



## BRIEFING

### Bay Plaza Wellington decommissioning plan

<b>Date:</b>	15 July 2021	<b>Priority:</b>	Medium
<b>Security classification:</b>		<b>Tracking number:</b>	2021-4393

Action sought		
	Action sought	Deadline
Hon Chris Hipkins <b>Minister for COVID-19 Response</b>	<b>Note</b> the key actions and timelines for the decommissioning of the Bay Plaza Wellington.  <b>Agree</b> whether you wish to publicly announce the Bay Plaza's decommissioning.	22 July 2021

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

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 Withdrawn           |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



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### Purpose

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The purpose of this briefing is to provide you with:

- An update on quarantine rooms in Wellington
- Details of the Bay Plaza's decommissioning plan
- Options regarding the public announcement of the Bay Plaza's decommission.

### Recommended action

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

#### *Quarantine rooms in Wellington*

- a **Note** that the 10 quarantine rooms in the Grand Mercure Wellington will continue to be available for use while the remainder of the facility is closed for remediation works.

*Noted*

#### *Decommissioning plan for the Bay Plaza*

- b **Note** that initial confidential engagement with the Bay Plaza's senior managers has been positive.

*Noted*

- c **Note** the key actions and timelines of the Bay Plaza's decommissioning plan – with the expectation that the Bay Plaza will leave the MIQ network at the end of October 2021.

*Noted*

#### *Public announcement*

- d **Agree** that:

- i) MBIE will make the public announcement of the Bay Plaza's decommission (recommended option)

*Yes / No*

OR

- ii) You will make the public announcement of the Bay Plaza's decommission.

*Yes / No*

Proactive release

- e **Agree** that this briefing is **not** proactively released at this time due to the ongoing commercial negotiations with the Bay Plaza and the need to inform affected staff and key stakeholders, and that it will only be released once the decommissioning process is complete.

Agree /  Disagree

pp



Andrew Milne  
**Associate Deputy Secretary MIQ  
MBIE**

15/07/ 2021



Hon Chris Hipkins  
**Minister for COVID-19 Response**

16 / 7 / 2021

*Please discuss ASAP. The window of opportunity  
may have closed here. Decommissioning a facility,  
albeit a small one, when we have so many people  
desperate for an MIQ space won't go down well.  
CH*

## Background

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1. On 3 June 2021 you agreed to decommission the Bay Plaza Wellington and retain the Grand Mercure Wellington as a MIQ facility [briefing 2021-3641 refers]. This decision primarily reflected the ongoing challenges of operating MIQ facilities in Wellington and also the time and cost required to bring the Bay Plaza's ventilation system up to standard.
2. These challenges are resulting in the underutilisation of Wellington MIQ facilities and leading to ongoing financial and workload uncertainty for the hotels and MIQ staff.
3. We provided you with the high level framework of the general decommissioning process on 31 May 2021 [briefing 2021-3907 refers]. We have since developed a project plan for the decommissioning of the Bay Plaza which follows this high level decommissioning framework.
4. We previously advised [briefing 2021-3641 refers] that we will not decommission the Bay Plaza until we have certainty that either:
  - managed quarantine rooms will be available at the Grand Mercure during their ventilation remediation work (i.e. reduced occupancy during remediation); or
  - rooms at the Bay Plaza will be available as a temporary quarantine option until remediation at the Grand Mercure is complete (subject to agreement by the Bay Plaza hotel and IPC approvals).
5. This briefing provides an update on the placement of quarantine rooms in Wellington while the Grand Mercure undergoes its remediation works.

## Quarantine capacity in Wellington

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6. The Grand Mercure provides quarantine capacity of 10 rooms that is critical to managing the public health risk of a community outbreak in the lower North Island.
7. The Grand Mercure will retain 10 quarantine rooms and forty isolation rooms while the remainder of the facility is closed for remediation work. This approach has been reviewed by the MIQ Technical Advisory Group to ensure IPC risks are mitigated.
8. The Bay Plaza will continue to operate as an isolation only facility while the remediation work is carried out at the Grand Mercure.

## Decommissioning plan for the Bay Plaza and progress

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9. We have established a Governance Group, consisting of senior MIQ officials, to oversee the decommissioning of the Bay Plaza. A dedicated project lead has also been appointed to manage the day to day operation of the decommissioning plan.
10. The senior managers of the Bay Plaza were informed on 11 June 2021 of the decommissioning decision. This information was provided in confidence and is embargoed. The senior management's response to the decision was positive and no significant concerns were raised.

### *Decommissioning Plan*

11. The key elements of the decommissioning plan are:
  - Project Principles: The decommissioning will be undertaken in a manner which:
    - ensures the decommissioning is well managed and robust processes are in place
    - is cognisant of the hotel's reputation
    - maintains a strong working relationship with Bay Plaza owners/senior management

- does not damage the relationship between MBIE and other MIQ facility owners/senior management
  - puts the needs of the workforce at the forefront of thinking and ensures staff are managed in a supportive and sensitive manner
  - meets all infection prevention and control requirements
  - provides assurance to returnees who have stayed at the Bay Plaza.
- High level milestones: The expected timescales for the key project milestones are as follows:

High level milestones	Due Date
Notification made to partner agencies and key stakeholders in confidence	Late July 2021
All affected MIF staff notified	End of July 2021
Public announcement made	End of July 2021
Contract termination notice 90 days begins, commercial negotiations and workforce (including partner agencies & unions) discussions take place	Early August 2021
Bay Plaza de-designated as a MIF and last returnees leave facility	End of September 2021
Bay Plaza deep cleaned, equipment removed, remedial works carried out	End of September to end of October 2021
Close down event/Poroporoaki and MBIE ceases all involvement with Bay Plaza	End of October 2021

- Communication and engagement plan: this details the approach around the public announcement, ongoing media interest and engagement with the workforce and stakeholders. The proposed timelines for the key communication and engagement activities are shown in **Annex 1**.

#### *Workforce impact*

12. Our initial assessment shows that 69 staff members (see below table) across multiple agencies and the hotel business currently work in the Bay Plaza. We anticipate that many of these staff members will be either absorbed back into their home agency or redeployed within the MIQ network. It is understood that hotel workforce will remain with the Bay Plaza after its use as a MIQ facility finishes.

Agency or company name	Number of staff affected
Bay Plaza hotel	25
MBIE appointed security	7
NZ Defence Force	8
NZ Police	7
Capital and Coast DHB	13
AVSEC	3
First Security	6

13. The next step is to engage with these agencies so we will be able to confirm the workforce impact. However, it will likely allow MIQ to shift from using private security guards in Wellington by reallocating some or all of the MBIE appointed security staff to the Grand Mercure.

#### *Financial impact*

14. The cost of decommissioning the Bay Plaza (for example, deep cleaning, making-good of the facility and administrative costs) will be met within the current MIQ appropriation.

### **Your involvement in the public announcement**

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15. As the decision to decommission the Bay Plaza is operationally driven we recommend that MBIE leads the public announcement process – we would provide you with comprehensive information to manage any reactive communications.
16. If you do want to lead the public announcement we would work with your office on exact dates, which could affect the timelines within the attached communication and engagement plan.

### **Next Steps**

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17. MBIE will continue to progress the decommissioning of the Bay plaza. We will provide regular updates to you at the key stages of this work.

### **Annexes**

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Annex One: Communication and engagement plan.

**Annex One: Bay Plaza’s Communication and engagement plan (subject to change, depending on Minister’s involvement in public announcement)**

Note: The below timelines are in the order that they will be actioned. This plan reflects that the majority of communication and engagement actions will occur in mid-July.

<b>Date/Time</b>	<b>Event/action</b>	<b>Audience</b>
Mid June	Verbal notification made to hotel of intent to decommission	Bay Plaza Hotel
Late July	Discuss staff/workforce impacts with partner agencies	NZDF Police CCDHB MoH First Security AVSEC
End of July	Termination notice given to hotel in confidence. Letter from Rose and Megan thanking facility for its service.	Bay Plaza Hotel
End of July	Update DPMC and Minister’s Office that termination letter has been delivered	DPMC Minister’s Office
End of July	Discuss staff/workforce impacts with relevant unions	Relevant Union TBC
End of July	Staff directly affected notified of intent to decommission. Letter from Rose and Megan thanking them for their service.	Staff from Bay Plaza Partner agency staff MBIE staff
End of July	Verbal notification to iwi	Te Āti Awa Iwi.
End of July	Email to MIQ leadership team, Minister’s Office and CE’s office with draft media release, reactives and key messages	MIQ leadership MBIE CE’s office Minister’s Office
End of July	Media release	Media
End of July	Communications available for returnees	Returnees at Bay Plaza
End of July	Updates made to website	General public
End of July	Update provided in MIF GM newsletter	MIF General Managers
End of July	Update provided in central region newsletter	Central MIQ staff
End of July	Update provided in all staff newsletter	MIQ staff
3 August	90 day termination process commences	
31 October	Close down event and poroporoaki	Hotel management, MIQ management, Minister, Media