



## AIDE MEMOIRE

**Cabinet Paper: Managed Isolation and Quarantine charges for temporary entry class visa holders and extension of charging for MIQ for returning New Zealanders – Talking points for Cabinet on 15 February**

<b>Date:</b>	12 February 2021	<b>Priority:</b>	High
<b>Security classification:</b>		<b>Tracking number:</b>	2021-2336

<b>Information for Minister</b>
Hon Chris Hipkins Minister for COVID-19 Response

<b>Contact for telephone discussion (if required)</b>			
<b>Name</b>	<b>Position</b>	<b>Telephone</b>	<b>1st contact</b>
Privacy of natural persons	Policy Manager, Systems and Strategy	Privacy of natural persons	✓
	Senior Policy Advisor, Systems and Strategy		

**Minister's office to complete:**

Approved

Declined

Noted

Needs change

Seen

Overtaken by Events

See Minister's Notes

Withdrawn

**Comments:**



## AIDE MEMOIRE

### Cabinet Paper: Managed Isolation and Quarantine charges for temporary entry class visa holders and extension of charging for MIQ for returning New Zealanders – Talking points for Cabinet on 15 February

<b>Date:</b>	12 February 2021	<b>Priority:</b>	High
<b>Security classification:</b>		<b>Tracking number:</b>	2021-2336

#### Purpose

This Aide Memoire provides talking points (**Annex One**) to support your discussion at the Cabinet meeting on 15 February 2021, on the Cabinet Paper: *Managed Isolation and Quarantine charges for temporary entry class visa holders and extension of charging for MIQ for returning New Zealanders*.

Privacy of natural persons

Policy Manager, MIQ Policy

12 / 02 / 2021

## Background

---

1. On 10 February 2021, the Cabinet Business Committee (CBC) discussed an earlier version of the Cabinet Paper *Managed Isolation and Quarantine charges for temporary entry class visa holders and extension of charging for MIQ for returning New Zealanders*, proposing to remove the exemption from Managed Isolation and Quarantine fees for temporary entry class visa holders who were ordinarily resident in New Zealand at 19 March 2020 (and left before that date).
2. Following Ministerial discussions, your office advised officials to update the paper to reflect CBC discussions. The paper now seeks the following from Cabinet:
  - (i) agreement to charge all temporary entry class visa holders, including those who were 'ordinarily resident', the higher critical workers fee of \$4,800 + GST for the first/only person in the room;
  - (ii) an in-principle agreement from Cabinet to extend the minimum period that returning New Zealanders and permanent residents must remain in the country to be exempt from paying MIQ fees, from 90 days to 180 days; and
  - (iii) agreement to delegate authority to the Attorney General and the Minister for COVID-19 Response to make final decisions on this following further policy and legal advice.
3. The paper now reflects these updates and was lodged today for consideration by Cabinet on 15 February 2021.
4. The proposed changes will apply to:
  - (i) all temporary entry class visa holders – who will become liable for the higher fee of \$4,800 + GST. These groups include the following:
    - Visitor visa holders, including tourists and family members visiting New Zealand;
    - Student visa holders;
    - Work visa holders; and
    - Limited visas.
  - (ii) New Zealand citizens and permanent residents who travel to New Zealand and stay for less than 180 days – they will become liable for MIQ fees.
5. The paper proposes that the changes come into effect before the first cohort of bachelor level (and above) students start to arrive (from April 2021). To ensure that the changes to the Regulations are in place before that date, it proposes that the changes come into force no later than 25 March 2021. This would be the day of Gazetting. The changes would therefore apply to all temporary entry class visa holders who arrive in New Zealand on or after that date.
6. Subject to Cabinet's approval to the Cabinet paper, the Parliamentary Counsel Office will begin drafting the proposed amendments to the COVID-19 Public Health Response (Managed Isolation & Quarantine Charges) Regulations 2020.

## **Key issues**

---

### *Communications*

7. MIQ officials will work with your office and relevant agencies, including the Ministry of Education and Immigration New Zealand, to ensure the proposed changes are clearly communicated to education providers, students and temporary entry class visa holders and to clearly outline who is required to pay the MIQ fees. The paper has been revised to appropriately address how the proposed changes will impact all temporary entry class visa holders, including international students.

### *Charging MIQ fees on the basis of tax resident status*

8. The Minister of Revenue asked whether liability of MIQ charges could be based off tax resident status. Initial advice from Inland Revenue indicated that tax residence would be a problematic measure, because in many cases it is determined retrospectively. That is, a person's tax residence can be determined on a day-count test. If someone is in New Zealand for 183 days in any 365-day period then your tax residence will be back-dated to the first day you were present here. So, determining tax residence at the time of entering MIQ with any degree of certainty could be difficult.

## **Annex One: Talking points**

---

### ***Managed Isolation and Quarantine charges for temporary entry class visa holders***

The Talking Points in this section are about MIQ charges for temporary entry class visa holders which 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.