



17 June 2022

Ref: DOIA 2122-1794

Privacy of natural persons

Dear Privacy of natural persons

Thank you for your email of 14 March 2022 to the Ministry of Business, Innovation and Employment (MBIE) requesting, under the Official Information Act 1982 (the Act), the following information:

1. *A breakdown of how much has been paid to each hotel used as an MIQ facility (anonymized, so the data is not commercially sensitive) up until March 14, 2022.*
  - a. *Please include details of how this fee was calculated,*
2. *what services/facilities it included (and excluded) and*
3. *the length of time that the hotel was in use as an MIQ facility.*

On 11 April 2022, we extended the time to respond to your request under 15A(1)(b) of the Act as we needed to conduct extensive consultations with each hotel given our contractual obligations with them.

We have numbered your request for ease of reference.

**Question One:**

Please find a monthly breakdown of what has been paid to the hotels by Regional Isolation and Quarantine Command Centre (RIQCC), namely *Auckland, Central* and *Christchurch*. We have also broken-down Auckland further by Central/CBD and Outer Auckland. Central comprises Hamilton, Rotorua and Wellington.

Additionally, MBIE can confirm that the highest amount paid to an individual hotel for a month occurred in March 2021 and was \$5.35m. The lowest monthly amount paid to an individual hotel was \$60k, paid in November 2021. The average monthly amount paid to hotels operating as MIQ facilities between November 2020 and April 2022 was \$25.31m based on 33 facilities.

Please note that the above highest and lowest amounts are dependent on when hotel invoices were received by MBIE and receipted.

Following extensive consultation with the hotels, MBIE has decided to decline to provide a breakdown of amounts paid to each facility individually. We have concluded the release of this data would be likely to unreasonably prejudice the commercial position of these entities, as per section 9(2)(b)(ii) of the Act.

In our discussions with the hotels, they highlighted that MIQ has been their only business for the last two years. This means the only income they have had, and the only monthly invoices they have produced during that time are from MIQ. Consequently, from the hotels' perspective this would be revealing hugely commercially sensitive information. That is, the hotels' position is that disclosure of the amounts they were paid each month would effectively be telling their competitors, potential buyers (some hotels are or are likely to be put up for sale), the stock market (some hotels belong to chains that are listed, which have disclosure obligations to the stock exchange), and potential investors otherwise, what these hotels have earned in the last 24 months. Such disclosure they advise would put them at a significant commercial disadvantage. MBIE has accepted that this is the case.

We have considered the public interest under section 9 of the Act, and whether the public interest is nonetheless greater in this level of disclosure. We do accept that there is an interest in the public being able to see what MIQ cost. However, we conclude that public interest in release at this granular level is not greater than the potential commercial harm set out by the hotels. In reaching this conclusion, we note that this response offers transparency as to the amount of taxpayers' money used through time (monthly) to pay for MIQ by providing the data at the RIQCC level.

We also considered releasing individual hotel data anonymised (that is, with facility names removed). However, because the list is relatively small, this could not remove the potential of the larger and smaller facilities still being identifiable if cross-referenced with open-source data about the capacity of the hotels that were operating as MIQ facilities. Nonetheless, we have provided the largest and smallest dollar figure paid, and an average monthly figure paid to hotels, to provide you with a good sense of what payments would look like at the individual level.

Additionally, the names of all the MIQ facilities are known (and indeed are provided again in this response), so if you have any concerns as to the legitimacy of any facility receiving payment, the withheld granular financial information does not jeopardise any line of inquiry in this regard, as unlikely as that eventuality seems, as all of the hotels have been consistently contracted for the services they provided.

Please note that for the period July to October 2020, the Ministry of Health held the contracts with the hotels and was responsible for previous payments until the contracts transitioned over to MBIE:

## Costs Paid to Hotels \$m

Month	Auckland CBD	Auckland Outer CBD	Chch	Central (rest of North Is.)	Total
Oct-20	4.96	2.81	5.26	2.23	<b>15.26</b>
Nov-20	18.24	13.39	5.49	6.33	<b>43.46</b>
Dec-20	22.55	11.44	7.27	7.00	<b>48.26</b>
Jan-21	22.04	14.76	7.68	8.74	<b>53.23</b>
Feb-21	20.18	12.22	6.48	7.15	<b>46.03</b>
Mar-21	20.80	12.31	8.02	6.56	<b>47.69</b>
Apr-21	20.71	11.73	6.33	5.70	<b>44.47</b>
May-21	14.79	10.69	5.65	5.53	<b>36.66</b>
Jun-21	16.72	12.60	7.09	6.00	<b>42.42</b>
Jul-21	15.89	12.27	7.35	6.83	<b>42.33</b>
Aug-21	19.51	11.86	8.52	8.10	<b>48.00</b>
Sep-21	22.11	11.67	9.72	6.81	<b>50.32</b>
Oct-21	20.10	11.70	8.35	7.04	<b>47.18</b>
Nov-21	21.23	10.24	9.22	7.59	<b>48.27</b>
Dec-21	17.79	10.48	6.76	5.41	<b>40.45</b>
Jan-22	21.48	13.43	10.09	7.54	<b>52.54</b>
Feb-22	19.71	11.79	9.06	5.82	<b>46.38</b>
Mar-22	14.93	10.88	7.77	4.92	<b>38.50</b>

### Question Two

These costs included exclusive use of the property, the hiring of each hotel's rooms (total occupancy), laundry and cleaning services, catering services – including three meals a day to be provided for each guest/returnee. Please note that amounts vary depending on hotel occupancy, and the timing of invoice receipt. The amount MBIE pays depends on occupancy (number of guests) and is subject to 'minimums' which allow for our exclusive use of the property.

### Question Three

MBIE's start and end dates for contracts with each of the 33 MIQ facilities are detailed in the table below, as well as a further table setting out the decommissioning stages for each hotel as of 7 June 2022.

The current accelerated decommissioning process means that some contract end dates will be earlier than the dates listed. These negotiations are still underway.

Please note that prior to the MBIE, the contracts were held by the Ministry of Health.

<b>Managed Isolation and Quarantine facilities 2020 – 2022</b>			
<b>Number</b>	<b>Contract Start Date</b>	<b>Contract End Date</b>	<b>Facility Name</b>
1	1 July 2020	30 June 2022	Crowne Plaza Auckland
2	1 July 2020	30 June 2022	Four Points by Sheraton Auckland
3	1 July 2020	30 June 2022	Grand Mercure Auckland
4	1 July 2020	30 June 2022	Grand Millennium Auckland
5	1 July 2020	31 August 2022	Holiday Inn Auckland Airport
6	1 July 2020	31 August 2022	Jet Park Hotel Auckland Airport
7	6 July 2020	30 June 2022	M Social Auckland
8	1 July 2020	30 June 2022	Naumi Hotel Auckland Airport
9	1 July 2020	30 June 2022	Novotel Auckland Airport
10	1 July 2020	30 June 2022	Novotel/Ibis Ellerslie
11	1 July 2020	30 June 2022	Pullman Auckland
12	7 July 2020	30 June 2022	Ramada Federal Street
13	1 July 2020	30 June 2022	Rydges Auckland
14	1 July 2020	30 June 2022	Sebel Manukau
15	1 July 2020	30 June 2022	SO/Auckland
16	1 July 2020	30 June 2022	Stamford Plaza Auckland
17	1 July 2020	30 June 2022	Sudima Auckland Airport
18	1 July 2020	31 August 2022	Waipuna Hotel and Conference Centre
19	28 June 2020	30 June 2022	Distinction Hamilton
20	1 July 2020	30 June 2022	Ibis Hamilton
21	8 July 2020	30 June 2022	Jet Park Hotel Hamilton
22	20 July 2020	30 June 2022	Rydges Rotorua
23	1 July 2020	30 June 2022	Ibis Rotorua
24	20 June 2020	30 June 2022	Sudima Rotorua
25	13 July 2020	31 January 2022	Bay Plaza Hotel Wellington
26	25 June 2020	30 June 2022	Grand Mecure Wellington
27	26 June 2020	30 June 2022	Chateau on the Park
28	1 July 2020	30 June 2022	Commodore Hotel Christchurch
29	17 August 2020	30 June 2022	Crowne Plaza Christchurch
30	4 July 2020	30 June 2022	Distinction Christchurch
31	30 June 2020	30 June 2022	Novotel Christchurch Airport
32	1 July 2020	30 June 2022	Sudima Christchurch Airport
33	1 November 2021	25 May 2023	The Elms (NB: agreement terminated earlier and the hotel reopened to the public on 2 May 2022)

Facility (by region)	Current phase	Decommission Date	Notes
<b>Auckland</b>			
Crowne Plaza	De-designated 15/3	29/04/2022	decommissioned
Four Points	De-designated 15/3	14/04/2022	decommissioned
Grand Mercure	De-designated 15/3	29/04/2022	decommissioned
Grand Millennium	De-designated 15/3	14/04/2022	decommissioned
Novotel/Ibis Ellerslie	De-designated 15/3	29/04/2022	decommissioned
Sebel	De-designated 15/3	29/04/2022	decommissioned
SO/	De-designated 15/3	29/04/2022	decommissioned
Stamford	De-designated 15/3	29/04/2022	decommissioned
Pullman	De-designated 15/3	29/04/2022	decommissioned
Sudima Airport	De-designated 15/3	29/04/2022	decommissioned
Rydges	De-designated 15/3	14/04/2022	decommissioned
Naumi	De-designated 15/4	1/06/2022	decommissioned
M Social	De-designated 15/4	29/04/2022	decommissioned
Novotel Airport	De-designated 25/3	13/05/2022	decommissioned
Ramada	De-designated 28/2	29/04/2022	decommissioned
Jet Park	To be de-designated by 30/6	Planned for by 31/7/22	
Holiday Inn	To be de-designated by 30/6	Planned for by 31/7/22	
Waipuna Auckland	To be de-designated by 30/6	Planned for by 31/7/22	
<b>Hamilton</b>			
Distinction	De-designated 15/3	29/04/2022	decommissioned
Ibis Tainui	De-designated 15/3	29/04/2022	decommissioned
Amohia (Jet Park)	De-designated 29/4	30/06/2022	

<b>Rotorua</b>			
Sudima	De-designated 20/4	30/06/2022	
Rydges	De-designated 15/3	29/04/2022	decommissioned
Ibis	De-designated 15/3	29/04/2022	decommissioned
<b>Wellington</b>			
Grand Mercure	De-designated 26/4	1/06/2022	decommissioned
<b>Christchurch</b>			
Chateau on the Park	De-designated 15/3	14/04/2022	decommissioned
Crowne Plaza	De-designated 15/3	29/04/2022	decommissioned
Distinction	De-designated 15/3	29/04/2022	decommissioned
Sudima Airport	De-designated 15/3	29/04/2022	decommissioned
Novotel Airport	De-designated 15/3	29/04/2022	decommissioned
The Elms	De-designated 22/3	29/04/2022	decommissioned
Commodore	De-designated 1/6	Planned for 30/6	

Please note that *de-designation* means that a facility ceases to be a facility and cannot be used for isolation but remains in MBIE's possession. *Decommissioned* means that the hotel is physically handed back to the owner. The month gap allows MBIE to retrieve its equipment e.g. IT equipment, and make any minor refurbishments it had had to make, such as to security areas which are not required by the hotel.

#### **Summary of the above decommissioning table:**

As of 1 June 2022, a total of 26 facilities had been decommissioned and handed back.

#### ***Facilities that are being decommissioned on 30 June 2022***

- Amohia (Jet park) – Hamilton
- Sudima – Rotorua
- Commodore – Christchurch

#### ***Facilities to be retained to 31 July 2022 – de-designation commences on 30 June***

Decommissioning for the following final three facilities is on track with the proposed date of 30 June for de-designation and 31 July planned for decommissioning.

These facilities provide support to community cases (including close contacts) who are unable to safely isolate at home, as well as refugees and evacuees (i.e. Afghanistan).

- Jet Park (Quarantine facility)- Auckland
- Holiday Inn (Isolation facility) - Auckland
- Waipuna (Isolation facility) - Auckland

For your information, MBIE is continuing to look at long-term options for a National Quarantine Capability (NQC) to respond to any future public health threat at New Zealand's border. MBIE is also developing a Readiness Plan to bridge the time between the closure of the current MIQ network and the availability of future interventions proposed by the NQC. The plan will initially be specific to COVID-19 but will be adapted to be disease-agnostic.

You have the right to seek an investigation and review by the Ombudsman of this decision. Information about this process is available at [www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz) or freephone 0800 802 602.

Yours sincerely



**Andrew Milne**  
Deputy Secretary  
Managed Isolation and Quarantine