



## BRIEFING

### Report back on MIQ FTEs and funding

<b>Date:</b>	11 May 2021	<b>Priority:</b>	Medium
<b>Security classification:</b>		<b>Tracking number:</b>	2021-3585

Action sought		
	Action sought	Deadline
Hon Chris Hipkins <b>Minister for COVID-19 Response</b>	<b>Note</b> the contents of this briefing  <b>Agree</b> not to proactively release this briefing at this time as further advice is to be provided that may be budget sensitive.	21 May 2021
Hon Grant Robertson <b>Minister of Finance</b>		21 May 2021

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Megan Main	DCE Managed Isolation and Quarantine	Privacy of natural persons	
Kara Isaac	Group Manager Policy, Managed Isolation and Quarantine Unit, MBIE		✓
Privacy of natural persons	Principal Advisor, Managed Isolation and Quarantine Unit, MBIE		

The following departments/agencies have been consulted
Treasury

- Minister's office to complete:**
- |                                               |                                              |
|-----------------------------------------------|----------------------------------------------|
| <input type="checkbox"/> Approved             | <input type="checkbox"/> Declined            |
| <input type="checkbox"/> Noted                | <input type="checkbox"/> Needs change        |
| <input type="checkbox"/> Seen                 | <input type="checkbox"/> Overtaken by Events |
| <input type="checkbox"/> See Minister's Notes | <input type="checkbox"/> Withdrawn           |

**Comments**



## BRIEFING

### Review of MIQ Wellington Based FTEs

<b>Date:</b>	11 May 2021	<b>Priority:</b>	Medium
<b>Security classification:</b>		<b>Tracking number:</b>	2021-3585

#### Purpose

To provide you with a further update on how the MIQ funding is being applied and changes to the system that have been absorbed into the allocated funding.

#### Executive summary

This briefing provides an initial report back on information we have to date on full-time equivalents (FTEs) recognising that there are still a number of factors that have not been confirmed.

The changing environment of MIQ creates ambiguities about what is needed and our FTE needs can change on a weekly basis. Overall, MIQ head office FTE needs have not changed. Where we estimate a reduction of FTEs in one business unit it is off-set with an increased FTE need in a different business unit to address shifting priorities.

There has been a significant increase in new and unanticipated work since December 2020, so further reducing our FTE requirements from what Cabinet agreed is not feasible.

There are also increasing costs of running MIQs since Cabinet allocated funding in December, including living wage increases. Unanticipated costs include needing to absorb some of the increasing wear and tear costs for hotels due to 24/7 use, remediation relating to ventilation and other infection, prevention and control (IPC) requirements and unforeseen security costs. Some hotels have absorbed remediation costs, however initial results from ventilation reviews indicate this may not be financially viable for other hotels.

Recruitment has been challenging due to other immediate needs being prioritised. For example, security workforce recruitment is being prioritised over head office recruitment. As a result, there are currently 184 vacancies in head office.

As a result of significant new work and vacancy lag delaying set up and recruitment, MIQ is currently forecast to underspend its allocation. However in order to meet our priorities and recruit to the levels needed, this underspend needs to be carried over. We are anticipating some cost savings with upcoming changes, for example recruiting MBIE-employed security officers and further cost recovery to the Crown through fees changes and increasing debt recovery efforts.

We will provide you with follow-up advice in July. This advice will provide a more fulsome picture of the MIQ costs, once these factors are better understood. These factors include:

- expected underspend to be carried forward;
- confirmed Wellington head office FTE and progress on vacancies;
- the impact of Quarantine Free Travel Zones (QFT);
- the impact of the ventilation review;
- confirmed security costs and FTE; and

- outcomes of hotel negotiations, which are currently underway.

## Recommended action

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The Ministry of Business, Innovation and Employment (MBIE) recommends that you:

- |   |                                                                                                                                                                    |              |
|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| a | <b>Note</b> the significant additional work areas that have put pressure on MIQ                                                                                    | <i>Noted</i> |
| b | <b>Note</b> increasing areas of costs that MIQ faces (namely hotel costs, security costs and transportation).                                                      | <i>Noted</i> |
| c | <b>Note</b> the increased efforts to improve hiring and recruitment.                                                                                               | <i>Noted</i> |
| d | <b>Note</b> that MIQ is still carrying vacancies, but expects these to lessen in the new financial year.                                                           | <i>Noted</i> |
| e | <b>Note</b> the intention to carry-forward the underspent 2020/21 appropriation as provided for in the Cabinet minute [CAB-20-MIN-0511, rec 11].                   | <i>Noted</i> |
| f | <b>Note</b> that we will provide you with follow-up advice in July which will provide the forecast MIQ budget and FTE requirements for the 2021/22 financial year. | <i>Noted</i> |
| g | <b>Agree</b> that this briefing not be proactively released at this time as further advice is to be provided that may be budget sensitive.                         | <i>Noted</i> |

Agree /  Disagree



Megan Main  
DCE, Managed Isolation and Quarantine  
MBIE

11 / 5 / 2021



Hon Chris Hipkins  
Minister for COVID-19 Response

20 / 5 / 2021

Hon Grant Robertson  
Minister of Finance

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## Background

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1. On 7 December 2020, Cabinet considered the funding needs for the MIQ operating model [CAB-20-MIN-0511 refers]. Decisions from Cabinet included:
  - agreeing to fund the MIQ system to June 2022, including \$1,481 million for costs that MBIE is responsible for managing (including contracts with hotel providers), \$191.1 million for the estimated cost of health care services to support MIQ (into the Health appropriation), and \$24.6 million for transport sector costs (into the Transport appropriation);
  - authorising the Prime Minister, the Minister of Finance and the Minister for COVID-19 Response to have Power to Act to take further decisions on adjusting the funding levels for MBIE following further advice on reducing its costs [rec 16]; and
  - directing MBIE to report to the Minister for COVID-19 Response and the Minister of Finance on progress on MIQ cost savings by early 2021 [rec 15].
2. While Cabinet has agreed to fund the functions that MBIE manages within the MIQ system, the actual level of funding is unclear given the authority for joint Ministers to take further decisions on adjusting the funding for MBIE (as per rec 16).
3. On 18 December 2020, we provided a briefing to the Minister for COVID-19 Response and the Minister of Finance on the following functions and services provided from Wellington [briefing 2021-1844]:
  - an outline of the current and planned staff to deliver head office functions, that also maps out the different teams and what functions they perform;
  - options for other reductions (e.g. a 20% reduction across the board, not just the policy reductions already made);
  - other options for how some services could be delivered differently; and
  - option to keep the settings as already agreed by Cabinet.
4. In response to the December 2020 briefing you asked officials to do a more fulsome review of possible further FTE related cost savings, and impacts on outputs and staff wellbeing.
5. This briefing provides an initial report back on information we have to date on FTEs recognising that there are still a number of factors that have not been confirmed. We will provide you with follow-up advice in July which will provide a more fulsome picture of the MIQ costs, once these factors have been confirmed.

## FTE requirements since December

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6. We have re-visited our indicative FTE needs as part of the Budget process. A detailed table of FTE requirements for the draft Budget Financial Year (FY) 2021/22 is attached in **Annex 1**. These numbers are indicative only, and will be confirmed in our report back to you in July.
7. In head office (office support), it appears that MIQ requires an estimated additional 32 FTE for Financial Year 2021/22 according to the current draft budget. All of MIQ head office, excluding Regional Operations Delivery, requires about 13 fewer FTE for FY 2021/22.
8. There were a number of roles funded for FY 2020/21 only that were intended to be short term positions to support the establishment of MIQ. A number of these roles were in IT to support the set-up of systems and processes that would enable the ongoing sustainability of MIQ operations.

9. Due to the pace and volume of new and unexpected priorities in the first quarter of 2021, the establishment of many of these functions was deferred. MIQ still requires these functions in order to address the high priority areas identified by the Rapid Assessment of MIQ,<sup>1</sup> such as setting up IT systems to support delivery. The impact of this is that MIQ continues to rely on the initial manual processes that underpin delivery for longer than anticipated.
10. Consequently we will likely need to roll over these roles into FY 2021/22 as part of our proposed carry forward of underspend, discussed below in paragraph 26.
11. Currently, we expect that the underspend relating to FTE salaries will be approximately \$3.3 million.<sup>2</sup> Our original planning for FTEs did take into account that some roles would take time to recruit for or the business need would occur in the final quarter of FY 2020/21.

## **Our work programme has expanded since December**

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12. Since we last provided you with an update in December 2020 [briefing 2021-1844], MIQ has continued to operate in a high pressure and changing environment. There is a high degree of ambiguity about the impacts of various changes and areas of work on the MIQ system, due to the complexity and fast-paced nature of changes. We need a sufficient amount of flex in MIQ FTE to respond to these. There have been a number of significant and unanticipated changes which have required adjustments to our operating model. These changes have impacted the timing of recruitment processes and have, in some cases, required absorption of additional costs from within our baseline.

### **Significant new areas of unanticipated work not accounted for in December**

13. The significant areas of new and unforeseen work that were not accounted for in December 2020 include:
  - **Changes to testing of border and MIQ workers.** The frequency of testing has increased for some higher-risk border workers (i.e. healthcare workers in MIQ facilities, not all workers) from 14 to every 7 days. Testing has also expanded for some offsite workers who handle affected items removed from a MIQF, for example, laundry and rubbish. Monitoring and reporting systems have expanded to provide greater assurance of compliance.
  - **Vaccination of MIQ workforce.** This has been an urgent priority due to MIQ being a high risk environment and to meet our obligations under the Health and Safety at Work Act 2015 (HSWA). Implementing the requirement for all border and MIQ workers to be have their first vaccination by 1 May and their second vaccination by 5 June has required MIQ to work closely with over 300 employers in MIQ, identify the workforce, track vaccine status and implement reporting and assurance processes.
  - **Time-sensitive/dependent allocation and criteria.** MIQ has received a large amount of ad hoc requests from stakeholders who are seeking MIQ places for workers entering New Zealand, many of whom have secured visa approval as critical workers, but are not eligible for emergency allocation. MIQ has created this new criteria and now assesses and recommends specific applications on a case-by-case basis against criteria, working with a cross-agency group of senior officials.
  - **A detailed ventilation review including on-site inspections across all 32 facilities.** We advised on 23 February 2021 that the originally planned desktop review would need to expand to onsite reviews for all 32 MIQFs [Aide-Memoire 2021-2533]. The ventilation review has required both MIQ and contracted staff to carry out the reviews,

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<sup>1</sup> Murray Jack and Katherine Corich, *Rapid Assessment of MIQ Final Report* (9 April 2021).

<sup>2</sup> Forecast overall personnel underspend is approximately \$27 million, but this is offset by overspend on contractors (\$7.5 million) and contracted security costs (\$16.4 million), so net underspend is \$3.3 million.

and the installation of air filters and HEPA filters. There is likely to be further work required, and the results may impact on the overall size of MIQ.

- **Structural Changes and Regional Operations Delivery.** MIQ streamlined and strengthened the regional operations structure with new leadership and enablement roles to support the regions. MIQ stood up project management and change teams to manage implementation of a large system change and provided assurance on compliance, health and safety, risk, operations and security. This structure and operating model is likely to continue to evolve.
- **Introduction of cohorting in response to an increase in higher risk returnees.** MIQ has begun transitioning to a cohort-based approach to MIQ allocations, which is expected to result in a 10-15% reduction in operational efficiency [briefing 2021-3193]. Additional system assurance has been provided through operational changes, including the consistent application of operational processes relating to: transporting returnees to MIQFs, the restriction of returnee movements to ensure cohorts do not mix, and cohorting for onsite and offsite exercise and smoking.

14. There have also been a range of other additional work areas. These include:

- actions to respond to the identification of new variants of COVID including day 0/1 testing and room restrictions;
- review of allocation systems including emergency allocations and critical workers; and
- changes to how we invoice and collect fees to improve the speed and efficacy of the system.

15. As a result of the growing MIQ work programme, some areas of work continue to be constrained, including areas identified as high priority by the recent Rapid Assessment of MIQ report.<sup>3</sup> This is due to the (slower than desirable) pace of recruitment and the diversion of resources onto higher priority work with limited options to backfill roles. These areas include:

- IT systems and technology to support delivery;
- capturing and analysing data to create evidence bases and improve operational efficiencies; and
- partnering with iwi and community stakeholders.

### **High volumes of work in policy and communications**

16. Communications have been focused on returnees and the MIQ workforce given the additional requirements expected of them as a result of recent changes. Significant effort goes into the delivery of communications and messaging to regional staff to promote standardisation and consistency of practice, as well as implement any policy or legislative changes. However, it is difficult to be as proactive as desired given the high volume of reactive media responses required.

17. Our policy work programme has grown to respond to the increased work areas. MIQ policy also contributes to work led by the Ministry of Health, the Ministry of Transport and the Ministry Foreign Affairs and Trade, including advising on new COVID-19 Public Health

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<sup>3</sup> *Rapid Assessment of MIQ Final Report*

Response Orders (COVID-19 Orders)<sup>4</sup> and notices,<sup>5</sup> changes to existing COVID-19 Orders<sup>6</sup> and the COVID-19 Public Health Response Act. This can be resource intensive, for example, needing to identify and advise on any implications of potential policy decisions for MIQ at short notice.

18. There also continues to be higher than anticipated volumes of Ministerial correspondence, Parliamentary Questions and Official Information Act requests (OIAs).

**MIQ head office work volumes were higher than anticipated, although are now stabilising**

19. To give a sense of the scale and volume of demand on MIQ Head Office between 1 December 2020 and 30 April 2021, MIQ has responded to:

**Table 1: Volume of demand for MIQ head office, 1 December 2020 to 30 April 2021**

Briefing notes prepared for the Minister COVID-19 Response	105
Written Parliamentary Questions (to end March)	272
Ministerial OIAs (to end March)	9
Departmental OIAs (to end March)	81
Waiver applications received (and processed)	2,729 (2,187)
Fees invoices issued	7,237
Exemptions received (and decided)	2,126 (2,250)
Emergency allocation requests received (and processed) (from 4 December)	3,372 <sup>7</sup> (2,395)
Media enquiries received	782
Contact centre calls (MIQ only)	38,639 answered
Total contact centre emails answered (MIQ only)	22,425
Complaints received and resolved	2,612

20. Some of the volumes in Table 1 above have increased from what was budgeted for in December, for example the contact centre call volumes were budgeted for approximately 3,000 per month (Immigration Contact/Service Centre) but volumes are closer to approximately 13,000 per month. These high volumes are starting to taper off, as in April call

<sup>4</sup> COVID-19 Public Health Response (Point-of-care Tests) Order 2021 (commenced 22 April 2021), COVID-19 Public Health Response (Vaccinations) Order 2021 (commenced 30 April 2021), COVID-19 Public Health Response (Alert Level Requirements) Order 2021 (commenced 15 February 2021)

<sup>5</sup> COVID-19 Public Health Response (Exemption for Quarantine-free Travel) Notice (No 2) 2021 (commenced 23 April 2021)

<sup>6</sup> COVID-19 Public Health Response (Required Testing) Amendment Order 2021 (commenced 21 April 2021), COVID-19 Public Health Response (Air Border) Order (No 2) Amendment Order (No 3) 2021 (commenced 28 April 2021)

<sup>7</sup> A number of emergency allocation requests are not processed because they do not meet the criteria or information requirements or are withdrawn.

volumes were approximately 6,700 for the month. However, this has not significantly affected FTE requirements.

21. MIQ continues to be an evolving model where we learn as we go. This has meant that there have been ongoing changes to the model to reflect our improved knowledge of our operating environment. This additional effort creates opportunity costs for MIQ. The effort that goes into these significant new work areas, along with all the other business as usual work, means that we have not been able to recruit and fill vacancies to the levels and at the pace we would have liked. The delay in filling vacancies has resulted in significant pressures on existing staff, particularly in response to changing priorities.
22. Given uncertain future demand for MIQ, future changes to system settings, evolving public health advice, and unanticipated work that may be required to respond to these factors, we consider that current FTE capacity needs to be retained.

## **Costs of running MIQFs have increased since December**

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23. Since we developed the operating model and secured the funding through Cabinet, the cost of delivering services to returnees has increased. Reasons for this include:
  - **Increased cost due to living wage roll out.** The living wage roll out will be the biggest increase in cost. To date, 19 of the 32 facilities have introduced the living wage with an estimated increase in cost of \$18 million per annum. We expect that once this has been adopted by all MIQFs the estimated cost will be in the region of \$30 million per annum.
  - **Increasing costs of contracts with hotels.** The 24/7 nature of MIQ has resulted in more wear and tear of hotel rooms than normal, and will need to be accounted for by MIQ. We have also had to review and adapt commercial arrangements to ensure MIQ remains viable for hotels with the introduction of QFT for Australia and restrictions on returnees from high risk countries. While we have to be cognisant of the risk associated with losing more key providers, we are negotiating with those providers to minimise cost increases where possible.
  - **Increasing security costs.** Approximately 147 further security staff may be required in addition to what Cabinet has agreed to, to account to changed IPC requirements around physical distancing, cohorting and an increase in returnees from higher risk countries or with higher needs.
2. We have also had to absorb some costs into our baseline, including:
  - **Providing and paying for an extra hotel for Air New Zealand crew.** MIQ has been paying the costs for Air New Zealand crew to self-isolate when returning from a high-risk route. This was costing around \$535,000 per month that was covered from baseline since January 2021 [briefing 2021-3278]. It is intended that Air New Zealand will cover this cost from 1 July 2021.
  - **Supporting groups in MIQ, including RSE workers.** MIQ needed to absorb around \$350,000 into the Group Allocations team baseline to cover interpreter costs. Work is ongoing to clarify the cost of groups and what industry should cover.

## **Finding further FTE savings from MIQ**

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24. While MIQ is forecast to underspend on its overall appropriation for 20/21 this predominantly relates to:

- activity that has been delayed but is still needed and will come on stream in the coming months, for example completing the roll out of the living wage for MIQ hotel workers;
  - our need to hold some of the appropriation to cover the debt / liability we hold for MIQ returnee invoices as a result of the increase in the critical worker fee level and increase in the number of returnees liable for fees; and
  - our need to have operational capacity that would allow us to respond quickly to emerging issues to changes in policy. The scale and pace of MIQ means that changes need to be made quickly and it would be impractical to seek additional funding for each change.
25. Cabinet agreed in December 2020 that [CAB-20-MIN-0511 refers]:
- any under-expenditure in the Isolation and Quarantine Management multi-category appropriation for MIQ be carried forward to the following financial year for ability to carry forward underspend, to recognise uncertain timing of subsequent expenditure
  - that the final amount to be transferred would be confirmed as part of the baseline update process following the presentation of MBIE's audited financial statements.
26. MIQ is taking this opportunity now to indicate that we likely will need to carry forward the FY 2020/21 under-expenditure, to meet increased costs (such as those outlined above with the hotel costs) into the next financial year. We still intend to keep within the original (multi-year) funding envelope.
27. We will work with the Treasury to confirm the expected value of the carry forward of that appropriation in June and will provide your offices with an update in July. The final figure will be confirmed and transferred as part of the October Baseline Update process.
28. There is other work underway regarding cost recovery measures such as debt recovery, and the review of the fees regime. On 5 May 2021, we provided the Minister for COVID-19 Response with advice on the current fees regime and recommendations that may result in more cost recovery for the Crown [briefing 2021-3261]. We have estimated that our recommended option could result in an increase of approximately \$144 million per annum for the Crown.<sup>8</sup> This will go some way towards recovering more costs of running MIQFs and increase the economic sustainability of the system.

## **Recruitment has been challenging**

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29. Since ongoing funding for MIQ was confirmed in December 2020, we have worked at pace to recruit staff and bring the MIQ workforce up to a sustainable operating level.
30. Unfortunately, we have not been able to recruit to desirable levels due to ongoing pressures and changing priorities. MIQ head office was predominantly staffed through secondments from within MBIE and other agencies for the first six months, and the majority of these have returned to their home agencies at the end of their contract or secondment period. Replacing these staff has taken more time than anticipated.
31. As at 6 May 2021, there are around 184 vacancies in head office. In addition, there are around 233 vacancies across the rest of the MIQ system (outside of head office), the majority of which are security staff vacancies that we are actively recruiting across every region. Since 1 December, we have filled 189 roles, including 32 contractors and external secondees.

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<sup>8</sup> This estimate does not account for people who might then apply for and receive a full or partial waiver, or require a debt-write-off.

32. There are a range of reasons for vacancy lag, including:
- Some roles require skills that are in very short supply across the market in general and in government, such as Data Analysts, Change Managers, Communications Advisors, Ministerial Advisors and Policy Advisors.
  - As such, many roles often require concerted and ongoing effort to recruit – some roles have been advertised multiple times.
  - Shift work is difficult to recruit for, and the added vaccination requirement, while important for health and safety, may deter potential applicants. Shift work includes security as well as call centres, and waivers/emergency allocation teams. Many roles have an 'on call' component in the evenings and weekends.
33. In order to address FTE vacancy lag, we have undertaken the following:
- MIQ having more secure funding has meant we are able to offer 12-18 month secondments or fixed-term roles as opposed to 3-6 months, which provides a more attractive prospect to potential applicants and better allows other agencies to backfill secondees. Shorter secondments also required further work to extend or re-recruit for these roles. Overall, we have seen greater numbers of applications since securing more funding and offering longer terms.
  - We are looking at whether roles could operate from outside of Wellington and be co-located within regional offices, which may present opportunities for accessing less competitive job markets.
  - We are trying new and different ways of recruiting for large cohorts, such as the MBIE security workforce. We are looking to partner with local iwi in order to employ security or other staff. We are also partnering with the Ministry of Social Development Employment Brokering team to get the skills required, get access to their people and recruit at scale to speed up the process. This enables us to consider people with transferable skills and experience as well as direct skills and experience.
34. As part of developing an intentional approach to our MIQ workforce, we will need to carefully review key roles performed by rotating NZDF staff and other agencies as we look to embed and stabilise our head office and regional offices with the right skillsets, and rely less on other agencies that may come under other pressures. Any decision to move to an MBIE-centralised workforce would come with significant costs, and advice on this would be provided separately to Ministers.

## Next steps

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35. We will provide you with a further update on our funding and FTEs in July 2021. Any Cabinet proposals could be taken in July 2021. This update will include:
- expected underspend to be carried forward;
  - confirmed Wellington head office FTE and progress on vacancies;
  - the impact of Quarantine Free Travel Zones (QFT) (post the two-month review) on FTE requirements;
  - the impact of the ventilation review;
  - confirmed security costs and FTE; and
  - outcomes of hotel negotiations which are currently underway.

**Annex 1: Indicative MIQ FTE changes December 2020 to May 2021**

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Team	Team Description	Proposed FTE (per Dec Cab Paper)	Proposed cost (Annualised) per Dec Cab Paper	FY22 FTE (as at May 2021)	FY22 FTE annualised cost	FTE Variance	Cost Variance	Explanation of Changes
<b>Frontline roles</b>								
National Operations - Allocations, Fees, Exemptions	Allocations, fees and exemptions. Case management of applications to exit Managed isolation, including exceptional circumstances eg dying relatives and urgent medical treatment Process emergency allocation applications for urgent travel into NZ Responsible for invoicing MIQ charges Processing of fee waiver applications 7 day function Some based outside of Wellington	101	\$7.4m	74	\$5.8m	-27	-\$1.6m	Reorganisation of teams to reflect operational efficiencies - roles moved to Operational Planning and Prioritisation & Group Arrivals, overall fiscally neutral.
National Operational Planning	Allocation of returnees into managed isolation facilities Management of MIAS voucher system 7 day function Some based outside of Wellington	16	\$1.4m	23	\$2.3m	7	\$0.9m	Reorganisation of teams to reflect operational efficiencies - roles moved to Operational Planning and Prioritisation & Group Arrivals, overall fiscally neutral.
Complaints & Resolutions	Responding to returnee complaints, and identification of actions to address systematic issues	6	\$0.5m	7	\$0.6m	1	\$0.1m	Additional role required for staff complaints (e.g staff discrimination)
Staff testing & vaccinations	Managing the testing and vaccination co-ordination and reporting (cross-Agency and employer) at all MIFs. 7 day function Some based outside of Wellington	42	\$2.6m	17	\$1.2m	-25	-\$1.4m	Fewer on-going roles required as systems implemented and processes refined.
<b>Total Frontline</b>		<b>165</b>	<b>\$11.9m</b>	<b>121</b>	<b>\$9.9m</b>	<b>-44</b>	<b>-\$2.0m</b>	
<b>Frontline support roles</b>								
Wellbeing Health, Safety and Security	Promote engagement to improve wellbeing, health and safety in the workplace to comply with legislative requirements, as lead PCBU in a complex system of workers and returnees. Manage technological and physical security of premises. Monitoring of critical risks and critical safety. Incident investigations and incident reporting Some based outside of Wellington	22	\$1.8m	14	\$1.4m	-8	-\$0.4m	Streamlining of Regional Operations with a reduction in overall roles required.

**Annex 1: Indicative MIQ FTE changes December 2020 to May 2021**

Team	Team Description	Proposed FTE (per Dec Cab Paper)	Proposed cost (Annualised) per Dec Cab Paper	FY22 FTE (as at May 2021)	FY22 FTE annualised cost	FTE Variance	Cost Variance	Explanation of Changes
Facilities & Incident Management	Manage facilities, incidents and reviews such as the ventilation review, incidents at MIQ, reporting on evacuations	2	\$0.2m	7	\$1.0m	5	\$0.8m	New roles required to centrally manage requirements for 32 facilities (e.g ventilation) and ensure robust incident management response such as evacuation of facilities.
Engagement and Communications	Regional communication for MIFs, RIQs and key stakeholders Media engagement, and preparing spokespeople for media interviews Some based outside of Wellington	27	\$2.4m	30	\$3.2m	3	\$0.8m	Digital and web roles to allow for increased MIAS traffic and returnee engagement.
Compliance	Ensuring standard operating procedures are complied with and implementation of risk review assurance findings Some based outside of Wellington	13	\$1.3m	11	\$1.4m	-2	\$0.0m	
Debt Recovery	Follow up of overdue and unpaid fees invoices. Manage, enforce and collect on the MIQ debt position	6	\$0.5m	4	\$0.4m	-2	-\$0.1m	Centralisation into Finance Debt recovery team reducing duplication.
Prioritisation & Group Arrivals	Additional planning and co-ordination of services needed to support large or bespoke groups, including sourcing and commercial arrangements Some based outside of Wellington	15	\$1.3m	22	\$2.0m	7	\$0.7m	Reorganisation of teams to reflect operational efficiencies - roles moved to Operational Planning and Prioritisation & Group Arrivals, overall fiscally neutral.
Community and Iwi Liaison	Regional roles to ensure full consultation and engagement with local communities and Iwi Some based outside of Wellington	8	\$1.1m	8	\$1.4m	0	\$0.3m	
Commercial & Supplier Relationships	Strategic relationship management with commercial partners integral to the MIQ system Some based outside of Wellington	12	\$1.3m	8	\$0.9m	-4	-\$0.4m	Fewer new suppliers and deepening of existing supplier relationships requiring less overall FTE.
<b>Total Frontline Support Roles</b>		<b>105</b>	<b>\$9.9m</b>	<b>104</b>	<b>\$11.8m</b>	<b>-1</b>	<b>\$1.9m</b>	
<b>Office Support Roles</b>								

**Annex 1: Indicative MIQ FTE changes December 2020 to May 2021**

Team	Team Description	Proposed FTE (per Dec Cab Paper)	Proposed cost (Annualised) per Dec Cab Paper	FY22 FTE (as at May 2021)	FY22 FTE annualised cost	FTE Variance	Cost Variance	Explanation of Changes
Process Improvement & Programme Delivery	Designing and delivering process change for MIQ to improve returnee experience, cost saving, etc	24	\$2.6m	55	\$8.6m	31	\$6.0m	Contract resource required due to sustained high levels of change.
Operational Implementation	Designing, developing and implementing operational policies and standard operating procedures for MIQ	10	\$0.9m	11	\$1.2m	1	\$0.3m	
Assurance/Risk	Identification and management of system-wide risks, ensuring compliance with laws and regulations	4	\$0.4m	9	\$1.0m	5	\$0.6m	Additional roles required reflecting the increase in MIQ risk reviews.
Data and Technology	Technology development and integrating core systems for MIQ - MIAS - Staff testing technology - Customer management system - Integration of systems across agencies (MBIE, Customs, MoH, Immigration etc) - Frontline technology Data analysis to enable evidence based decision making, including dashboards for Ministerial reporting and to support policy decisions including for class exemptions for large groups	62	\$6.7m	61	\$8.6m	-1	\$2.0m	Contract resource due to market availability
Finance	Appropriation management, budgeting, forecasting and financial reporting. Scenario modelling for policy changes. Supplier processing and payment	9	\$0.8m	6	\$0.8m	-3	-\$0.1m	Fewer finance support staff required as processes streamlined.
Legal	Provide advice on regulatory and legislative change. Negotiate bespoke commercial arrangements	5	\$0.6m	0	\$0.0m	-5	-\$0.6m	Legal support now provided via MBIE corporate.
People and Culture	Recruitment of our workforce, workforce planning and employment relations Some based outside of Wellington	16	\$1.7m	20	\$2.4m	4	\$0.7m	Development of training courses for whole MIQ network (incl hotel, security, NZDF, Health staff) requiring additional staff
Health Services Directorate	Supporting MIF and DHB interface, and advising on standards, practices and policy implications Some based outside of Wellington	5	\$0.6m	3	\$0.5m	-2	-\$0.1m	Relationship management developed across Health/DHB network so fewer direct roles required.

**Annex 1: Indicative MIQ FTE changes December 2020 to May 2021**

Team	Team Description	Proposed FTE (per Dec Cab Paper)	Proposed cost (Annualised) per Dec Cab Paper	FY22 FTE (as at May 2021)	FY22 FTE annualised cost	FTE Variance	Cost Variance	Explanation of Changes
Ministerial Support, Governance & Business Planning	- Ministerial Services and Private Secretaries - Leadership and Oversight - Leading Governance and Business Planning	24	\$2.5m	26	\$3.1m	3	\$0.6m	High volume of work (see table)
Policy	Policy analysis, development and advice to Ministers	33	\$4.1m	32	\$3.9m	-1	-\$0.1m	Reduction of 1 role
<b>Total Office Support Roles</b>		<b>191</b>	<b>\$20.8m</b>	<b>223</b>	<b>\$30.2m</b>	<b>32</b>	<b>\$9.3m</b>	
<b>Total MIQ head office</b>	All of MIQ head office roles including frontline, frontline support and office support roles. Not all of these are Wellington-based. Excluding Regional Operations Delivery (below)	<b>461</b>	<b>\$42.7m</b>	<b>448</b>	<b>\$51.9m</b>	<b>-13</b>	<b>\$9.2m</b>	
Regional Operations Delivery	Most frontline roles including security workforce and staff in MIQFs, excluding NZDF roles	408	\$25.7m	291	\$17.1m	-117	-\$8.6m	
<b>Total MIQ</b>	Including MIQ head office and Regional Operations Delivery	<b>869</b>	<b>\$68.4m</b>	<b>739</b>	<b>\$69.0m</b>	<b>-130</b>	<b>\$0.6m</b>	