



BRIEFING

Cancellation approach for managed isolation and quarantine vouchers

Date:	2 July 2021	Priority:	Medium
Security classification:		Tracking number:	2021-4183

Action sought		
	Action sought	Deadline
Hon Chris Hipkins Minister for COVID-19 Response	Agree to the proposed cancellation framework for managed isolation vouchers.	13 July 2021

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	Manager, Allocation and Supply Policy, MIQ		✓
	Principal Policy Advisor, MIQ		

The following departments/agencies have been consulted
The intention for MIQ to develop a voucher cancellation framework has been shared at cross-agency meetings with representation from the Ministry of Health and the Ministry of Foreign Affairs and Trade.

Minister's office to complete:

Approved

Declined

Noted

Needs change

Seen

Overtaken by Events

See Minister's Notes

Withdrawn

Comments



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Cancellation approach for managed isolation and quarantine vouchers

Date:	6 July 2021	Priority:	Medium
Security classification:		Tracking number:	2021-4183

Purpose

To seek your agreement to an approach to the cancellation of MIQF vouchers where travellers will be unable to use them, or where access to a MIQF becomes unnecessary.

Recommended action

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

- a **Note** that the Chief Executive of MBIE is able to amend or cancel vouchers which have been issued for a managed isolation and quarantine facility.

Noted

- b **Agree** to the proposed cancellation framework.

Agree / Disagree

- a **Agree** to proactively release this briefing with appropriate redactions consistent with the Official Information Act 1982 following your decision.

Agree / Disagree

Kara Isaac
General Manager, MIQ Policy
MBIE

2...1...7...1...2...1

Hon Chris Hipkins
Minister for COVID-19 Response

6...1...7...1...2021

I would like bookings restricted to those who already have a legal right to enter (it shouldn't be possible to book via MIAs without a visa). This need not be the case for group bookings or special exemptions.

Background

1. The COVID-19 Public Health Response (Isolation and Quarantine) Order 2020 (IQO) allows for the Chief Executive of MBIE to cancel or amend vouchers for any person. The examples provided for in the IQO are where a person no longer requires the allocation, or can no longer use the allocation because of a cancelled flight (clause 15M).
2. In practice, the Chief Executive of MBIE has exercised her ability to cancel vouchers in certain circumstances, for example, where a flight has been cancelled and travellers are unable to access alternative routes to New Zealand. In other cases we have sought your agreement (for example, the cancellation of vouchers held by people unable to enter New Zealand following limits on travel by people from very high risk countries [briefing 2021-3469 refers]).

A cancellation framework will allow for the release of vouchers that cannot be used by travellers

3. Travellers who have booked through MIAS have the ability to cancel their own vouchers, and they are encouraged to do so if they are not able to use them. Recent changes to MIAS mean that prospective travellers are reminded 30, 7 and 3 days ahead of arrival to cancel bookings if their plans have changed. However, there is no incentive for travellers to do so.
4. 'No shows' and last minute cancellations (eg within 48 hours of arrival) incur a cost to facilities, as they prepare rooms and services that go unused. In addition, vouchers booked by people who do not use them prevent others from being able to travel to New Zealand. 'No show' rates have fluctuated between 4% and 7% since November, with rates lower in periods of low demand.¹
5. There are some circumstances where we know that people will be unable to take up their allocated voucher. We seek your agreement to a general approach for cancelling these vouchers as they are identified, which will allow for them to be released back onto MIAS as early as possible. The earlier such vouchers are released, the more likely they will be used.
6. In addition, the development of a cancellation framework will support transparency and consistency in decision-making. If you agree with the proposed framework, we will publish a high-level description of the framework online.

Our proposed cancellation framework is consistent with the intent of the IQO

7. While the provisions in the IQO relating to cancellation appear to be unlimited (i.e. that the Chief Executive could cancel any vouchers for any reason), current MBIE legal advice is that it was not intended that these powers be used in a way that limited people's ability to enter New Zealand. For example, it was not intended that someone who is entitled to enter New Zealand be denied entry using the cancellation or amendment powers. Criteria limiting people's ability to enter New Zealand should be set out in Health Orders or visa settings.

¹ MBIE is undertaking further work to understand this 'no show' rate and a recent enhancement to MIAS will assist in tracking these more closely.

8. At a high-level, there are three main reasons why a voucher should be cancelled:
- MIQ is not required on entry:** there are some circumstances where entry into MIQ is unnecessary, for example, where quarantine free travel arrangements have been established.
 - The voucher cannot be used:** there are also circumstances where people are unable to take-up MIQ vouchers that they have 'booked'. While not all such circumstances can be anticipated, some can, for example, where someone may secure a voucher while awaiting the outcome of an ultimately unsuccessful visa application, or if a border-control setting has been established in relation to preventing travel from very high-risk countries, or where an airline has suspended an air route.
 - Emergency response:** there may be situations in the future where one or multiple facilities are taken offline and there are insufficient rooms available to accommodate incoming returners with a confirmed MIAS vouchers. Voucher cancellation would be used as a last resort in this kind of situation, given the cost and disruption it would present to travellers.
9. MIQ is better able to identify and cancel the vouchers of larger groups than individual travellers. This is because this requires less administrative effort, and results in larger benefits (for example, more vouchers released). While at present people are encouraged to have the legal right to enter New Zealand before they book an MIQ place, this is not enforced for individuals. *This is wrong. Those with an existing legal right to enter should not be blocked out by those who do not.*
10. We will continue to encourage people to cancel their own vouchers where practicable.
11. Our proposed cancellation framework is as follows:

Circumstance	Timing of cancellation	Change from current policy?
(1) Establishment of new quarantine free travel zone	<p>All vouchers for after the quarantine-free travel zone commences to be cancelled.</p> <p>Those traveling into NZ two weeks prior to the quarantine free travel commencing will be asked if they still require their voucher, or if they intend to travel after the quarantine-free arrangements have commenced. If they do not confirm, the voucher will be cancelled.</p>	You agreed to cancel vouchers held by travellers from Australia and the Cook Islands after the quarantine-free travel zones commenced.
<p>(2) People unable to enter New Zealand as a result of border settings, including immigration settings.</p> <p><i>Examples would include:</i></p> <ul style="list-style-type: none"> people who have no pathway to enter New Zealand 	<p>Vouchers to be cancelled as decisions are made on any relevant applications, or on relevant border settings.</p> <p><i>Current examples would be:</i></p> <ul style="list-style-type: none"> cancellation of vouchers for non-citizens and residents from very high risk countries on a regular basis, as decisions are made by 	You have previously agreed to cancel vouchers held by those not eligible to enter New Zealand from very high risk countries on a two-week rolling basis. This is impractical for ensuring cancelled vouchers are reused as most travellers are not able to travel with only two weeks' notice.

<ul style="list-style-type: none"> groups or individuals who have been declined requests for border exceptions, or whose bookings do not fit within approved exceptions 	<p>delegated COVID-19 Ministers.</p> <ul style="list-style-type: none"> cancellation of vouchers currently held by Russian and Ukrainian deep-sea mariners for September and October, if a decision is made to decline their group exception application, or if some vouchers currently held by this group sit outside exceptions currently being considered. 	
<p>(3) People who are not able to enter New Zealand as a result of logistical challenges</p> <p>Examples would include:</p> <ul style="list-style-type: none"> Travellers who are unable to access transport to New Zealand. 	<p>Vouchers to be cancelled if flight is cancelled within 48 hours of intended arrival and there is no alternative way for traveller to arrive in New Zealand. ✓</p> <p>Current example would be the cancellation of vouchers for travellers from very high risk countries as airlines suspend flight routes, leaving people unable to access transport to New Zealand.</p>	<p>The approach to cancellation of vouchers for flights within 48 hours is current policy.</p> <p>You have previously agreed to cancel vouchers related to the cancellation of the Dubai route by airlines.</p>
<p>(4) People due to arrive in facilities that are unavailable. This would be very unlikely given our number of contingency rooms.</p> <p>Examples would include:</p> <ul style="list-style-type: none"> Facilities that are suddenly withdrawn from MIQ network, with no alternatives available to accommodate travellers. Facilities that are suddenly impacted by an emergency event, such as a natural disaster. 	<p>Vouchers to be cancelled where travellers have not yet left their port of departure. We would consult you before making any cancellation of this nature.</p> <p>Current example would be the cancellation of vouchers of travellers who hadn't yet left their point of departure if a number of facilities were suddenly taken offline due to an earthquake (or other similar event) and there was no other viable alternative, no contingency available to use, or MIQ's ability to deliver services was under threat because of regional or national disruption.</p>	<p>Yes</p> <p>We consider that this would be an action of last resort, where we were otherwise unable to accommodate people within the network.</p> <p><i>This should be an absolute last resort and the threshold is very high (eg. natural disaster). The reason would need to be unforeseen.</i></p>

Limitations in our ability to cancel vouchers mean there are some circumstances which the proposed framework can't address

12. This paper was in part prompted by mass MIAS bookings for Russian and Ukrainian deep-sea mariners. Around 360 bookings have been made in MIAS for September and October for these travellers, in groups of between 10 and 50, arriving every 2-3 days.² At present, none of these workers hold valid visas or border exceptions, although around 50 are likely to be eligible for Other Critical Worker border exceptions as they are specialist repair crew or higher-paid skippers and second mates.
13. Previous experience with this cohort indicates that they are a high needs group that have higher support needs than standard returnees. These needs include infrastructure (sufficient smoking facilities), health support and wrap-around support such as translators.
14. From an operational perspective, our preference would be for this group to be required to 'apply' for space in MIQ through the group allocation process. The level of rooms allocated to 'groups' (400-500 rooms per fortnight) is intended to act as an 'upper ceiling' for the number of large and complex groups that can enter MIQ at any point in time. This helps ensure MIQ remains within safe operating limits and staffing resources are not overly stretched. This includes the national planning required to ensure these groups enter an appropriate MIF, and that their needs can be accommodated. ✓
15. However, we do not have the power under current settings to enable us to cancel or amend bookings on the basis that we are unable to accommodate the particular needs of a large and complex group.
16. Under the IQO, the Chief Executive of MBIE must ensure that the managed isolation allocation system does not at any time permit the issue of more confirmed allocations than the number of available allocations (Clause 15I(2)). There is not currently consideration in the IQO of the complexity of needs of returnees and the impact this can have on our ability to safely accommodate returnees.
17. However, the proposed cancellation framework does provide us with mechanisms to address MIAS voucher take-up by complex groups who have limits on their ability to enter New Zealand under immigration or border settings.
18. If Border Ministers agree to a class exemption for Russian and Ukrainian deep-sea mariners, this is likely to provide a 'hard cap' on the numbers that are able to enter New Zealand based on what is achievable in the proposed Group Allocation package. Subject to your agreement to the proposed cancellation framework, we would intend to cancel the vouchers of any mariners that book on MIAS³ and exceed this cap or have made bookings outside of their 'window' as they will not have the legal right to enter New Zealand. We have a good working relationship with the industry representative in charge of bookings who would work with us to determine which bookings to cancel.
19. If Border Ministers do not agree to provide for a class exemption, subject to your agreement to the proposed cancellation framework, we would intend to cancel the vouchers of any mariners who are not otherwise entitled to enter New Zealand.

Next steps

20. We are in a position to implement a cancellation framework as soon as you have agreed to it.

² We understand MPI intends to request a class exception for the mariners not eligible for Other Critical Worker at the next Border Exceptions Ministerial Group. Without a class exception, the majority of these mariners are unable to enter New Zealand.

21. There may be particular scenarios where we consider that the vouchers should be cancelled that we have not anticipated and where the intent would be substantially different from that of the proposed framework. In these instances, MBIE would seek your agreement to cancellations.