



## JOINT BRIEFING

### Transfer of quarantine and isolation functions to the health system

<b>Date:</b>	15 September 2022	<b>Priority:</b>	High
<b>Security classification:</b>		<b>Tracking number:</b>	2223-0785

Action sought		
	Action sought	Deadline
Hon Dr Ayesha Verrall <b>Minister for COVID-19 Response</b>	<b>Agree</b> in principle that responsibility for quarantine and isolation functions should transfer from MBIE back to the health system.  <b>Agree</b> to seek Cabinet's agreement to provide two years of funding from the Between Budget Contingency to retain and strengthen quarantine and isolation functions.	30 September 2022
Hon Andrew Little <b>Minister of Health</b>	<b>Agree</b> in principle that responsibility for quarantine and isolation functions should transfer from MBIE back to the health system.	30 September 2022

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Stacey Munro-Flynn	General Manager, Programmes and Change, Labour Science and Enterprise, Ministry of Business, Innovation and Employment	Privacy of natural persons	✓
Dr Andrew Old	Deputy Director General, Public Health Agency, Ministry of Health	Privacy of natural persons	✓

The following departments/agencies have been consulted
Treasury, Public Service Commission, Department of the Prime Minister and Cabinet, Te Whatu Ora – Health New Zealand

**Minister's office to complete:**

- |  |   |                                    |
|--|---|------------------------------------|
| <input type="checkbox"/> Noted               | <input type="checkbox"/> Approved             | <input type="checkbox"/> Declined  |
| <input type="checkbox"/> Overtaken by Events | <input type="checkbox"/> Needs change         | <input type="checkbox"/> Seen      |
|  | <input type="checkbox"/> See Minister's Notes | <input type="checkbox"/> Withdrawn |

**Comments**



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### Purpose

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This briefing seeks:

*From the Minister for COVID-19 Response and the Minister of Health*

- Agreement in principle that responsibility for quarantine and isolation functions transfer from the Ministry of Business, Innovation and Employment (MBIE) back to the health system.

*From the Minister for COVID-19 Response*

- Agreement to seek Cabinet's agreement to provide two years of funding from the Between Budget Contingency to retain and strengthen quarantine and isolation functions.

These decisions will be reflected in the draft Cabinet paper, entitled *New Zealand's future quarantine and isolation capability*, that will be considered by Cabinet in November 2022.

The Minister of Health's views are sought now, ahead of the Cabinet process, because the proposals will affect the health system.

### Executive summary

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*Proposed transfer of responsibility for quarantine and isolation functions*

1. There is qualified, in-principle agreement between MBIE, Manatū Hauora - the Ministry of Health and Te Whatu Ora – Health New Zealand that responsibility for quarantine and isolation functions should in future sit again in the health system. This agreement is qualified as Manatū Hauora and Te Whatu Ora are concerned about the potential for responsibility for quarantine and isolation functions to be transferred without funding.
2. Quarantine and isolation functions include:
  - a. preparedness i.e. having coherent strategic plans in place to deploy large scale quarantine and isolation in response to a future human infectious disease threat, and
  - b. readiness i.e. having operational plans to support activation.
3. The proposed transfer is likely to result in responsibilities for quarantine and isolation functions being split between Manatū Hauora (preparedness policy) and Te Whatu Ora (readiness), with details to be agreed by way of a detailed 'roadmap', to be completed before March 2023. The transfer could provisionally be completed by 30 June 2023.

*Funding for quarantine and isolation functions*

4. MBIE's remaining quarantine and isolation functions are only funded to 30 June 2023 (there is no baseline to fall back on). Manatū Hauora and Te Whatu Ora are also not funded for these functions, hence their qualified agreement to the proposed transfer of functions.

5. In November 2022, Cabinet will consider whether to invest in retaining and strengthening New Zealand's future quarantine and isolation functions, based on the findings of a Programme Business Case (PBC). We recommend seeking two years of funding through the Cabinet paper to give effect to the proposed programme of work. If funding is not secured, all future activity on quarantine and isolation functions including work on the Readiness Plan and existing capability will likely cease by 30 June 2023.
6. MBIE has provided this draft Cabinet paper to the Minister for COVID-19 Response seeking the Minister's initial feedback. The paper is intended for lodgement in November 2022 for consideration by Cabinet.

## Recommended action

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MBIE and Manatū Hauora recommend that you:

### *Draft Cabinet paper on New Zealand's future quarantine and isolation capability*

- a **Note** that while the whole MIQ network has now been decommissioned the emergence of a serious new COVID-19 variant of concern or another infectious disease posing a significant public health threat remains a possibility.
 

*Noted*
- b **Note** that border restrictions including the ability to re-establish large scale quarantine and isolation are a lever that the government may decide to use as part of a response to future threats from infectious disease.
 

*Noted*
- c **Note** that a programme business case (PBC) has identified a preferred way forward for New Zealand's future quarantine and isolation capability through
  - Developing a strategy for any future quarantine and isolation capability,
  - Continuing to fund the existing Readiness Plan including ongoing maintenance and testing, and
  - Exploring investment in an evolving portfolio of effective, flexible, and equitable quarantine and isolation facilities and services.

*Noted*
- d **Note** that the PBC recommends ceasing further investigation of Crown-owned, purpose-designed quarantine and isolation facilities
 

*Noted*
- e **Note** that MBIE has provided a draft Cabinet paper to the Minister for COVID-19 Response in September 2022 for Cabinet consideration to invest in retaining and strengthening some quarantine and isolation functions, based on the PBC.
 

*Noted*
- f **Note** that two core recommendations of the draft Cabinet paper as currently drafted are to seek agreement to:
  - a. provide funding for two more years to retain and strengthen quarantine and isolation functions; and
  - b. transfer future work on quarantine and isolation back to the health system

*Noted*

*Proposed transfer of responsibility for quarantine and isolation functions*

- g **Note** that now MIQ has been decommissioned the only remaining quarantine and isolation functions in MBIE are future preparedness (having strategic plans) and future readiness (having operational plans) to respond to human infectious disease threats.

*Noted*

- h **Agree** in principle that responsibility for these remaining quarantine and isolation functions should transfer back to the health system to better integrate and align with relevant public health functions and broader strategic health plans

**Minister for COVID-19 Response**

*Agree / Disagree*

**Minister of Health**

*Agree / Disagree*

- i **Agree** to a provisional target date of 30 June 2023 for the transfer of functions from MBIE to the health system to be complete.

**Minister for COVID-19 Response**

*Agree / Disagree*

**Minister of Health**

*Agree / Disagree*

- j **Direct** officials from MBIE, Manatū Hauora and Te Whatu Ora to create a detailed 'roadmap' before March 2023 for the transition of quarantine and isolation functions (including associated existing or future funding), setting out where functions would best fit in the health system and the timing of the transition.

**Minister for COVID-19 Response**

*Agree / Disagree*

**Minister of Health**

*Agree / Disagree*

*Funding for quarantine and isolation functions beyond June 2023*

- k **Note** that a successful transfer of responsibility for quarantine and isolation functions will rely on adequate resourcing (funding and FTE) being available to the receiving agency.

*Noted*

- l **Note** that MBIE's remaining quarantine and isolation functions, including any possible further work Cabinet may agree to in November, are only funded to 30 June 2023, and that the health system is also not currently funded for these.

*Noted*

- m **Note** that if Ministers intend for there to be any future quarantine and isolation preparedness or readiness post-June 2023, that funding needs to be sought prior to Budget 2023, in order to mitigate the risk of losing staff and key suppliers.

*Noted*

- n **Note** that if funding is not secured all activity on these quarantine and isolation functions will likely cease by 30 June 2023.

*Noted*

*(Minister for COVID-19 Response only)*

- o **Agree** to seek Cabinet's agreement in November to two years of funding (2023/24 and 2024/25) from the Between Budget Contingency to retain and strengthen quarantine and isolation functions.

**Minister for COVID-19 Response**

*Agree / Disagree*

- p **Note** that your decisions will be reflected in the draft Cabinet paper.

*Noted*

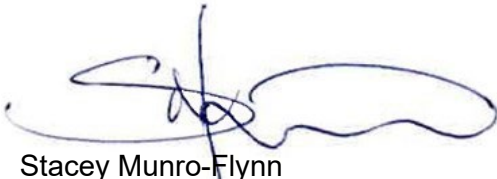
q **Agree** that this briefing is not proactively released until after Cabinet makes decisions in November.

**Minister for COVID-19 Response**

*Agree / Disagree*

**Minister of Health**

*Agree / Disagree*



Stacey Munro-Flynn  
**General Manager, Programmes and Change**  
Labour Science and Enterprise, MBIE

Hon Dr Ayesha Verrall  
**Minister for COVID-19 Response**

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Dr Andrew Old  
**Deputy Director General,**  
Public Health Agency, Manatū Hauora

Hon Andrew Little  
**Minister of Health**

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## Background

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7. In June 2020, Cabinet agreed that for the purpose of the COVID-19 response MBIE would assume the role of lead agency for the provision of managed quarantine and isolation arrangements [CAB-20-MIN-0284]. The responsibility moved to MBIE from the National Crisis Management Centre and Manatū Hauora in July 2020.
8. MIQ has played a key part in New Zealand's COVID-19 response. With the change in strategy from elimination to minimisation and protection, all MIQ facilities have now been decommissioned. However, there remains an ongoing risk of an outbreak from a severe new variant of COVID-19 or from another disease which could potentially require large scale quarantine and isolation in the future.
9. MBIE has provided the Minister for COVID-19 Response a draft of the Quarantine and Isolation Capability Readiness Plan (the Readiness Plan), which covers re-establishing large-scale quarantine and isolation to respond to a significant public health threat at the border [BR 2223-0629]. The Readiness Plan, when activated, would enable the government to rapidly stand-up quarantine and isolation within 3-4 weeks. The key components of the Readiness Plan include:
  - a. partnership arrangements with key suppliers (hotels, transport, and security services) in the form of retention contracts and proposed Memoranda of Understanding with government agencies;
  - b. a step-by-step guide for standing up large scale quarantine and isolation;
  - c. a repository of Standard Operating Procedures and a blueprint of the current MIQ operating model;
  - d. a directory of key suppliers and a directory of critical personnel that would be called upon to assist;
  - e. an Emergency Evacuation Accommodation Plan;
  - f. a model of care framework that supports planning for how health services could be delivered at quarantine and isolation facilities if required;
  - g. a Resource Surge plan to support implementation of large scale quarantine and isolation; and
  - h. a Maintenance and Testing plan to support keeping the Readiness Plan up to date and fit for purpose.

*A Programme Business Case has identified opportunities to strengthen future quarantine and isolation readiness and preparedness*

10. There is some evidence that zoonotic disease threats are increasing in frequency and severity- driven by factors such as population growth, proximity of humans and animals, environmental degradation, food insecurity and climate change. Interconnected economies and rapid international transport will continue to provide the means for localised outbreaks to become epidemics and pandemics.
11. Future human infectious disease outbreaks may spread rapidly to New Zealand's shores, leaving us little time to learn from other countries. Quarantine and isolation are key public health interventions available to prevent and minimise the outbreak and spread of infectious disease.

12. In November 2022, Cabinet will consider a Programme Business Case (PBC), which has been developed to identify opportunities to strengthen New Zealand's future quarantine and isolation functions.
13. The PBC supports investment in retaining and strengthening future quarantine and isolation preparedness and readiness. 'Preparedness' effectively means having coherent strategic plans in place, whilst 'readiness' means having the ability to operationalise them. Retaining and strengthening preparedness and readiness functions will provide the government assurance and give access to levers to respond to a future serious infectious disease threat. We note that the resources needed for actual activation, and to sustain the delivery of large-scale quarantine and isolation would be considered as part of an event-specific, wider multiagency response, such as occurred in early 2020.
14. Specifically, the Cabinet paper accompanying the PBC as currently drafted will seek agreement:
  - a. For the development of a strategy for future quarantine and isolation capability,
  - b. To continue to fund the existing Readiness Plan including its ongoing maintenance and testing,
  - c. To explore investment in an evolving portfolio of effective, flexible, and equitable quarantine and isolation facilities and services,
  - d. To cease work on investigating Crown-owned, purpose-designed quarantine and isolation facilities.

## **Future responsibility for quarantine and isolation functions**

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### *Quarantine and isolation functions sit most naturally in the health system*

15. Whilst MBIE has developed expertise throughout the delivery of MIQ, the design and delivery of isolation and quarantine functions is not part of MBIE's core business. Prior to July 2020, when MBIE assumed the role of lead agency for delivering MIQ, the health system had been responsible for the delivery of all human health quarantine and isolation functions. New Zealand had a range of strategic plans and interventions for quarantine and isolation prior to COVID-19. However, they were not necessarily intended for sustained, pandemic scale activity. MIQ was developed at pace and constituted our core quarantine and isolation response to COVID-19 during an elimination strategy.
16. As a public health intervention aimed at preventing and minimising the outbreak or spread of infectious disease, there is qualified, in-principle agreement between MBIE, Manatū Hauora and Te Whatu Ora, that quarantine and isolation functions sit most naturally within the health system. This agreement is qualified as Manatū Hauora and Te Whatu Ora are concerned about the potential for responsibility for quarantine and isolation functions to be transferred without funding (should Cabinet agree to retaining and / or strengthening these functions). We also note that any activation and re-establishment of large-scale quarantine and isolation would, as previously, need multi-agency involvement and additional funding.
17. Work is ongoing to ensure New Zealand is prepared to deal with future COVID-19 variants of concern. Over time, the focus must turn to preparedness and readiness to deal with existing and novel diseases on a variety of scales and therefore it is imperative that our future isolation and quarantine functions are integrated with relevant public health functions (e.g. public health surveillance, and infection prevention and control), and is aligned with broader strategic health plans (e.g. a future health at the border strategy).
18. The Minister of Health's views are sought now, ahead of the Cabinet process, because the proposals will affect the health system.

*MBIE remaining quarantine and isolation resources would transfer with responsibility to the health system*

19. MIQ has recently completed a change process resulting in a new, much reduced structure focused on future pandemic readiness and preparedness. From an MIQ workforce of 650 FTE in March 2022, the current MBIE structure consists of less than 30 ongoing permanent FTE positions. Should Cabinet agree to continue investment in these functions and to transfer responsibility for quarantine and isolation functions from MBIE back to the health system, we anticipate that resourcing (funding and most FTE positions) would also transfer to the health system. Any transfer of people between agencies would be subject to employment processes.

*We are working on a detailed transition roadmap*

20. Subject to your agreement, MBIE, Manatū Hauora, and Te Whatu Ora will work on a detailed roadmap to support an orderly transfer of functions from MBIE back to the health system. Prior to Cabinet decisions in November 2022, any preliminary scoping work will be provisional in nature and will include consideration of:
  - a. The nature of the functions and where in the reformed health system they best fit,
  - b. the most appropriate time for those functions to transition across to the receiving agency, and
  - c. resourcing requirements of each function.
21. The ongoing COVID-19 pandemic, seasonal peaks in other respiratory illnesses and significant sector-wide reforms have put the health system under pressure. Given this context, MBIE and Manatū Hauora agree that 30 June 2023 is a reasonable provisional target date to have completed a well-considered and orderly transition.

## **Funding quarantine and isolation functions beyond June 2023**

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*New Zealand needs to stay ready and prepared should another significant public health threat require large scale quarantine and isolation*

22. Though all MIQ facilities are now decommissioned, the emergence of a serious new COVID-19 variant of concern or another infectious disease posing a significant public health threat remains a possibility.
23. As an island nation, border restrictions are potentially a key lever for government to protect the public from infectious disease. Maintaining preparedness and readiness to re-establish large scale quarantine and isolation helps to provide a level of insurance that will enable the prevention, minimisation, and management of public health, economic, and social costs associated with infectious disease threats.

*Lack of certainty around funding poses a risk to New Zealand's preparedness and readiness to respond to future public health threats*

24. Quarantine and isolation functions currently led by MBIE MIQ are only funded to 30 June 2023 – there is no baseline to fall back on. Moreover, the health system is not currently funded for the quarantine and isolation functions that are proposed to transfer.
25. While the Treasury advises that funding should be sought by MBIE through Budget 2023, Budget decisions would not be finalised until mid-May 2023. This creates challenges for retaining staff (due to a lack of job certainty beyond June 2023) and for retaining vital suppliers (as contracts under the Readiness Plan cannot be extended beyond June until Budget decisions would be confirmed in mid-May 2023). This uncertainty would pose a real risk to maintaining a level of preparedness and readiness for New Zealand to respond to a future pandemic level public health threat.



*The November Cabinet paper is an opportunity to secure appropriate short-term funding this year*

26. The November Cabinet paper will provide Ministers with an opportunity to invest in retaining and strengthening New Zealand's future quarantine and isolation functions. We recommend seeking Cabinet endorsement to extend funding for quarantine and isolation functions in the short term (for two years). Doing so would allow continuity of functions until a future decision to baseline these functions are made through a standard Budget process.
27. Any funding secured by MBIE to retain and strengthen future quarantine and isolation functions would also be transferred to the health system.

## **Next steps**

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28. Officials are available to discuss the content of this paper with you. MBIE will include your decisions on this paper in the next iteration of the draft Cabinet paper on New Zealand's future quarantine and isolation capability.
29. Subject to your decisions on this paper and by Cabinet in November 2022, MBIE, Manatū Hauora and Te Whatu Ora will work on a detailed roadmap before March 2023 for the transfer of quarantine and isolation functions to the health system.