



BRIEFING

Update on the National Quarantine Capability Programme Business Case

Date:	10 June 2022	Priority:	Medium
Security classification:		Tracking number:	2122-4413

Action sought		
	Action sought	Deadline
Hon Chris Hipkins Minister for COVID-19 Response	Indicate whether you wish to meet with MBIE officials to discuss the National Quarantine Capability Programme Business Case. Forward this briefing to the Minister of Finance and the Minister of Health for their information.	17 June 2022

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Andrew Milne	Deputy Secretary, MIQ	Privacy of natural persons	✓
Andrew Burns	NQC Programme Director		

The following departments/agencies have been consulted
NZ Treasury, Ministry of Health, Interim Māori Health Authority, Interim Health NZ, National Emergency Management Agency, DPMC - Policy Advisory Group.

Minister's office to complete:

Approved

Declined

Noted

Needs change

Seen

Overtaken by Events

See Minister's Notes

Withdrawn

Comments



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Update on the National Quarantine Capability Programme Business Case

Date:	10 June 2022	Priority:	Medium
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Purpose

To provide you with an update on the progress of the National Quarantine Capability Programme Business Case and indicate next steps.

Recommended action

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

- Note** when completed, the PBC will deliver:
 - the proposed investment objectives and outcomes of a future work programme related to quarantine and isolation;
 - recommendations for a preferred way forward to develop an investment proposal, which could include the development of further business cases or tranches of work; and
 - an outline of the time and cost associated with proposed further work.

Noted
- Note** no further changes to the scope of the PBC are required based on the feedback that MBIE has received from key stakeholders.

Noted
- Note** a draft Cabinet paper with the final completed PBC will be provided to you for feedback in August 2022, followed by ministerial consultation in September 2022 and Cabinet decisions in October 2022. If Cabinet agrees to further work, funding for this would need to be considered in Budget 2023.

Noted
- Indicate** whether you wish to meet with MBIE officials to discuss the National Quarantine Capability Programme Business Case.

Yes No
- Forward** this briefing to the Minister of Finance and the Minister of Health for their information.

Please also forward to Hon Verrall Agree / Disagree

6. **Agree** not to proactively release this briefing until the PBC is finalised and considered by Cabinet.

Agree / Disagree



Andrew Milne
Deputy Secretary – MIQ
MBIE

10 / 06 / 2022



Hon Chris Hipkins
Minister for COVID-19 Response

12 / 06 / 2022

Background

An initial Programme Business Case (PBC) was considered in late 2021

1. In September 2021, you commissioned a PBC focused on establishing a legacy operating model and infrastructure for a national quarantine system.
2. Following Cabinet decisions in December 2021 (SWC-21-MIN-0214), work was to be progressed in 2022 through two detailed business cases:
 - a. The first detailed business case (focused on medium-term solutions such as longer-term contracting of existing facilities) was progressed in early 2022. Cabinet agreed (SWC-22-MIN-0032) that this business case was no longer required given the reduction in the MIQ network, uncertainty in demand for MIQ over coming months, and in-light of direction from the Gateway Review process (discussed below).
 - b. The second detailed business case was to focus on the use of greenfield developments in the long-term and was to be progressed after the scope was confirmed by the Minister for COVID-19 Response and the Ministers of Finance and Health.

A Treasury-led Gateway Review in February 2022 found the context had changed significantly since the first PBC

3. The Gateway Review found that the dynamic nature of the COVID-19 pandemic since December 2021 and the Government's response meant that the approach to scope, problem identification, benefits and governance agreed in December 2020 for detailed business cases may lead to sub-optimal outcomes and regretful spend.
4. This resulted in an assessment of delivery confidence at RED – successful delivery appears to be unachievable. This rating necessitated a re-consideration of the next steps for the work, and a reset back up to a further PBC (BR 2122-2943 refers).

Changes to border and isolation settings have accelerated the decommissioning of MIQ

5. Since Cabinet considered the initial PBC in December 2021, New Zealand's approach to managing COVID-19 has changed substantially. Changes to border and isolation settings have resulted in almost no demand for MIQ.
6. In March 2022, Cabinet agreed to accelerate the transition of the MIQ network to no more than four facilities across Auckland and Christchurch by June 2022, with options to continue contracts until December 2022 (SWC-22-MIN-0032).
7. On 25 April 2022, you, in consultation with the Prime Minister and the Minister of Health, agreed to decommission – and thereby close – the MIQ network in its entirety by August 2022 and on 28 April 2022 the Minister of Finance agreed in principle, subject to the provision of a Readiness Plan (discussed below) for reactivating MIQ if necessary (BR 2122-4081 refers).

MIQ has developed the first tranche of a Readiness Plan for re-introducing managed quarantine and isolation in the event of a full border closure

8. A MIQ Readiness Plan is being developed that covers reactivating managed quarantine and/or isolation facilities should they be required due to a future full border closure. This plan consists of partnership agreements with key government agencies, contractual retainers with hotels, and incorporates lessons learned from MIQ as it existed from March 2020 to March 2022 (BR 2122-4550 refers).

9. The Plan will help to bridge the time horizon between the closure of the current MIQ network, and the availability of future interventions proposed by the National Quarantine Capability (NQC) business case that will be considered by Cabinet in October 2022, should Cabinet decide to proceed with and fund those interventions.
10. While the MIQ Readiness Plan is only intended to be used during another full border closure, the scope of the NQC's PBC is broader. The PBC is considering quarantine and isolation interventions using physical assets as well as self-managed approaches for people overseas seeking to travel to New Zealand and people with an infectious disease within a community context. This means that there will be gaps between what the MIQ Readiness Plan and the potential NQC are able to deliver.

Scope reconfirmed

11. In April 2022, you and the Ministers of Finance and Health agreed to update the scope of the PBC to include:
 - a. the development of enduring quarantine and isolation interventions to address the threats posed to New Zealand by human infectious diseases, including self-managed approaches, that will enable containment, to support buying time for other measures and to reduce load on domestic public health responses; and
 - b. the full range of options, including those requiring capital and operational investment.

Progress to date

12. We advised you in our last update that we would test our initial thinking around the Strategic Case of the PBC with you and provide advice on whether the scope of the PBC should be refined following the development of disease scenarios to inform the PBC's Strategic Case.

MBIE has engaged with a wide range of stakeholders to understand and develop future requirements

13. In response to recommendations from the Gateway Review, MBIE is undertaking significant and repeated engagement with:
 - a. government agencies;
 - b. the Iwi Communications Collective;
 - c. private sector leaders from airlines, airports, hotels, transport; and
 - d. the Strategic COVID-19 Public Health Advisory Group led by Prof. Sir David Skegg.
14. A series of workshops have been completed with key stakeholders to simulate the following possible future outbreaks:
 - a. A highly infectious and severe respiratory virus with a high mortality rate (15%) and a lengthy infectious period of three weeks.
 - b. A zoonotic disease, transmitted by fleas and droplets, which was initially misdiagnosed as Dengue Fever.
 - c. A highly infectious haemorrhagic disease with an extremely high mortality rate, horrific symptoms, and which has entered New Zealand before its point of origin is identified.
 - d. A gastro-intestinal disease with a short incubation period and rapid transmission.
 - e. A highly transmissible respiratory disease with a long infectious period of 6 weeks, originating in New Zealand and initially misidentified as COVID-19.

15. A diverse range of variables were incorporated across the scenarios including how early the disease was detected, where it originated, incubation and recovery periods, transmissibility rates, and clinical severity. The diseases were all exaggerated versions of existing diseases, which were checked by clinicians to ensure they were scientifically feasible.
16. Due to the level of unpredictability in a potential future outbreak, these scenarios have helped to contextualise how quarantine could be used as a public health tool based on the level of risk presented and the roles that different agencies would play in response. We also tested, through these workshops, the pressures placed upon existing system responses in the face of concurrent events (e.g. natural disasters).
17. The feedback from the workshops has been used to gain insights on the existing gaps in the current system, potential strengths and weaknesses, and what might be required from a future capability.
18. Key themes identified include a need to contain and/or mitigate the risk and/or spread of communicable diseases, capability that can be operationalised quickly, and to design any solutions with users in mind.
19. MBIE will continue with its existing multi-sector engagement and plan on engaging with the Strategic COVID-19 Public Health Advisory Group by the end of June 2022 as well as the Public Health Unit.

The Strategic Case is being finalised

20. The Strategic Case has been developed in collaboration with government agencies. It establishes the value of a quarantine capability, the need for investment, and early-stage thinking for what the capability options will consist of. A high-level summary of the Strategic Case is provided in **Annex One**.
21. Ensuring preparedness, operational readiness, and equity form the basis of the Strategic Case. Options will be assessed against the following expected benefits, with specific key performance indicators designed to measure progress:
 - a. More effective quarantine capabilities to address future human infectious disease risks and contribute to minimising health, economic, and social impacts of future outbreaks.
 - b. Faster deployment of quarantine interventions to reduce infection spread and allow time and scope for other system responses.
 - c. Flexible quarantine options to meet differing needs and enable equitable outcomes.
 - d. Greater trust and confidence in future epidemic and pandemic responses.

High-level options are being developed for the October 2022 Cabinet paper

Options have been identified and analysed in consultation with agencies, Iwi, and key private sector stakeholders to be developed in the PBC

22. Examples of potential options for a short-list are set out in **Annex Two**. These are for illustrative purposes only and subject to further work and consultation as the PBC is progressed. The functions being explored that will enhance the health and wellbeing of users include:
 - a. Maintaining and/or developing existing Readiness Plans.
 - b. Procuring and maintaining quarantine facilities, services, technology, and partnerships.

- c. Developing readiness, surge, workforce, and communication plans in collaboration with agencies, Iwi, communities and the private sector.
 - d. Measures to support equitable self-quarantining. This may include further work on enhanced guidance and the use of technology solutions to facilitate effective self-quarantining for community and border arrival requirements.
 - e. Plans and measures to support non-government providers of quarantine facilities and services (e.g. community centres), which could include guidance on IPC protocols, training, onsite assessments, and facilitating logistic and supply arrangements.
 - f. Intelligence monitoring to assess and report on international threats to generate insights for decision making.
 - g. Contributing quarantine capability expertise into wider response system plans nationally and internationally.
23. Some of these capabilities already exist across the health sector. Work is underway to better understand how these functions currently operate together and if they could be enhanced by being supplemented by or incorporated into NQC.

Some options being considered may take longer to develop and potentially require additional businesses cases and/or funding

24. Options that require significant investment (e.g. building or purchasing facilities, or co-investments) will require a longer and more robust process than options that involve alternative infrastructure arrangements (such as renting or using retainers for facilities).
25. Less resource intensive options, such as maintaining a Readiness Plan for several more years, may involve a Budget bid due to the current MIQ Readiness Plan being funded using MIQ baselines which ends in June 2023.

There are no proposed changes to the scope of the PBC

26. MBIE has previously indicated to Ministers that further advice would be provided on whether the scope of the PBC should be refined following the development of disease scenarios to inform the Strategic Case.
27. After significant engagement across government agencies and the private sector, MBIE considers that the current scope is aligned with stakeholder and Ministerial feedback and that no further changes to the scope are required.

Next steps

28. MBIE will continue to progress work on the financial, economic, commercial and management cases in the PBC, which will inform the final options for Ministers to consider. A second Gateway Review will be undertaken in July 2022 as part of this process.
29. We expect to provide you with advice on the most suitable lead agency for the NQC in July.
30. A draft Cabinet paper with the completed PBC will be provided to you for feedback in August 2022. If Cabinet agrees to further work on any of the options, funding for this could be considered as a matter for Budget 2023. When completed, the PBC will deliver:
- a. the proposed investment objectives and outcomes of a future work programme related to quarantine and isolation;

- b. recommendations for a preferred way forward to develop an investment proposal, which could include the development of further business cases or tranches of work; and
 - c. an outline of the time and cost associated with proposed further work.
31. There is an opportunity for you to meet with MBIE officials to discuss the content of this briefing or any other aspect of the PBC process.

Annexes

Annex One: NQC Strategic Case summary

Annex Two: Example NQC option packages

National Quarantine Capability

Our aim is to identify the risks and issues in New Zealand's current human infectious disease response system, and identify the function and effects which a future national quarantine capability would deliver

OUR JOURNEY SO FAR

Engagement and co-development

We are working with a range of government agencies, Iwi chairs, and private sector leaders from airlines, airports, hotels and logistics.

We are testing our work with the Skegg group, and our own multi-agency governance and advisory groups.

Identified the long-term risk

New Zealand's population is susceptible to emerging novel and known human infectious diseases with epidemic or pandemic potential, and this will continue to present a genuine risk.

Infectious diseases will present in ways which cannot be predicted with certainty (e.g., disease vectors, transmission rates, virulence and demographic impact).

New Zealand's geographical remoteness and complete ocean border makes the use of quarantine a valid option within a set of mitigations in the face of these threats.

Explored the need for a purpose-designed quarantine capability

Future disease scenarios

We ran future pandemic scenarios workshops to identify similarities and differences in our national responses in the face of a range of disease outbreaks.



Current system response

We conducted table-top simulations to work through current system and agency responses in the face of singular and concurrent future threats.

WHAT WE'VE LEARNT

The need to invest is clear

We have heard consistent cross-sector concern, and our analysis has confirmed, that New Zealand's pandemic response system is lacking:

1

Fit-for purpose quarantine capabilities

2

Operational readiness for timely interventions

3

A range of quarantine options to meet different disease scenarios and community requirements

Without a national quarantine capability, New Zealand will be exposed in the future to increased public health, social and economic risks, threatening national resilience.

The opportunity

We have received widespread consensus that a national quarantine capability should feature in future system responses.

Investing in a range of effective quarantine capabilities would enhance New Zealand's response systems and form part of a suite of options deployable by Government in the face of threats, enabling timely, targeted, measurable and proportionate responses.

This would be an enduring insurance policy against future epidemic and pandemic risks, and could lead the world in protecting public health, enabling equitable outcomes and minimising adverse social and economic impacts.

Quarantine separates and restricts the movement of people who were exposed to a contagious disease to see if they become sick.

Isolation continues with the separation and containment following confirmation of infection.

WHERE WE'RE HEADING

A national quarantine capability that delivers

PREPARATION

Effective pre-designed quarantine capabilities to address future human infectious disease risks

- ↓ Rates of community infection
- ↓ Primary and secondary care health admissions
- ↓ Adverse economic and social impact

READINESS

Faster deployment of quarantine interventions to reduce infection spread and allow time and scope for other system responses

- ↑ Optionality and efficiency
- ↓ Reliance on other restrictive measures
- ↑ Readiness to deploy quarantine measures

EQUITY

More options for targeted and proportionate responses, to meet differing needs and reduce inequitable outcomes

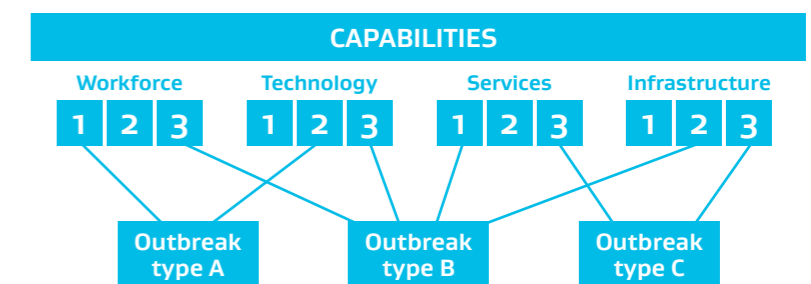
- ↓ Infections/deaths that could have been prevented if the same level of access and care was available for all communities
- ↓ Risk of exacerbating existing inequalities

Packages of options

In the programme business case, we will offer decisionmakers the choice between packaged options which increase in capability, readiness, flexibility and scalability along a spectrum.

This enables decisionmakers to set the direction for further work to develop the desired mix for a national quarantine capability, working within wider response systems.

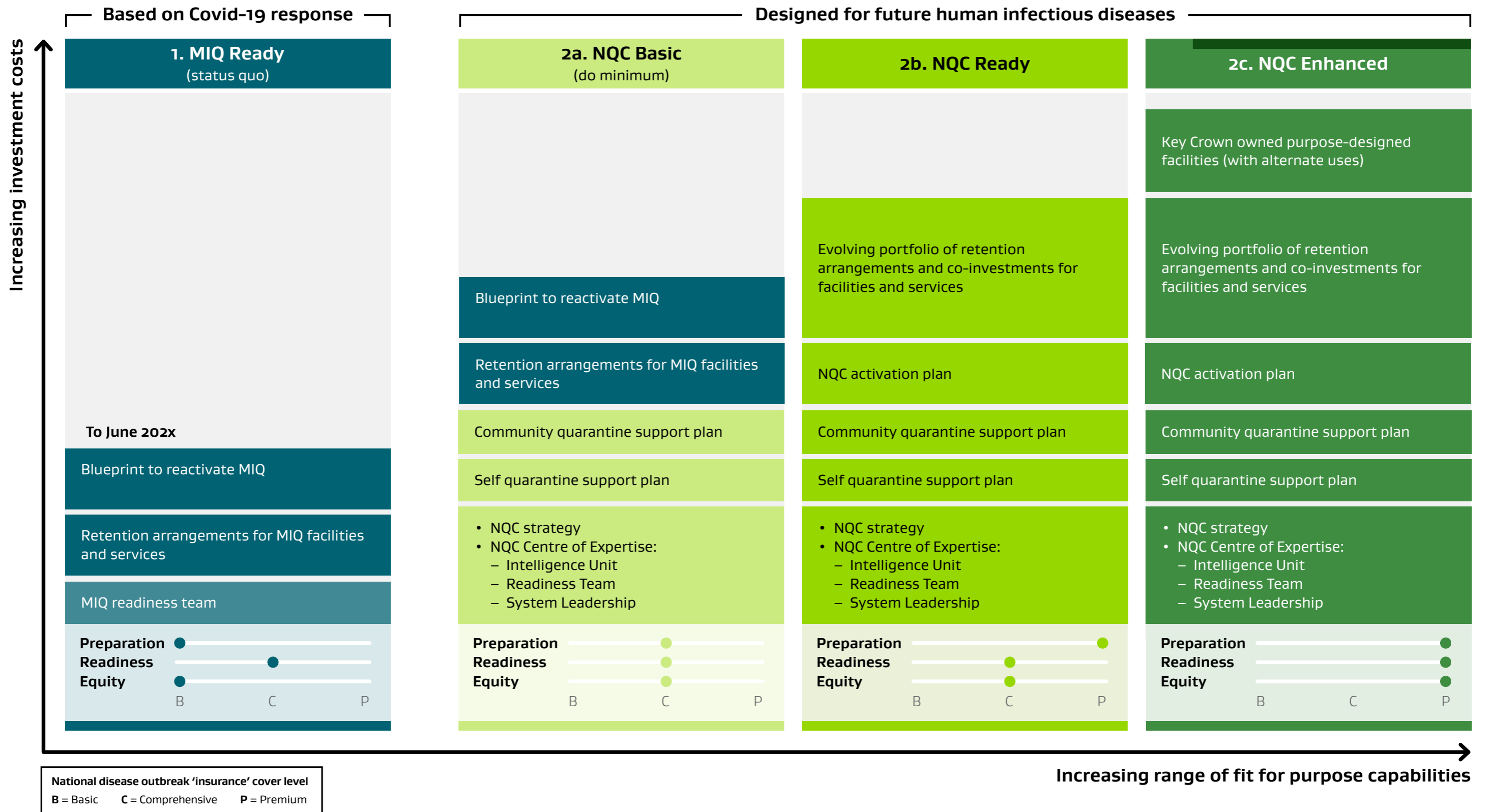
Ultimately, government will have the ability to pick and deploy a mix of quarantine capabilities for a timely, targeted, measurable and proportionate response. This is illustrated below.



Next steps

Illustrative packaged options are provided as a supplement to this briefing. The full set, benefits and costs of the packaged options will be set out in the completed programme business case for Cabinet decision in October 2022.

Example NQC option packages



Note: Opportunities for partnering and potential revenue generation to balance costs will be explored further to complete the commercial and financial cases, however are likely to be more relevant for 2b and 2c.

MIQ option

The MIQ option is based on the Readiness Plan for re-establishing quarantine and isolation capability following the closure of the current MIQ network. This capability could be stood up within a period of time to respond to a significant public health threat at the border. The time horizon is until June 202x or when NQC is available.

1. MIQ Ready

The Readiness Plan responds to COVID-19 variants of concern and may be updated over time to be more disease-agnostic. It comprises:

- a blueprint for the MIQ operating model and a repository of standard operating procedures
- a step-by-step guide to standing up each MIQ function
- partnering arrangements with key MIQ suppliers (hotels, transport and security services) and agencies to re-establish functions
- on-call directories of other key suppliers and critical personnel
- a small team responsible for reviewing, updating and testing the Readiness Plan and managing arrangements and relationships

Preparedness	Prepared for Covid-19 plus (within MIQ limitations)
Readiness	Ready with MIQ plan and arrangements for border only
Equity	One size fits all for facilities and services
Speed of initial deployment	Standing start for access to expertise, workforce, facilities and services for 1,500 rooms (3–4 weeks)
Speed of surge deployment	Uncertain surge capacity for 6,000 rooms (8 weeks)
System fit	Covid (1–5 years)
Geographical reach	Auckland and Christchurch
Dependencies	Border closure and legislative framework

Example NQC option packages

Each option offers a realisable vision for a dedicated, enduring quarantine capability for New Zealand, ready to respond to evolving known and unknown human infectious diseases of epidemic or pandemic potential. The initial time horizon is the next 20 years.

2a. NQC Basic

2b. NQC Ready

2c. NQC Enhanced

NQC Strategy
A long-term strategy that sets direction for a risk-based development and deployment of national quarantine capabilities, within wider response system strategies and plans.

NQC Centre of Expertise

- **Intelligence unit:** monitors, assesses and reports on international threats and quarantine effectiveness; offers insights generation to inform decision-making; and provides real-time advice for trigger events.
- **Readiness team:** responsible for partnering arrangements, facilities, services and technology; readiness, surge, workforce and communications plans developed with agencies, Iwi, communities and the private sector; quarantine expertise shared through thought leadership, guidance, advice, training and other support; and operational response readiness, working with key system participants.
- **System leadership:** provides quarantine capability inputs into wider response system strategies and plans (national and international) and operational leadership in response to threats/outbreaks.

- **MIQ readiness:** assumes responsibility for the Readiness Plan and related arrangements.
- **Self-quarantine support plan:** a plan and measures to support equitable self-quarantining, including:
 - guidance on safe self-quarantining
 - setting requirements for, and processing and monitoring, those eligible to self-quarantine via the border
 - technology to facilitate effective self-quarantining
- **Community quarantine support plans:** plans and measures to support non-government providers of quarantine facilities and services, including:
 - roles and responsibilities of agencies and non-government providers
 - guidance on IPC protocols
 - training and onsite assessments
 - facilitation of logistics and supply arrangements

Preparedness	Prepared for future (within MIQ limitations)
Readiness	Ready with system strategy, core expert readiness team, plans and arrangements
Equity	Community and self-quarantine options; one size fits all for facilities and services
Speed of initial deployment	Instant access to core expert readiness team, and system integration; standing start for access to workforce, facilities and services for 1,500 rooms (3–4 weeks)
Speed of surge deployment	Uncertain surge capacity for 6,000 rooms (8 weeks)
System fit	Pandemic and Hazards Emergency Management (20 years)
Geographical reach	Auckland and Christchurch
Dependencies	Border closure (but supporting legislative framework and system integration in place)

- Builds on option 2a. through:
- **NQC activation plan:** a plan that supersedes the Readiness Plan and aligns to the NQC strategy, including:
 - role and responsibilities of NQC within wider response systems
 - enabling legislation and pre-approved decision rights
 - documented deployment steps and operational policies
 - agreed call options for services and workforce
 - agreed triggers for activation and scaling of operations
 - **Evolving portfolio:** a portfolio of partnering arrangements for facilities and services that supersedes MIQ arrangements over time, taking advantage of knowledge gain and market opportunities to enhance IPC design and service models, while diversifying regional coverage and offloading suboptimal or surplus arrangements.

Preparedness	Prepared for future
Readiness	Ready with system strategy, core expert readiness team, plans and arrangements
Equity	Community and self-quarantine options; equity-based facilities and services
Speed of initial deployment	Instant access to core expert readiness team, and system integration; standing start for access to workforce, facilities and services for x rooms
Speed of surge deployment	Surge planning and arrangements for x rooms
System fit	Pandemic and Hazards Emergency Management (20 years)
Geographical reach	Auckland, Christchurch, Wellington and regions
Dependencies	None (supporting legislative framework and system integration in place)

- Builds on option 2b. through:
- **Purpose-designed facilities:** key managed facilities at the border, developed over time as the nucleus of the NQC activation plan, and offering flexibility for early and timely interventions and wider public value through alternate use.

Preparedness	Prepared for future
Readiness	Ready with system strategy, core expert readiness team, core facilities and services, plans and arrangements
Equity	Community and self-quarantine options; equity-based facilities and services
Speed of initial deployment	Instant access to core expert readiness team, facilities and services for x rooms, and system integration
Speed of surge deployment	Surge planning and arrangements (including onsite) for x rooms
System fit	Pandemic and Hazards Emergency Management (20 years)
Geographical reach	Auckland, Christchurch, Wellington and regions
Dependencies	None (supporting legislative framework and system integration in place)