



AIDE MEMOIRE

Use of Aviation Security Service (AvSec) Officers for the Managed Isolation and Quarantine (MIQ) system

Date:	19 November 2020	Priority:	High
Security classification:		Tracking number:	2021-1417

Information for Minister
Hon Chris Hipkins Minister for COVID-19 Response

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Privacy of natural persons	Policy Director, Managed Isolation and Quarantine Unit, MBIE	Privacy of natural persons	✓
Privacy of natural persons	Policy Advisor	Privacy of natural persons	

Minister's office to complete:

Approved

Declined

Noted

Needs change

Seen

Overtaken by Events

See Minister's Notes

Withdrawn

Comments:



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Purpose

To provide you with information about the use of AvSec Officers for the MIQ system, funding, key risks and proposed mitigations.

Privacy of natural persons

Policy Director, Managed Isolation and Quarantine Unit

19 / 11 / 20

AvSec is an integral part of delivering the MIQ model

1. The MIQ operating model relies on AvSec Officers to support the New Zealand Defence Force (NZDF) with security at the facilities. AvSec Officers also assist operations in the airport to secure the transit of arrivals through air bridges. AvSec Officers represent around one-third of security personnel at MIQ facilities. They have authorised limited powers to carry out the functions and powers of an Enforcement Officer in MIQ.
2. Section 80(eb) of the Civil Aviation Act allows AvSec to provide assistance to any government agency when requested to do so by the Minister of Transport, but only if the Minister and AvSec are satisfied that the performance of the functions and duties of AvSec will not be compromised.
3. In June 2020, the Minister of Transport requested AvSec provide assistance to the Government's COVID-19 response. Currently AvSec is providing around 240 FTE to the MIQ operation, however this number will drop to 155 FTE moving forward from January 2020.

There is a key risk that AvSec Officers may be withdrawn to deliver their core roles

4. As domestic and eventually international travel increases with the introduction of Safe Travel Zones, AvSec will need to transition AvSec Officers back to airport duties. Such a transition is difficult to plan for given the uncertainty about when international travel restrictions will be reduced and the demand for air travel increases. However, the Ministry of Transport (MoT) is confident any reduction would be phased to allow alternative personnel to be brought on board.

To mitigate this risk, MBIE is working on a contingency plan to cover AvSec withdrawal

5. As MBIE is responsible for the overall MIQ model, it is responsible for mitigating the risk that current staff could be re-tasked to deliver their core roles and is developing a contingency plan to identify key roles that could be filled by civilians. However, the scale and uncertainty means that MBIE has not accounted for any large scale change in personnel in its current funding model and would likely need to come back to Cabinet to address this.
6. Further information about this contingency plan will be provided in the draft MIQ workforce planning Cabinet paper which we will share with you on Friday 20 November 2020.

AvSec is facing immediate funding challenges

7. With the significant downturn in travel due to COVID-19, in particular international travel, AvSec's revenue has been significantly impacted. Prior to COVID-19, AvSec was approximately 96% funded by passenger security levies paid by airlines on a per-departing passenger basis.
8. Currently AvSec is mostly funded through a Crown liquidity facility administered by MoT. The liquidity facility funds AvSec headcount operating at MIQ, however due to going concern requirements under Section 51 of the Crown Entities Act, on current spending rates AvSec

will face funding challenges from December 2020. Wider AvSec funding issues are being addressed separately through formal processes with MoT and the Treasury.

9. Securing funding for ongoing MIQ support will allow AvSec to provide a more certain commitment to the MIQ operation, albeit some flexibility is still required to ensure that AvSec fulfils its legislative functions and duties at airports.

Officials recommend that AvSec funding for MIQ support is best sought through the MIQ operating model and funding Cabinet paper

10. MoT is seeking an increase in funding to Vote Transport of \$8.150 million for the 2020/21 financial year and \$16.460 million for the 2021/22 financial year to enable AvSec to commit around 155 FTE to support MIQ operations. Funding covers AvSec's full costs associated its operations at MIQ including, salary, ACC, Kiwisaver, uniform replacement and other amounts as specified in the collective employment agreement, ongoing training requirements along with management and support costs.
11. AvSec will continue to seek reimbursement of its marginal costs from MBIE until 31 December 2020, which is factored into MBIE's funding request in the Cabinet paper.¹ Marginal costs arise from things such as overtime, travel and accommodation.
12. Monitoring of this funding will sit with MoT as the monitoring agency.

¹ In addition to the funding being sought through this paper, consideration is also being given to a Letter of Assurance being provided by Ministers that assures the Authority Board of general funding support to assist it to maintain stability as it transitions through a complex period of operational and financial challenge until solutions can be developed in Budget 2021.