimates that these changes would reduce the economic impact of Alert Level 3 in Auckland from 210 million dollars per week, 4 percent of the national GDP, to approximately 40 million dollars per week," which is effectively Alert Level 2. Which is how they consider three/two, and three/three. " the Treasury has also considered modes of additional movement over the boundary for the wider construction and maintenance in the forestry sectors." Which we would eventually do. "While on an aggregate level this proposal is not expected to significantly impact national GDP, it is expected that these changes with soften supply chain impacts and enable additional activity for sectors." So they certainly were able to give us some information and estimates about that. In fairness to the Treasury, not sure they ever probably quite envisaged they'd be giving us advice about whether or not you could have a picnic in a park.
NL	Well I was going to say they might've been confused like a lot of people as to exactly what some of the differences were between...
GR	Well yeah, I do think we tried to explain that, but yes. So level three, I guess my response to the question is that they did in fact give me advice about that to the best of their knowledge.

DK	So I can just point you to the footnote that I understand was the basis of this question [inaudible 01:16:56] which is the next Cabinet paper to the one you refer to, so this is the 11 October on page 12 of that one, that footnote 3 it says that, "The data currently available does not allow for estimates." So-
GR	And again, we sort of end up back at the same place then don't we.
DK	Yeah, yeah.
GR	Just the level of data that is collected. And I do think, by the way, this is a criticism that's been levelled a number of times outside of the COVID period about what statistics we do collect in New Zealand relative to other jurisdictions. And if Statistics New Zealand were here, they'd say 'give us more money and we'll collect more statistics.'
DK	Yes.
GR	And we've had from time-to-time increased money but then also moved that around. Who believed that the technology probably provides a pathway forward on that. But certainly at the time they would've struggled to do anything more than the high-level modelling that I just read out.
NL	Right. So you will remember that Cabinet used eight factors to guide alert level decisions. Do you want me to read from that?
GR	Please don't.
NL	Thought you might say that. So those eight factors were agreed in 2020 and I think at some point they stopped repeating them in all the Cabinet papers didn't they.
GR	Yes, for the same reason that I didn't need them repeated.
NL	Exactly, exactly. Was there any consideration given in 2021 to reviewing how those factors were presented and weighed in decision making?
GR	I don't recall any discussion of that nature. I mean the structure of the Cabinet papers followed effectively what was in the COVID Act I think.
NL	Yeah.
GR	And fundamentally alert level decisions were public health decisions in the sense that the Act charged the Director-General with being the person who did it. So you would expect that to be the case, but that is not to suggest in any way that we weren't taking into account those other factors. I'm big on the 4th of October paper, but again, you'll see as early as paragraph eight of that paper, it begins to discuss economic implications. And then throughout the paper it updates the economic impact of alert levels, gives that

	real time data that I mentioned before, references feedback from business and banks. So those things were being considered and they would contribute to the decision. Obviously I've already told you that we believed that the best health response was also the best economic response, and I've already told you that we didn't change our overall view on that, but we were seeking to understand the impact. And as we know, as time wore on, everybody was getting heartily sick of COVID and wanted it to end. And so there were plenty of examples of people outside of government suggesting that we needed to take more account of those factors. We always weighed all of those factors, but our response was predicated on the strong public health response. So you wouldn't be surprised to see it at the top of the paper. And as I say, actually the design was really reflective of the legislation. [redacted].
NL	Okay. Well there's a variety of different questions coming up, but just you've mentioned the four October paper as one you've got special fondness for. One of the decisions that the Commission is making is we're intending in the hearing in August to do a case study of one bit of decision making that explains and pulls out the evidence that, of how the decision is made, where the information comes from, how it gets to Cabinet where the decision was made. In your view, would the four October one be of-
GR	I don't feel I'm in the position to make-
NL	You don't have a-
GR	I just don't feel I'm in a position to answer that question. I'd have to go back and read them thoroughly and then remember everything that was happening in the world at the time.
NL	I wasn't intending to ask you which one would be the best. Just whether that one would be... Is a good example of one that...
GR	Again, all I can say to you is an example of where economic factors were being considered. They were actually being considered in every paper. It's just the one that I, in my reading of them, I went back... But I would most definitely not want to be the person who tells you that's the right one. And different decisions were being made at different times through the course. So sometimes the decision was a significant shift in alert levels and other times it was more a maintenance period of time.
NL	Yes. Or a decision not to have a significant shift.
GR	Not to… Yeah, yeah. And so the nature of the advice and the process and we committed ourselves because again, I believe it's in the Act to regular review. But you will recall from press conferences, we'd be asked questions as to how long do you think this will last?

	And so on. And so clearly different decision-making moments had a different level of importance. It's a long time ago and I think I'd need to go back and look at which that's particularly [inaudible 01:22:35].
NL	Alright. So we've dealt with the eight, the eight factors.
CF	You haven't really dealt with the sources of information.
NL	I've just got a question about that, about that now actually Chris. I had a question a little bit further back, oh you listed the agencies. The next question is that …
GR	Who else.
NL	Well, my understanding is that the Treasury advice was addressed to you, wasn't it?
GR	That's the normal.
NL	That's the normal, yeah. And did that, did all of the Treasury advice get to the decision makers in the form that you got it? Or was it …
GR	Not always. The thing with Cabinet papers is that by necessity, 10-page limit, which was regularly breached I might add during this period, means that advice is summarised usually. So there was always comment around economic implications and so on from Treasury in the papers that more often than not represented a summary of the advice that I got. Again, some of that's been released publicly, the Treasury's advice to me, and you'll see it reflected when I was getting ready over [inaudible 01:01:41], well November Cabinet paper I think it was, that has never been based on, it was advice that I got on the 12th of November 2021. There was, you'll see if you look at the 15 November 2021 paper, you'll see that virtually sentences, whole sentences of my advice ends up in the paper and that's a very familiar pattern. The other point though that was slightly different during this period of time, was that there were Treasury staff embedded in the DPMC whole government group. So in addition to Treasury advising me, the Treasury officials who were in the Whole of Government group were feeding into the overall advice. So those papers were largely drafted by that DPMC group. So that's an additional flow of that Treasury advice going to decision makers that way.
NL	So was that a specific COVID alteration in the DPMC process?
GR	We don't. DPMC have their own views on everything.
NL	Yeah.
GR	But specifically the, while the group was hosted in DPMC, it in fact was a Whole of Government group and bear in mind that's also the group that Rob Fyfe sat in and he was giving that perspective as far as I know, till the end of 2021. The dates are a bit opaque for me now, but I believe he was still working. He literally had a physical space

	within that team and was contributing to the advice that they gave us as well. And actually, Rob himself ended up in what we call the Independent Continuous Review Improvement and Advice Group, which as you can imagine, shortened to the Roche group, Brian Roche's group.
NL	It's very good of you not to give an acronym.
GR	So there was other advice that was finding its way in, but it is how government works. Ministers get advice from their agencies. Treasury is a special customer. It gets its news reflected in pretty much every Cabinet paper, if it wants to. And certainly that was the case here.
NL	What about the PAG notes? Were they something that you saw?
GR	Oh no.
NL	No.
GR	PAG notes only ever go to the Prime Minister, and that's a long-standing convention going back many generations.
NL	Alright. I bet everyone else in the room knew that, but I didn't. Sorry Chris, that's probably not quite how you framed the question, which was about the other sources of advice.
CF	Well you referred to Ministry of Health and Treasury.
GR	It was number seven in the original.
CF	When you ask what other sources of advice were relied on in the original.
NL	Yeah, is there anything, have you got anything?
GR	Oh look, I think we've been already mentioned Rob.
NL	Yeah, I guess.
GR	And then the nature of the pandemic was that advice was coming in a lot of ways. So I took the time to go back and have a look at my public events diaries from August to November 2021, and they were called meetings with Business New Zealand members on the 20th of August, Business New Zealand Leaders on the 25th of August, the Bankers Association and Banks CEs on the 25th of August, one that [inaudible 05.15] of earlier evidence you've been given, the Auckland and Northern Chambers of Commerce on the 26th of August, webinar with Business New Zealand and EMA on the 27th, Banks again on the 2nd, and CTU on the 9th, the banks again on the 9th, Hospitality and New Zealand Restaurant Association on the 10th.

NL	Yep, I think we get that it's the same people.
GR	Are you getting the gist?
NL	Yep, we get that and as you say those are publicly available.
GR	So just to indicate that the advice was flowing through those sources and channels, as well as through emails and other contacts that people were making. One other point that's just of interest and I think from a longer-term perspective is important. In 2020, the five finance ministers of the US, UK, Canada, Australia and New Zealand began meeting on a regular basis, obviously virtually, to discuss our COVID response and wider economic issues. I think all of us found that to be an extraordinarily useful exchange of views and I know that Rishi Sunak, who was the then UK Chancellor, and I both were talking about, we were quite particular, were getting down to quite particular aspects of our schemes. I remember him asking me one day about how we were supporting sole traders and creatives and contractors because they weren't included in the UK scheme and they were getting some criticism for that. So that actually became a really useful source and conduit of advice. And actually as far as I know, those meetings actually carry on today, not about COVID obviously more broadly. So that was another useful source of advice, and I'd certainly advise anyone who ever faced a similar situation again, that that kind of grouping is really useful. We don't call it 'The Five Eyes', because that's the security arrangement, but obviously it's the ministers of those five countries.
JK	I think Caralee mentioned to us how useful that was.
GR	Yeah. And there was a network that stuck in between meetings involving the officials as well. If you asked the next one.
NL	I think, yeah, did we really ask, 'What was the level of knowledge of other ministers compared with your own?' That didn't actually survive the cut I don't think to what I've got here, but I'll ask this.
GR	Well the first thing I'd say is that ministers are Members of Parliament and they're in their communities and clearly, we're receiving regular feedback and advice and were extremely well aware of what each alert level meant and how that impacted on the businesses and individuals in their community. So I think they were extremely well aware of those decisions, the impacts of those decisions.
NL	On the, at a community level, what about at a broader…
GR	Nationwide level?
NL	Nationwide level, long term level?

GR	Yeah again I think, yeah it would be different ministers have different portfolios and certainly those who were in economic portfolios would've been receiving information. We have associate finance ministers, so Shane Jones from New Zealand First was one of those, James Shaw from the Greens. And then latterly during this period in '21 we had David Parker, James again. Yeah so others who were certainly, they would've seen all the Treasury advice, plus MBIE ministers definitely were receiving that. We had a, if you recall, a Minister for small business, Stuart Nash, he had his own advisory group separate to the ones that I had as well. So depending on the portfolio, ministers were very engaged with the broader economic challenges.
NL	So I think its, we're up to the cumulative economic impacts and the advice that you got about those, and we haven't seen a lot of that in the papers that have been publicly available. Were you satisfied with the advice you got on the cumulative economic impact?
GR	I do think that we were certainly aware of that and, I think in the case that the paper date is wrong potentially here, but I think in that August 19 period, Treasury gave me advice about these approximate economic impacts, were there restrictions in that. They also raised that there is a possibility that the cumulative effect of extended periods of higher alert levels might result in impacts that are greater than estimated here. So they were certainly aware of that, they constantly tweaked that table around, not constantly, but they tweaked the table around relative impacts in those papers that you've got here as each, even got down to, and this is a sub-regional thing, but 'if the Waikato was in Alert Level 3 at this time, this would happen' is an example of a table in front of me here that gave us that.
NL	Is that in the August 19 paper?
GR	It is I believe. But it features in, the version of that table features in many of the papers. There was also, we also did have, and this was actually relevant to the way we thought about all that, we were able to look at industry-by-industry basis and that was helpful. But your point being, I understand your point is that cumulative effect, and so that November 12th November 2021 advice I got states that, ' the Treasury estimates that between 17 August 2021 and 5 November 2021, the cumulative economic impact of alert levels was around 4.5 million dollars.' So they were giving me that advice and then that went into a slightly different paragraph in the 15 November 2021 Cabinet paper. So it was there. I think what you might be asking is about more of a mathematical way of saying this has been happening for this period of time. My understanding of the pandemic was built on the cumulative effect, and you couldn't help but know about the cumulative effect every time you spoke to somebody.

NL	Yeah I suppose, but you could have been alert to and suddenly sort of an exponential rise that you weren't anticipating.
GR	Not for an economic one because I think we would've seen the economic data that might've backed that up. This is where you do get to the question of social licence or social cohesion where that's really what I'm alluding to is that undoubtedly, as I said earlier, all of us were sick of COVID and so the cumulative effect of that was clearly going to be rising, but I can't say from an economic perspective that we were seeing an exponential effect, partly because we were consistently supporting the businesses. So while it might not have been, they might not have been able to trade in the way they wanted to, they were still receiving the support from us through that period of time.
NL	Yeah, no, I wasn't suggesting that you were seeing it. I was just curious as to whether it would've been noted and I think you're telling me that it certainly would've been.
GR	It certainly would've been, and again that would've been partly about some of those micro data things that we were able to get and as I say, we published on a weekly basis.
NL	Okay, I'll just ask this now because otherwise it will get lost and this is a question that we'll have for all ministers about the vaccine response, the vaccine rollout. Do you think we went as fast as we could have in rolling out the vaccines?
GR	With the availability of vaccines that we had, yes. So the question of the availability of vaccines was on our mind as I noted from the beginning in 2021. The moment we became aware that vaccine development was happening quicker than in the very early days people had thought it would have access to it became one of our chief areas of focus. I think the rollout by and large, I mean these are areas well outside of my direct Ministerial role, but the focus on getting the vaccinations out and getting them as soon as possible was always on our mind, and on our ministers of health and of systems like that.
JK	You're virtually saying here it was crucial for the lockdown-
GR	Well that was the strategy.
JK	Yeah, that's right.
GR	I mean that's essentially what we were trying to do was get ourselves to a level of vaccination in the population that gave us confidence that the good work that we had done to keep down with COVID out and to keep our populations healthy, I would be, we'd lose the benefit of that. And I guess one of the things I would say, and again this is outside of my Ministerial area, was we did experience variability across DHBs in the delivery of vaccination and particularly to specific groups, especially Māori, some Pacific groups, low-income groups, isolated communities – that was, there were challenges

	there and in October, 2021, we did make quite a significant push into giving funding directly to NGOs, iwi groups and others to try to lift vaccination rates because in some of the communities, the DHBs, weren't quite getting there.
NL	And when we've spoken to a lot of those groups and some of them have said 'if we've had it earlier-'
GR	Yeah and look, that may well be true. That's again not my immediate area, but the advice I was receiving from, as the Minister who was making decisions about the funding, was that we needed to get some because funding was going to those NGOs but via the DHBs. And so the criticism was if you just give it to us, we can get it done. And I think particularly in the Māori communities, that certainly proved to be true and then that had a flow on effect because those iwi and groups weren't just vaccinating Māori, they were vaccinating everybody else.
NL	That's right, that's right.
GR	So yeah, that would be true. I think that …
JK	Is that the lesson for …
GR	It is and it isn't, again, I'm a bit outside my lane here, so I think it's important to [inaudible 16.35], but yes, it is. However, this is also balanced against confidence, I mean the concept which you're very familiar with in the Inquiry of vaccine hesitancy, which is that people need to see it being delivered by somebody who knows what they're doing and has the imprint of the confidence of the health system. And so while, yes, I agree with those iwi groups that they were able to get it to their people quicker or more effectively. Equally, we certainly at the beginning, were trying to really lift people's confidence about the vaccine and the efficacy, so you do have to balance those things together. Ultimately across the population in a lot of areas, the DHBs did a great job and it got out, it was just in certain population groups we struggled and that's where we did change tact in October.
NL	Just another big question, again, incorporating your experience as Minister of Finance, but also as part of the broader response, how do you identify the tipping point where the economic and social harms caused by lockdowns outweigh the public health good?
GR	In order to answer that, and I'm sorry to be pedantic, but in order to answer that, it would be good to get an idea of when you say the economic and social harms of the lockdown, could you give me an example or examples of what you mean there?
NL	Well, the lessening of trust and social acceptance of the team effort.
CF	Is that a harm or a consequence?

NL	Well, it's a harm because it's causing social disruption. People are saying, 'we've had enough of this, we are going to go to the library without a mask on, without a vaccine certificate.'
GR	Yeah, thank you for answering that because that's not quite what I thought you might mean by the concept of social harm. That is to me an example of some concerns in the public about social cohesion.
NL	Cohesion might be a better word.
GR	What I would say is that I was probably getting more comment made to me about those who were vaccinated being very, very concerned about the fact that some people weren't.
NL	Yeah, yeah.
GR	And so it kind of cut both ways there. And I guess that's why I asked the question because I think that the framing of the question, what lies behind the question is misdirected. That obviously the focus for me was the economic and social harm caused by the pandemic and we undertook initiatives to ameliorate the impact of our responses. But the beginning of our consideration was, I need to say it again, but the social harm of deaths and hospitalisation-
NL	That's right.
GR	…and the economy and so on. So that was kind of where we were at. We then were dealing with Delta, which was a particularly deadly variant and that was a shift in a sense for us. And so with a large part of the population not actually being vaccinated, those questions about the health and economic and social harms of the virus spreading continued to outweigh the cohesion effects of some of what we did. But again, we tweaked it. That's how you ended up with three stages in level three is because we were trying to find ways of maintaining the social licence that we had had earlier on. And so yeah, because we had that judgement that vaccination was our way out of the restrictions, we pushed hard to get people vaccinated, which ultimately some people didn't like, and I accept that and that is their reality. However, we were trying to look at this from the bigger picture of 'how do we get ourselves out the end of this Delta outbreak not having undone the gains that we've made earlier on?' So yeah, one of my other favourite phrases that you'll find throughout my press releases, which I also believe very strongly, is that 'there are no costless decisions in the pandemic.' And so the cost that we bore in money and in some people's feeling about social cohesion was a cost outweighed for me and the cost of lives lost, jobs lost, etcetera. And so that concept of

	where you sit on what the cost of something is, I felt confident that we had the balance of that right.
JK	That's a very important statement.
CF	But have we, just to be clear where I think we've had a good go at economic harms, we talked about social harm generically. Your question really talked about specific social harms and you mentioned lessening of trust. Were there others that you wanted Mr. Robertson to comment on?
NL	I think division within families and working relationships and that sort of thing caused by the vaccine and the vaccine mandates. Were they, and just to put that in, just to give that another layer of context. When the vaccines first came out, and I'm paraphrasing from clips of the prime minister's standups, the 1pms, originally the message was, 'we urge you all to get vaccinated, there'll be people for whom it's not the right thing to do and be kind to those people.' And then it's only really months later when 'we are a two-tier society and if you're vaccinated, you can do stuff and if you're not, you can't' and there are ongoing consequences of that.
GR	Again, I think these are questions perhaps better directed elsewhere. Several thoughts come to mind. The first is the idea that you get 90 percent of New Zealanders to do anything at all is remarkable. And so the fact that we were able to get to about 90-odd percent and over in some communities, to me indicates that while yes, there was anger, concern, upset and all variants of that, I don't use the word 'division' to describe that, because to me 'division' is when a population is genuinely divided. I grew up in a household where my father went to see the Springboks play the All Blacks and my mother went to the protest, that's division and so on. I'm not understating the fact that there were families where people had different views. There were workplaces where people had different views, but I don't characterise that as 'division'. I characterise that as some people feeling very strong and that social cohesion for them. So that would be my first response to your comment. The second would be, and this is something that you should take up with the former Prime Minister, knowing what percentage of the population being vaccinated would allow us to ease restrictions, was something we wanted to know all the way through. And I think for many of us, knowing that earlier would've reflected some shifts, people, and so that would be my second comment. And our lesson learned is if you could, and the health officials will tell you it was very hard to know and there's no such thing as herd immunity. And then I'm getting way outside of my area of knowledge there. Yeah and then finally, getting ourselves to a position where we wanted people to be vaccinated in order to reach this point, never stopped the fact that people could get

	exemptions. And I know that you will have heard evidence from people who said that it was very hard or that they couldn't, but they could. And that never changed. And while, and I can't speak for every individual statement made at a press conference, we were certainly urging people to get vaccinated because we were close to the finish line and we could get over the finish line and then we could all remove these restrictions that were around us. So I accept that the people bridled against those, but there was still the ability to not be vaccinated if it was causing you adverse effects if you didn't want to, in square brackets 'mandates' made that challenging in some occupations. But I think overall that question is probably better targeted at ministers who were, I mean I was a collective responsibility, but so I think you'll answer it.
NL	Well, I think it's something that anybody that was a party to the discussions about that issue will be able to reflect on, especially with the benefit of a couple of years and [inaudible 27.03]. Thank you.
	[redacted]
GR	To summarise, working backwards in a way, there was a lot of focus between August and December 2021 on low income areas. And this was where we really got into questions around food security and we were providing funding in that same October package I talked about, that gave money to the Iwi and other providers for vaccination related, also was heavily invested in the question of impact and lower socioeconomic areas there. We had strong representation of, certainly it was by that stage, a single party government. We were part of those Auckland, South Auckland communities where we were particularly concerned about that. We had, under the [inaudible 28.47] sector, we had had from day one a focus on that. So the very first package is going right back to the New Zealand First-Green-Labour Government included benefit increases outside of normal changes included significant lifts for social service agencies across a variety of areas. So we were very clear that any crisis, economic or health will disproportionately affect those on the lowest incomes. We knew that from the very beginning and it characterised our response especially that.
JK	Well that was the question I was going to ask you is that when I reflect back, I think that that was the most shocking thing for me is to think I live in a bubble sometimes in thinking about the state that some people live in, and then the notion that there just isn't food on the table on a regular basis I think was a thing that COVID really exposed. I think the other thing that came through so much, we had a wonderful engagement meeting with Alexandra Kingi who is the Deputy Principal of Kaitaia High School and the stories that she told us about these kids in the Far North and the lack of access to the sort of basic

	things and actually going to school is the very best thing that can ever happen to them given where they're living.
GR	It's the general rule.
JK	And that is, of course COVID didn't create that, nor the response created, it's there. And I just wonder just how much ordinary New Zealanders really understand.
GR	The precariousness of the lives of many New Zealanders is, first confronting for people, and as you say, it's not caused by COVID nor caused by the response to COVID. But clearly in the circumstances where people's lives were turned upside down for a variety of reasons. New Zealand, many, many New Zealanders live one bill away from financial trouble and that was what you saw drawn out in COVID. And also we were more in contact with families than we would normally be, and that meant more things got identified – overcrowding. Like that was a very obvious example because given the whole thing with COVID was try to be able to keep yourself as separate as possible. If you lived in a house with 12 people and three bedrooms, one of them got COVID, everyone was going to get COVID. So we began to see things which I think were inherent in the community already, and they were drawn into very, very stark relief. Again, we tried to meet that by increasing the support that we gave, particularly in that area, that very basic area of food security, which I think has become an ongoing thing for governments to actually say, can we do more than just what the benefit system does? Can we help provide other areas? I'll take your point, and this is off topic, but perhaps useful for your lessons learned, in Wellington, in the first level four lockdown in 2020, we managed to eradicate street homelessness and we did that by a combination of work by the government, by our agencies, by the NGOs, particularly the downtown community ministry and the City Mission who do a great job. And interestingly, the thing that's always stuck with me, and it was probably one case but it's always stuck with me, was that we were putting people into emergency housing in order to do this. And there was a rule that you couldn't have an emergency housing place down a shared driveway. And it'll be because somewhere sometime there was an incident, but we just said, 'yet that rule, just put the person in the house.' Now of course we have street homelessness in Wellington again now. And so for me, some of the enabling things that were done, giving government officials the ability to say, you know what that rule is based on this example, this is a different example, embedding staff from MSD inside those agencies, those things work. And so all these issues that are there, there are opportunities or lessons to take from this about how we enable some of our public servants and other NGOs to respond. So I think, I hope those lessons can continue

	to be drawn out, but the precariousness of people's lives as a big chain, COVID certainly drew that out.
JK	Yeah, it's something that is a great regret to me in a sense that sometimes those lessons don't get learned. We talked to the combined the City Mission and we had them all online, but it was the Christchurch City Mission that said, 'well, during the earthquakes there were none of these barriers. We could talk to government, we could get the support. But then suddenly after a while, all the rules started kind of reaccumulating again.' And then when I asked them about, 'well how did you get on with the COVID response?' They said, 'oh, that was perfect because we knew exactly what to do. We already had the relationships. We just went back into that much more what I would call a high trust mode.'
GR	Without relitigating the first part of the answers, this is where there's a challenge for anything around the accountabilities and the Auditor-General's view of these things. That was (c). On (b) in terms of 'Did I feel well-informed about long-term effects of the New Zealand economy?' Yes I did. It was becoming clear that different parts of New Zealand were experiencing things differently and the overall impact on the economy was shifting. And as I've noted in earlier answers, the Reserve Bank began its tightening cycle in October 2021. Similarly, we were getting advice from officials not to extend our supports beyond where we were – we didn't. We tweaked those and in fact made the criteria tighter for them. So we were aware of that. In Auckland, I would say yes, to answer the Question 15, I was aware that was mainly through the contact we had with businesses on the ground and officials on the ground. But as previously discussed, some national data starts to become less accurate as you go on. And so I would say that my level of information about the long-term effects was probably not as comprehensive as it was for New Zealand because the data Treasury were able to generate probably perhaps wasn't as detailed.
NL	So was Treasury the only source of information about that?
GR	No, absolutely not.
NL	Everybody else was helpful?
GR	So the banks were incredibly helpful and I think I noted when you wrote my long list of people I met with, that I was regularly meeting the banks because part of the reason for that was they were having instant communications with their customers. And so they were able to tell us a lot about, not obviously individual person and about the detail of that similarly, Chambers of Commerce, the various business industry organisations, they were giving us a lot of advice. I was getting a weekly thing out of the Restaurant

	Association around how many businesses closed and so forth and so on. So there was a lot of information coming through.
	[redacted]
NL	… So did we get to the last big question? What next? What not to do next time?
CF	I just want to make sure that, your Question 16 seems to be very similar to Question 14, so I understand why you'd skip over it. 17, have we looked at 18, looked at demand surges.
NL	No, we didn't, we didn't look at 18. I'm conscious that we, well we can go into the detail of that actually. Perhaps that the Question 17 most concerned about.
GR	Yeah and again, I'll just repeat my view that the framing of that question is pejorative. My concern remained about the economic impacts of COVID and the lockdown economic impacts we attempted to ameliorate through initiatives that we undertook. So I do just want to state that at the outset. When I think about overall, the economic impact that I was most concerned about was high unemployment. I grew up in New Zealand in the 1980s and 1990s, and the long-term scarring effect of unemployment on families is still being felt today. And I think I said this in one of the 1pm press conferences that the day that I got the Treasury report telling me that 13 percent unemployment was possible, I can remember saying to myself, 'I will not let that happen,' and I am intensely proud of the fact that it never went over 5 percent. And I believe that that is one of the chief impacts that concerned me and the work we did to make sure that we both get people in work and then dealt with the concerns that they had was important. I was, and I'm moving through both things that are a result of COVID and it was on the lockdown, the potential closure of businesses and the impact on small businesses in particular, small businesses as you well know are 75 percent of New Zealand's businesses. Their loss of working capital was something that I was really concerned about because as many of you will know, many of our small businesses are really just extensions of people's mortgages. And so I was particularly concerned about what that would mean for them. That's why we created the Small Business Cash Flow funds scheme and various other supports including work through the tax system to support people. So I was concerned about that, but I felt that we mitigated that. Moving more towards the alert levels, specific industries. So I mentioned before hospitality, retail, the ones that we knew were person to person industries, hence again the Resurgence Support Payment, Transition Payment, those things that were very much designed around those businesses to make sure that they were able to deal with that. And this brings us to Question 18, so I won't talk about it now, but obviously the macro-economic effects around things such as inflation became bigger issues as we moved

	through the period of the pandemic and also became reasons why we tweaked schemes, stopped schemes and rejected ideas for further spending that were often coming from our political opponents as well as from others. And so we did over time bring it down and obviously we eventually brought the COVID Fund to an end as well. But that's probably a list of both the things that impacts on my mind but also how we dealt with them.
NL	And so the final big question, lessons learned. What lessons-
GR	I am going to do this just because I want to, Question 18 around the demand surge.
NL	Oh sorry, I'm not seeing that question.
GR	It's alright. I don't want to make a big deal of this. But just to note that we were obviously receiving advice from both the Treasury and advice in inverted commas from the Reserve Bank, i.e., they don't advise us, but they make comments and statements and so on around what was happening with inflation, and then obviously the Reserve Bank began its tightening cycle. I do think it's important to note that all countries around the world were experiencing increases in inflation. And this was not just due to demand surging. And in fact that was probably the most significant shift in that, that this was in fact a supply-based issue, not a demand-based issue. Now at the beginning of the pandemic, there was concern that it would be a demand surge, but in actual fact supply issues, supply constraints like labour supply, building supplies, energy prices, weather-related events, actually ended up being a big and significant driver of inflation. So I just thought it was important because the framing of the question was around demand surge, actually it was supply, and Treasury's updates reported to me because you've asked in 18 (a), (b) and (c) who did it come from and when. You'll see this littered through the Treasury weekly economic updates. And then I admit that I went back and looked for these because I remembered them, but couldn't quite place them. Treasury did a couple of publications around, they have subsequently done a couple of publications, one of which is what they call these 'special topics' and it's called Decomposing Inflation Supply and Demand Drivers. And I'll just quote from that really briefly because it's helpful to the overall question – "The surge in inflation from 2021 was an initially demand driven based on monetary and fiscal policy and rapidly increasing house prices. However, from the second half of 2021, supply side factors drove the continued acceleration of inflation." And then it says the contribution has been relatively stable since 2022. And then they had another 'special topic' on inflation and fiscal policy, which again describes the reasons for inflation going up in 2021, to which they said, "broadly this is the result of oil prices increasing sharply, global supply chains unable to keep pace with the strong

	rebound and global demand, strengthening domestic demand has achieved earlier, COVID-19 hampering the supply response and the exchange rate remaining subdued." And then of course Russia invaded Ukraine just added to. So I thought it would be useful for you, I don't want to make a big deal of it, but demand was a factor at the beginning, but by the time of this, it's supply. And the biggest issue I was getting from businesses was actually immigration-related, how do we get more people. Now we can go to the future.
NL	Thank you.
GR	Yeah, 'Looking back over the period, what went right from my perspective and what could we have done better?' What went right was that we had far lower death rates than most other countries, we kept the economy moving well, we had below average rates of company liquidations as I mentioned before. What could we have done better? We need better systems for want of a generic phrase. So we need the ability to capture data better. We need the ability for that data be then translatable into action. It's really around the nimbleness overall of government, which is a challenge at any time. But I do think if you think about what you can prepare for, it's about understanding that and those drivers of resilience. As I think, I've already articulated all of these already, but that point about towards the end of the vaccination process, greater use of NGOs and iwi and so on, certainly highlighted that perhaps in the future if you were ever needing to do a big vaccination process, you'd perhaps engage that earlier. There's some very specific things. I suspect we probably could have opened schools earlier in late 2021. We did do that eventually of course as part of one of the versions of Alert Level 3. But I think somebody said before, can you go down to school, Judy, but again, we would've faced significant pushback on that from parents. So there's no decision that you want. But I think objectively looking back, we probably could have done that, but that's just an opinion. What should we do differently? Do you want me to keep going?
NL	Yeah.
GR	I think one of the things we did, we began this work, it's just understanding New Zealand's resilience economically. So I mentioned toilet paper earlier. There are certain things that we do manufacture in New Zealand, certain things that we don't. One of the things that emerged that we don't manufacture in New Zealand is paracetamol. So we were having to import paracetamol. That's a very micro example of a much bigger piece of work. So we started doing this work when I was in government, I'm not sure what's happened to it since. But that concept of what I would describe as resilience mapping,

	so actually understanding which industries can survive if we can't get to the outside world that well.
DK	So sorry, you're talking particularly resilience from being cut off.
GR	That's right. Or where, aware our ability and if you get oil products from one country, you're in trouble. That applies to my new role, students. You want to make sure you're not reliant on students coming from one country. So that concept of resilience and then related to that as a concept around industry specific planning. So I've noted in Phase One the comment about how well MPI did in establishing a very clear industry response plan to a time when movements are restricted. One of the reasons in square brackets I believe that they're good at that is things like foot-and-mouth mean that they need to be thinking about that more often than say the manufacturing sector does. And so those kinds of industry specific plans that could be put back on the table. And similarly with hospitality and retail, if there are things that will fail, let's have a series of industries specific plans. They have to be relatively generic because we don't know exactly what each one's going to look like, but we think that's important. I mentioned already mechanisms for delivering assistance and making sure that they're flexible. Probably, I mean I mentioned performance reporting. That's a very niche issue, but I would just say, that is not about COVID or about a specific disruption like a pandemic. What it is a highlighting of is that the systems we have in place don't necessarily generate very, very regular assessments of whether a particular public service run programme is working or not. You get that through the parliamentary process. So through the estimates and the financial review process. While I was on the Parliamentary Standing Orders Committee, fine committee, that we looked at the change to what's now called scrutiny week. Which means that you now have a much more detailed, and if that worked really well, it would in an example like this say right, we're going to do scrutiny on the COVID response and recovery, you can actually pull it apart. Otherwise, it's sort of at the whim of the individual parliamentarians. And I know this is where John Ryan and I both clashed and also agreed, which is that I do think that's something we should look at. However, it is not how the system is currently organised. It's annual, bi-annual if you're lucky, reviews. So it's a niche and very technocratic point. And my very last one is I think we could have benefited from a group that was solely focused on the other end of the pandemic, from an economic perspective. And we did discuss it. The issue we had was that the same people we would've wanted in that group were also running the response. But this is about, if you are, this is I think the crux of much of what you've asked me to talk about, is the balance between the short and the medium and the long term. And having a group of officials who were solely focused on

	the longer term would've helped, wouldn't have solved every issue, but it would've helped. And we did talk about it and there was sort of a quasi-version of it within Treasury and that Caralee may have told you about this, but there were very specific COVID teams and then there were all the other teams because I was producing Budgets all the way through this, which had every other thing that the government does in it. So there was sort of by proxy it was occurring. But I think a deliberate decision in a crisis situation to say we have a response group and we have a long-term recovery group would be a sensible thing.
NL	Do you think we've got enough people for that?
GR	No. So no, we don't. And that is, it's a capacity issue, but it is an organisational thing. It wouldn't be perfect, but you would find a way,
NL	Could we join up with some other, could we do that with Australia?
GR	We could share the information and certainly we were doing that in some areas. So that could help. But I wouldn't, you'd still have your own jurisdictions, people. I think we, reiterating a point I've already made, I think we actually did well with our outreach businesses. I get that many of them, a lot of them, feel that that wasn't sufficient, but that was, we sort of had those mechanisms and I look at that and say, yeah, that was very much about the here and now, less about the longer term. And so you would replicate in a longer-term group that conduits with businesses such as what Rob Fyfe played for us, and he was in the DPMC group.
DK	I just, while you're on the things to do better, but when you were saying what could have been done better, you said better systems, capturing data better and translating it into action better. I just wondered if you had any sort of tangible thoughts, if you can put that into-
GR	I do think it's around knowing when to tweak a response.
JK	And it goes to the normalness that you talked about.
GR	Yeah, so knowing when's the moment to move. When has this thing outlived its utility. I mean I feel like we haven't talked about it today because it didn't come up in the questions, but supply chain work we did, I think was highly instrumental. This is where we paid the airlines to keep flying because they didn't want to fly here because they couldn't put any passengers in their planes, but we effectively paid for what the passengers would've been so that the freight capacity existed. Being able to sort of do an intervention like that was powerful and made a big difference economically. I can't think now what the examples would be, but just having information, having that ability

	to be able to shift would be great. And our data in our systems in New Zealand are not as good as they should be.
	[redacted]
NL	… Do you remember anything significant that you told Phase One that we haven't asked you about?
GR	Just a moment. Oh yes, the indemnities on vaccines. So that's not a question you've asked me about. So I mean it's a reasonably simple answer. In order to get the vaccines, we had to offer indemnity. We do that as a matter of course, but obviously it was very important to sign those off. When I did those indemnities, they went through Parliament because they were required to under the Public Finance Act. And so they were very thorough documents, I mean to many, many pages with advice provided by a range of people including Medsafe, but obviously including the Treasury as well. So yeah, that's a good point, Chris, that I know there has been some concerns expressed in the past about those, they were very assessed documents, they were also required documents in order to access the vaccine.
NL	And as would have been required by all the suppliers I would imagine.
GR	Very much. There's no way anyone would, sorry, just let me have a look. I'll just look very quickly at, I know there was a bit I didn't like, but that's not the same thing as the question you were asking.
NL	No, but it might be worth exploring.
JK	My understanding was that the indemnity was very important, because we were giving on our end, vaccines to Tonga [inaudible - overlapping speech].
GR	That was also true. We also were covering the Pacific [inaudible 58.35]. I recall a lot of the conversation was around the wage subsidy, the high trust model. That is something you haven't asked me about. So we've obviously seen, it'll be close to a billion dollars now paid back, court cases are ongoing and for me that is the right way. We could have put far more restrictions on at the front end. But as I said, very early on in this exchange this evening, I worried that the more restrictions that are on at the front end, the fewer businesses who would take up. And so the balance for me was you did have to sign a declaration saying, 'who your business was, who this was for, how many employees,' et cetera, et cetera. And it is a good thing that the Ministry of Social Development has continued with prosecutions to do that. The big one I used to get was payback as soon as you get the profit. And for me,

	the bigger businesses did, I recall The Warehouse and others did do that. Small and medium sized businesses, that's a rough, rough thing to ask in a challenging environment. So yeah, we did spend quite a bit of time on that, and we did spend quite a bit of time on the different phases of recovery and response and how we came to decisions about what support was provided at particular times. I was also of the view that, I do recall this came up, that you couldn't give money then take it away. So if we promised a scheme, we had to follow through on the scheme. And I know that as we got more information, some might've argued that we would take that back, but we weren't going to do that. That is a very technical point. The Phase One dwelled a bit on the lack of coordination between fiscal policy and monetary policy. I get the point that there's not a formal arrangement there. I spoke very regularly to the Reserve Bank Governor. I got advice from Treasury about their discussions with the Reserve Bank and then we met with the Reserve Bank and the Reserve Bank Governor on a regular basis as well. So I guess my point would be the informal coordination I think was there. In a funny way, what people are perhaps driving at there, was the example I gave earlier where the Minister of Finance is the person who allows the Reserve Bank to utilise a tool, but I'm prevented by law from telling them how to operationalise that. So when quantitative easing became their modus operandi, I could, and I did, as I said, make comment about what I thought, but I couldn't change it. And I think when I read the report, I thought it was, I hadn't said that John Whitehead would've definitely known those things. So I won't truck in much further than that. Inflation we've talked about. Debt, we've discussed. I think common multiple references to lack of eBooks. I made similar comments to them around flexibility. So we've talked about and around the performance, public sector performance. So I made similar comments to them. We've talked about the tax system. This is something I did talk about which relates to a point Judy raised. If you think about what we were doing, we were trying to hold things as they were. There are inequities in our society. We all invest too much money in housing. And so we weren't resolving those issues. And some of the criticisms, this was covered here that we got, was that we made it harder for people to buy homes or whatever it was. Those are all existing issues. And if what you're trying to do is hold on to what we were trying to do, you don't end up solving the inequalities. I think that's, we tried because we knew the people on lowest incomes were going to be most affected, which is why we lifted benefits outside of the cycle twice during the period. It's why we had an extended winter energy payment. But

	you're not going to resolve underlying inequalities in your society if your plan is just to hold on and get everyone through. But I certainly made that point to them. [inaudible 1:03:44] for butchers, we've talked about that already. Yes. This was a common issue and that was around access to testing, access to RATs, and so on, for businesses in particular. There was some concerns from health officials about efficacy of some of the testing at the beginning. Eventually of course they became our lives in the main, for some people they still are, but there were some issues from business raised about that. I recall throughout the pandemic getting people say to me, we can get you RAT tests or we can get you PPE. And I vividly recall, not in the scope time of this Inquiry, but early on where a very generous person was able to provide us with a large amount of gloves and masks and so on. And when we got them, they just disintegrated in our hands. And this was a person who thought they were doing the right thing, but actually wasn't. And so while there was criticism that perhaps we weren't listening in business community, we can do this, this a particular way. Sometimes it ended up being counterproductive and we had a million dollars' worth of gloves and masks that we couldn't use. So yeah, that happened from time to time. A long time, normally. We had, I remember having a discussion about the fact that relatively speaking, New Zealand [inaudible 1:05:08] many other countries. Yeah, the building products issue [inaudible 1:05:18]. [redacted]
NL	Look, thank you very much. You know where we are if you, [inaudible 1:05:49] due on the plane back.
CF	If you've got supplementary questions you can-
NL	Of course, of course, but it might be that things occurs to you, which you've added to your answers today. But thank you very much. You have answered everything we've asked and more, so we are very thankful for your time and for you coming up to talk to us.
	[redacted]
End of interview	