



COVERSHEET

| | | | |
|-------------------------------|--|-----------------------------|-------------------|
| Minister | Hon Chris Hipkins | Portfolio | COVID-19 Response |
| Title of Cabinet paper | Maintaining MIQ in the short-term A National Quarantine System: options for the ongoing COVID-19 Response and Future Pandemic Preparedness Options for Accelerating MIQ Network Transition | Date to be published | 20 May 2022 |

List of documents that have been proactively released

| Date | Title | Author |
|-----------------|---|---|
| December 2021 | Maintaining MIQ in the short-term | <i>Office of the Minister for COVID-19 response</i> |
| 8 December 2021 | Maintaining MIQ in the short-term SWC-21-MIN-0215 | <i>Cabinet Office</i> |
| 8 December 2021 | A National Quarantine System: Options for the Ongoing COVID-19 Response and Future Pandemic Preparedness | <i>Office of the Minister for COVID-19 response</i> |
| 8 December 2021 | A National Quarantine System: Options for the Ongoing COVID-19 Response and Future Pandemic Preparedness SWC-21-MIN-0214 | <i>Cabinet Office</i> |
| March 2022 | Options for Accelerating MIQ Network Transition | <i>Office of the Minister for COVID-19 response</i> |
| 9 March 2022 | Options for Accelerating MIQ Network Transition SWC-22-MIN-0032 | <i>Cabinet Office</i> |

Information redacted**YES**

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Some information has been withheld for the following reasons:

- Negotiations
- Commercial information
- Legal professional privilege
- Free and Frank Opinions

Please note, the funding request and transition approach agreed to in *Maintaining MIQ in the short-term* have been taken over by the paper considered in *Options for Accelerating MIQ Network Transition*. Some of the funding will be returned and this amount will be confirmed in the October baseline update.



Cabinet Social Wellbeing Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

A National Quarantine System: Options for the Ongoing COVID-19 Response and Future Pandemic Preparedness

Portfolio **COVID-19 Response**

On 8 December 2021, the Cabinet Social Wellbeing Committee (SWC):

- 1 **noted** that MIQ was established primarily as a border response to keep COVID-19 out of New Zealand, and has recently taken a larger role in supporting the management of COVID-19 in the community;
- 2 **noted** that MIQ's current operating model was rapidly established as a short-term solution to address the lack of investment and planning for quarantine capacity in New Zealand prior to COVID-19;
- 3 **noted** that as New Zealand begins to shift from a crisis response to COVID-19, decisions are needed to ensure a continued response to the need for isolation and quarantine capacity in the near future, as well as be better positioned in preparedness for future epidemics or pandemics;
- 4 **noted** that the threat of COVID-19 variants of concern and other emerging diseases which require quarantine interventions is present now and it should be expected to remain in the future;
- 5 **noted** that the current MIQ operating model is increasingly under strain, and even with a further 12 months of funding, will not be fit for the current purpose of responding to COVID-19 in the near future due to limitations of hotel infrastructure and workforce arrangements;
- 6 **noted** that Cabinet is also considering a paper to stabilise the current MIQ network in the short-term through the companion Cabinet paper *Maintaining MIQ in the Short-Term* [SWC-21-SUB-0215];

Programme Business Case

- 7 **noted** that:
 - 7.1 the Minister for COVID-19 Response (the Minister) commissioned a Programme Business Case (PBC) to investigate how to deliver a stable, flexible and enduring quarantine response;
 - 7.2 the PBC, attached under SWC-21-SUB-0214, has identified a combination of medium and long-term interventions to deliver this response;

- 8 **agreed** to provide for the cost of the PBC noted in paragraph 7 above;
- 9 **agreed** to the development of a Detailed Business Case for long-term contracts with three sites (DBC1), including upgrades (earthquake strengthening and ventilation improvements) and Confidential advice to Government for the purpose of providing core quarantine capacity for the next few years;
- 10 **approved** the following changes to appropriations to give effect to the decisions in paragraphs 8 and 9 above, with a corresponding impact on the operating balance and net core Crown debt:

| Vote Building and Construction Minister for COVID-19 Response | \$m – increase/(decrease) | | | | |
|---|---------------------------|---------|---------|---------|--------------------|
| | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 & Outyears |
| Multi-Category Expenses and Capital Expenditure: Isolation and Quarantine Management MCA Departmental Output Expenses: Operational Support (funded by revenue Crown) | 16.600 | - | - | - | - |

- 11 **agreed** to securing and upgrading core sites, with approximately 500 rooms based on current configuration, Free and frank opinions Confidential advice to Government subject to the completion and Cabinet approval of DBC1;
- 12 **noted** that, in order for good faith contractual negotiations with the sites described in paragraph 11 above to occur, the Ministry of Business, Innovation and Employment (MBIE) requires confirmation of the funding envelope available, which is sought as a tagged contingency to provide the financial parameters for the negotiations;
- 13 **agreed** to establish tagged operating and capital contingencies associated with the COVID-19 Response Portfolio of up to the following amounts to provide for the delivery of paragraph 11 above:

| | \$m – increase/(decrease) | | | | | |
|---|---------------------------|---------|---------|---------|---------|---------|
| | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 |
| Long-term contracts - Tagged Operating Contingency | - | 36.574 | 184.586 | 184.586 | 108.092 | - |
| Upgrades (earthquake strengthening and ventilation improvements) and Confidential advice to Government Tagged Capital Contingency | - | 72.8000 | - | - | - | - |

- 14 **invited** the Minister for COVID-19 Response to report back to Cabinet in early 2022 with:
 - 14.1 final costings of the proposed options alongside DBC1;
 - 14.2 the outcome of the further work described in paragraph 11 above;

Long term need to undertake planning for future preparedness

- 15 [redacted] Confidential advice to Government
- 16 **agreed** to the development of a Detailed Business Case focused on [redacted] Confidential advice to Government subject to the scope of DBC2 being confirmed by the Minister of Finance, Minister for COVID-19 Response, and Minister of Health in early 2022;
- 17 **noted** that the scope of DBC2 will include potential options for ownership of quarantine facilities, the use of Defence facilities for quarantine purposes, and the use of [redacted] Confidential advice to Government
- 18 **agreed** to establish a tagged operating contingency associated with the COVID-19 Response portfolio of up to the following amounts to provide for the decision in paragraph 16 above:

| | \$m – increase/(decrease) | | | | |
|---|---------------------------|---------|---------|---------|--------------------|
| | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 & Outyears |
| Detailed Business Case on Confidential advice to Government [redacted] – Tagged Operating Contingency | 8.000 | 16.200 | | | |

- 19 **authorised** the Minister of Finance, Minister for COVID-19 Response, and Minister of Health to jointly draw down the tagged operating contingency in paragraph 18 above and establish any new appropriations as necessary, subject to their satisfaction on the scope of DBC2 as described in paragraph 16 above;

For all financial recommendations

- 20 **agreed** that the expiry dates for the tagged operating and capital contingencies in paragraphs 13 and 18 above will be 1 February 2023;
- 21 **agreed** that the changes to appropriations for 2021/22 above be included in the 2021/22 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply;
- 22 **agreed** that that the expenses incurred under paragraph 10 above and the tagged operating and capital contingencies in paragraphs 13 and 18 above be charged against the COVID-19 Response and Recovery Fund established as part of Budget 2020;
- 23 **directed** MBIE to ensure that it can separately report on how much of this funding has been spent, forecast expenditure and progress against key milestones at least quarterly;
- 24 **agreed** that any under-expenditure in the Isolation and Quarantine Management multi-category appropriation for MIQ be carried forward to the following financial year to recognise the uncertain timing of subsequent expenditure, with the final amount to be transferred confirmed as part of the baseline update process following the presentation of MBIE’s audited financial statements;
- 25 **noted** that the above funding is ring-fenced to MIQ and cannot be transferred to other appropriations, and that once MIQ winds down, any remaining funding is to be returned to the Crown;

26 **noted** that there are no legislative implications in the above proposals.

Rachel Clarke
Committee Secretary

Present:

Rt Hon Jacinda Ardern
Hon Grant Robertson
Hon Kelvin Davis
Hon Dr Megan Woods
Hon Chris Hipkins
Hon Carmel Sepuloni (Chair)
Hon Andrew Little
Hon Poto Williams
Hon Kris Faafoi
Hon Peeni Henare
Hon Willie Jackson
Hon Jan Tinetti
Hon Dr Ayesha Verrall
Hon Aupito William Sio
Hon Meka Whaitiri
Hon Priyanca Radhakrishnan

Officials present from:

Office of the Prime Minister
Office of the Chair
Officials Committee for SWC