



BRIEFING

Management of community cases from current Delta outbreak, and impending decisions needed on future management

Date:	29 August 2021	Priority:	Urgent
Security classification:		Tracking number:	NZ-003 2122-0742

Action sought		
	Action sought	Deadline
Hon Chris Hipkins Minister for COVID-19 Response	<p>Note that MIQ is projected to exhaust quarantine capacity to accommodate positive cases of COVID on Tuesday afternoon.</p> <p>Note that facilities and staff are under extreme pressure, resulting in increased risk to staff and the wider NZ public.</p> <p>Agree to commission an urgent All of Government alternative to MIQ.</p>	30 August 2021

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Megan Main	Deputy Secretary MIQ, MBIE	Privacy of natural persons	✓
Privacy of natural persons	Policy Director, MIQ		

The following departments/agencies have been consulted
The Ministry of Health have been consulted in the development of this advice.

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 Withdrawn |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

Management of community cases from current Delta outbreak, and impending decisions needed on future management

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Purpose

To alert you to the need to urgently identify an alternative to MIQ to safely support the management of the current community outbreak, as a result of rapidly dwindling quarantine spaces (anticipated to be exhausted by the afternoon of Tuesday 31 August, based on current projections) and the high risk to staff and the wider community caused by the current approach of concentrating positive cases in hotels.

Recommended action

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

- a **Note** that as of 0730 Sunday 29 August, the MIQ system was accommodating 389 community cases in quarantine (comprising positive cases and their 'bubbles') and 37 other cases (comprising of close contacts and their 'bubbles') from the current Delta outbreak in addition to positive cases from the border (currently assuming the need for approximately 100 more community arrivals a day for the next few days).

Noted
- b **Note** that MBIE is expecting that available MIQ quarantine capacity will be exhausted by the afternoon of Tuesday 31 August.

Noted
- c **Note** that MBIE has been unable to identify viable sources of additional quarantine supply in the current network of hotels after engaging with a number of facilities.

Noted
- d **Note** that MBIE considers that the current practice of accommodating all positive cases in MIQ facilities, even with strong IPC measures and ventilation remediation work, carries increased risk to the MIQ workforce and the wider New Zealand public.

Noted
- e **Agree** to commission an All of Government response to identify an alternative to the sole use of MIQ quarantine facilities for the current community outbreak.

Agree / Disagree

f **Agree** to proactively release this briefing with appropriate redactions consistent with the Official Information Act 1982.

Agree / Disagree



Megan Main
Deputy Secretary MIQ
MBIE

29 / 08 / 2021



Hon Chris Hipkins
Minister for COVID-19 Response

30 / 8 / 2021
..... / /

Background

1. MIQ has served New Zealand well for over a year, with more than 165,000 returnees accommodated, supported by a workforce of over 4,000 at any one time from across the private and public sector.
2. As a public health response at the border, MIQ and our workforce has been under extreme pressure over the last month due to concurrent events:
 - a. We are still in the tail-end of the New South Wales (NSW) managed return process, with the final flight having arrived on 22 August, and bringing back more returnees than originally anticipated. This cohort is due to leave MIQ on Sunday 5 September, closing out the NSW managed returns process which has seen 2,696 people, using 1,991 rooms, return over the past three tranches. Accommodating this cohort of managed returns has stretched the MIQ workforce.
 - b. The MIQ intake of people from Afghanistan will include more than 360 returnees, a small number of which have been symptomatic. This is a large group of people, with complex and varied needs. Appropriately supporting this cohort has been a cross-agency responsibility, but has nevertheless placed substantial strain on MIQ's workforce and capacity.
3. Running alongside these border events, since the start of the current Delta outbreak, MIQ has accommodated significant numbers of occupants over and above those planned for entry from the border. As at 7:30am on 29 August 2021, this includes:
 - a. 389 people in quarantine, occupying 201 rooms. This includes 113 people from the past 24 hours (from 7:30am on 28 August to 7:30am on 29 August) alone.
 - b. 37 close contacts who have been directed by a Medical Officer of Health to isolate in a MIQ facility, occupying 24 rooms.
4. People in quarantine as a result of the current Delta outbreak are pushing quarantine facilities to higher levels of occupancy and concentration than ever experienced before.
5. The Delta outbreak has also directly impacted MIQ workforce, with two staff in the last 24 hours testing positive for COVID-19, including a staff member who works across a number of sites testing positive for COVID-19, and also a kitchen staff member. The close contacts of these cases will undoubtedly include other staff at these facilities, placing additional strain on workforce numbers.
6. Planned arrivals from the border have remained steady while MIQ has accommodated these additional intakes. While there has not been a substantial release of vouchers on MIAS since 7th July, due to the timing of voucher releases, most of those people who are scheduled to enter MIQ in the coming weeks would have acquired their voucher some time ago.

We are struggling to find further supply of quarantine spaces and expect to run out of space imminently

Modelling indicates that further capacity is required to accommodate community cases

7. MIQ has been working closely with the Ministry of Health (MoH) to understand the potential demand for quarantine capacity resulting from the current Delta outbreak. Based on MoH's modelling, we are expecting that substantially more quarantine rooms will be required than are currently available.

8. As a conservative figure, we expect to need more than 650 rooms. Modelling from MoH indicates there could be a range of upwards of 710 people who need to be accommodated, although this already seems an under-estimate, given the total already exceeds 500 as at 29 August.
9. This does not take into account a potential super-spreader situation, nor does it take into account demand for MIQ rooms from close contacts. The range of data to support how many more rooms we may need for close contacts is extreme and could vary from 1:4 – 1:24, which is impossible to forecast with any accuracy.
10. Current quarantine capacity is 535 rooms across New Zealand, with 439 of these in Auckland. From Monday 29 August, the capacity in Auckland will increase when the Holiday Inn is brought online, with 58 quarantine rooms available initially. While there is less demand for Wellington and Christchurch quarantine facilities, we do not consider it viable to move people confirmed as having the Delta variant from Auckland to other locations in New Zealand in order to access quarantine capacity.
11. We consider that we need to plan to have available quarantine capacity that exceeds a conservative estimate of demand. While this may mean that some quarantine rooms are not utilised in the event that demand is less than expected, we consider this preferable to underestimating demand. This is consistent with discussions on 26 August 2021 with you and the Prime Minister.
12. Current quarantine facilities are insufficient to provide this level of quarantine capacity.
13. Appendix 1 outlines the actions MIQ has already taken to increase capacity.

MBIE and the Ministry of Health have been unable to identify an additional isolation facility which can be converted to another quarantine facility

14. There are a number of risks associated with standing up another facility to take positive cases. Work has been done by MBIE and MoH to assess risks related to facilities and workforce implications and to identify which, if any, current isolation facilities could be converted into a quarantine facility.
15. Of the current network of hotels used by MIQ, in addition to the Holiday Inn Auckland, we had considered that the Grand Mercure (with 206 rooms) or Pullman Auckland (263 rooms) were viable options to convert to quarantine facilities, based on their ventilation assessments. Obligation of confidence [REDACTED]
16. The Crowne Plaza was considered a further option that would be supported by MoH in the event that the Grand Mercure or Pullman were unavailable, again due to its ventilation assessment. Obligation of confidence [REDACTED]
 [REDACTED] Accor are our largest hotel operator within our facility portfolio and have been an excellent partner throughout the COVID-19 response.
17. We are continuing to explore alternative options, although our remaining facilities will require greater trade-offs, including around ventilation where remaining facilities may not have completed the programmed remediation work yet to yield the preferred negative pressure conditions.
18. Such trade-offs create risks to both staff and to the community given the high viral load of Delta, and the high concentrations of positive cases expected to be accommodated in these facilities.

19. Discussions are on-going, but we need to be prepared for the possibility that we will be unable to identify further hotels which can be converted from managed isolation into quarantine facilities.

The rapid scaling of quarantine utilisation holds substantial risks to our staff, our system, and the wider New Zealand community

Infection prevention and control risks

20. There are both: known risks that potentially become more severe, and additional risks that arise with standing up, and operating, additional quarantine facilities within a short timeframe. Within the context of the highly transmissible Delta variant, high levels of occupancy significantly increases risk of transmission to staff.
21. In addition, risks increase in severity for capacity, fatigue, pivoting staff to new requirements, viral load in ventilation systems, and operating facilities at peak capacity, particularly given the protracted period in which MIQ has been operating at increased capacity.
22. Workforce capacity across the system will continue to be impacted due to staff testing positive and being close contacts associated with the community outbreak or from in-MIF transmission events, which we have seen increasing in the last fortnight with the arrival of Delta. This in turn elevates the infection prevention and control risks associated with staff operating under pressure.
23. High occupancy of facilities increases the probability of cases (and highly infectious cases) being present at a given time, which increase the overall risk of in-MIQF transmission (to staff and returnees). While we have a suite of mitigations in place to reduce this risk, the limits of these mitigations are currently being severely stress tested as a result of occupancy close to capacity. This has been reflected in the recent increase in in-MIQF transmission events (Jet Park Auckland, Crowne Plaza Auckland, and the SO/ Auckland within the past two weeks). This in turn increases the risk of further breaches from the MIQ system to the community.
24. MBIE takes its responsibility for the health and safety of all staff in MIQ facilities very seriously. We have significant concerns about the additional risks facing our staff and the potential implications this could have for their families, and we are aware of their very natural anxiety.

Risks to the stability of the hotel network

25. In addition to these risks related to infection prevention and control, the rapid shift from isolation to quarantine facilities also poses commercial risks for hotels. We are working closely with facilities to understand and address any potential issues with a request to shift from an isolation to a quarantine facility, but a number of issues have already surfaced which will have bearing on the willingness of facilities to convert to quarantine, including:
 - a. perceptions or understandings of increased risk to staff working in quarantine rather than isolation facilities;
 - b. considerations around potential damage to hotel brand,
 - c. potential impact on bank borrowing related to the valuation of facilities and permitted use of facilities in borrowing arrangements.
26. While our commercial partners want to work with us to support our response to COVID-19, the more we are perceived to be creating risk for them, and particularly for their staff, the more fragile our network of hotels becomes.

We urgently need an all of government developed solution to the impending exhaustion of quarantine capacity

27. MBIE has taken steps to establish more quarantine capacity, and has reduced demand on the network, but we cannot single-handedly develop a solution to the need for an alternative to quarantine.
28. We acknowledge that the Ministry of Health is stretched in responding to the current community outbreak. In a discussion between MBIE and the Ministry on the evening of 29 August, where the above issues were raised, the Ministry of Health was not in a position to identify a ready alternative to the use of quarantine facilities, but recognised the need to progress this briefing due to the urgency of the current situation.
29. A workshop will be held on Monday 30 August through NRG to try to identify a solution. It is critical that this work is successful, given the impending exhaustion of quarantine capacity.

Next steps

30. We will continue to work through NRG to identify alternatives to quarantine facilities to manage the current community outbreak.
31. We are available to discuss this advice with you at the Officials meeting on Monday 30 August 2021.
32. You may wish to forward this advice to your Cabinet colleagues.

Appendix 1

MIQ has already taken steps to increase quarantine capacity

1. We have already taken a number of steps to try and conserve quarantine space and free-up MIQ capacity.
2. On 25 August 2021, you received more detailed advice on managing severe demand for MIQ space [NZ-002/2122-0706 refers], but these steps have included a pause on the release of further MIAS vouchers, deferring planned entry of the RSE cohort from Vanuatu, and cancelling the first planned red flight from Australia (which was scheduled for 1 September – the first red flight will now be on 5 September).
3. On 26 August 2021, you and the Prime Minister discussed with officials the range of options we provided you with in NZ-002 to increase quarantine capacity. As a result of that discussion, MIQ has:
 - a. Converted the Novotel Ellerslie as second quarantine facility midday, from Friday 27 August;
 - b. Is in the process of converting a wing of the Holiday Inn in Auckland to a quarantine facility, bringing online a further 58 quarantine rooms on Monday 30 August, with further rooms available later in the week;
 - c. Begun discussions to defer the planned 10 September 2021 RSE intake from Samoa until the commencement of planned quarantine free travel arrangements, with industry indicating some initial willingness;
 - d. Continued the pause on the release of MIAS vouchers in the near future (the next two to three weeks);
 - e. Commenced developing advice relating to Russian and Ukrainian fishermen.
 - f. Ranked other Auckland isolation facilities in order of suitability for possible conversion into Quarantine
4. On 28 August 2021 you also agreed to allow only people with offline allocations (largely emergency allocations) to board the red flight from Australia scheduled for 5 September [AUS-005/2122-0741 refers].
5. Cancellation of MIAS vouchers, previously flagged as being a 'second last' resort option at a meeting with the Prime Minister and yourself, would be dependent on there being viable options to convert managed isolation facilities to quarantine facilities. Further advice will be provided if this option is pursued.