



BRIEFING

Targeted occupancy reduction of managed isolation facilities – managing the transition to quarantine free travel with Australia

Date:	1 April 2021	Priority:	High
Security classification:		Tracking number:	2021-3128

Action sought		
	Action sought	Deadline
Hon Chris Hipkins Minister for COVID-19 Response	Agree to the proposed approach to the allocation of the 500 room reserve. Agree to the proposed approach for the release of additional capacity.	9 April 2021

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

The following departments/agencies have been consulted
Ministry of Health

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 Withdrawn |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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Date:	1 April 2021	Priority:	High
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Purpose

To seek your agreement on the:

- proposed implementation of the targeted occupancy reduction (additional 500 room reserve) across managed isolation facilities; and
- allocation of the remaining rooms ‘freed up’ by quarantine free travel with Australia.

Recommended action

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

- a **Note** that quarantine free travel (QFT) with Australia is expected to ‘free-up’ approximately 1,000 to 1,300 rooms in MIQ per fortnight

Noted

- b **Note** you have agreed for 500 of the ‘freed-up’ rooms to be temporarily set aside to enable targeted occupancy reductions in some managed isolation facilities as part of managing the transition to QFT with Australia and to respond to the increase in higher risk returnees in MIQ ✓

Noted

- c **Note** the key objectives for the allocation of these rooms are:

- providing additional capacity across the system to respond to a pause in the QFT arrangements where some Trans-Tasman travellers need to go into MIQ at very short notice (ie “planes in the air”)
- reducing the risk of within-MIF transmission by lowering occupancy rates at some facilities

Noted ✓

- d **Agree** that the targeted occupancy reduction on commencement of the QFT will be:

- 350 rooms at the larger managed isolation facilities in Auckland, including the four facilities that require busing of returnees to an offsite exercise area;
- 100 rooms across the Christchurch MIQ portfolio; and
- 50 rooms across the other regional MIQ facilities

Agree Disagree

- e **Note** that following commencement of the QFT, MIQ will make day-to-day decisions on any required changes to the configuration of the 500 reserve capacity across the network in order to respond to planning and operational requirements and emerging events

Noted

- f **Note** that the Ministry of Health supports the proposed plan for targeted occupancy reductions as it will alleviate some pressure on the health workforce in Auckland, which is particularly acute

Noted

- g **Note** that MIQ upon your decision will consult with the Ministry of Health and Auckland District Health Board on the implementation of the 350 room targeted occupancy reduction in Auckland to support reducing workforce pressures for health staff

Noted

- h **Note** that we will work with the Ministry of Health to determine whether the changing risk profile of MIQ will also require an increase in dedicated quarantine rooms and will report back to you on this by 16 April

Noted

- i **Note** that the removal of 500 rooms from operational capacity will have implications for our commercial arrangements with the hotels as they are paid a lower rate for unoccupied rooms and we will need to include this in our current renegotiations [**commercial in confidence**]



Noted

j

Commercial information



Noted

- k **Note** that given the current status of the hotel contract negotiations, we recommend that any public announcement next week be at a high level (recommended talking points are attached at **Annex A**)



Noted

- l **Note** after accounting for the additional reserve, there will be a remaining 500-800 rooms 'freed up' as a result of QFT commencing with Australia

Noted

- m **Agree** that all of these freed up rooms be made available in MIAs for April-June in order to ensure that sufficient space is available to meet the Government's existing border exceptions commitments (e.g. critical workers, 1,000 international students)

Agree Disagree

- n **Agree** that 200 of these rooms be allocated to group arrivals for July to respond to an expected increase in demand, and that the remaining rooms for July be made available in MIAs

Agree / Disagree

- o **Note** that within two months of the implementation of the Quarantine-Free Travel Zone, MIQ will report back to you on the operation of the 500 reserve rooms, the demand for managed isolation spaces in light of the QFTZ with Australia, and whether any wider changes to the operational capacity and/or configuration of the MIQ network are recommended

Noted

- p **Agree** that officials should undertake further work to investigate possible alternative MIQ facilities around New Zealand as part of the analysis of options for reconfiguring the MIQ portfolio

Agree / Disagree



Megan Main
Deputy Chief Executive, MIQ
MBIE

1 / 4 / 2021



Hon Chris Hipkins
Minister for COVID-19 Response

6 / 4 / 21

Decisions (m) and (n) are conditional on further advice around the suitability of some existing MIQ facilities for a higher concentration of higher risk passengers.

I'm also awaiting advice on whether further cohort arrivals could take up some of this additional space (eg. RSE workers, international students) and whether immigration changes to allow for temporary residents to re-unify with family could be accommodated.

I'd like advice on whether a dedicated facility with additional IPC measures should be used for the Emirates flights into NZ.

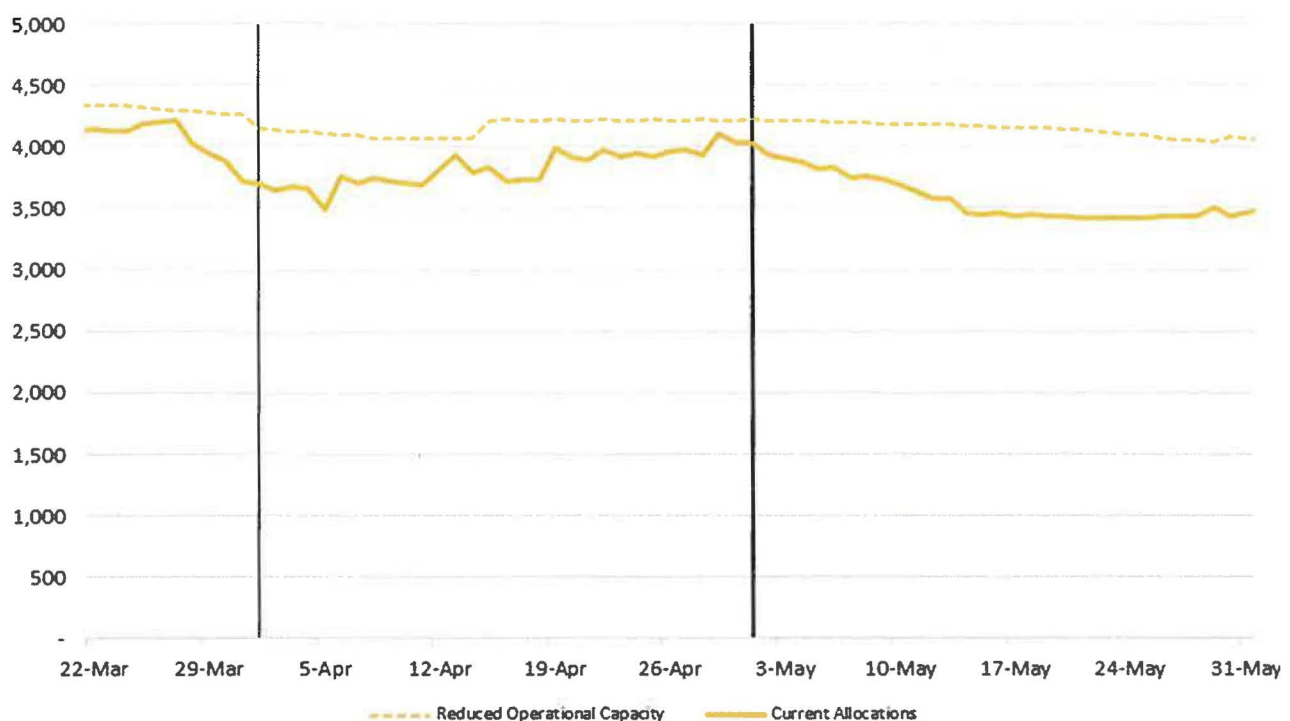
Background

1. Quarantine Free Travel (QFT) with Australia is expected to 'free-up' 1,000 to 1,300 rooms per fortnight with travellers from Australia comprising approximately 30% of incoming arrivals. Of this amount, you have stated a preference to keep 500 rooms offline as a buffer to mitigate risk over the transition period and manage the impacts of a 'pause' or suspension in QFT with Australia. This would be in addition to the 400+ rooms currently held in contingency.
2. In your meeting with officials on 25 March 2021, you agreed to the creation of a 500 room reserve to be implemented with QFT with Australia. This briefing outlines our proposed implementation of that decision and proposed approach to the management of additional capacity.

Future booking for MIQ facilities

3. Demand for spaces in MIQ facilities is expected to remain high. While there is currently MIQ availability from April-July (see below), based on previous experience we expect those vouchers will be picked up in the coming weeks. For example, over 600 vouchers were secured by returnees on MIAs between 31 March and 1 April.

MIQ Rooms Allocated with Current Availability (as at 29th March)



Notes: (i) the reduced operational capacity takes into account the work on the Pullman hotel
(ii) the current actuals (yellow line) is the actual take up of the rooms

Key considerations for implementing targeted reductions in occupancy

4. We have taken a number of factors into account when considering how to allocate the 500 room reserve:

- *Responding to known challenges with individual facilities.* The four Auckland facilities that require the provision of offsite exercise arrangements represent complex logistical and operational challenges in managing those additional movements. There are also two facilities (Pullman and Bay Plaza) that have had concerns raised about their ventilation systems, with mitigations currently in place. However, it is anticipated that the onsite ventilation reviews that are currently underway will identify additional issues that require mitigations or remediation.
- *Minimising pressures where they are significant in particular locations.* Workforce pressures on the MIQ health workforce are the greatest in Auckland.
- *Ensuring the room reserves are placed where they are most likely to be needed.* We have sought to allocate rooms where they are most likely to be required in the event of a “pause” of the QFTZ where a decision has been made to place some passengers on planes in transit into an MIQ facility. We note that there are no MIQ facilities in Queenstown and so MIQ will not be able to respond in that instance, unless the Director General of Health uses his statutory powers to require the plane to land at Auckland or Christchurch.
- *Logistics and operational impacts.* Internal air transfers already involve significant logistical and operational challenges. The additional movement of higher risk returnees also creates further risk of COVID-19 transmission between returnees.
- *Creating operational flexibility where possible.* This includes work that may be required following the onsite inspections of ventilation systems, normal hotel maintenance activity, and the ability to respond to unexpected events or emerging information.

Implementing the 500 room reserve

5. We understand that these rooms will have two primary purposes. Firstly, to respond to any sudden “pause” in the QFTZ and a situation where there are planes in the air from the port associated with a COVID-19 outbreak and a decision is taken that some or all of the passengers on board need to be placed in MIQ. Secondly, to provide some additional capacity to respond to the changing risk profile of MIQ as the number of higher risk returnees increase.
6. We propose to implement the 500 room reserve at the commencement of the quarantine free travel zone with reduced occupancy of:
 - 350 rooms at the larger managed isolation facilities in Auckland, including the four facilities that require busing of returnees to an offsite exercise area;
 - 100 rooms across the Christchurch MIQ portfolio; and
 - 50 rooms across the other regional MIQ facilities
7. Following commencement of the QFTZ, MIQ will make day-to-day decisions on any required changes to the configuration of the 500 reserve capacity across the network in order to respond to planning and operational requirements and emerging events. We will inform you of any significant changes to the distribution of the 500 room reserve.
8. We will consult with the Ministry of Health and Auckland District Health Board on the implementation of the 350 room targeted occupancy reduction in Auckland to support reducing workforce pressures for health staff.

Commercial information

9. Commercial information

10.

11.

Allocation of the remaining 500 to 800 rooms (April – July)

12. Voucher releases have taken place until the end of July. A 500 room reserve will leave an anticipated 500 to 800 rooms per fortnight available out of the 1000 to 1300 rooms that are expected to be freed up.
13. We recommend that you agree to:
 - Release all of the anticipated 500-800 freed up rooms per fortnight from implementation of the QFTZ until the end of June.
 - Allocate an additional 200 rooms to group arrivals for July to respond to anticipated high demand and release the remaining rooms onto MIAs.
14. This will ensure that adequate provision is made to continue to provide places for returning New Zealanders and support previous decisions made by Border Exceptions Ministers, while making provisions for an anticipated demand for additional group allocations later this year. For example, none of the 1,000 international students previously agreed to have arrived in New Zealand as they are still in the visa process with Immigration New Zealand. We have been advised by stakeholders that these students need to have completed MIQ by the end of June for the commencement of the second semester in July.

Officials will review MIQ capacity and configuration within two months of commencing the QFTZ

15. On 25 March, you indicated your preference for the capacity of the MIQ network to remain broadly at the same level as present for the immediate future, but that you were open to rescaling and/or reconfiguration of the network in the medium term, if appropriate.
16. We have committed in the draft QFTZ Cabinet paper to an MIQ configuration and capacity review within two months of implementation of the QFTZ. This advice will provide with comprehensive analysis and advice on options for reconfiguring and re-scaling the MIQ portfolio, as appropriate, in the second half of 2021.
17. This review will enable us to take into account:
 - The demand for MIQ spaces following the implementation of the QFTZ
 - The operation of the QFTZ (e.g. whether any the 500 reserve rooms are ever needed to be utilised due to a “pause”, how many and under what circumstances)

- The outcomes of all of the onsite ventilation reviews of MIQ facilities (due by end of May 2021)
- Decisions made by airlines and airports about the operation of “red” flights
- Lessons and improvements arising from the recent Grand Mercure intra-MIF transmission
- The demand for emergency allocations
- Any further public health advice and emerging evidence
- Options for commissioning new facilities, if some existing facilities or locations need to be decommissioned.

Next steps

18. We will implement your directions as to the distribution of the 500 rooms to be held in reserve on the commencement of the QFTZ and the allocation of the anticipated 500-800 rooms per fortnight for April-July that will become available when the QFTZ commences.
19. We will report back within two months of the implementation of the QFTZ with a full analysis and recommendations for any changes in the medium term to the ongoing capacity and configuration of the MIQ portfolio.

Annex A: Recommended talking points for 6 April public announcement

- When quarantine free travel with Australia starts, MIQ will keep 500 of the 'freed up' rooms in reserve. These rooms can then be used to respond to any pause in QFT, and to allow for the changing risk profile of the facilities, given the likely increase in returnees from higher risk countries.
- This 500 room reserve will initially comprise a:
 - 350 room targeted occupancy reduction across the larger Auckland facilities
 - 100 room occupancy reduction in Christchurch
 - 50 room occupancy reduction across the other MIQ regions.
- MIQ will continue to be responsible for operational decisions on any changes to the configuration of the 500 reserve capacity across the network, in order to respond to planning and operational requirements and emerging events.
- The remaining freed up rooms, which are anticipated to be between 500 to 800 per fortnight, will be released into MIAs until June. This will support the Government's existing commitments to people such as critical workers and international students.
- For July, 200 vouchers will be held back to respond to Government priorities (for example athletes returning from the Olympic Games), with the remainder being released for general use.