



## BRIEFING

### Class Exceptions Process: MIQ Update

<b>Date:</b>	9 November 2020	<b>Priority:</b>	High
<b>Security classification:</b>		<b>Tracking number:</b>	2021-1204

Action sought		
	Action sought	Deadline
Hon Chris Hipkins <b>Minister of COVID-19 Response</b>	<p><b>Note</b> current MIQ capacity constraints and MIQ impacts of the proposed new class exceptions.</p> <p><b>Note</b> that accommodating 2000 RSE workers and 60 shearers through MIQ is manageable as long as we avoid the peak period of demand for MIQ in December and early January.</p>	9 November 2020

Contact for telephone discussion (if required)				
Name	Position	Telephone		1st contact
Privacy of natural persons	Manager, Supply & Allocations, MIQ Policy Unit		Privacy of natural persons	✓
	Senior Policy Advisor, MIQ Policy Unit			

The following departments/agencies have been consulted
MIQ Operations

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 Withdrawn           |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

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### Purpose

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To provide you with an update on MIQ utilisation in advance of the meeting of Ministers considering class exceptions on 9 November. This paper also sets out MIQ views on whether accommodating the groups proposed for a class exception (RSE workers and shearers) is operationally possible in the timeframes required.

### Recommended action

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

- a **Note** that MIQ facilities are operating at near full capacity between now and the end of the year, with returnees having to wait up to seven weeks to secure a place in managed isolation.

*Noted*
- b **Note** that the present strong demand for MIQ places and MIQ capacity constraints are expected to extend into January.

*Noted*
- c **Note** that under current settings any groups approved through the class exceptions process would need to complete standard managed isolation in Government facilities as well as wait up to seven weeks in order to secure their place in a managed isolation facility.

*Noted*
- d **Note** that the proposal to bring in approximately 2,000 RSE workers is operationally possible from an MIQ perspective as long as the workers' entry is staggered over approximately an eight week period from mid-January to mid-March, and timed to avoid the period of peak pressure on MIQ facilities between December and early January.

*Noted*
- e **Note** that MIQ Operations will need to maintain operational flexibility to determine the exact arrival dates for the tranches of RSE workers, working closely with industry stakeholders in order to minimise MIQ system impacts.

*Noted*
- f **Note** that given the size of the RSE cohort, places in managed isolation facilities for RSE workers would need to be taken offline from the Managed Isolation Allocation System (MIAS) and ring-fenced for their use, reducing the availability of places online for other travellers during January-March, and increasing the risk of displacing returning New Zealanders from MIQ.

*Noted*
- g **Note** that the MIQ impacts of accommodating large groups such as RSE workers are much wider than simply taking rooms out of circulation, given the wraparound support services that are required and the lead-time to plan for their arrival.

*Noted*

h **Note** that there will also be a reduction in available MIQ capacity if there is a requirement to accommodate RSE workers in standard government-run managed isolation facilities before returning home at the conclusion of the March/April harvest season.

*Noted*

i **Note** that the proposal to bring in 60 shearers for the November-April shearing season is operationally manageable from an MIQ perspective, but that due current pressures on MIQ, places in managed isolation facilities are unlikely to be available until sometime in early January. Given the small numbers involved, the shearers would need to secure their places in managed isolation using MIAS, when there are places available online.

*Noted*

i **Note** that MBIE is currently considering changes that could be made to the fees Regulations, including what critical workers are charged and who pays. The outcome and timing of this may impact on the amount we charge RSE workers and other critical workers for MIQ that are approved through the class exceptions process.

*Noted*

Privacy of natural persons

**Manager, Supply and Allocation**  
Managed Isolation & Quarantine, MBIE

9 November 2021

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

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## Background

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1. The Ministerial Group is expected to convene after Cabinet on 9 November and consider two urgent proposals for critical workforce class exceptions:
  - a. 60 shearers for the November – April shearing season
  - b. 2,000 Recognised Seasonal Employer workers for the fruit picking seasons before April
2. Additionally, Ministers will be asked to note that the employment date for the critical health workers border exception category, which is due to expire at the end of December, will be extended to 31 March 2021, in order to undertake a more fulsome review of the exception category [MIQ have no comments on or objections to this proposal].
3. We understand that a proposal to bring in 1000 international students and a separate proposal for 20 workers needed for the Kāinga Ora build and urban development programme is being deferred to a future meeting of the Ministerial Group and will not be considered on 9 November.
4. Separately, we are aware of two other proposals that are being prepared for consideration at a future meeting of the Ministerial Group:
  - a. a proposal from Tourism New Zealand to bring in approximately 200 high profile media over 2021 as part of its ‘Strategic International Media Programme’; and
  - b. a proposal to add to the infrastructure list the Christchurch Multi-Use Arena construction project.

## MIQ comments on class exceptions proposed

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5. MIQ Operations and MIQ Policy in advance of each Ministerial Group meeting will provide you with an update on MIQ capacity and the operational feasibility of each proposal on the table. MIQ views on current and known future proposals for consideration by ministers are outlined below.

Group proposed	Number	Proposed Arrival	MIQ Comments
Shearers For the shearing seasons in the North and South Islands from November - April	60	November – April	Yes, manageable given the small numbers involved. As these workers are likely to come from different parts of the world via commercial flights, rather than as a single cohort on a charter, these workers should be directed to secure their places in managed isolation using MIAS, when places are available to book. The earliest the shearers are likely to be able to do so might be January, given that our facilities are heavily booked right through until the end of the year (there is only limited availability currently showing in MIAS until 31 December).
RSE Workers For the fruit-picking season before April	2,000 or 3,500	Between January and March	Accommodating 2,000 RSE workers between mid-January and mid-March would be operationally doable from an MIQ perspective if we have enough lead time to plan for their arrival (ideally up to four to six weeks), enabling places in our managed isolation facilities to be taken offline from MIAS and ring-fenced for this cohort’s use. Operationally, their arrival should be staggered, with the workers coming into New

			Zealand on charter flights in tranches every 17 days <sup>1</sup> . Sufficient lead-time would enable MIQ Operations staff to empty out one or two managed isolation facilities for the cohort's dedicated use in advance of the workers coming in (it takes time to take a facility offline and out of MIQ circulation in order to dedicate it for one group's use), and to liaise with industry stakeholders on the timing of the arrival of the charter flights. Doing this would enable workers to twin share rooms and minimise MIQ system impacts. MIQ Operations assess that at this stage accommodating an extra 1,500 RSE workers, particularly over the January-February period, is probably not manageable given the cumulative pressures hitting MIQ capacity and the uncertainty around when the current surge in MIQ demand from returning New Zealanders will abate. Accommodating large groups as a single cohort, as we have seen from the case of the deep sea fishing crew is also very resource intensive from an MIQ perspective, given that these groups often require considerable wraparound support. When MIQ is operating at, or near maximum capacity, as we anticipate we might be in January, this can place quite a strain on the system.
International students Masters & Bachelor degree students and their family members	1,000	From early 2021 onwards	Yes, MIQ is likely to be manageable if we avoid the peak period of demand for MIQ in December and January i.e. permit the students first entry only from early February. In order to help stagger the students' arrival and lessen MIQ impacts (including the risk of displacing New Zealanders from MIQ), this cohort would need to secure their places in managed isolation online using MIAS i.e. in effect they would only enter the country when there were places available in MIAS. We do not support ring-fencing an allocation in MIAS for this cohort's use.
Kāinga Ora build & urban development programme	20 workers	From now	Yes, manageable given the small numbers involved.
Tourism New Zealand – International Media Profile Programme	200 media	During 2021	Yes, manageable - especially if their arrival were staggered throughout 2021.
Canterbury Multi-use Arena construction project	Number unknown	Timing tbc	More information and work required to assess MIQ impacts.

<sup>1</sup> To factor in deep cleaning of the facilities between cohorts.

## MIQ capacity

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6. Due to unprecedented demand, MIQ will be operating at near full capacity until Christmas<sup>2</sup>. Currently, there is very limited availability in MIAS until the end of the year<sup>3</sup>. Indicative of this demand even the allocation set aside for New Zealanders for the purpose of facilitating emergency or urgent travel is in heavy demand for this period<sup>4</sup>.
7. It is uncertain as to when this spike in demand for places in MIQ will abate. Based on current forecasts, it is likely to continue until at least mid-January as returnees<sup>5</sup>, unable to secure a place in managed isolation before Christmas, look to defer their travel until early next year.
8. From an MIQ operational perspective, the present pressure on MIQ facilities means we are unable to facilitate the arrival of any new large groups (those not already planned for) until sometime in January 2021.

### *Measures currently being taken to alleviate some of the pressures on the MIQ system*

9. 

Commercial Information

Airlines were also asked to voluntarily halt ticket sales for travel between now and 10 November, and again for arrivals from 7 to 10 December. MIQ is continuing to work closely with airlines to ensure that ticket sales do not exceed capacity and that all returnees have an MIQ voucher before boarding their flight to New Zealand<sup>7</sup>.

10. Additionally, to ensure that we can still facilitate some emergency travel during this period, MBIE has tightened the criteria for accessing the allocation for emergency and urgent travel. This allocation can currently only be accessed by New Zealanders<sup>8</sup> who can show that there is an imminent threat to their life or serious risk to their health that can only be resolved by travelling to New Zealand on a specific date. Officials are considering how this criteria could be widened and when, and will brief ministers accordingly.

### *Why are we seeing this surge in demand and strain on MIQ capacity?*

11. This surge in demand for MIQ is not unexpected. We had anticipated high demand over the pre-Christmas and New Year period, with New Zealanders and other travellers attempting to enter New Zealand ahead of the summer holidays. While some of this is likely to be discretionary travel, for a number of New Zealanders this is out of necessity due to visas expiring and/or financial hardship, with wage subsidy schemes in the UK and Australia being phased out.
12. The worsening global epidemiological outlook and steady rise in COVID-19 case numbers particularly in the Americas, Europe<sup>9</sup>, and the Middle East, is acting as a strong push factor for many New Zealanders overseas, with our successful COVID-19 response also playing into the strong demand for entry into New Zealand at this time.
13. Given this increased demand from travellers, a number of airlines during the month of October, in anticipation of the airline quota system being removed following the introduction of MIAS, oversold their quotas. While previously this would not have been an issue, more people than usual who have purchased tickets are now checking in for flights and travelling

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<sup>2</sup> Especially for the periods 1 – 12 November, and 23 November – 12 December.

<sup>3</sup> This was current as of 6 November.

<sup>4</sup> Between 30 October and 6 November we received 885 such requests for an emergency allocation.

<sup>5</sup> See MIQ Supply & Demand Dashboard in Annex 1 for further details.

<sup>6</sup> The first cohort of 242 fishermen entered managed isolation on 15 October and is currently scheduled to leave MIQ on 6 November.

<sup>7</sup> Having an MIQ voucher became a legal requirement from 3 November.

<sup>8</sup> New Zealand citizens or resident-class visa holder.

<sup>9</sup> With many parts of Europe now being forced to go into a second period of lockdown.

(i.e. fewer no-shows) contributing to the situation where MIQ on some dates is oversubscribed.

14. A number of sports teams are also scheduled to use MIQ facilities during November and December as well other groups that are exempt from current border restrictions (e.g. Antarcticans for the summer Antarctic season), adding to the pressure on our MIQ facilities (see Annex 2 – MIQ and large group arrivals).
15. The unforeseen extended stay of the first large group of Russian and Ukrainian fishermen in MIQ (due to more than 10% testing positive for COVID-19) has similarly had a negative flow on effect for our MIQ capacity.

#### *The impact of recent immigration setting changes and class exception approvals on MIQ*

16. Changes made to immigration settings in September<sup>10</sup> and previously agreed class exemptions have had an impact on MIQ utilisation. Since mid-October, the cumulative effect of these changes is an estimated additional 150-300 passengers entering our MIQ facilities per week, or between 300-600 new arrivals per fortnight<sup>11</sup> (equating to approximately 5-10% of overall MIQ operational capacity<sup>12</sup>).

#### *Waiting time for New Zealanders wanting a place in managed isolation*

17. Given the legal right of New Zealanders to enter New Zealand under the Bill of Rights Act, a key concern for the MIQ system is whether New Zealanders are being crowded out by other travellers and facing lengthy waiting times when it comes to trying to secure a place in managed isolation.

18.  Legal professional privilege

## **MIQ fees**

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19. Under current regulations, critical workers generally pay the fee for MIQ set in regulations, \$3100. This is a contribution to the cost of MIQ, rather than being the full cost, and is the same as the amount that liable New Zealanders can be charged, prior to any application for reduction due to hardship.
20. The Fees Regulations mean that critical workers are liable to pay the full fee for their time in Managed Isolation, rather than the full cost. We would ordinarily invoice the individual or family group, however for critical workers we are able to send the invoice to the employer for payment on the employees' behalf (note non-payment of invoices would be the liability of the employee not the employer). We are intending to amend the regulations to enable us to make the employer accountable for the full cost of the stay in managed isolation.

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<sup>10</sup> This includes allowing up to 850 temporary work visa holders normally resident in New Zealand and their dependents to return; allowing partners and dependents of New Zealanders from Australia and visa waiver countries who have not held a visa based on their relationship previously to apply to come to New Zealand; recommencing the processing of visa applications of offshore recipients of temporary or residence partnership visas for partners and children of New Zealand citizens and residents, and changes to the 'other critical worker border exception' category.

<sup>11</sup> These estimates are based on visa processing data provided by Immigration New Zealand. However, exact timing of arrivals at the border is harder to estimate given that this is dependent on people's behaviour and availability of commercial flights.

<sup>12</sup> Total operational MIQ capacity per fortnight is 6,261 places or approximately 4,500 rooms. These

21. Officials are also considering changes to the fees Regulations, regarding what critical workers are charged, to better reflect that they arrive in New Zealand in different circumstances than other people returning to New Zealand. You will receive advice on this in the coming weeks. Changes to the Regulations would likely be made and implemented in the first quarter of 2021.
22. In the interim, MBIE is also looking at whether the bespoke fees used for sports teams could be used with other large groups, which would mean employers are expected to pay more.
23. Should a different cost recovery model be adopted, this may impact on the amount that we charge RSE workers (currently \$3,100 per person) and other critical workers that are accommodated in government-run MIQ facilities.

## **Annexes**

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Annex One: MIQ Supply & Demand Dashboard

Annex Two: MIQ & Large Groups



# MANAGED ISOLATION AND QUARANTINE

## Managed Isolation and Quarantine Supply and Demand Dashboard Up to and including Friday 06 November 2020 unless otherwise noted

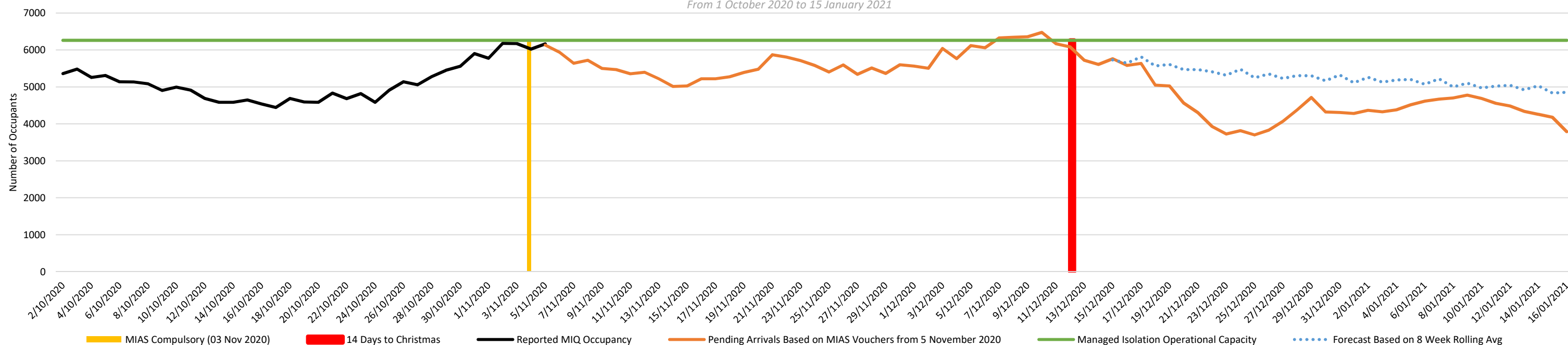


MINISTRY OF BUSINESS,  
INNOVATION & EMPLOYMENT  
HĪKINA WHAKATUTUKI

Produced by MIQ Intelligence, Data and Insights

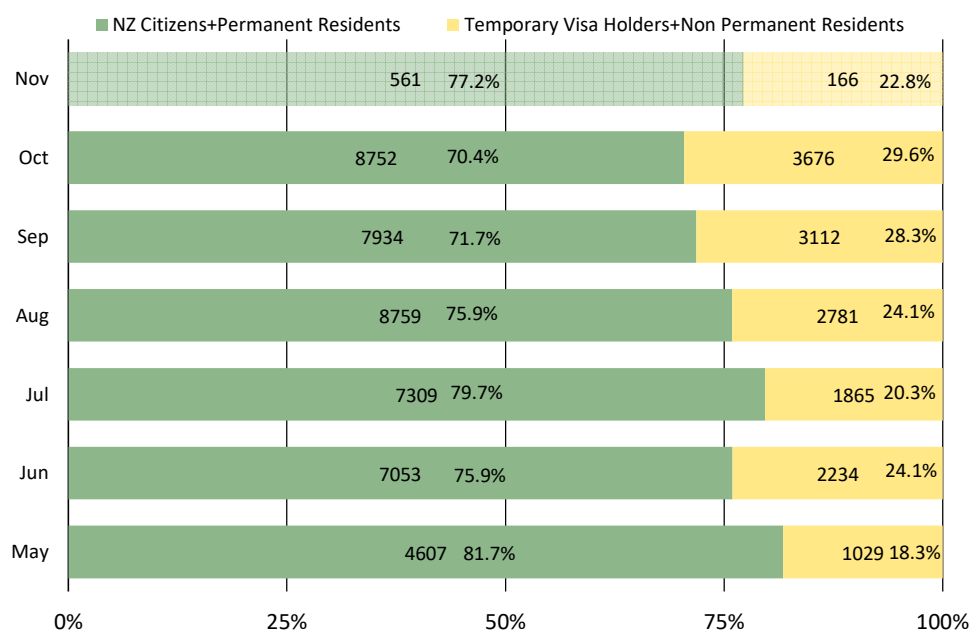
### Managed Isolation Allocation System (MIAS) Vouchers Confirmed

From 1 October 2020 to 15 January 2021



#### Arrivals into New Zealand per Month by Type

From 1 May 2020 to 2 November 2020



#### Class Exceptions, Large Groups and Major Events

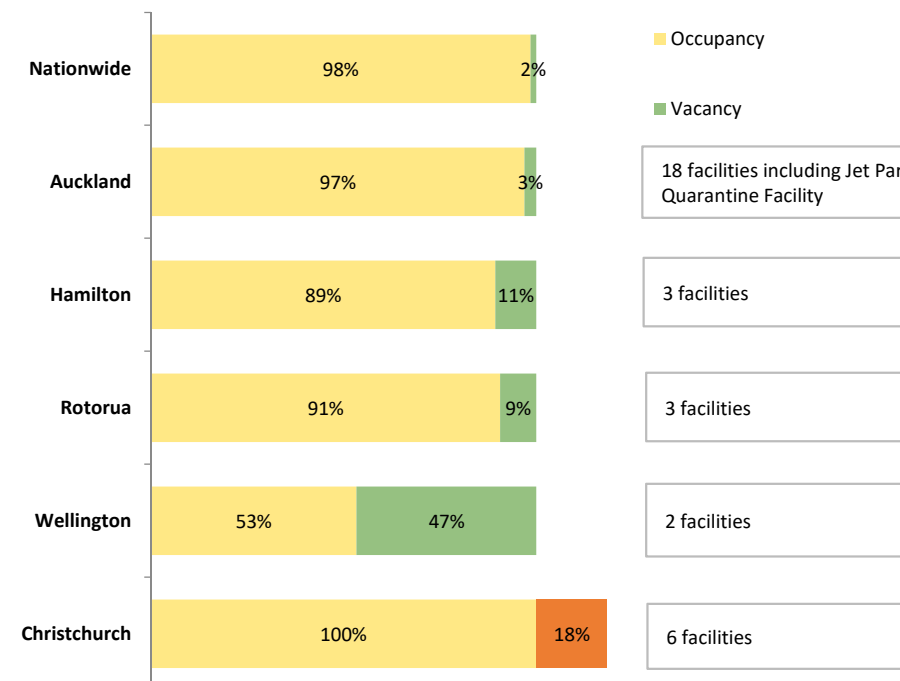
Groups	Approved	Approx. Flow and Method	Estimated dates of arrival
Deep Sea Fishing crew	570	Charter flight – 227 pax	Delayed, dates TBC (likely December) Ongoing
PhD students and family	375	Approx. 20-25 pax per week	Likely late October 2020 – February 2021
West Indies and New Zealand Cricket (IPL players)	19	Commercial flight	Thursday 12 November 2020
Livestock veterinarians	30	Commercial flights – small groups	Wednesday 4 November 2020 – Saturday 7 November 2020
Rural Contractors	210	Commercial flights – small groups	Likely throughout November
Aircrew (short-stay)	32	One night – Departing Monday 23 November 2020	Sunday 22 November 2020
Pakistan Cricket Team	55	Commercial flight	Friday, 27 November 2020
US Antarctic Programme	100 approx.	TBC – Arrival into Christchurch	Monday 30 November 2020
Essential transit to/from the Pacific	100	Approx. 3-4 pax per week	Likely from January - June 2021

#### CURRENT CAPACITY

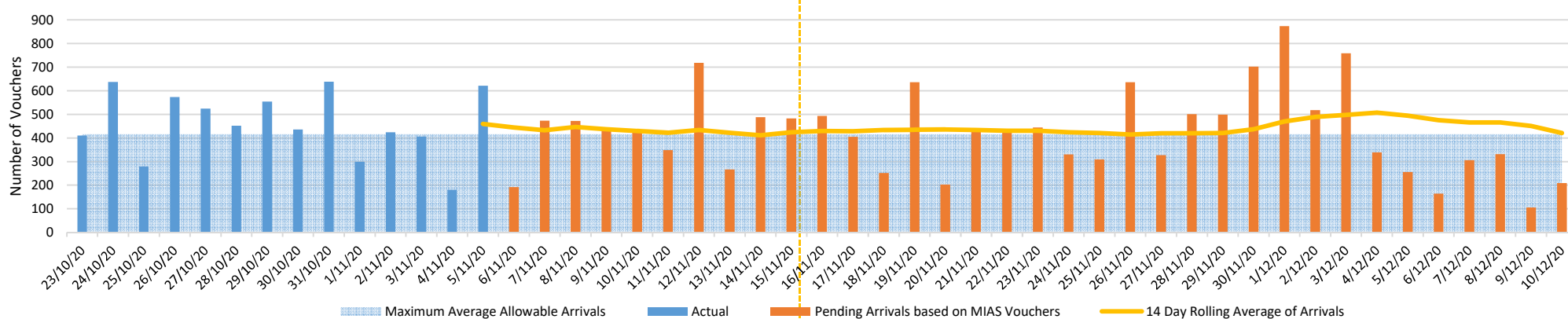


#### MI Occupancy by Regional Isolation and Quarantine (RIQ)

As at 2359 05 November 2020



#### Pending Arrivals Based on MIAS Vouchers Issued



#### THE MANAGED ISOLATION ALLOCATION SYSTEM (MIAS)





## Data Sources

Data	Source
Managed Isolation Occupancy	Managed Isolation and Quarantine
Arrivals into New Zealand per Month by Type	Immigration New Zealand
MIAS Bookings per Day and Maximum Average Allowable Arrivals	Managed Isolation and Quarantine
Class Exceptions, Large Groups and Major Events	Managed Isolation and Quarantine
MI Capacity by Regional Isolation and Quarantine (RIQ)	Managed Isolation and Quarantine

## Data Caveats (TBC)

### Managed Isolation Allocation System (MIAS) Vouchers Confirmed

*Reported MIQ occupancy* relates to the total number of people in managed isolation facilities against managed isolation operational capacity.

Managed Quarantine and deportee facilities, staff rooms and rooms in cleaning are not included in operational capacity.

The *Eight Week Rolling Average* is calculated from the previous eight weeks occupancy data points. It does not take into account future events or policy changes.

The number of *MIAS Vouchers Confirmed* may increase closer to arrival time as travel plans are finalised.

### Pending Arrivals Based on MIAS Vouchers Issued

*Maximum Average Allowable Arrivals* is 417 per day. This figure is calculated as one 15th of operational capacity to allow for 14 days of isolation and one day of cleaning.

*14 Day Rolling Average of Arrivals* is calculated from the previous 14 days of arrivals. If this line is above *Maximum Average Allowable Arrivals* for a sustained period of time operational capacity may be exceeded.

### MI Occupancy by Regional Isolation and Quarantine (RIQ)

If operational capacity exceeds 100 percent then contingency rooms are used. If contingency rooms are used this will be shown as a percentage over 100 percent.

### Current Capacity and The Managed Isolation Allocation System

Data dated 28 October 2020.

