



BRIEFING

Rugby World Cup 2021 accommodation and potential impact on MIQ supply

Date:	25 February 2021	Priority:	High
Security classification:		Tracking number:	2021-2563

Action sought		
	Action sought	Deadline
Hon Chris Hipkins Minister for COVID-19 Response	<p>Note that Rugby New Zealand has booked three Auckland hotels for the Women's Rugby World Cup tournament that are currently being used for MIQ facilities</p> <p>Note that MIQ has a right to contract renewal for these same facilities until December 2021 and intends to exercise this right</p> <p>Note that loss of these three facilities for twenty weeks would result in the loss of over 8,500 MIQ spaces from June – November 2021</p> <p>Discuss the contents of this briefing with the Minister for Sport and Recreation, and the Minister for Economic and Regional Development.</p> <p>Discuss the contents of this briefing at your MIQ officials meeting on Monday, 1 March</p>	1 March 2021
Hon Grant Robertson Minister for Sport and Recreation Hon Stuart Nash Minister for Economic and Regional Development	Copy for information	1 March 2021

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Kara Isaac	General Manager, MIQ Policy	Privacy of natural persons	✓
Privacy of natural persons	Manager, MIQ Policy		

The following departments/agencies have been consulted

Minister's office to complete:

Approved

Declined

Noted

Needs change

Seen

Overtaken by Events

See Minister's Notes

Withdrawn

Comments



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Rugby World Cup 2021 accommodation and potential impact on MIQ supply

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Purpose

To inform you of the potential impact of the current accommodation arrangements for the Rugby World Cup 2021 on Managed Isolation and Quarantine (MIQ) supply.

Recommended action

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

- a **Note** that Rugby New Zealand has booked three Auckland hotels for the Women's Rugby World Cup tournament that are currently being used for MIQ facilities
Noted
- b **Note** that MIQ has a right to contract renewal for these same facilities until December 2021 and intends to exercise this right
Noted
- c **Note** that loss of these three facilities for the twenty weeks would result in the loss of over 8,500 MIQ spaces from June – November 2021
Noted
- d **Discuss** the contents of this briefing with the Minister for Sport and Recreation, and the Minister for Economic and Regional Development.
 Agree / Disagree
- e **Discuss** the contents of this briefing at your MIQ officials meeting on Monday, 1 March
 Agree / Disagree

Kara Isaac
General Manager, Policy
MIQ, MBIE

25 / 02 / 2021

Hon Chris Hipkins
Minister for COVID-19 Response

27 / 2 / 2021

Background

1. As part of discussion about the Women's Rugby World Cup 2021, New Zealand Rugby (NZR) has informed MBIE that a number of hotels in Auckland have entered into agreements with them to provide accommodation for the duration of the tournament for participating teams, match officials and tournament officials. Commercial information
2. NZR considers that these providers are critical to the hosting of the tournament and that if the hotels were not available for their use, the tournament may not be able to proceed. The accommodation providers were chosen following a tender process, which required them to meet the mandatory accommodation requirements of Rugby World Cup Limited (representing World Rugby as the rights holder). NZR has said that it is not feasible for them to find new accommodation at this point in time.
3. The tournament is scheduled to take place over five weeks, from 13 September to 18 October 2021. There remains a chance that the tournament will be postponed. Sports New Zealand are preparing advice to the Minister for Sport and Recreation on this possibility.
4. Ministers have not yet made decisions on the allocation of the rooms in managed isolation that would be needed for the tournament to proceed. This decision would be made by the Border Exceptions Ministers' Group who are expected to meet the week of 8 March 2021. Given the scale of the tournament, it would have a significant impact on MIQ capacity.
5. We understand that World Rugby will be meeting on Monday, 8 March and intend to make a decision at that meeting on whether to proceed, postpone, or cancel the event.

Potential impact on MIQ capacity

6. MIQ continues to operate at capacity, with no indication that demand will drop. It is crucial for MIQ to maintain its current facilities in order to have enough capacity to accommodate returning citizens, permanent residents, and critical workers.
7. Commercial information
8. The RWC tournament is scheduled to last five weeks. However, NZR have indicated the first tournament participants will start moving into their hotels around 18 August 2021 (four weeks before the tournament), and that they would require facilities to be 'cleared out' 30 days (four weeks) prior to these first arrivals. MIQ would also need two to four weeks to gradually empty facilities in the lead up to decommissioning them, at least two weeks to decommission facilities (which includes deep cleaning and maintenance), and at least two more weeks after the tournament to recommission facilities. Annex One provides the details of this timeline.
9. This means that these hotels would be unavailable to use as MIQ facilities for almost 20 weeks from June – November 2021, which is equivalent to roughly nine managed isolation stay cycles. As a result, MIQ would be unable to allocate at least 8,522 managed isolation rooms that would normally be available over that period.
10. There would also be considerable associated costs and diversion of resources for MIQ to decommission and recommission these facilities: fencing will need to be removed and then re-installed, a large workforce (security, Defence, DHB staff and workforce coordinators) will need to be stood down, and there is the risk that staff will get redeployed to other non-MIQ roles and will not want to return to MIQ when the facilities are recommissioned.

MBIE has suggested alternative hotels in Auckland CBD to NZR

11. MBIE Major Events, on behalf of MIQ, responded to NZR noting alternative hotels in Auckland CBD which are not being used as MIQ facilities Commercial information
[Redacted] MBIE Major Events also sought further information to understand whether New Zealand Rugby was able to look at alternative accommodation providers for the tournament and what contingency planning they had undertaken to date to mitigate their risk that the relevant hotels would remain under contract and in use as managed isolation facilities.
12. NZR was aware of this risk last year, and MIQ confirmed in November 2020 that we had been directed to plan MIQ through to the end of 2021, and that MIQ facilities in Auckland would likely be the last hotels we would pull out of.
13. NZR has today informed MBIE Major Events that it is not feasible for them to find new accommodation at this point in time given the resources that would be required, the stringent requirements that it has for accommodation providers and the process that was undertaken to select these ones.

The hotels have existing contracts with MIQ

14. [Redacted] Commercial information
[Redacted]
[Redacted]
[Redacted]
15. [Redacted] Commercial information
[Redacted]
[Redacted]
[Redacted]
16. [Redacted] Commercial information
[Redacted]
[Redacted]
[Redacted]

Possible alternative commercial accommodation options available to NZR

17. [Redacted] Commercial information
[Redacted]
[Redacted]
[Redacted]
18. [Redacted] Commercial information
[Redacted]
[Redacted]
[Redacted]
[Redacted]
[Redacted]
[Redacted]
[Redacted]

Next steps

19. Officials intend to continue discussions with NZR, with a view to progressing alternative accommodation options.

20. We recommend you discuss the contents of this briefing with the Minister for Sport and Recreation, and the Minister for Economic and Regional Development, and then further instruct officials on how to proceed with this issue at your officials meeting on 1 March.

Annex

Annex One: Timeline for decommissioning and recommissioning MIQ facilities for the Rugby World Cup (RWC)

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Activity	Duration	Dates
Emptying the three hotels 2-4 weeks prior to decommissioning before RWC taking over	14-28 days	From mid-late June 2021, MIQ to start emptying out hotels
RWC clause requires these hotels to be 'cleared out' and out of managed isolation contract 30 days prior to RWC participants entering hotel	30 days	From 18 July 2021, hotels stop being managed isolation facilities to allow 30 days 'clear out' before first RWC participant enters hotel
First RWC participants start moving into these hotels from approx. 18 August 2021	31 days	From 18 August 2021, first RWC participants require hotel rooms
Tournament dates 18 September – 16 October 2021	35 days	From 18 September – 16 October 2021
2 weeks to bring hotels back online as MIFs	14 days	MIFs will available again from 1 November 2021
	124-138 days (17.7 - 19.7weeks) Approx. 9-10 managed isolation cycles	<ul style="list-style-type: none"> • 124 days x 998 rooms = 123,752 room nights • 138 days x 998 rooms = 137,724 room nights