

# Coronavirus: Hardest-hit businesses fear a return to higher alert levels due to Government border bungle

Katie Kenny 13:12, Jun 21 2020

*MINISTRY OF HEALTH/YouTube*

A couple in their 20s who returned to New Zealand from India have tested positive for Covid-19, the Ministry of Health confirmed on Saturday.

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As Covid-19 case numbers rise and the Government works to rebuild public trust after its [border bungle](#), some of the country's hardest-hit businesses fear a return to higher alert levels.

The Ministry of Health on Saturday confirmed the country has two new cases and five in total, all international imports. News on June 16 that [two women released early from quarantine](#) had tested positive for the coronavirus put an end to a run of more than three weeks with no new cases in New Zealand.

Director-General of Health Ashley Bloomfield [apologised for the border blunder](#), which saw the sisters travel from Auckland to Wellington to visit a dying parent. The women hadn't been tested for Covid-19 before being allowed to leave, despite one of them showing symptoms.

Prime Minister Jacinda Ardern described the situation as an unacceptable failure of the system and suspended all compassionate leave exemptions.

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But there are fears the slip up has irreparably shaken confidence in the country's Covid-19-free status and its leadership.

“Can I swear?” asks Waiheke Island Tourism Forum chairwoman Christina Hyde, when asked what she makes of the situation.

“It's heartbreaking. We've worked so hard and sacrificed so much only for government systems and processes to let us down,” says Hyde, who owns the Waiheke Island Motel and Onetangi Beach Apartments.

“New Zealand had a great chance to position itself in the world as Covid-free and the usefulness of that, in terms of international marketing, can be completely wiped out if we're going backwards and letting people who may have the virus enter our markets uncontrolled.”

[More from  
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Testing on day three and day 12 of managed isolation has now been rolled out for all arrivals, not just those presenting symptoms, Bloomfield told reporters. However, according to the rules at the time, the sisters should have been tested before hitting the open road, which didn't happen.

However, a move to Covid-19 alert level 2, which would see further restrictions placed on the domestic economy, wasn't needed, he has since said, as there was still [no evidence of community transmission](#).

Waiheke “suffered terribly” during lockdown, Hyde says. “We have 20 per cent of our population directly employed by tourism on the island. Every business is either directly or indirectly impacted by tourism.”

Along with others she was working hard to boost domestic tourism.

This weekend's “[On the House](#)” promotion, where more than 80 property owners turn their rental income from the weekend into “Waiheke dollars” for visitors to spend at local, participating businesses was expected to inject \$150,000 to \$200,000 into the local economy.

More than 340 people were staying on the island owing to the promotion, she says.



*Stuff-co-nz*

Christina Hyde's Onetangi Beach Apartments have donated rooms for this weekend's [On The House](#) promotion on Waiheke Island.

Veronika Vermeulen, owner of Aroha New Zealand Tours, a luxury travel agency, says growing interest has dipped again, after the gaps in border control were exposed.

“Everyone has been affected by the pandemic. But I come from a group of companies that's probably been the most affected. We rely on foreigners, because Kiwis are unlikely to book domestic travel through an agent.

“We're talking hundreds of people who haven't got one cent of income [in recent months].”

Her business, along with others, was attempting to adapt. “We're not just sitting here waiting for handouts. But we want a fighting chance.”

Unsafe borders compromised that, she says.

“I know some companies who've lost investors because of it, because investors have lost confidence in the Government.”

The Government has, until now, done a good job of controlling the virus, she says. “We didn't expect the Government to be perfect, but this failure is huge.

“It's not just one mistake, letting two people go. It was the whole system that was wrong.”



*Luke Kirkeby/Stuff*

Veronika Vermeulen, of Aroha Tours, says the border bungle has hurt international interest in New Zealand as a Covid-free destination.

Six weeks before New Zealand closed its borders to non-residents on March 19, hotels were creating safety plans.

Chamanthie Sinhalage-Fonseka, director of corporate affairs at Wellington Urban Consulting, was working with clients, getting them ready for the kind of Covid-19 impact they were already observing overseas.

Now, in light of the imported cases, she's helping clients prepare for a “second wave”, she says.

“There is quite a bit of anger and frustration in discovering that the processes businesses thought existed in order to keep the country safe, and therefore to make domestic tourism viable, were taken so lightly in the face of the casualties to the sector.”

While regional tourism organisations were pushing “happy, local messaging”, no amount of marketing would boost the domestic travel and hotel sector if people felt they couldn't trust the Government.

“The link between business confidence and trust in state cannot be overstated enough.”

To go from level 1 back to levels 2, 3 or 4 – lockdown – would be “devastatingly costly”, to both resources and cash flow, she says.

Housing Minister Megan Woods is now handling housing and isolation procedures at the border alongside Air Commodore Darryn 'Digby' Webb, in an attempt to rectify and renew faith in the system.

More than 21,000 people have come through the border since quarantine and isolation measures were introduced. A review of the facilities was underway, Woods said on Friday.

Infometrics senior economist Brad Olsen said things had been looking up since the country's move to alert level 1, which is essentially businesses as usual except for the border restrictions.



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Infometrics senior economist Brad Olsen says “inept management” of the country's borders has undone economic progress

“It’s clear that the economic effects of the pandemic will be here for an extended period, but at level 1 New Zealand has moved as much towards normalcy as possible.

“The inept management of New Zealand’s border protections have undone a lot of this confidence and heightened fears that further restrictions may be re-established across New Zealand.”

Most Kiwis expected anyone released from isolation or quarantine would have had a negative Covid-19 test result, he says. "The fact that this wasn't happening, that health officials hadn't spotted this obvious error, and that New Zealand's borders had failed so quickly and easily was a major concern."

New cases caught at the border are unlikely to affect confidence, as long as they are quarantined, he says. In fact, that will likely boost confidence in the system.

"But the fact that the first new cases of Covid-19 from overseas were found not in quarantine but after having travelled down the North Island has heightened concerns that New Zealand might not be able to keep containing the pandemic."

A subsequent move up alert levels would cause "substantial economic pain" and slow down the country's ability to rebound, he says.

It might also prove more difficult than before, he says, with the Government having lost a lot of public goodwill.

As long as confidence in border operations continues to grow, businesses will regain confidence in the economy, he says.

"Yet caution remains across the economy, with businesses still concerned about how long the recovery may be and households concerned about future layoffs.

"But the risk that New Zealand may still be vulnerable to another wave of Covid-19, or a further deterioration in our economic performance, is now clearly in focus."