

Briefing

Concluding New Zealand's purchase agreement with AstraZeneca

Date due to MO: 8 April 2022

Action required by: 15 April 2022

Security level: COMMERCIALLY SENSITIVE **Health Report number:** HR 20220573

To:

- Rt Hon Jacinda Ardern, Prime Minister
- Hon Grant Robertson, Minister of Finance
- Hon Chris Hipkins, Minister for COVID-19 Response
- Hon Andrew Little, Minister of Health
- Hon Nanaia Mahuta, Minister of Foreign Affairs
- Hon Aupito William Sio, Minister for Pacific Peoples
- Hon Peeni Henare, Associate Minister of Health
- Hon Ayesha Verrall, Associate Minister of Health

Contact for telephone discussion

Name	Position	Telephone
Maree Roberts	Deputy Director General, System Strategy and Policy	s 9(2)(b)(ii)
Allison Bennett	Manager, System Enablers, System Strategy and Policy	s 9(2)(b)(ii)

Minister's office to complete:

- Approved
- Decline
- Noted
- Needs change
- Seen
- Overtaken by events
- See Minister's Notes
- Withdrawn

Comment:

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Purpose of report

1. This report seeks your agreement to conclude our Advance Purchase Agreement (APA) with AstraZeneca s 9(2)(b)(ii) not taking receipt of the doses remaining under the agreement.

Recommendations

We recommend you:

- a) **Note** that Vaccine Ministers have previously agreed to donate the remaining AstraZeneca doses (estimated at 991,000) under New Zealand's Advance Purchase Agreement to the COVAX Advance Market Commitment (AMC) for use by developing countries [HR 20220573 refers]
- b) **Note** that the COVAX Facility is having trouble allocating AstraZeneca doses and is unable to accept further donations of vaccines that expire prior to September 2022. This means we can't donate our remaining AstraZeneca doses to the COVAX Facility
- c) **Note** that officials judge that there is no market for these doses as we consider COVAX best placed to match global supply to demand
- d) s 9(2)(b)(ii)

- e) s 9(2)(b)(ii) [redacted]
[redacted]
- f) s 9(2)(b)(ii) [redacted] Yes/No
- g) **Agree** that s 9(2)(b)(ii) [redacted] not to take receipt of the remaining doses under the APA, which means these doses will go to waste Yes/No
- h) **Note** that s 9(2)(b)(ii) [redacted]
[redacted] the Ministry of Health will be required to make a payment to AstraZeneca for approximately s 9(2)(b)(ii) [redacted] thereby concluding the APA with AstraZeneca.

Rt Hon Jacinda Ardern
Prime Minister
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Hon Grant Robertson
Minister of Finance
...../...../.....

Hon Chris Hipkins
Minister for COVID-19 Response
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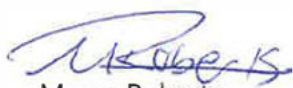
Hon Andrew Little
Minister of Health
...../...../.....

Hon Nanaia Mahuta
Minister of Foreign Affairs
...../...../.....

Hon Aupito William Sio
Minister for Pacific Peoples
...../...../.....

Hon Peeni Henare
Associate Minister of Health
...../...../.....


Hon Ayesha Verrall
Associate Minister of Health
1.7.22


Maree Roberts
Deputy Director-General
7.4.22

Options to conclude New Zealand's purchase agreement with AstraZeneca

Context

2. In March 2022, Vaccine Ministers agreed to donate the remaining doses (estimated at 991,000) of AstraZeneca's COVID-19 vaccines to the COVAX AMC for use in developing countries due to limited demand domestically [HR 20220573 refers].
3. On 24 March 2022, Vaccine Ministers were advised that COVAX were having trouble allocating AstraZeneca doses. As a result of over supply, health system capacity constraints and vaccine hesitancy globally, 90 million AstraZeneca doses donated to COVAX will expire before they can be used, and the doses will be written-off. This includes 3.5 million of the 5.8 million AstraZeneca doses New Zealand donated to COVAX in December 2021 with an expiry date in May 2022.
4. In light of this, COVAX has advised that they are unable to accept further donations that expire prior to September 2022. As our remaining doses are due to expire 31 August 2022, COVAX is unable to accept these doses.
5. There is no identified need for these doses in the Pacific region. Officials consider COVAX has the best view of demand for COVID-19 vaccines in developing countries globally and are of the view that if COVAX is unable to allocate doses, then there is unlikely to be a market for them. Other countries with APAs with AstraZeneca s 6(b)(i) are faced with the same issue.
6. This means that your decision is now required on the management of the remaining AstraZeneca doses in the contract.

Options to manage the remaining doses

7. Officials are negotiating with AstraZeneca s 9(2)(b)(ii)
[Redacted]
[Redacted]
[Redacted]
8. s 9(2)(b)(ii)
[Redacted]
[Redacted]
[Redacted]
9. s 9(2)(b)(ii)
[Redacted] New Zealand would still be liable for the costs of these doses; however, it would reduce the logistical burden of receiving and destroying the doses locally. We recommend this as the alternative approach s 9(2)(b)(ii)
[Redacted]

Equity

10. Discontinuing our purchasing agreement with AstraZeneca will not impact vaccine supply in Q2 2022 for New Zealanders as we received 10,000 AstraZeneca doses in late March 2022 and are expecting a further 10,000 doses in April 2022.
11. Following the expiration of these donated doses on 5 September, access to AstraZeneca's COVID-19 vaccine may become difficult to obtain s 9(2)(b)(ii) [REDACTED] However, New Zealand now has access to Novavax's COVID-19 vaccine for individuals seeking a non-mRNA vaccine [CAB-22-MIN-0046 refers].
12. There is currently a surplus of vaccines globally. Global vaccination rates cannot keep up with the pace of manufacture. Your decision will therefore have no impact on global equitable access to vaccines.

Communications

13. Officials are coordinating with other countries, AstraZeneca, and COVAX on a communications approach to explain the circumstances that led to the unavoidable write-off of doses, and to set more realistic public expectations regarding vaccine utilisation rates given the improved global supply context. Officials have provided a reactive media line to Ministers on wastage of donated doses and will provide further communications advice to explain what New Zealand is doing with its remaining AstraZeneca doses.

Next steps

14. Officials will continue s 9(2)(b)(ii) [REDACTED] and will keep you updated on the conclusion of the APA via the weekly report.
15. s 9(2)(b)(ii) [REDACTED] the Ministry of Health will be required to make a payment to AstraZeneca for approximately s 9(2)(b)(ii) [REDACTED]
[REDACTED]
[REDACTED]

ENDS.