



AIDE MEMOIRE

A3 and talking points to support discussion at CBC on the MIQ operating model and funding

Date:	1 December 2020	Priority:	High
Security classification:		Tracking number:	2021-1634

Information for Minister

Hon Chris Hipkins

Minister for COVID-19 Response

Contact for telephone discussion (if required)

Name	Position	Telephone	1st contact
Privacy of natural persons	Policy Director, Managed Isolation and Quarantine Unit, MBIE	021 848154	✓
Privacy of natural persons	Senior Policy Advisor		

Minister's office to complete:

Approved

Declined

Noted

Needs change

Seen

Overtaken by Events

See Minister's Notes

Withdrawn

Comments:



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Date:	1 December 2020	Priority:	High
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Purpose

To provide you with an A3 and talking points on the MBIE managed isolation and quarantine (MIQ) workforce funding request to support you at the Cabinet Business Committee (CBC).

Privacy of natural persons

Policy Director, MIQ Policy
MBIE

1 / 12 / 2020

Background

1. You are going to CBC on Wednesday 2 December to present the *Managed Isolation and Quarantine operating model and funding* Cabinet paper. This paper is part of a suite of five COVID-19 Response papers that have been collated through the Public Service Commission (PSC). PSC will provide you with generic talking points across all five papers.
2. Attached is an A3 and talking points on MBIE's MIQ workforce funding request to support you at CBC. This is in response to the Minister of Finance's request for scalable funding options for MBIE's MIQ workforce.
3. Cuts or limitations to the MIQ workforce would put the work programme at risk and would impact on the quality of frontline services. The funding request is only for the baseline level of resourcing required to operate the MIQ model.
4. The cost for full time equivalents (FTEs) make up around eight percent of MBIE's total funding request. Most of these FTEs are for frontline staff to operate the MIQ facilities.

Annexes

Annex 1: MBIE's MIQ workforce funding request A3

Annex 2: Talking points on MBIE's MIQ workforce funding request

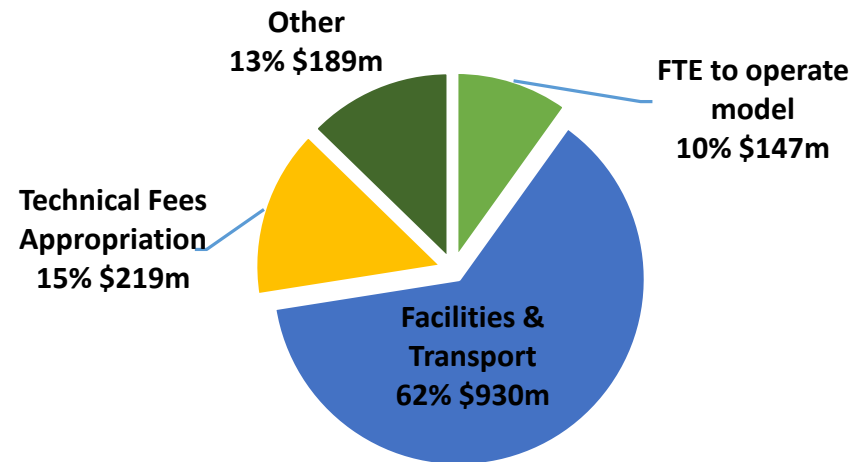
Annex 1: MBIE's MIQ workforce funding request A3

MBIE's MIQ workforce funding request

MBIE cannot fund MIQ within its baseline

- Not including the cost of MIQ, MBIE is already under financial pressure.
- Pre-COVID, 50% of MBIE's departmental revenue was from third party sources. This has dropped to 37% this year. Although revenue has fallen, workloads have not reduced commensurately due to regulatory requirements and additional functions (like border exemptions).
- The third party funding can only be used for the purpose it was collected (so not MIQ).
- MBIE has 5,200 FTE (excluding MIQ). Redirecting MBIE funding would limit other MBIE service delivery and would require decreases in other portfolios.

FTEs are approx. 10% of MBIE's total funding



How quickly can MIQ be wound down?*

RIQ and MIF Frontline	Mth 1	Mth 2	Mth 3	Mthly cost
Hotels	█	█		\$49.2m
Transport	█			\$3.6m
Frontline Staff & costs	█	█		\$8m
HQ Function	█	█		\$4m
Residual & Exit	█	█	█	\$3m

* Indicative only

MBIE needs funding and FTEs to deliver MIQ

\$1,744 million for 18 months *OR*
\$1.181 million for 12 months
Supporting over 4,000 FTEs

- Running MIQ operations is complex, involves a large workforce, has multiple systems and needs to develop, implement and comply with an evolving range of policies and regulations.
- The MIQ model is operating below establishment levels across all work areas in order to stay within appropriation. This puts MIQ at risk. There is little cover for critical roles and minimal resilience in the system.
- MIQ is a 24/7 operation. A full workforce is required at all times to minimise system failure and ensure we can respond when needed.
- Ongoing changes need to be pushed out through the system quickly to ensure ongoing resilience.
- The proposed FTE count has involved detailed workforce planning. It aims to bring MIQ up to a baseline level of funding so we can deliver the required range of services and support.

95% of MIQ proposed FTEs are for frontline services (4,133 FTE)

MIQ staff		
RIQ and MIF Frontline	FTE	%
NZDF	1200	28
AvSec	155	4
Police	210	5
Hotel Staff *	1672	38
Health (MoH, DHB, other providers)*	242	6
MBIE frontline staff	422	10
Total RIQ and MIF Frontline	3901	90
National frontline operations	232	5
Total Frontline	4133	95
MBIE HQ functions	224	5
Total FTE to deliver MIQ	4357	100

* Indicative only

National frontline operations

232 FTE (5%)

- Staff testing management (for 4,000 current staff)
- Operational procedures
- Invoicing
- Local engagement and returnee communications
- Wellbeing, health and safety

This includes:

- Fees, waivers and exemptions
- The Managed Isolation Allocation System (MIAS)
- Supporting large and bespoke groups (e.g. sports)
- Logistical planning, procurement and supplier relationships

Only 5% of proposed FTEs are for MBIE HQ functions (224 FTEs)

Functions include:

- MIQ leadership and governance, including ministerial services
- Policy
- Programme delivery including MIAS improvements
- Data and intelligence
- Supporting large and bespoke groups
- Legal, finance and HR
- Risk and assurance
- Communications and engagement

MBIE central FTE requirements are 5% of the MIQ workforce

A range of additional functions have been added to the MIQ model since July

- Supporting bespoke arrangements for Sports Groups
- Critical workers, in particular groups who require additional support (such as translation services)
- Introduction of the fees regime along with exemptions
- Allocation processing (including MIAS)
- Increased security including CCTV
- Profile of guests has changed and in some cases increased complexity of what support is needed
- Deployment of around 1,200 NZDF personnel

There are things we cannot deliver with the current FTE level

- Assurance of end to end processes
- Design and implementation of operations planning systems
- Some health and safety systems and practices
- Implementation of responses to risk reviews and audits
- Completing regulatory impact assessments
- Proactive engagement with key stakeholders, such as iwi, strategic suppliers and communities
- Building robust systems for reporting and data capture and strengthening the evidence base, including information sharing
- Support for 4,000 staff including induction, training and wellbeing services

There are things on the horizon that we will need to deliver

- Timing and roll out of a vaccine domestically and internationally for potential visitors to NZ
- A more risk based approach – away from the current ‘one size fits all’, likely to require some redesign of MIQ
- Safe travel zones and implications
- Changes to how we charge and collect fees
- Changes to the governance of COVID response and Border management arrangements
- Technology that supports improved isolation compliance including contact tracing
- Resurgence strategy support

Business Unit and core functions	Needed FTE	Annual FTE cost (\$)	Saving with 20% FTE cut	Implications of changes (assume 20% reduction from needed level)
DCE Governance and Government services: <ul style="list-style-type: none"> • Ministerial services • Liaison with Minister’s office • Leading governance • Business planning and reporting 	20	\$2.9 million	\$0.5 million	Reduction of 4 FTEs Reduced levels of support to support Ministerials, OIAs and broader Ministerial support functions resulting in more support needed from other parts of the business. Governance support would be reduced resulting in less frequent oversight. Business planning process improvements not implemented impacting on reporting quality.
Delivery support and system improvements: <ul style="list-style-type: none"> • Integrated business systems • Legal, Finance, HR • Programme delivery • Procurement and supplier relationship • Evidence and data 	116	\$16.7 million	\$3.5 million	Reduction of 23 FTEs Reduced level of evidence and data capacity means a focus short to medium term with no resources for longer term analysis of trends. Key elements of the system improvement work programme would be put on hold for example not progressing improvements to MIAS.
Engagement and Service Design: <ul style="list-style-type: none"> • Stakeholder engagement • Communications • Guest experience feedback and improvements 	43	\$5.8 million	\$1.2 million	Reduction of 9 FTE Scaled stakeholder engagement, prioritised to key groups. Limited ability to progress continuous improvement work (that responds to guests experience feedback). Scaled proactive communications, focusing in the main on reactive work. Prioritised information and education work programme.
MIQ Health Services: <ul style="list-style-type: none"> • Supporting MIF and DHB interface • Advising on standards and practices 	5	\$0.8 million	-	No change proposed. Limited resource which was created to alleviate pressure on the MIQ / health system interface.
Policy <ul style="list-style-type: none"> • Core policy functions including advice, legislation changes, regulation advice and assessment, Cabinet advice on ongoing policy settings and changes. 	41	\$6.2 million	\$1.2 million	Reduction of 8 FTEs Scaling would reduce our capacity to deliver the Minister’s policy agenda, and input into other portfolios’ policy proposals. Policy settings are being developed, often from scratch and there is a broad work programme including ongoing changes to border orders, establishing an emergency allocation process, fees settings.

Annex 2: Talking points on MBIE’s MIQ workforce funding request

In summary, this section contains Talking Points that were a summation of information being released in this paper. The Talking Points were prepared and offered by MBIE/MIQ, but they do not necessarily represent messages that the Minister for Covid-19 Response accepted or ever used.

