



## BRIEFING

### Deactivating Central Region's three MIQ facilities by 30 April

<b>Date:</b>	12 April 2022	<b>Priority:</b>	High
<b>Security classification:</b>		<b>Tracking number:</b>	2122-4052

Action sought		
	Action sought	Deadline
Hon Chris Hipkins <b>Minister for COVID-19 Response</b>	<b>Agree</b> , in principle, to deactivate the Central Region's three Managed Isolation and Quarantine facilities by 30 April (rather than 30 May, as previously agreed) – subject to final discussions with iwi and District Health Boards.	14 April 2022

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

The following departments/agencies have been consulted

Minister's office to complete:

Approved

Declined

Noted

Needs change

Seen

Overtaken by Events

See Minister's Notes

Withdrawn

Comments



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### Purpose

The purpose of this briefing is to seek your agreement, in principle, to deactivate the Central Region’s three Managed Isolation and Quarantine (MIQ) facilities by 30 April (rather than 30 May, as previously agreed) – subject to final discussions with iwi and District Health Boards.

### Recommended action

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

- a **Note** that there will be seven facilities remaining in the MIQ network from 14 April 2022, and that three of these facilities are located in the Central Region: Jet Park Hamilton (Amohia), Sudima Rotorua, and Grand Mercure Wellington. *Noted*
- b **Note** that occupancy levels across the Central Region are extremely low: there are currently 5 community cases in Jet Park Hamilton, but the Sudima Rotorua and Grand Mercure Wellington have been empty since 30 March and 17 March, respectively. *Noted*
- c **Note** that MBIE’s National Alternative Accommodation Service can meet any residual demand for accommodation from community cases, as needed. *Noted*
- d **Agree**, in principle, to deactivate the Central Region’s MIQ facilities by 30 April – subject to final discussions with iwi and District Health Boards.

Agree /  Disagree

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

12 / 04 / 2022

Hon Chris Hipkins  
**Minister for COVID-19 Response**

13 / 04 / 2022

## Background

1. There are currently eight facilities in the Managed Isolation and Quarantine (MIQ) network. The MSocial Auckland (used solely for air crew) will be deactivated on 14 April 2022.
2. Three of the seven remaining facilities are due to be decommissioned by 30 June 2022, and four facilities will remain in the network from 1 July 2022.
3. The three facilities due to be decommissioned are located in the Central Region:
  - a. Jet Park (Amohia) – Hamilton
  - b. Sudima – Rotorua
  - c. Grand Mercure – Wellington.
4. On 20 March 2022, you agreed that these three facilities be deactivated by the end of May [BR 2122-3112 refers]. Hotels would have one 'empty' month to prepare for re-entering the market.
5. This briefing seeks your agreement, in principle, to deactivate the Central Region's three MIQ facilities by 30 April (rather than 30 May, as previously agreed) – subject to final discussions with iwi and District Health Boards.

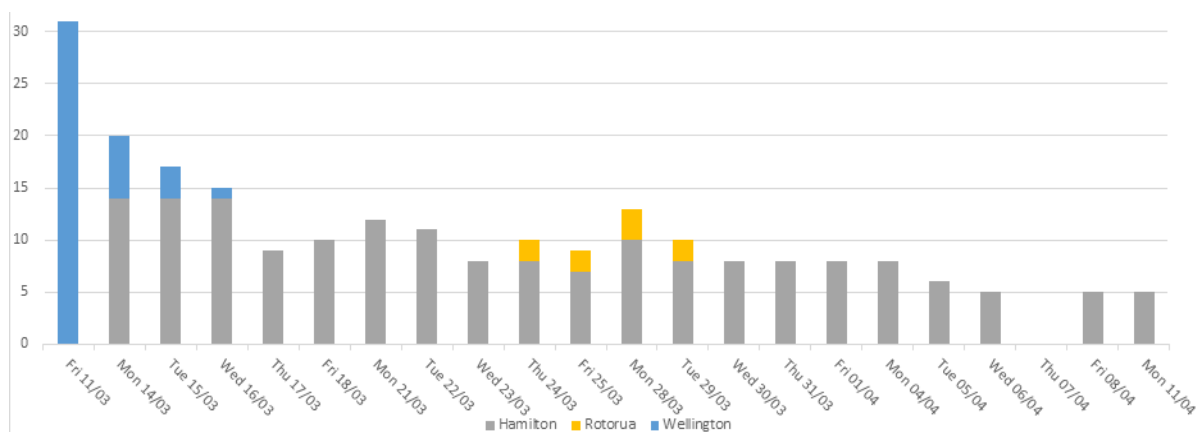
## There is virtually no demand for MIQ in the Central Region

### Central Region facilities only accommodate community cases

6. The three Central Region facilities are currently only accommodating community cases.
7. Regional transfers of border arrivals from Auckland to Hamilton or Rotorua (by bus) and Wellington (by air) were suspended in early March, following changes to border settings. All border arrivals have only been accommodated in Auckland and Christchurch since then.
8. Rotorua and Wellington are available for maritime arrivals (via ports in Tauranga and Wellington), but neither facility has had any such arrivals for a significant period of time.

### Occupancy levels across the Central region are extremely low

9. There are currently only 5 community cases being accommodated in Jet Park Hamilton. The Sudima Rotorua has been empty since 30 March, and Grand Mercure Wellington has been empty since 17 March.



Graph 1: Quarantine rooms used by MIQ facilities in Central Region between 11/3 – 11/4

## **The costs of keeping Central Region facilities open outweigh their benefits**

10. Keeping the Central Region's three facilities open, in the absence of demand risks unnecessary fiscal and opportunity costs.
11. Currently, these facilities have to be staffed and resourced (e.g. with food) in the event they are required to accommodate community cases, despite demand being virtually non-existent. Deactivating sooner would allow these hotels to progress decommissioning work (e.g. physical pack-down of facilities and removal of fences), and thereby reduce MIQ's physical presence.
12. Expediting the deactivation of these facilities by one month would not result in any significant cost savings for MBIE related to hotels (which were issued 90-day notices on 11 March), or the MIQ workforce (which is subject to a formal workforce change process). MBIE would incur minor cost savings associated with MIQ suppliers (e.g. private security, transportation).
13. However, remaining partner agency staff (e.g. Health and New Zealand Defence Force (NZDF) personnel) would be able to return to their regular duties.
14. Continuing to have Central Region MIQ facilities open also presents a workforce risk. People in the MIQ workforce are actively seeking new employment. If key personnel were to leave while these facilities remain 'open', positions would have to be backfilled. Recruiting people for very short-term (and potentially specialised) roles would likely not be possible.

## **We recommend that Central Region facilities be deactivated by 30 April**

15. Due to there being virtually no demand for MIQ in the Central Region, we propose deactivating its three facilities by 30 April (rather than 30 May, as previously agreed).

## **Iwi and DHBs support expediting the deactivation of Central Region facilities**

16. Iwi in Hamilton and Wellington support expediting the deactivation of the Central Region's MIQ facilities. Iwi in Rotorua have expressed in principle support but have requested that they be afforded the opportunity to meet and discuss internally, before providing a formal view to MBIE.
17. Iwi have confirmed that demand for alternative accommodation is low across all local options, and that interventions to support people at home are working effectively.
18. DHBs in all three regions are eager to ensure that their staff return to regular duties as soon as possible. Non-clinical staff working across Central Region facilities have already been moved to alternative duties (e.g. flu vaccination services).

## **Deactivating Central facilities by 30 April would align with NZDF's exit date**

19. There are two NZDF personnel remaining in Central Region facilities. Both are in Rotorua. NZDF has made it clear that these two personnel must be exited by 30 April.
20. If the Rotorua facility remains open beyond 30 April, we will need to institute a short-term security solution.

## **Alternative accommodation remains available for community cases**

21. Decommissioning the three Central Region facilities will mean that Hamilton, Rotorua, and Wellington no longer have any MIQ facilities.

22. However, MBIE's National Alternative Accommodation Service can meet any residual demand for accommodation from community cases, as needed.

## **Next steps**

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23. Should you agree, in principle, to deactivate the Central Region's three MIQ facilities by 30 April (rather than 30 May, as previously agreed), we will communicate this decision with relevant hotels, iwi and DHBs.
24. On the proviso that relevant iwi and DHBs express no fundamental concerns (to which we would alert you), we will proceed with expediting deactivation.
25. Final decisions on the future of MIQ's frontline workforce will be communicated on Thursday 14 March. Being in receipt of your decisions before those communications would assist in providing greater certainty to staff.