



BRIEFING

NSW managed returns – phase three

Date:	27 July 2021	Priority:	Urgent
Security classification:		Tracking number:	NSW 009 / 2122-0297

Action sought		
	Action sought	Deadline
Hon Ayesha Verrall Acting Minister for COVID-19 Response	Agree to phase three of managed return flights from NSW commencing from 9 August 2021 Copy this paper to the Ministers of Transport, Immigration and Customs for their information	28 July 2021

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Andrew Milne	Acting Deputy Chief Executive, MIQ	Privacy of natural persons	✓
Privacy of natural persons	Senior Policy Advisor		

The following departments/agencies have been consulted
The Ministry of Transport, MBIE Immigration, New Zealand Customs Service, the Ministry of Foreign Affairs and Trade, the Ministry of Health, the Department of Prime Minister and Cabinet and Crown Law.

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 Withdrawn |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

NSW managed returns – phase three

Date:	27 July 2021	Priority:	Urgent
Security classification:		Tracking number:	NSW-009 / 2122-0297

Purpose

This briefing seeks your decision on proceeding with a third phase of managed return travellers from New South Wales from 9 August 2021 and advises you on how this could be operationalised.

Recommended action

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

- a **Note** that the 530 MIQ rooms dedicated to phase two (from 28 July - 8 August) of managed return flights from NSW are fully subscribed
Noted ✓
- b **Note** that while the exact demand for phase three (9 - 22 August) is currently unknown, MBIE anticipates that there will still be demand for those who were unable to leave NSW
Noted ✓
- c **Note** MBIE can provide 500 rooms to support a phase three NSW managed return from the QFT reserve, with 320 rooms available in the week from 9 – 15 August 2021 and the remaining 180 rooms available during 16-22 August 2021
Noted ✓
- d **Note** further capacity of 300 rooms from 9-22 August 2021, which have not yet been released on to MIAS, will be withheld and could be used to support phase three NSW managed return
Noted ✓
- e **Agree** that MBIE can draw upon these 300 rooms to support phase three managed returns, if demand requires
Subject further advice and understanding of demand.
Agree / Disagree
- f **Agree** to commence phase three of NSW managed return flights from 9 August 2021
Agree / Disagree
- g **Note** that officials are exploring the feasibility of prioritising travellers within phase three and will update on this as part of further advice in the coming days
Noted ✓
- h **Note** MBIE's ability to respond to any other unforeseen events, or to a Cook Islands managed return in particular, is extremely limited during NSW managed returns
Noted ✓
- i **Indicate** your preference that MBIE continues to cohort within managed isolation facilities (*public health does not recommend suspending cohorting*)
Agree / Disagree
- j **Note** MBIE is urgently progressing work on finding additional managed isolation facilities; and will provide you with further advice next week on options to increase supply in the short-term

Noted ✓

k **Note** that DPMC will provide you with advice on 28 July on whether to extend the 'return window' of green flights

Noted ✓

l **Agree** to copy this paper to the Ministers of Transport, Immigration and Customs for their information

Agree / Disagree

m **Agree** that this briefing be proactively released with appropriate withholdings under the Official Information Act 1982

Agree / Disagree



Andrew Milne
Acting Deputy Chief Executive
MIQ, MBIE

27/7/21



Hon Ayesha Verrall
Acting Minister for COVID-19 Response

27/7/21

I would like to see further work to assess scale of demand for MIQ from returnees from NSW. More specifics on what additional capacity could be brought on, this week please. I would also like advice on how criteria for allocation of MIQ places for NSW returnees could continue to reflect need.

Background

1. On the 22 July, Cabinet took the decision to pause Quarantine-Free Travel (QFT) to New Zealand from 11:59 pm on Friday 23 July 2021 from all states and territories, and enable people ordinarily resident to return on managed return green flights for one week (subject to possible extension) [CAB-21-MIN-0288 refers].
2. As part of this decision, Cabinet agreed to suspend QFT with the Commonwealth of Australia from 11.59 pm on the 30 July 2021 for an initial period of eight weeks. Once the suspension comes into effect, any travellers on red flights will need to enter MIQ and will be required to pay MIQ fees (with exceptions).
3. Cabinet also agreed that red flights from New South Wales will continue. MBIE has supported two phases of managed return flights from NSW from 13 July, with phase two scheduled to end on 8 August 2021.
4. On 9 July 2021 Minister Hipkins announced that people entering MIQ from NSW will not be charged a fee for their stay. Officials are in the process of progressing amendments to the COVID-19 Public Health Response (Managed Isolation and Quarantine Charges) Regulations 2020 (the Regulations) to give effect to this announcement.

Officials anticipate that a phase three of NSW managed returns will be necessary

5. The focus on the managed returns from NSW has been to ensure the return of affected QFT travellers in a safe and sustainable manner that does not pose a risk to the community or strain the MIQ system. This is pertinent given the high level of transmissibility of the Delta variant, the potential risks associated with deferred ventilation remediation and a stretched workforce.
6. While officials have been exploring alternative approaches to facilitate the return of as many NSW travellers as possible, the current public health risk assessment of NSW has determined that 14 days MIQ continues to be the proportionate response to the public health risk. MBIE will continue to work with public health experts to consider whether the evolving situation in NSW and associated public health advice supports ongoing efforts.
7. Based on on-going demand and communications from travellers through MBIE and MFAT call-centres, border agency data and airline data, agencies consider that a phase three of managed returns from NSW is necessary to accommodate those who will not had the opportunity to return to New Zealand since QFT travel from NSW was paused on 22 June 2021.

What do we know about NSW traveller demand?

8. Officials have been working to understand the levels of demand for travellers from New South Wales seeking to return to New Zealand through MIQ. Data from INZ outlines that there are 19,351 passengers that travelled from New Zealand to Australia by air between 6 April 2021 and 26 July 2021 who appear to be 'ordinarily resident' in New Zealand. Of this number, 4750 travelled to New South Wales. This figure includes New Zealand citizens, residents, temporary work visa holders, and Australian citizens who ordinarily live in New Zealand.
9. There is no one source of information about the level of demand for phase three returns. However, based on the full subscription of the 530 rooms made available to support phase two returns, and the number of travellers 'ordinarily resident' in New Zealand remaining in New South Wales, we anticipate that there are a number of people seeking to return to new Zealand.

Other QFT travellers have been prevented from returning to New Zealand

10. It is too early to say what the residual demand for flights from the rest of Australia will look like following this week's green flights. However, apart from NSW at this stage, airlines anticipate they will be able to accommodate all passengers seeking to return this week. 3400 passengers have returned to New Zealand between the Government's announcement on 23 July and 26 July.

How much capacity does MBIE have to support phase three?

11. The MIQ system has been stretched to support the managed return of NSW travellers. This has been compounded by the need to accommodate travellers in breach of QFT pre-requisites. In the week from 13 to 21 July 2021, an additional 1,064 travellers entered the MIQ system.
12. Within the two tranches of managed return flights from New South Wales we anticipate we will have already returned over 2,100 people to New Zealand, including over 300 urgent and exceptional cases.
13. MBIE's focus will remain on facilitating the managed return of NSW travellers; however, consideration should be given to both what capacity is required to support a further possible return of travellers in Australia who are outside of NSW and do not meet green flight pre-conditions and capacity to support a Cook Islands QFT response, if required.
14. To support phase three of a NSW managed return, MBIE is able to provide 500 rooms from 9 -22 August. 320 rooms are available in the week from 9 – 15 August 2021 and the remaining 180 rooms available during 16-22 August 2021.

Suspending the final 10 percent MIAS voucher release

15. Consistent with the release schedule for MIAS vouchers, 10 percent of vouchers for August have not yet been released to MIAS.
16. MBIE has identified a possible 300 rooms from 9-22 August that could be used to support the phase three NSW managed return. Using these vouchers for a NSW managed return would prevent travellers from the rest of the world accessing these MIQ spaces. Withholding vouchers from being released on MIAS is an on-going option to support additional capacity in September. Currently only 60 percent of vouchers have been released for September.

MBIE is exploring options to increase MIQ capacity

17. As agreed at the outset of QFT arrangements, MIQ has held 500 rooms per fortnight in reserve for a managed return situation. MBIE is exploring additional options that could safely generate additional MIQ capacity; however, maintaining appropriate IPC settings (cohorting) is critical to respond to the heightened risk of the Delta variant.
18. Continuing to prioritise those in NSW separately from travellers in the rest of Australia creates issues of inequity between different groups of people. However, as noted, travellers in NSW have not had the same opportunities to return to New Zealand as those located elsewhere in Australia.

Suspending cohorting

19. We have previously provided you with advice about work we are undertaking to mitigate the impact of cohorting on our capacity. We intend to continue this work, but at this point do not recommend the suspension of cohorting to create additional capacity for QFT returnees because of the public health risk. The Ministry of Health and Public Health officials do not support this option. The Minister for COVID-19 response has previously agreed to a decision-making framework whereby your approval for any system-level cohorting

exemptions is required (MBIE briefing 2021-4417), and we will provide further advice about the implications of suspending cohorting if required.

Finding a new facility and options to address workforce constraints

20. MBIE is currently urgently identifying possible hotels to become Managed Isolation Facilities (MIFs), in response to Ministers' requests. MBIE is currently following up previously unsolicited requests made from hotels and interested facilities that have emerged through discussions between hotels and MBIE's commercial team. MBIE's experience is that the key consideration in establishing a new facility is the availability of workforce.
21. These hotels and other facilities are being assessed against an agreed (between MoH and MBIE) set of facility criteria. These criteria cover elements such as workforce availability, distance from airports, ventilation requirements, access to fresh air for returnees and other IPC needs.
22. We expect that workforce availability, particularly the health workforce, is likely to be a key limiting factor in finding a new MIQ facility, especially at the current time while the health sector is managing an RSV outbreak, and focused on vaccination roll-out. MBIE and MoH are exploring possible options to address this constraint and will report back to ministers.
23. Other government agencies (such as NZDF, Police and Aviation Security) who provide services to MIQ will need to assess any further resource commitment to MIQ against their other standing commitments. MBIE would consider other government agencies that might be able to support any additional facilities to mitigate these risks.
24. Our initial assessment for standing up a new facility (under ideal circumstances) is that a minimum of three months would be required. This includes:
 - Onsite facility assessment;
 - Commercial negotiations; and
 - Any required ventilation remediation, or other facility changes such as CCTV and fencing etc.;
 - Recruiting suitable workforce.
25. Indications from the hotel sector are that a minimum of twelve months contracting is preferable to incentivise to join the MIQ network. On this basis, we would not want to commission a facility that could not be used for all risk categories.
26. Standing up new facilities will have financial implications. Establishing two MIQ facilities with around 200 rooms each will cost approximately \$50 million per annum (excluding establishment costs of approximately \$1-2 million).
27. MBIE is preparing further advice for Ministers on options to increase supply in the short-term and to reduce lead-in times to contract a suitable hotel and ensure it is ready to receive returnees.

Risks associated with phase three NSW managed returns

28. If you agree to a third tranche of managed return flights from NSW, there is a risk that we will see an increase of pause jumpers/border averters – those who travel interstate to avoid travel restrictions imposed by a QFT pause/suspension - from other parts of Australia into NSW. While stringent local COVID-19 travel restrictions will help mitigate this risk, it is not a water tight system. Other mitigations include reliance on INZ's ability to check a passenger's port of arrival against their port of departure.
29. We will need to have discussions with airlines about their willingness and ability to implement our proposed solution. These managed return flights will be below normal commercial viability thresholds. The process we are asking them to adopt for accepting bookings is also

more resource intensive than normal web booking procedures. We can set out our expectations but have limited mechanisms to direct them to take particular passengers.

30. As MIQ has been operating at near-full capacity, there is little room to accommodate unforeseen events within MIQ. The highest risk scenario would be the need to support a managed return from the Cook Islands. Whilst MBIE is supporting NSW managed return flights, our ability to respond to an incident in the Cook Islands would be extremely limited. Additionally, we need to prepare to manage an outbreak in New Zealand. However, it is not anticipated that overall quarantine capacity will be adversely affected.

Officials are exploring options for a prioritisation process for phase three of managed returns

31. A quota was instituted under Phase 1 NSW managed returns, where 20 percent of rooms were reserved for people who had an 'urgent or exceptional' need to return to New Zealand [NSW-002 refers].
32. Applications for the urgent or exceptional quota were closed on 16 July because demand exceeded the available MIQ supply (of 200 rooms). Approved applications that were not allocated a room during Phase 1 were held and prioritised under the Phase 2 NSW managed return [NSW-005 refers]. Almost all individuals with approved applications have now been scheduled onto Phase 2 flights (airlines have been unable to contact ~6 people).
33. Officials are considering options for a process which will enable assessment of unmet NSW demand (and, if needed, a degree of prioritisation could be developed) with a view to going live by Friday 30 July 2021, at the latest. Consequently, early in the week commencing 2 August 201, officials will have a greater understanding of the demand for NSW managed return flights.
34. MBIE is currently considering how best to support the broader QFT suspension. This includes continuing work to find additional managed isolation facilities and further options for using both MIAS and offline capacity.

Legal professional privilege

35. The large number of groups currently scheduled to enter MIQ in July and August 2021 are contributing to the substantial pressure on the supply of rooms available.
36. These groups include potentially lower-risk travellers, alongside higher-risk groups. There are large numbers of Russian/Ukrainian mariners (a high risk complex group) due to enter MIQ in September and October. Three hundred RSE workers from the Pacific, the majority who are classified as a low risk complex group, are also due to enter MIQ in August, with the last group exiting MIQ on the 7 September.
37. Cancelling or delaying the entry of groups will result in significant challenges and potentially legal risk to the Crown. The majority of these groups have time sensitive reasons for travelling to New Zealand.
38. It is important to note that suspension of the travel bubble will result in greater demand from agencies for priority groups to enter New Zealand, over and above the current allocation, both from those groups coming from Australia, and from further afield due to the lack of availability of MIAS vouchers. This is already apparent with a number of requests for out-of-round allocations from a number of agencies.

Next steps

39. Should you agree to commence a phase three of NSW managed return flights, MBIE will work to operationalise this. Based on prior experience, MBIE will work to ensure that communication of this decision is clear for travellers.
40. Agencies will work with airlines to operationalise phase three of NSW managed return flights.
41. Once we have a clearer picture of demand, we will provide you with advice on whether a further phase of NSW managed return are required and what options are available to find additional capacity to support travellers outside of NSW that may have not been able to return on green flights. DPMC is also providing you with advice on 28 July on whether to extend the 'return window' of green flights.
42. MBIE and the Ministry of Health will provide further advice next week on options to increase MIF supply in the short-term. This will include:
 - an initial assessment of possible facilities using the facilities assessment criteria;
 - options for reducing the lead-time required for establishing facilities, including risks;
 - impact on other government agencies and ways to mitigate these risks;
 - high-level costings for establishing one or two MIFs; and
 - Treasury's initial advice on the process for securing funding for any additional facilities.
43. On 2 August 2021, MBIE will provide Minister Hipkins with a draft Cabinet paper with proposals to amend the Regulations so that travellers on managed returned flights from NSW will not be invoiced for their MIQ stay.
44. We recommend that the Ministers of Transport, Immigration and Customs be provided a copy of this paper, once you have considered it, for their information.