



## BRIEFING

### Final MIQ fee for RSE workers

<b>Date:</b>	6 May 2021	<b>Priority:</b>	Urgent
<b>Security classification:</b>		<b>Tracking number:</b>	2021-3584

#### Information for Minister(s)

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

#### 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	Senior Advisor, Allocation and Supply		

#### The following departments/agencies have been consulted

MBIE Immigration Policy, Immigration New Zealand

#### 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 Withdrawn           |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



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### Purpose

To inform you of the final MIQ fee for RSE workers prior to discussing it with industry on 7 May.

This is made up of the standard critical worker fee of \$4,800 + GST and additional services fee of \$828 + GST per person. The total fee per person will be \$5,628 + GST.

### Recommended action

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

- a **Note** the horticulture and viticulture sector requested a breakdown of MIQ costs for RSE workers.

*Noted*

- b **Agree** officials will inform sector representatives of the final costs and share this briefing and briefing 2021-3426 (with appropriate withholdings) prior to the announcement of this border exception currently scheduled for 10 May.

Agree / Disagree

- c **Agree** this briefing be proactively released with any appropriate withholdings under the Official Information Act 1993.

Agree / Disagree

Kara Isaac  
**General Manager**  
MIQ Policy, MBIE

7 / 5 / 2021

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

12 / 5 / 21

## Cost of MIQ for RSE workers

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1. The first border exception for RSE workers that took place from January to March 2021 was a complex undertaking for MIQ due to the speed at which workers entered the country. In addition, unexpected challenges were encountered such as language barriers and health problems, and lack of adequate welfare support for the workers.
2. We were unable to put contracting arrangements in place as per your intention to recover extra costs incurred by the previous group of RSE workers. We intend to fully recover costs for additional services provided to RSE workers for the upcoming border exception.
3. Industry have requested final MIQ costs for RSE workers to inform their decision on whether to proceed with the RSE programme. This aide memoire informs you of the final costs and how they were calculated. Officials intend to inform industry of these costs on 7 May.

### Use of twin-share rooms

#### *Twin-share for the previous border exception*

4. All previous RSE workers were accommodated in twin-share rooms. The rationale for this was threefold:
  - a. To increase the number of rooms available to be used by New Zealanders, as this exception took place over a period of very high demand for MIQ spaces;
  - b. To mitigate the isolating effects of MIQ and manage workers' mental health;
  - c. To reduce the overall cost to the industry.
5. MIQ was assured that workers would choose their own roommates at the pre-departure camps prior to arrival to ensure that the workers were comfortable with the person they would be spending two weeks with.
6. This was not the case in practice. There were considerable issues with the room pairings across all arriving groups but particularly for arrivals from Vanuatu. Pairing lists were often done in a rush immediately prior to departure, leading to short-notice changes to MIQ vouchers. A number of RSE workers turned up at the MIF and asked to have their room pairing changed due to not knowing the person they were assigned with. There were also a number of instances where male and female workers (not married) were paired and needed to be re-assigned by the MIF, often going into unanticipated single rooms.
7. Reduction in demand for MIQ spaces has reduced the need to conserve space by room-sharing. Changes to provision of wrap-around services and the choice of facilities only used by RSE workers mean mental health support can be provided in alternative ways. Subject to a public health risk assessment, workers may be able to interact with each other in 'floor bubbles' providing interaction with a wider range of people during their stay in MIQ.

#### *Rooming arrangements for this RSE border exception*

8. The horticulture and viticulture sector have expressed a preference for RSE workers to be hosted in twin-share rooms for this border exception for reasons of cost and worker welfare. As outlined at paragraph 7, alternative worker welfare supports will be provided.
9. There are only enough twin-share capable rooms in Hamilton to accommodate a small portion of RSE workers. Industry suggested the possibility of converting single rooms to twin-share, but due to the size of the rooms, this would not be feasible.
10. Following consultation with MIQ Operations, Hamilton Regional Isolation and Quarantine Command Centre, and managers of the chosen facilities, officials have concluded that even

limited twin-share poses risks to the smooth operational functioning of facilities and infection protection controls (IPC). Workers will all be accommodated in single rooms instead.

11. The total cost per cohort (150 people) is \$720,000 + GST.
12. If industry demonstrates that it will be able to consistently arrange appropriate roommates and inform MIQ of these pairings ten working days before arrival, twin-share may be able to be explored from cohort four onwards.
13. However, owing to the small number of twin-share rooms in Hamilton, this will only marginally affect overall cost per cohort.

### **Welfare packs**

14. For the previous border exception, industry gave workers the option of opting into a 'welcome pack', the cost of which was deducted from their earnings. These packs varied between employers and workers, but generally contained a combination of cell phones, SIM cards, calling cards and Prezy cards for the workers to use.
15. The organisation and delivery of these packs proved a significant logistical challenge for the managed isolation facility staff. There were different welcome packs depending on the employer and what the employee had opted for. Some workers did not opt into receiving a pack initially then changed their mind while in MIQ, requiring facility staff to act as go-betweens with the worker and employer to source a welcome pack. Packs were not always delivered on time or to the correct worker, leading to IPC risks as packs were transferred between workers.
16. Internet-enabled cell phones are necessary for contact tracing purposes and to allow workers to engage with welfare supports and contact their families while in MIQ.
17. In order to ensure consistency between workers, MIQ will take responsibility for providing welfare packs for the first three cohorts of workers. Each pack will include: a cell phone (and SIM card), an international calling card, and a Prezy Card preloaded with \$200. At retail prices, we estimate that it will cost around \$370 per pack<sup>1</sup>; cost savings may be achieved through bulk purchasing.
18. Industry has expressed concern about the cost if MIQ provides welfare packs as they believe they can provide them more cheaply. The first three cohorts are likely to be challenging due to the short timelines before entry and the experience of 'bedding-in' a new process. To ensure that welfare packs are consistent and do not pose a burden to MIF staff, MIQ will provide welfare packs for the first three cohorts.
19. If industry can meet MIQ's minimum standards for welfare packs, it can assume responsibility for provision of packs from the fourth cohort onwards. However, if problems seen in the previous RSE border exception recur, MIQ will resume providing packs.

### **Final MIQ fee for RSE workers**

20. Officials have continued to revise total MIQ costs for this cohort. The cost of additional services has decreased from advice previously provided to you and communicated with the industry [2021-3426 refers].
21. The cost decrease is driven by:
  - a. The provision of welfare packs being cheaper than initially estimated;

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<sup>1</sup> Phone + SIM: \$150, Prezy card: \$200, calling card: \$20

- b. Detailed planning providing a more accurate cost of interpreting services.
22. The total fee per worker will be \$5,628 + GST, which comprises the critical worker fee of \$4,800 + GST and the additional services fee of \$828 + GST. A breakdown of this cost is included at Annex One.
  23. The average cost per worker for the previous group of RSE workers was \$3,700 + GST. This is because workers were accommodated in twin-share rooms and additional costs over and above the standard critical worker fee were not recovered.
  24. We will monitor actual costs incurred over the first three cohorts and will report back to you if with a proposal to adjust fees if they are significantly different from costs incurred.
  25. The horticulture and viticulture sector is likely to consider this cost a threat to the financial viability of the border exception. You have previously agreed that costs of additional services over and above standard MIQ should be recovered by employers [2021-3426 refers]. We are confident this fee accurately reflects the costs of providing additional services.

## **Next steps**

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26. We recommend this aide memoire and the related briefing on RSE fees [2021-3426 refers] are provided to the industry in confidence, for subsequent proactive release. This will be used to inform a discussion of costs between officials and industry on 7 May.
27. MIQ, Immigration New Zealand (INZ) and industry will work together to agree on operating procedures and parameters to implement the border exception.

## **Annexes**

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Annex One: Final breakdown of MIQ fee for RSE workers

Annex Two: Previous breakdown of additional MIQ fee for RSE workers

## Annex One: Final breakdown of MIQ fee for RSE workers

	Item	Estimated requirement	Est cost per month (2 cycles, 300 RSEs) excl. GST	Cost per person excl. GST
1	Critical worker standard MIQ fee	N/A	\$1,440,000	\$4,800
2	Bottled water (1L bottles)	2L / per person, per day	\$8,400	\$28
3	Additional Food	3 meals / RSE / day Extra 10.00 pp/pd	\$42,000	\$140
4	Face-to-face interpreters.	2 per MIF (business hours)	\$55,230	\$184.10
5	Pasifika Wellbeing coordinator (Pastoral care incl.)	2 Per MIF (7 days) \$30.00 per person, per hour	\$26,880	\$90
6	Welfare pack (Phone, Prezzy card)	1 per RSE	\$110,000	\$370
7	Communications and Collateral - Printing (cannot be re-used by other RSEs) - Translation / rush translation - Video production	Per language	\$5,000	\$16
<b>TOTAL</b>			<b>\$1,688,510</b>	<b>\$5,628</b>

## Annex Two: Previous breakdown of estimated additional MIQ fee for RSE workers

	Item	Estimated requirement	Est cost per month (2 cycles, 300 RSEs) excl. GST	Cost per person
1	Bottled water (1L bottles)	2L / per person, per day	\$8,400	\$28
2	Additional Food	3 meals / RSE / day Extra 10.00 pp/pd	\$42,000	\$140
3	Face-to-face translators Based on last RSE requirement, depending on language specialty, relocation, duration, etc.	2 per MIF (business hours)	\$100,000 (to 150,000)	\$300 (to \$500)
4	Pasifika Wellbeing coordinator (Pastoral care incl.)	2 Per MIF (7 days) \$30.00 per person, per hour	\$26,880	\$90
5	Welfare pack (Phone, prezzy card)	1 per RSE	\$150,000	\$500
6	Comms and Collateral - Printing (cannot be re-used by other RSEs) - Translation / rush translation - Video production	Per language	\$5,000	\$16
<b>TOTAL</b>			<b>\$332,280 (to \$382,280)</b>	<b>\$1,074 (to \$1,274)</b>