



AIDE MEMOIRE

Talking points for maintaining MIQ in the short-term and National Quarantine System papers for SWC on 8 December 2021

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|---------------------------------|-----------------|-------------------------|-----------|
| Date: | 7 December 2021 | Priority: | High |
| Security classification: | | Tracking number: | 2122-2081 |

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| Information for Minister(s) |
| Hon Chris Hipkins Minister for COVID-19 Response |

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|---|---|----------------------------|--------------------|
| 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 | Senior Policy Advisor, System and Strategy Policy | | |

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|---|
| The following departments/agencies have been consulted |
| Treasury, New Zealand Police |

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 Withdrawn |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

To update you on changes made to two draft Cabinet papers: *Maintaining MIQ in the short-term* and *A national quarantine system: decisions about quarantine options for the ongoing COVID-19 response and for future pandemic preparedness*, and provide talking points for both papers for the Social Wellbeing Committee meeting on Wednesday 8 December. The talking points are attached in **Annexes 1** and **2**.

It also provides oral items for three additional recommendations for tabling at the meeting across both Cabinet papers. These are also attached in **Annexes 1** and **2**.

Kara Isaac
General Manager, MIQ Policy
Managed Isolation and Quarantine, MBIE

7 / 12 / 2021

Reconnecting New Zealanders Ministers meeting feedback

1. Reconnecting New Zealanders Ministers discussed the two draft Cabinet papers *Maintaining MIQ in the short-term* and *A national quarantine system: decisions about quarantine options for the ongoing COVID-19 response and for future pandemic preparedness* on Friday 3 December.
2. Based on feedback, the papers now clarify that MBIE and the New Zealand Defence Force (NZDF) are already actively working to reduce the NZDF commitment to MIQ, and that the commitment will reduce further as soon as the first MIQ facility leaves the network early next year, at a rate of approximately 100 personnel per month.

Changes to *Maintaining MIQ in the short-term* Cabinet paper

3. Talking points are attached in **Annex 1**.

Oral item on additional recommendations requested by your office in Annex 1

4. Your office has also requested that additional content and recommendations be included in the Cabinet paper regarding an accreditation process for the MIQ security workforce and supporting their career pathways within the broader public sector, and regarding Police funding.
5. The Minister of Finance's Office also suggested including an option that the MIQ security workforce could act as a pathway to NZDF and Police careers. We note that both the Police and NZDF have operational statutory independence and well-established attraction and recruitment processes that people apply directly into. As such, the Commissioner of Police and Chief of the New Zealand Defence Force would need to be consulted on such a proposal. This was not possible in the time available.
6. We have added two noting recommendations in **Annex 1** on investigating attraction and retention options for security workforce and reporting back to you as a first step in 2022, and noting Police funding for MIQ will be met from baselines after June 2023.

Changes to paper from feedback

Treasury feedback has not resulted in changes to the funding request

7. Since the draft Cabinet paper of Monday 29 November, we have made a number of changes based on feedback from Treasury.
8. Treasury feedback did not result in changes to the funding request, however the figures have been adjusted to account for Consumer Price Index (CPI). Overall this has meant an increase in funding requirements by about \$12 million.

Clarifying that we are seeking Cabinet's agreement to the shape of the transition approach

9. The paper seeks Cabinet's agreement to the 'moderate transition approach' to reduce MIQ to about 1,300 rooms by June 2023. The specifics of this transition are within your authority to decide and we will provide further advice on this in early 2022.

We have accounted for the financial impact of scaling down from early 2022 and clarified what is accounted for

10. We expect to save about \$73 million in the financial year 2021/22 as a result of reducing the MIQ network by eight facilities in the first half of 2022. However, we anticipate these savings will be offset by additional costs related to: decommissioning the facilities, the NZDF withdrawal, existing 2021/22 cost pressures (e.g. air filtration and remediation costs, additional security required to support additional Quarantine facilities) and other emerging priorities in 2021/22. Any underspend will be returned to the Crown or carried forward to FY 2022/23.
11. The paper clarifies that the Elms Christchurch is accounted for in the funding request and is currently funded until November 2022 but is not part of the end state for June 2023.
12. Treasury also requested a breakdown of current and future Full-Time Equivalents (FTEs) by agency which is now included in the paper.

New Zealand Police have provided more detail on their funding request

13. Police have provided a further breakdown of their funding request on what is required for personal and property and vehicle costs. Police have also noted that providing frontline staff for the MIQ response has resulted in lower than intended service levels and unmet service demand. Pressure on frontline resources also limits Police's ability to recruit to fill more specialised organised crime roles (as part of the additional 1,800) from frontline staff pools.

Costs of New Zealand Defence Force withdrawal

14. We have made the additional costs for MBIE relating to the NZDF withdrawal more explicit. Assuming NZDF will exit in December 2022, MBIE is seeking an additional \$93.84m in 2022/23 to replace NZDF roles at the facility and regional level. The transition will incur additional costs in 2021/22 of approximately \$36m, however we anticipate that this can be absorbed within the existing multi-category appropriation (MCA).

Changes to A National Quarantine System: decisions about quarantine options for the ongoing COVID-19 response and for future pandemic preparedness Cabinet paper

15. Talking points are attached in **Annex 2**.

Oral item on additional recommendations as requested by your office in Annex 2

16. We have suggested an additional recommendation for the Cabinet paper regarding use of purpose-built facilities in non-outbreak contexts (as requested by your office), attached in **Annex 2**.

Changes to paper from feedback

Addressing funding overlap

17. The paper now excludes the two facilities (Jet Park Auckland and Commodore Christchurch) from the funding request for a tagged contingency for 2022/23 as funding is being sought in the *Maintaining MIQ in the short-term* paper. Tagged contingency funding for years beyond 2022/23 for these facilities is included in this Cabinet paper.

Maintaining request for a tagged contingency now

18. Treasury provided feedback that funding for the facility and some workforce costs related to the future operating model proposed in the PBC could be sought when Cabinet is asked to take decisions on the DBC in early 2022, instead of the tagged contingency we are seeking now.
19. MBIE's view is that the contingency is needed now as it provides a steer of the scale of funding that would be available to progress the DBC. MBIE cannot begin negotiations with site-owners until we receive some clarity about the funding that would be available to progress the development of a higher-quality core of quarantine capacity.

Addressing feedback from the Prime Minister's Office and your office

20. At the meeting with officials on Wednesday 1 December, you discussed the role of MIQ as a border response vs. supporting community cases. Officials confirmed that the priority of the future national quarantine system would be as a border response that could also serve communities and that we were focused on hubs in Auckland and Christchurch. The Care in the Community model was designed to address regional quarantine needs.

21. You noted your interest in a regularised workforce that could surge as part of future preparedness, and infrastructure that avoided redundancy (i.e. by exploring alternative uses), including potential options to replace NZDF facilities that could be utilised as quarantine facilities, if needed in the future.

Annexes

Annex One: Talking points for *Maintaining MIQ in the short-term* Cabinet paper for SWC
Wednesday 8 December

Annex Two: Talking points for *A national quarantine system: decisions about quarantine options for the ongoing COVID-19 response and for future pandemic preparedness* for SWC
Wednesday 8 December

Annex One: Oral item and talking points for *Maintaining MIQ in the short-term* Cabinet paper for SWC Wednesday 8 December

Oral item on additional recommendations

The talking points in this section are about the additional recommendations on investigating attraction and retention options for security workforce, which were prepared and offered by MBIE/MIQ, but they do not necessarily represent messages that the Minister for COVID-19 Response accepted or ever used.

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Annex Two: Oral item and talking points for a National Quarantine System: decisions about quarantine options for the ongoing COVID-19 response and for future pandemic preparedness

Oral item on additional recommendations

The talking points in this section are about the additional recommendations on the use of purpose-built facilities in non-outbreak contexts, which were prepared and offered by MBIE/MIQ, but they do not necessarily represent messages that the Minister for COVID-19 Response accepted or ever used.

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