



BRIEFING

Draft Cabinet Paper and Programme Business Case on future of MIQ

Date:	25 November 2021	Priority:	High
Security classification:		Tracking number:	2122-1675

Action sought		
	Action sought	Deadline
Hon Chris Hipkins Minister for COVID-19 Response	Agree to Ministerial consultation and lodgement of the Cabinet paper for consideration by Cabinet on Monday 13 December 2021	25 November 2021

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Chris Bunny	Deputy Secretary, MIQ	Privacy of natural persons	
Andrew Milne	Associate Deputy Secretary, MIQ	Privacy of natural persons	✓
Privacy of natural persons	Policy Director	Privacy of natural persons	

The following departments/agencies have been consulted
Ministry of Health, Crown Law, New Zealand Customs Service, Department of Prime Minister and Cabinet, Housing and Urban Development, Immigration Policy, Te Waihangā (New Zealand Infrastructure Commission), Ministry for Pacific Peoples, Ministry for Women, Ministry of Foreign Affairs and Trade, Ministry of Justice, Ministry of Social Development, Ministry of Transport, New Zealand Police, Te Puni Kōkiri, Treasury

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 Withdrawn |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

This briefing provides the draft Cabinet paper: *A national quarantine system: decisions about quarantine options for the ongoing COVID-19 response and for future pandemic preparedness* for ministerial consultation and seeks your agreement to lodge the final Cabinet paper for consideration by the Social Wellbeing Committee on 8 December 2021 and Cabinet on 13 December 2021.

Recommended action

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

- a **Note** that in September 2021 you directed officials to begin a Programme Business Case (PBC), to develop options for the future of MIQ, including infrastructure and workforce. *Noted*
- b **Note** that the PBC has now been completed. The recommended approach includes the development of a national quarantine system in the long-term, with interim steps including securing our current operating model in the short-term and establishing a core capacity of approximately 1,000 high-quality quarantine rooms. *Noted*
- c **Note** that urgent Cabinet decisions are also required to provide funding for the continuation of MIQ beyond the current end-date of June 2022. These decisions are sought in a companion Cabinet paper: *Securing funding to maintain MIQ in the short-term*. *Noted*
- d **Agree** to circulate the draft Cabinet paper and PBC to your Ministerial colleagues for consultation on an abbreviated timeframe. Agree / Disagree
- e **Note** that we are expecting some agency feedback to be provided concurrent with Ministerial consultation, including from The Treasury. Agree / Disagree
- f **Agree** to lodge the final paper for consideration by the Social Wellbeing Committee on 8 December, ahead of Cabinet consideration on 13 December 2021. Agree / Disagree

g **Agree** to proactively release this briefing with any withholdings consistent with the Official Information Act 1982.

Agree / Disagree



Andrew Milne
Associate Deputy Secretary
Managed Isolation and Quarantine, MBIE

25 / 11 / 2021



Hon Chris Hipkins
Minister for COVID-19 Response

27 / 11 / 21

Re Annex 4 - it's really important we retain the ability to stand up extra MIQ capacity quickly in the event a new variant of concern forces a further rethink of border settings.

Let's start the ball rolling on consultation, but I'd also like a meeting to discuss:

- 1) Greater regional presence - important to support care in the community but with time to plan better connection/transfer options should also be able to assist at the border
- 2) Workforce - a specifically trained, maybe micro-credentialled workforce.

CH

Background

1. On 28 September, you agreed that we develop a Programme Business Case (PBC) for the movement to a purpose-designed quarantine network and core-operating model. This would replace a purely hotel-contracted and multi-agency model of managed isolation and quarantine [briefing 2122-1013 refers].
2. On 9 November you reconfirmed the parameters of the PBC [briefing 2122-1424 refers], which are:
 - a. playing a role in both border and community cases
 - b. focusing on hubs in proximity to Auckland and Christchurch airports: North Waikato, Auckland, Christchurch
 - c. focusing on securing around 1,000 rooms under Crown control
 - d. sites chosen based on opportunities to build-on additional capacity and/or increase the level of fit-for-purpose quarantine design (by adapting the existing buildings)
 - e. considering purchase and long-term lease approaches.
3. On 16 November you also discussed with MBIE officials the future scale and form of MIQ, with considerations around:
 - a. the need to ensure that sufficient MIQ capacity is retained in the shorter-term to remain responsive to demand from the border and also potentially increased demand from the community through winter in 2022. This could mean some 'wastage' in spare capacity so as to ensure we are able to respond when needed.
 - b. the enduring legacy of MIQ, both in terms of physical infrastructure and the expertise and intellectual property developed as a response to the COVID-19 pandemic, for use in future epidemics or pandemics.
4. Cabinet has recently considered a number of papers that reference the future role of MIQ in providing an escalation pathway for those unable to safely self-isolate at home. More information on these papers is at **Annex One**

You have a companion Cabinet paper seeking decisions on the short-term funding of MIQ

5. In the companion Cabinet paper, *Securing funding to maintain MIQ in the short-term*, which is being progressed separately, you are seeking decisions on the short-term funding of MIQ. This will provide support for the current operating model of MIQ to continue for another financial year beyond June 2022, albeit on a gradually reducing scale to reflect anticipated reduced demand.
6. In the Cabinet paper *A national quarantine system: decisions about quarantine options for the ongoing COVID-19 response and for future pandemic preparedness*, which is attached, you are seeking decisions on the medium to long term future of New Zealand's quarantine system, and the associated funding to progress options in this space.

Overview of the Programme Business Case

7. The PBC is attached at **Annex Two**.

Purpose

8. The PBC sets out the future infrastructure and operating model of MIQ. It offers a stable, flexible and enduring border and community quarantine response for New Zealand.

9. There will continue to be a need for quarantine capacity as part of the domestic health system response to support the management of community outbreaks, and to facilitate travellers entering through the high-risk pathway.

Recommendations of the PBC

10. The PBC recommends a programme which ensures New Zealand has continued quarantine capacity in the medium term as part of the response to COVID-19, while creating a legacy infrastructure and operating model for longer-term threats.
11. It recommends investment in a new operating model for quarantine in the medium to long term, which will have a smaller, more targeted footprint including assets and workforce. Specifically, it proposes
 - a. the establishment of a core network of up to 1,000 Q-standard rooms on Crown-controlled sites across North and South Island hubs;
 - b. a skilled and resilient core workforce providing purpose-designed quarantine, wellbeing and response services; and
 - c. a model that retains the knowhow and expertise capitalising on New Zealand's world-leading COVID-19 response.

Cabinet paper

12. A draft Cabinet paper for your consideration is attached at **Annex Three**.

Proposals for Cabinet consideration

13. Two streams of work flowing from the PBC are proposed in the Cabinet paper:
 - a. Firstly, the development of a Detailed Business Case (DBC) in Q1 2022 focused on the long-term lease of three core sites, including upgrades and the provision of some additional capacity through prefabricated modular units. Funding to undertake the DBC and contingency to allow for commercial negotiations to be undertaken are sought in the attached Cabinet Paper.

If Cabinet agrees to progress to the first DBC, MBIE will start working at pace and engage in commercial negotiations with key sites for acquisition or extended leases.
 - b. Secondly, the scoping and development of another DBC later in 2022 focused on greenfields development.

If Cabinet chooses to progress this work, MBIE would engage with relevant agencies to identify the lead agency to progress this work.
14. The attached Cabinet paper proposes commissioning a DBC now to secure a core network of high-quality quarantine rooms. This core would sit within a broader network created by short-term hotel contracts, which would provide flexibility subject to the demand for managed quarantine and isolation in coming months and years. The current phasing plan over the coming 18 months to reduce MIQ capacity is at **Annex Four**.

Agency consultation

15. Agency consultation was undertaken on a previous version of this paper which combined both the PBC and the short-term funding needs of MIQ.
16. Agency consultation on this paper was abbreviated, but included the following agencies: Ministry of Health, The Treasury, Crown Law, New Zealand Customs Service, Department of Prime Minister and Cabinet, Housing and Urban Development, Immigration Policy, Te

Waihanga (New Zealand Infrastructure Commission), Ministry for Pacific Peoples, Ministry for Women, Ministry of Foreign Affairs and Trade, Ministry of Justice, Ministry of Social Development, Ministry of Transport, New Zealand Police, and Te Puni Kōkiri.

17. The Ministry of Health has reviewed a draft version of this Cabinet paper and PBC, and is represented in PBC project governance.

Initial feedback from The Treasury

18. We have provided revised draft Cabinet Papers and Programme Business Cases to The Treasury for review and feedback as this work has developed.
19. Given the abbreviated period of consultation, Treasury officials will continue to work with the Minister of Finance’s Office to incorporate feedback and comment through the Ministerial consultation period. We will work with officials to resolve technical feedback.
20. Initial indications of areas of interest for Treasury include: strengthening the rationale for quarantine as a longer-term response for the health system and providing options for phased infrastructure procurement.

Next steps

21. The companion Cabinet—*Securing funding to maintain MIQ in the short-term*—is due to be provided to you tomorrow, Friday 26 November.
22. You agreed to a shortened period of Ministerial consultation [briefing 2122-1013 refers]. This timing has since been refined, and will have the following deadlines:

Date	Action
Friday 26 November	Ministerial consultation begins
Wednesday 1 December	Ministerial consultation finishes
Thursday 2 December	Incorporate Ministerial feedback
Friday 3 December	Late lodgement for the Social and Wellbeing Committee (SWC)
Wednesday 8 December	Cabinet paper and Programme Business Case considered by SWC
Wednesday 13 December	Cabinet paper and Programme Business Case considered by Cabinet

Annexes

Annex One: Related Cabinet discussions

Annex Two: Programme Business Case

Annex Three: Cabinet Paper: *A national quarantine system: decisions about quarantine options for the ongoing COVID-19 response and for future pandemic preparedness*

Annex Four: MIQ decommissioning strategy (current draft)

Annex One: Related Cabinet discussions

MIQ as a border response

On Monday 15 November, Cabinet endorsed the approach to reconnecting New Zealand to the world, with timing announced on 24 November:

- Fully vaccinated New Zealanders and other eligible travellers can travel to NZ from Australia without staying in MIQ from 11.59pm Sunday, 16 January 2022
- Fully vaccinated New Zealanders and other eligible travellers can travel to NZ from all other countries from 11.59pm Sunday, 13 February 2022
- All fully vaccinated individuals will be able to travel to NZ from 30 April 2022 onwards, with the re-opening staged over time

We expect this will substantially reduce demand for MIQ from border arrivals.

MIQ as an escalation point to support COVID-19 patients in the community

On 22 November, the Cabinet considered the following papers:

COVID-19 Care in the Community (Ministry of Health)

This paper outlines the evolving model of care for COVID-19 patients in the community. This model identifies MIQ as a point of escalation for those with low-medium health needs who cannot safely self-isolate at home, or who will need support to comply with self-isolation requirements.

A whole of system welfare approach under the COVID-19 Protection Framework (Ministry of Social Development)

This paper outlines a whole of system welfare approach targeted to people who need support to be able to safely self-isolate at home under the new COVID-19 Protection Framework. The Welfare approach makes reference to the accommodation approach, in which MIQ is a point of escalation.

COVID-19 Minimisation and Protection approach – changes to testing, case investigation and contact tracing (Ministry of Health)

This paper outlines changes to COVID-19 testing, case investigation and contact tracing, which are being made to ensure that New Zealand is ready to transition from the elimination strategy to the minimisation and protection approach and seeks additional funding to support testing and contact tracing in 2021/22.

Annex Two: Programme Business Case

v1.0 has been superceded to v2.6 and is subject to proactive release

Annex Three: Cabinet Paper: *A national quarantine system: decisions about quarantine options for the ongoing COVID-19 response and for future pandemic preparedness*

NB: Published on MBIE's Document Library May
2022: A National Quarantine System: Options for the
Ongoing COVID-19 Response and Future Pandemic
Preparedness (mbie.govt.nz)

Annex Four: MIQ decommissioning strategy (current draft)

