



BRIEFING

Commissioning additional MIQ facilities

Date:	3 August 2021	Priority:	Urgent
Security classification:		Tracking number:	2122-0375

Action sought		
	Action sought	Deadline
Hon Chris Hipkins Minister for COVID-19 Response	Indicate whether you want MBIE to precede to investigate the suitability of possible facilities in Christchurch and Rotorua.	5 August 2021

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Andrew Milne	Associate Deputy Secretary	Privacy of natural persons	✓
Privacy of natural persons	Senior Policy Advisor		

The following departments/agencies have been consulted
Ministry of Health

Minister's office to complete:

Approved

Declined

Noted

Needs change

Seen

Overtaken by Events

See Minister's Notes

Withdrawn

Comments



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Purpose

The purpose of this briefing is to provide you information on our ability to commission additional MIQ facilities. Specifically it covers:

- The risks to the MIQ system of adding new facilities;
- Workforce considerations; and
- A progress update on identifying possible new facilities and next steps.

Recommended action

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

- a **Note** standing up additional MIQ facilities would have significant risks for the MIQ system, in particular due to the impact on the MIQ workforce (both Health and other MIQ workforces) that any new facility would involve.
- Noted*
- b **Note** the availability of workforce (both Health, MBIE and other Government agencies) is a key factor in being able to stand up any additional MIQ facilities.
- Noted*
- c **Note** we are already working on initiatives to relieve health workforce pressures under the current occupancy pressures, including work to diversify the model of care and utilise remotely working RNs to support daily health checks.
- Noted*
- d **Note** due to workforce constraints, system pressure and increased risk due to the Delta strain, officials recommend that MIQ capacity is not increased at this time.
- Noted*
- e **Note** a desktop assessment has identified three possible new MIQ facilities – two in Rotorua and one in Christchurch.
- Noted*
- f **Indicate** if you want:
- a. To meet with officials to further discuss options for standing up additional facilities.
- Yes / No
- b. MBIE to progress with engaging stakeholders and undertaking further suitability assessments in Rotorua and Christchurch.
- Yes / No

Proactive release

- g **Agree** that this briefing is proactively released with appropriate withholdings under the Official Information Act 1982.

Agree / Disagree

Andrew Milne
**Associate Deputy Secretary MIQ
MBIE**

3/ 8/ 2021



Hon Chris Hipkins
Minister for COVID-19 Response

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Background

1. On 5 July 2021 we provided you with information about the commissioning process and short term infrastructure needs [2122-0037 refers]. You asked officials whether the commissioning process can be shortened and if additional MIQ facilities can be brought online before the December/January peak demand.
2. On 29 July 2021 we provided advice on an expedited MIQ facility commissioning timeframe (shown in Annex 1) and noted that you will be provided with advice on possible new MIQ facilities on 3 August 2021 [2122-0339 refers].
3. This briefing includes a slide pack detailing the evaluation of potential new MIQ facilities. These slides are attached at Annex 2.

Risks of additional MIQ facilities

4. The spread of the Delta variant has led to additional waves in countries that were previously doing well against COVID-19, even in those where vaccinations had begun to reduce transmission.
5. Australia has recognised the increased risk of spread of the Delta variant in border quarantine facilities and has reduced the number of international commercial entries by 50 percent. The spread of the Delta variant in New South Wales resulted in a two month suspension of quarantine-free travel with Australia, increasing demand on MIQ.
6. In addition to the heightened risk from the Delta variant, we are facilitating returns from New South Wales. To enable this, we have used the 500-room QFT contingency and system wide contingency to increase MIQ's total operational rooms to approximately 4,800. This is placing considerable strain on the MIQ network. It has resulted in delays to maintenance and ventilation remediation work at several facilities, and our workforce across these facilities has been stretched. Increasing the number of facilities across the MIQ system will exacerbate these pressures.
7. Demand for MIQ spaces currently outstrips available capacity. Commissioning one or two additional facilities would increase our capacity by up to 300 rooms. However, it would be inadequate to meet current levels of demand. Further work is being undertaken on potential options for dampening demand and will be provided to you separately.

Workforce considerations

8. Staff are our last line of defence between COVID-19 and the community. It is critical that any future decisions around increasing MIQ capacity by standing up new facilities takes into account the additional workforce that will be required and the increased pressures that will be placed on existing workforce to support the new facilities.
9. Safe operating parameters exist to ensure that MIQ does everything we can to prevent COVID-19 from getting into the community. Pushing MIQ to operate beyond safe operating parameters increases the risk of this happening in multiple ways – increased numbers of breaches, exhausted and stressed frontline staff making mistakes etc. This risk is now higher with our growing understanding of the risks of aerosol transmission of the virus, and the increased infectiousness of the Delta variant.

Health workforce

10. The health workforce nationwide is under considerable strain – this is not limited to MIQ settings. This is exacerbated in winter when we have a higher burden of seasonal illness. Skills shortages throughout the health system limits our ability to recruit health workers to

staff additional facilities. In addition to 'business as usual' healthcare provision, the health workforce is currently also engaged in the COVID-19 vaccination campaign, an additional burden on their resources.

11. Of all the regions currently involved in the provision of MIQ, Christchurch and Rotorua are expected to be better placed from a health workforce perspective to respond to the addition of a new facility to their network. This is due to the relatively higher staffing ratio in Christchurch, and a model of care in Rotorua that involves high utilisation of health care assistants to support the workload of Registered Nurses (RNs).
12. However, while Christchurch and Rotorua are likely to be best placed to manage the increase in health workforce requirements compared to other regions, they are still experiencing considerable strain on their health workforce (both within MIQ and across the wider health system), and their ability to recruit additional healthcare workers to support the establishment of an additional facility remains constrained. Under-staffed MIQ facilities may increase the risk of in facility transmission and therefore transmission to the community.
13. We are already working on a number of initiatives to try and relieve the pressure on the health workforce under the current occupancy pressures. This includes work to diversify the model of care to utilise non-RNs e.g. health care assistants, and work to utilise remotely working RNs to support daily health checks.
14. It is crucial to engage DHBs early to confirm whether the health workforce in Christchurch and Rotorua have the capacity to staff an additional facility without leaving critical workforce shortages elsewhere in their health systems.

Other workforce

15. Issues with workforce availability are not limited to health staff. The current model of staffing relies on Aviation Security, the Defence Force and MBIE-employed security staff in addition to hotel staff and contracted security. MBIE is already facing challenges with recruiting and retaining security officers and given the pressures on other agencies currently providing members of the MIQ security workforce, its likely MBIE and we would need to call on private security companies in order to supply the required number of security staff for each new MIQ facility.
16. The comments below reflect feedback received from agencies:
 - a. **AvSec comment** : AvSec can temporarily support additional MIF facilities utilizing staff that have been freed up by the suspension of the QFT. At this point we believe we could free up 10 - 12 staff for the period of the suspension of the QFT.

Once that bubble becomes active again, AvSec would require those staff back to manage the additional associated passenger flows. Once decisions are made on numbers and locations of MIQ facilities, AvSec will be in a better position to refine the numbers of available staff. AvSec does not currently have a presence in Rotorua as they do not have a staff base there ; all security at present is provided by private sector firms.
 - b. **NZDF comment** : the Defence Force is presently providing a high level of support to the COVID-19 response with many personnel being employed within facilities (an average of 28 staff per facility). A further increase of personnel to support an additional two MIQ facilities is not considered feasible given existing commitments and the need for the Defence Force to be able to respond to other events eg natural disasters.
 - c. **Police comment** : Police currently have around 240 full time equivalent (FTE) staff working in Managed Isolation and Quarantine facilities, Auckland Airport and a central support capability. This MIQ deployment has a significant impact on Police staff and our ability to deliver on existing service areas.

MIQ deployment is currently being met largely by redeploying 240 frontline community Police. This means the Government's intention to strengthen Police frontline delivery through an additional 1800 staff by 30 June 2023 is not being fully realised.

New MIQ facilities

17. Based on a desktop assessment, three hotels have been identified as possible new MIQ facilities. Two of these are located in Rotorua and one in Christchurch. The process for identifying the three hotels is included in the slidepack.
18. If you wish to proceed with commissioning an additional facility, we are seeking your approval to move into the engagement and onsite assessment stage for each of these three hotels. This would include:
 - a. engagement with iwi and national/local stakeholders about adding new MIQ facilities in each location. This would include further discussions on workforce issues and solutions; and
 - b. engagement and undertaking onsite and further desktop assessments with the three possible hotels. The onsite assessments will include activities such as CCTV and ventilation assessments.

Iwi engagement and Treaty of Waitangi obligations

19. Iwi engagement is crucial in establishing any further MIQ facilities. Due to the pace that the MIQ system was originally established the opportunity for iwi engagement was limited.
20. We are currently in the process of strengthening and deepening our relationship with iwi. Inadequate iwi engagement on the establishment of future MIQ facilities will:
 - a. not meet our Treaty obligations;
 - b. directly impact the relationship between iwi and MBIE; and
 - c. potentially impact the operation of a new MIQ facility (for example, it could reduce the size of the available workforce and jeopardise community relations).
21. Iwi should be invited into the process of setting up new facilities in order to increase the prospect of their successful establishment, and should be brought in on an in-confidence basis as soon as possible.

Next Steps

22. Facilities are unlikely to want to enter into short-term contracts (less than 12 months) therefore we would not want to commission a facility that could not be used for all risk categories of returnees.
23. Establishing two new MIQ facilities with around 200 rooms each will cost approximately \$50 million per year plus establishment costs of \$1-2 million. We will provide you with more detailed costs as part of the feasibility report.
24. If you decide to progress with commissioning a new facility, we will stand up a dedicated project team to move into the assessment and engagement stage.
25. This team will:
 - a. Conduct engagement with key stakeholders to confirm in-principle regional feasibility;

- b. Make a desktop assessment of facilities;
 - c. Complete an onsite assessment of facilities;
 - d. Begin consulting with iwi and other local stakeholders; and
26. These steps will determine whether each facility is appropriate for commissioning.
 27. Once the suitability of a facility is determined and Cabinet has approved funding, we would enter into a contract with the facility and begin commissioning steps, such as ventilation remediation and installation of security measures.
 28. We would also develop a staff workforce and training plan for the facility, including negotiating with partner agencies and private security companies to determine availability of workers, and plan and run consolidated induction and training for all staff on MIQ standard operating procedures and IPC requirements.
 29. If you wish to progress this work, we will next report to you following the engagement and assessment stage with a feasibility report for each of the three potential facilities.
 30. We will also report to you separately on:
 - the future of the Bay Plaza in Wellington and its suitability to continue as a managed isolation facility; and
 - the potential need to bring back on-line the Ramada Auckland for '501' returnees.

Annexes

Annex One: MIQ facility commissioning timeframe.

Annex Two: Meeting slide pack.

Annex One: MIQ facility commissioning timeframe

<u>Key steps</u>	<u>Estimated expedited timeframe</u>
Decision from Minister for COVID-19 Response to commence feasibility assessment and engagement	Possible by 4 August
1. Engagement and initial assessment a. Engagement with: <ul style="list-style-type: none"> • key stakeholders to confirm in principle regional feasibility (particularly with iwi, other local stakeholders, hotels, and regarding workforce and transport) • Ministry of Health and DHBs, particularly regarding health workforce • agency partners e.g. NZDF b. Desktop assessment of facilities (ventilation review, IPC, security, operational viability)	1 week
2. Onsite assessment of facilities (ventilation review, IPC, security, operational viability)	1 week
3. Feasibility report prepared and approval sought from Minister for COVID-19 Response to begin <u>in principle</u> negotiations with feasible facility(s)	1 week
4. Cabinet approval for funding and negotiations begin a. Seek Cabinet approval for funding to enter into agreement with feasible facility(s) <i>This assumes the paper can go directly to Cabinet.</i> b. Commercial negotiations commence <i>This time will vary depending on whether the hotel owner already has another facility that is being used for MIQ.</i>	1-2 weeks
<i>Contract signed</i>	
5. Hotel owner relocates upcoming bookings/business Workforce planning begins (establishment, training, vaccinations)	2-6 weeks
6. Commissioning facility Including any necessary ventilation remediation, and installation of security measures such as CCTV and fencing. <i>Where possible, we will look to run processes in parallel to reduce cumulative timeframes.</i>	2-5 weeks

Annex Two: Meeting slide pack

Future MIQ infrastructure – short- term options for increasing capacity

3 August 2021



Possible new MIQ facilities

- We have received 25 unsolicited proposals for new facilities and/or locations. Following assessment by our commercial team none were found suitable for short-term use.
 - MBIE and MoH considered a number of other options including using other regional centres or non hotel type facilities (such as residential colleges).
 - We consider that hotels in our current locations are the only facilities we could commission to MIQ standard in a short timeframe (e.g before Christmas).
 - MBIE's commercial team have identified five hotels with an interest in joining the MIQ network.
 - Two of these facilities are in Auckland, two are in Rotorua, and one is in Christchurch.
 - MBIE and MoH undertook a desktop assessment of these facilities (our commercial team has on the ground knowledge of these hotels) against a number of 'Must have', 'Must be able to add' (eg the potential to add CCTV), and 'Should have' criteria (see Appendix 1 for the list of criteria used).
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Desktop Assessment of facilities against criteria

Commercial information

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Met all 'Must have' criteria

Met all 'Must have' criteria

Met all 'Must have' criteria

Did not meet all 'Must have' criteria

Did not meet all 'Must have' criteria

Analysis of desktop assessment

- Three hotels were identified that could meet our requirements – two in Rotorua, one in Christchurch.
- These facilities all had previous preliminary assessments last year that were not progressed further, however we cannot definitively say whether they are suitable until we have made a physical assessment of these sites.
- We do not have capacity in the system to commission three facilities at the same time. Standing up a facility is resource intensive both at a regional and ‘head office’ level; while one or two facilities may be able to be commissioned near-simultaneously, a third would require additional resources and expertise.
- While both Rotorua facilities meet our initial assessment, bringing two additional facilities to Rotorua is unlikely to be feasible due to workforce constraints (both MIQ and Health).
- An additional Rotorua facility increases the possibility of operating an airbridge between Auckland – as increased number of returnees makes flying possible. The use of flights rather than buses is supported by Health on the basis of reducing infection prevention and control (IPC) risks.
- The two Auckland facilities are **not** recommended due to health workforce considerations and the limited amount of exercise space available, though they could be considered in the future as possible substitutions for existing Auckland facilities should this need arise.
- We recommend that further assessment is made for the Rotorua and Christchurch facilities

Appendix 1 - Criteria for new MIQ facilities

Must have				
Close proximity to a tertiary (or large secondary) hospital facility and lab testing	Conference and meeting rooms available to provide staff areas	Large scale commercial kitchen and serving area	Availability and capacity of health workforce (size and specialist capabilities)	Availability and capacity of other workforce (eg security)
FENZ sprinkler system	At least C rating or above for earthquake safety	Access to smoking areas separate from exercise areas	Access to onsite fresh air/exercise	
Must be able to add				
Perimeter control (to restrict ingress and egress)	Negative air pressure, continuous exhaust, mechanical ventilation in rooms	Full CCTV coverage	Appropriate level of external lighting	
Should have				
In-house housekeeping staff	Wide corridors	Operational capacity of between 150 and 225 rooms	Access to public transport/car parking	Reasonable journey length from port of arrival to MIF
No opening windows if internal corridors	Interconnecting rooms for families (depending on existing facilities)	A number of rooms with wheelchair access (dependent on existing facilities)		

Appendix 2 – steps in the commissioning process

Key steps

Decision from Minister for COVID-19 Response to commence feasibility assessment and engagement

1. Engagement and initial assessment

a. Engagement with:

- key stakeholders to confirm in principle regional feasibility (particularly with iwi, other local stakeholders, hotels, and regarding workforce and transport)
- Ministry of Health and DHBs, particularly regarding health workforce
- agency partners e.g. NZDF

b. Desktop assessment of facilities (ventilation review, IPC, security, operational viability)

2. Onsite assessment of facilities (ventilation review, IPC, security, operational viability)

3. Feasibility report prepared and approval sought from Minister for COVID-19 Response to begin in principle negotiations with feasible facility(s)

4. Cabinet approval for funding and negotiations begin

- a. Seek Cabinet approval for funding to enter into agreement with feasible facility(s)

This assumes the paper can go directly to Cabinet.

- b. Commercial negotiations commence

Contract signed

5. Hotel owner relocates upcoming bookings/business

- a. Workforce planning begins (establishment, training, vaccinations)

6. Commissioning facility, including any necessary ventilation remediation, and installation of security measures such as CCTV and fencing.

Where possible, we will look to run processes in parallel to reduce cumulative timeframes.