



BRIEFING

Sustainable MIQ workforce – response to *Rapid Assessment of MIQ*

Date:	9 July 2021	Priority:	Medium
Security classification:		Tracking number:	2021-4194

Action sought		
	Action sought	Deadline
Hon Chris Hipkins Minister for COVID-19 Response	<p>Note our intention to civilianise a small number of key New Zealand Defence Force (NZDF)-occupied roles within the Managed Isolation and Quarantine (MIQ) operating model, in response to a recommendation from the <i>Rapid Assessment of MIQ</i>;</p> <p>Note that we will undertake work on further options for building sustainability into the MIQ operating model and workforce sourcing approach, and will provide you with options, costs and funding implications in September 2021 to support the MIQ funding bid for 2022 - 2024.</p>	14 July 2021
Hon Peeni Henare Minister of Defence	For information	N/A

Contact for telephone discussion (if required)				
Name	Position	Telephone		1st contact
Andrew Milne	Associate Deputy Secretary, MIQ	Privacy of natural persons		✓
Kara Isaac	General Manager, MIQ Policy	Privacy of natural persons		
Privacy of natural persons	Principal Policy Advisor	Privacy of natural persons		

The following departments/agencies have been consulted
N/A

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 Withdrawn |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

Sustainable MIQ workforce – response to *Rapid Assessment of MIQ*

Date:	9 July 2021	Priority:	Medium
Security classification:		Tracking number:	2021-4194

Purpose

To advise you of our proposed approach to civilianise a small number of NZDF leadership roles within the MIQ operating model, in response to a key recommendation in the *Rapid Assessment of MIQ*.

Recommended action

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

- a **Note** that approximately 850 NZDF personnel are currently deployed to support MIQ, funded from Vote Defence Force baselines; ✓
Noted
- b **Note** that the recent *Rapid Assessment of MIQ* identified risks with the MIQ operational model's heavy reliance on NZDF personnel in core operational leadership roles on short-term deployments, particularly Managed Isolation and Quarantine Facility (MIQF) Managers; ✓
Noted
- c **Note** that we are proposing to address these concerns by transitioning a small number of NZDF leadership positions to an MBIE-employed (or seconded) workforce; ✓
Noted
- d **Note** that the 2021/2022 operational costs to MBIE of employing these roles is approximately \$^{Crown negotiations}; ✓
Noted
- e **Note** that we expect these costs will be met within the current MIQ appropriation for 2021/2022 but funding for these roles past June 2022 will require Cabinet agreement and additional funding; ✓
Noted
- f **Note** that we will provide you with advice in September 2021 on further options for building sustainability into the MIQ operating model, and reducing reliance on NZDF; ✓
Noted
- g **Agree** that this briefing will not be proactively released at this time as it contains proposals with employment implications. Agree, disagree

Andrew Milne
**Associate Deputy Secretary
MIQ, MBIE**

9 / 07 / 2021

Hon Chris Hipkins
Minister for COVID-19 Response

15 / 7 / 2021

Background

1. MIQ is a multi-agency response to COVID-19. While MBIE has overall responsibility for MIQ, the operating model relies on the support of key partner agencies, including NZDF.
2. Like other aspects of the COVID-19 Response, MIQ is transitioning from a state of short-term response to potentially being needed in some capacity for the next two to three years. In December 2020, Cabinet noted that MBIE, in conjunction with other agencies, would look to develop a plan for further normalisation of MIQ operations; in particular to reduce the support required from other agencies where possible [CAB-20-MIN-0511].

NZDF involvement in MIQ

3. NZDF has assisted with the operation of MIQFs since April 2020, and NZDF personnel are now fully embedded in each level of the MIQ structure. At MIQFs, the NZDF's primary role is leadership (with supporting roles) and security. Within National Office and the Regional Isolation and Quarantine Command Centres (RIQCCs), NZDF provides operational leadership, planning and logistics expertise. The NZDF Head of Operations has shared accountability for MIQ with an MBIE Deputy Secretary.
4. A total of 850 NZDF staff are currently deployed to support MIQ, with most deployed on a rotation basis. These personnel are funded from Vote Defence Force baselines [CAB-20-MIN-0511, rec 19 refers].

Workforce issues identified in the Rapid Assessment of MIQ

5. In February 2021 the Chief Executive of MBIE initiated an independent review of MIQ. One of the key recommendations of the ensuing *Rapid Assessment of MIQ* was to reduce the reliance on NZDF for key operational leadership roles within MIQ, particularly where those roles were being staffed by NZDF personnel on short-term deployment.
6. The rotational nature of MIQF Managers, in particular, was identified as a key issue for quality, continuity and consistency in day-to-day operations of the facilities, with NZDF personnel deployed for 1-2 weeks. MIQF Managers currently provide 24-hour cover, which NZDF manages through short rotations and 'live-in' deployments.
7. The *Rapid Assessment* noted that "significant time is devoted to induction, however, there is inevitably a loss of accumulated knowledge which impacts efficiency. Handovers take time and there are risks that they are not sufficient. Rotation also makes it difficult to embed continual improvement"¹.
8. The rotational model has also been identified as a key issue by the Office of the Ombudsman in its inspections and monitoring of MIQFs, as well as in other MBIE-led reviews, such as the Pullman Incident Review (March 2021) and the review of Tranche 2 of the international mariners' stay in MIQ (February 2021).

Proposed response to the *Rapid Assessment* recommendation

9. We have considered the *Rapid Assessment* recommendation and assessment of how NZDF are being used in MIQFs. In response, we are proposing to transition 32 core NZDF frontline operational delivery leadership positions into an MBIE-employed (or seconded) workforce. Additional changes to MBIE positions in support of operational leadership at regional and national levels will be made in conjunction with these changes, to further enhance first-line assurance of our service delivery.

¹ Rapid Assessment of MIQ. Murray Jack and Katherine Corich, on behalf of MBIE. Page 32.

10. The NZDF roles that we propose to transition are:
 - General Manager Operations Delivery and Practice (currently General Manager Regional Operations Delivery, filled by an NZDF Group Captain)
 - MIQF Managers.
11. We are not proposing any changes to the overall operational responsibility for MIQ (jointly shared by the NZDF Head of Operations and the MBIE Deputy Secretary).

General Manager (GM) Operations Delivery and Practice (1 x FTE)

12. This is a senior national leadership position, responsible for the successful delivery of our MIQF network and the design, implementation of and adherence to standard operating procedures for the multi-agency workforce.
13. Currently the GM Regional Operations is filled by a senior NZDF officer on a six-month rotation. While this is a longer-term deployment than that of MIQF Managers, the issues noted above relating to rotation are equally applicable here. If anything, they are exacerbated due to the seniority of rank being deployed to the role, the critical nature of this position within the MIQ operating model, and consequently the extensive handover required at the end of each rotation.

MIQF Managers (16 x FTE in first tranche, 14 x FTE in second tranche)

14. MIQF Managers are key local leadership positions responsible for the multi-agency management of a MIQF, working alongside Health and Hotel leads to ensure safe and secure accommodation and services for returnees.
15. Civilianising these pivotal roles would address the consistency and handover issues identified in the Rapid Assessment, and help to drive continuous improvement in MIQFs. It would also support the development of longer-term local relationships and greater collaboration across senior MIQF-based leaders, and reduce single points of dependency.
16. We will initially seek to recruit up to 50% of the required positions (16 FTE), focusing on Auckland and Christchurch. We propose to recruit MIQF Manager roles to a region (rather than a specific MIQF) to allow flexibility for re-assignment to different facilities as required, in support of any changes to the MIQF portfolio over time.
17. The MIQF Manager positions are filled by NZDF personnel providing 24-hour cover. In order to create sustainable working conditions and attract candidates to the role, the MBIE MIQF Manager roles will work a standard 40 hour week. There will, however, continue to be a 24/7 duty management presence on site filled by NZDF personnel, supported by an on-call network of senior MIQ leaders available for out-of-hours incident management and escalation decisions.

Financial implications

18. The ongoing cost to MBIE of employing the GM Operations Delivery and Practice, and first tranche of MIQF Manager positions, is estimated as \$^{Privacy of natural persons} per month. Assuming a start date of no earlier than September 2021, the cost to MBIE for 2021/2022 would be approximately \$^{Privacy of natural persons}.
19. The remaining MIQF Manager positions (assuming the second tranche started in January 2022), will cost an additional \$199,495 per month. This would bring MBIE's 2021/22 operational costs for the full suite of civilianised positions to approximately \$^{Privacy of natural persons}. There will also be a one-off establishment costs of around \$^{Privacy of natural persons}.

20. These costs are set out in the table below

Role	FTE	Estimated monthly cost	Estimated annual cost	2021/22 cost (assuming Jan 22 start date for second tranche of MIQF Manager roles)	One-off costs
GM Operations Delivery & Practice	1	Privacy of natural persons			
MIQF Managers (First tranche)	16	\$227,994	\$2,735,932	\$2,279,944	\$19,200
Total		Privacy of natural persons			
MIQF Managers (Second tranche)	14	\$199,495	\$2,393,941	\$1,196,970	\$16,800
Total cost: GM Operations Delivery & Practice + both tranches of MIQF Managers		Privacy of natural persons			

21. We expect that the 2021/2022 costs for the roles listed in the table above will be able to be met within the existing MIQ appropriation. Funding for these roles past June 2022, as with all other aspects of the MIQ operating model, will require Cabinet agreement and additional funding.

Operational implications

22. Strengthening the national-to-local operational leadership model and civilianising the MIQF Manager positions will also require a small number of new management roles nationally and in the regions. This will also ensure safe and appropriate MIQF Manager to people leadership ratios and provide additional leadership cover for escalation and incident management. These new roles would report to the respective Regional Operations Director and General Manager, and provide 'on-call' and 'locum' cover for MIQF Manager absences or incident management.

Proposed timing

23. Given the number of NZDF personnel in the MIQF workforce and the operational capability they bring, any transition needs to be carefully managed. The proposed timeline below has been developed to enable these roles to be filled as quickly as possible, allowing for an intensive induction and handover to ensure critical knowledge is successfully transferred, and stakeholder confidence is maintained.

Proposed timeline

Date	GM Operational Delivery and Practice	MIQF Managers
July 2021	<ul style="list-style-type: none"> Establish positions within MBIE and confirm recruitment and selection approach MBIE/NZDF confirm method for supporting personnel transition Communicate planned approach and rationale across existing MIQ workforce, including with partner agencies 	
July – August 2021	Commence recruitment, utilising the PSC Career Board and liaison with CE colleagues.	Commence first tranche recruitment (up to 50% MIQF managers) Utilise long-term secondment options from Public Sector agencies including NZDF, and open marketing.
August 2021	Appoint and on-board successful candidate, including intensive induction programme and handover from incumbent NZDF personnel.	Run series of workshops and engage with MIQ personnel at national, regional and local levels to outline and clarify ways of working, decision-making and reporting line shifts associated with role changes.
September 2021		Appoint and on-board successful candidates, including intensive induction programme and handover from incumbent NZDF personnel where applicable.
October 2021	Refresh relevant personnel commitment (skills and capacity) from NZDF outlined in MOU, with associated update of MOU. Due to NZDF management of deployment and rotation logistics, any reduction in NZDF commitment will relate to personnel to covering a set number of positions (it is not a 1-1 replacement).	
September - October- 2021	Stock-take including: <ul style="list-style-type: none"> Assessment of success of recruitment and selection approach for roles (e.g. ability to attract appropriate capability in the required locations) Results of culture and behaviour change programme to date, including whether operating model is working effectively Ongoing requirement for 24/7 duty management cover at MIQFs to right-size and right-shape future requirements Government decisions in relation to future MIQ service model and longevity 	
November 2021	Stage 2 commences – shape and scope to be determined by stock-take. However, it may include recruitment of remaining MIQF Manager positions, in line with the latest MIQF portfolio and decisions by Government about infrastructure and service provision requirements.	

Next steps

24. Pending any feedback from you on our proposed approach to responding to the *Rapid Assessment* recommendations, we will commence activities to transition these roles (i.e. establish and recruit to the new civilianised positions).
25. We are also progressing joint work across the network as part of a wider MIQ Workforce Strategy to ensure we have a resilient and agile MIQ workforce. The aim of this work is to ensure we can respond to COVID-19 today, tomorrow and into an ever changing future.
26. This work may produce further options for building sustainability into the MIQ operating model and workforce sourcing approach and will align with the future infrastructure work [briefing 2021-4107 refers]. We will provide you with further advice on this work, including options, costs and funding implications in September 2021.
27. This work will feed into the MIQ Budget Bid for 2022-24. We will provide you with advice on this in October 2021 for Cabinet decisions in November 2021.