



BRIEFING

Briefing for the Incoming Minister COVID-19 Response: Managed Isolation and Quarantine (MIQ)

Date:	17 June 2022	Priority:	Medium
Security classification:		Tracking number:	2122-4889

Action sought		
	Action sought	Deadline
Hon Dr Ayesha Verrall Minister for COVID-19 Response	Note the attached Briefing for the Incoming Minister for COVID-19 Response.	24 June 2022

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Andrew Milne	Deputy Secretary, Managed Isolation and Quarantine	Privacy of natural persons	✓
Privacy of natural persons	Principal Policy Advisor		

The following departments/agencies have been consulted
N/A

Comments



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Purpose

To provide you with the Briefing for the Incoming Minister for COVID-19 Response.

Recommended action

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

- a **Note** the attached Briefing for the Incoming Minister COVID-19 Response

Noted

Andrew Milne
Deputy Secretary,
MIQ, MBIE

..... / /

Hon Dr Ayesha Verall
Minister for COVID-19 Response

..... / /

Briefing for the Incoming Minister for COVID-19 Response

1. The Briefing for the Incoming Minister for COVID-19 Response is attached at **Annex One**.
2. This briefing provides you with information about Managed Isolation and Quarantine (MIQ), its work programme, new structure, and key events over the next six months.
3. Further detail on the following MIQ workstreams has been provided:
 - a. MIQ workforce change process
 - b. Quarantine and Isolation Readiness Plan
 - c. National Quarantine Capability Programme Business Case
 - d. Future institutional settings
 - e. Fees and debt recovery
 - f. Grounded Kiwis judicial review
 - g. Ombudsman engagement

Next steps

4. Officials are available to meet with you and discuss the Briefing for the Incoming Minister COVID-19 Response if required.

Annexes

Annex One: Briefing for the Incoming Minister for COVID-19 Response

Annex One: Briefing for the Incoming Minister for COVID-19 Response



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HĪKINA WHAKATUTUKI



Briefing for the Incoming Minister for COVID-19 Response: Managed Isolation and Quarantine (MIQ)

June 2022

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1. MIQ overview

Purpose

This briefing provides you with information about Managed Isolation and Quarantine (MIQ), its work programme, new structure, and key events over the next six months.

Background

MIQ was established at pace to protect New Zealand

The operational arrangements for MIQ were stood up urgently as part of the emergency all-of-government response to COVID-19. Initially, a temporary facility was established at Whangaparaoa to support the repatriation of people from Wuhan in February 2020. This experience informed the standing up and building requirements for facilities established later.

By 9 April, 2020, the world had recorded 103,000 COVID-related deaths and 1.57 million cases. That same day, MIQ officially started in New Zealand: 41 days after our first COVID-19 case and 20 days after our borders were closed.

MIQ played a critical role - preventing COVID-19 becoming widespread through communities while giving people a way to return home. More recently, it bought time to vaccinate as many people as possible so New Zealand could confidently face COVID-19.

At its height, MIQ had a workforce of more than 4,000 staff at any one-time and accommodated 12,600 people in 9,000 rooms every 28 days.

MIQ has played a major role in the Government's COVID-19 response

By March 2022, the MIQ workforce had supported almost 230,000 travellers return home. They have also cared for almost 5,000 community cases.

At the end of March an important milestone was reached with the release of the majority of the New Zealand Defence Force (NZDF) security personnel. Their significant duties contributed greatly to the success of MIQ.

More than 6,000 NZDF personnel have been involved at all levels of MIQ's operations, both nationally and regionally. For NZDF, this has been their single largest commitment of personnel to a response in more than 50 years.

MIQ has been responsible for stopping more than 4,600 cases of COVID-19 at the border – where just one case in the community would have compromised our collective efforts to eliminate the virus.

The current state of MIQ

Ministers have agreed to decommission all MIQ facilities by the end of August in response to the changes in border settings and low demand for rooms

Of the original 32 facilities run by MIQ, only 4 currently remain in the network - 3 based in Auckland and 1 in Christchurch. The Commodore Hotel Christchurch will be decommissioned by the end of June.

Planning is underway for the decommissioning of the final three Auckland facilities – Waipuna, JetPark and Holiday Inn. The facilities will close to guests on 27 June and will be decommissioned in July.

With no remaining facilities to maintain and run, MIQ's workforce has changed substantially. From a peak of more than 4,000 workers, the ongoing change processes will reduce the workforce to a small team. By September, MIQ will have transitioned to a small group led by a General Manager and arrangements for where this group will sit within MBIE will be advised in due course.

The role of MIQ now is to complete the decommissioning work and the Programme Business Case (PBC) for a National Quarantine Capability (NQC). It will also develop and maintain the Quarantine and Isolation Readiness Plan and manage ongoing obligations. Funding under MIQ's appropriation ceases at the end of June 2023.

However, the National Quarantine Capability Programme Business Case will explore options to maintain capability beyond that date including where a quarantine and isolation capability should be homed in the public service in the longer term.

How we work with you

MIQ officials look forward to working closely with you. Each week MBIE Chief Executive Carolyn Tremain and MIQ Deputy Secretary Andrew Milne join officials from MoH and DPMC for a COVID-19 Response joint officials meeting with you. Their contact details are provided at the end of this briefing.

Additionally, we contribute key MIQ updates through the COVID-19 Response Weekly Report, which is compiled by DPMC. MIQ also has a Private Secretary within your Office to ensure the smooth and effective flow of information between your Office and MIQ.

Overview of upcoming advice and events

The following tables provide a timeline of events and anticipated due dates for advice that will be provided to you over the next 6 months.

Upcoming meetings:

28 June	Opportunity to meet with the Chief Ombudsman to discuss his ongoing engagement with MIQ.
29 June	Estimates Hearing at the Health Select Committee (you are invited to attend as Minister for COVID-19 Response).
4 to 8 July	Proposed interview with you and responsible Ministers for the Treasury-led Gateway Review on the National Quarantine Capability (NQC) Programme Business Case (PBC).

Upcoming advice/reports (exact dates to be confirmed):

June	MIQ key messages and talking points to support your appearance at the Health Select Committee Estimates Hearing.
July	Ombudsman's Final Report on his Self-Initiated Investigation into MIQ. Briefing - Options to improve MIQ allocations. Briefing – Version 2 of the Quarantine and Isolation Readiness Plan. Briefing – advice on agency transition of quarantine and isolation capability. Briefing on MIQ appropriations and financial transfers.
August	Draft Cabinet paper – National Quarantine Capability (NQC). Briefing – Final Readiness Plan
September	Ministerial consultation on the draft NQC Cabinet paper.
October	Cabinet to consider NQC Cabinet paper.

Further details on MIQ's work programme are provided below.

2. MIQ Workstreams and Next Steps

MIQ workforce change process

On 10 May 2022, a proposal for change was released which focussed on the future requirements for MIQ and staff were encouraged to provide feedback on the proposal. Following a detailed review and consideration of the feedback received, final decisions on the proposal have now been made.

The new operating model for MIQ is a small team led by a General Manager. MIQ will begin to transition to this operating model in July with a view to having the new model in place no later than 1 September 2022. **Annex One** provides an overview of the new MIQ Group Leadership Team.

The focus of the team will be to maintain and improve New Zealand's ability to deploy quarantine and isolation interventions.

Quarantine and Isolation Readiness Plan

A draft Readiness Plan has been developed to be activated in response to a significant health risk requiring a border closure

With the decommissioning of the entire MIQ network underway, Ministers have requested a Readiness Plan, should quarantine and isolation facilities be required again in the short to medium term in the event of a border closure. A first draft of the Readiness Plan was provided to the previous Minister of COVID-19 Response on 30 May.

The Readiness Plan consists of retention contracts with eight hotels to provide up to 1,500 rooms of capacity in Auckland and Christchurch over a three to four-week period. It is anticipated that this would increase to a capacity of up to a maximum of 6,000 rooms over an eight-week period if necessary.

The key components of the Readiness Plan are:

- a. Partnership arrangements with key suppliers (hotels, transport, and security services) and agencies in the form of retention contracts and Memoranda of Understanding that will enable rapid establishment of quarantine and isolation functions.
- b. A step-by-step guide for standing up each site and function across a phased implementation period.
- c. A repository of Standard Operating Procedures and a blueprint of the current MIQ operating model.

d. A directory of key suppliers and a directory of critical personnel that would be called upon to assist.

[Commercial in confidence] Commercial information

The estimated cost of running quarantine and isolation functions at full capacity of up to 6,000 rooms would be approximately \$57 million per month based on the cost of running MIQ.

The costs above do not include the cost of the MBIE contribution or potential costs associated with the Ministry of Health, New Zealand Defence Force, and Aviation Security Services contribution.

Current MIQ funding is only available to the end of the next financial year. Therefore, the contracts will cover the period from 1 July 2022 to 30 June 2023 to enable Cabinet to consider investment options beyond that timeframe.

MBIE is exploring ways to improve room allocation and booking processes in response to matters raised in the judicial review

MBIE is exploring a range of policies, operational and technology solutions to improve the allocations process to help to address the findings from the Grounded Kiwis judicial review, including:

- a. Reassessing the ratio of offline and online allocations
- b. Reviewing offline allocations and considering options for changes to their criteria and for the introduction of a new allocation category for non-urgent cases
- c. Considering options for streamlining the emergency offline allocations process to increase the speed in which applications are assessed and decisions made
- d. Assessing improvements to the MIAS system and/or other possible replacement systems for the online allocations process.

You will receive advice on these matters in July.

Updated versions of the Readiness Plan are being developed and will be provided to you over the next two months

Feedback has been provided by the Office of the former Minister for COVID-19 Response on Version 1 of the Readiness Plan. Work is underway on Version 2 of the plan. This will also include an emergency evacuation response – similar to that deployed for Wuhan in 2020, in addition to the core elements of the plan outlined above. This emergency evacuation

response would not be for returnees to book, instead it would only serve for evacuation purposes.

A briefing containing Version 2 of the Readiness Plan will be provided to you at the end of July. In addition to an emergency evacuation response, it will also include further details on self-isolation, a health and wellbeing workforce framework, and a resource surge framework.

The final version of the Readiness Plan will be completed by 30 August 2022 and will incorporate your feedback on previous versions.

National Quarantine Capability Programme Business Case

A Programme Business Case is being developed to identify the options for delivery of a National Quarantine Capability to support New Zealand's response to future human infectious disease threats.

In September 2021, the previous Minister for COVID-19 Response commissioned a PBC, which focused on establishing a legacy operating model and infrastructure for a national quarantine system.

Following Cabinet decisions in December 2021 (SWC-21-MIN-0214), work was to be progressed in 2022 through two detailed business cases:

1. The first detailed business case (focused on medium-term solutions such as longer term contracting of existing facilities) was progressed in early 2022. However, Cabinet agreed in March 2022 (SWC-22-MIN-0032) that this business case was no longer required given the reduction in the MIQ network, uncertainty in demand for MIQ over the coming months, and in-light of direction from a Treasury-led Gateway Review in February 2022 that found the context had changed significantly since the first PBC. It found that the dynamic nature of the COVID-19 pandemic since December 2021 and the Government's response meant that the approach to scope, problem identification, benefits and governance agreed in December 2021 for the detailed business cases may lead to sub-optimal outcomes and regretful spend. This resulted in a re-consideration of the next steps for the work, and a reset back up to a further PBC (BR 2122-2943 refers).
2. The second detailed business case was to focus on the use of greenfield developments in the long-term and was to be progressed after the scope was confirmed by the previous Minister for COVID-19 Response and the Ministers of Finance and Health.

Following Cabinet's agreement to go back to the PBC stage, in April 2022, the previous Minister for COVID-19 Response and the Ministers of Finance and Health agreed to update the scope of the PBC to include:

1. the development of enduring quarantine and isolation interventions to address the threats posed to New Zealand by human infectious diseases, including self-managed approaches, that will enable containment, to support buying time for other measures and to reduce load on domestic public health responses; and
2. the full range of options, including those requiring capital and operational investment.

Options for a National Quarantine Capability are expected to be considered by Cabinet in October

A briefing outlining the progress to date on the National Quarantine Capacity Programme Business Case was provided to the previous Minister for COVID-19 Response on 10 June and was forwarded to your office and the Ministers of Health and Finance (BR 2122-4413 refers).

It outlined MBIE's engagement with a wide range of stakeholders to understand and develop future NQC requirements, provided a high-level summary of the strategic case, and a short list of options that are being developed for Ministers' consideration to be included in the PBC.

A Treasury-led Gateway Review of the PBC is scheduled for 4 to 8 July 2022 and you and other responsible Ministers will be invited for an interview.

When completed, the PBC will deliver:

- a. the proposed investment objectives and outcomes of a future work programme related to quarantine and isolation;
- b. recommendations for a preferred way forward to develop an investment proposal, which could include the development of further business cases or tranches of work; and
- c. an outline of the time and cost associated with proposed further work.

A draft Cabinet paper with the final PBC will be provided to you for feedback in August 2022, following by ministerial consultation in September 2022, and Cabinet decisions in October 2022.

Future institutional settings

MIQ, with support from its sponsors' group made up of Deputy Chief Executives from DPMC, Health New Zealand and wider MBIE, is currently working with agencies on completing the analysis around the future institutional settings for quarantine and isolation with a view to proposing a permanent home for this function in the public service.

You will receive advice on the proposed institutional arrangements for the quarantine and isolation function by the end of July 2022. This will then be included in the NQC Cabinet paper for Cabinet consideration in October 2022.

Fees and debt recovery

MIQ has made significant progress on addressing invoicing backlogs and recovering outstanding fees

The MIQ fees regime was introduced at pace in August 2020. Due to the speed of introduction, information sharing arrangements and IT and finance systems were not able to be put in place ahead of time. Consequently, the system was initially manual, paper-based and reliant on data coming from various agencies that was not always accurate or complete.

As the MIQ invoicing model evolved, several improvements were implemented and the overall process has become more automated. These improvements have included system validation and cross checking of traveller information between Health, Immigration and MIQ records. In August 2021 we also reduced the time people have to pay their MIQ invoices from 90 to 30 days and introduced an option to pay by credit card.

The more extensive validation process has enabled better results in terms of accuracy of invoices issued and overall collectability of debt. We have made significant progress on addressing the invoicing backlog, and as at 12 June 2022, we are up to invoicing the last large cohorts that went through MIQ in late February/early March 2022 before self-isolation settings substantially reduced MIQ volumes. A total of \$173 million in fees has been collected and a further \$3.9 million worth of invoices have been issued but are not yet due.

A portion of fees are unlikely to be recovered and the debt associated with these fees is being written off

There is currently \$41.3 million outstanding in overdue fees invoices.

We have judged that pursuing a portion of the outstanding debt is unlikely to be cost-effective and should be written-off. In some cases, the cost of attempting to recover the debt could exceed the amount that could be recovered.

On 13 June, the previous Minister for COVID-19 Response agreed to a write-off approach which would see approximately \$11.959 million in MIQ fees debt for 2021/22 written-off.

We will provide you and the Minister of Finance with final technical advice to give effect to the 2021/22 debt write-off before 30 June 2022. This will include an itemised list of debtors and final write-off figures.

Grounded Kiwis judicial review

On 27 April, the High Court published its judicial review of the requirement to have an MIQ voucher to enter New Zealand and the MIQ booking system, brought by Grounded Kiwis.

The claim alleged that the Government acted unlawfully, unreasonably, and in breach of section 18(2) of the New Zealand Bill of Rights Act 1990 in the way that it established and operated the MIQ system – particularly with respect to the current booking system model, and the emergency and group allocation system.

Submissions were filed by both the Crown and the Grounded Kiwis on the scope of the Court's declaration. The Court released its declaration on 15 June.

MBIE legal and Crown Law are assessing the implications of the declaration and considering whether to recommend appealing the decision. Advice will be provided to you once this assessment has been completed.

Legal professional privilege



Ombudsman engagement

The Office of the Ombudsman has undertaken 292 investigations into complaints about MIQ.

Of these complaints, 192 investigations have been closed, with the Chief Ombudsman issuing 82 opinions in MBIE's favour and 8 final opinions against MBIE.


There are currently 101 active investigations being undertaken, of which two are significant. Information about these two investigations is set out below.

Chief Ombudsman's self-initiated investigation into MIQ


In October 2021, the Chief Ombudsman commenced a self-initiated investigation into MIQ, inquiring into four areas which are:

- The allocation system is said to be unlawful.
- The allocation system is said to be unfit for purpose.
- The allocation system is said to be unfair.
- The allocation system is said to be poorly managed.

Confidentiality



Confidentiality



Chief Ombudsman’s OPCAT Inspections of MIQ Facilities

Under the United Nations Optional Protocol to the Convention against Torture and other Cruel, Inhuman or Degrading Treatment or Punishment (OPCAT), the Chief Ombudsman is designated as a National Preventive Mechanism. Under this designation, the Chief Ombudsman considered MIQ facilities as “detention centres” for the purposes of the Crimes of Torture Act and established an inspection programme for MIQ facilities. In 2020/21 he completed 17 inspections and visits of MIQ facilities, and finalised 10 facility reports with 49 combined recommendations to improve the conditions and treatment of people placed in these facilities. In August 2021, the Ombudsman published a Thematic Report on Inspections of Managed Isolation and Quarantine Facilities under the Crimes of Torture Act.



Isolating in the community: MIQ rooms being used for community cases, and NAAS

National Alternative Accommodation Service (NAAS) is an accommodation sourcing service for COVID-19 cases or close contacts who cannot safely isolate at home. It is administered and funded by MBIE, outsourced to a third party Commercial information, and provides self-contained motel rooms. NAAS is the primary Alternative Isolation Accommodation (AIA) option that supports and enables District Health Boards (DHB) via the MoH care in the community programme. Other AIA options available to DHBs include motorhomes, hospital houses, and community accommodation, for example Marae. The identification, prioritisation, placement and management of people into any AIA option is managed by DHBs under MoH policy. The accountable minister for NAAS is Minister Woods via the Housing and Urban Development portfolio.

Confidentiality



3. Key people – MIQ Leadership

Contact	Role	Contact details
<p>Carolyn Tremain</p> 	<p>Chief Executive, Ministry of Business, Innovation and Employment</p>	<p>Privacy of natural persons</p>
<p>Andrew Milne</p> 	<p>Deputy Secretary, Managed Isolation and Quarantine</p>	<p>Privacy of natural persons</p>

Annex One – New MIQ structure to be implemented by September 2022

MIQ Group Leadership Team

