



AIDE MEMOIRE

Broadening Border Settings and MIQ Supply and Demand

Date:	25 June 2021	Priority:	Medium
Security classification:		Tracking number:	2021-4195

Information for Minister(s)

Hon Chris Hipkins
Minister for COVID-19 Response

Hon Kris Faafoi
Minister of Immigration

Contact for telephone discussion (if required)

Name	Position	Telephone	1st contact
Ruth Isaac	General Manager, Employment, Skills and Immigration Policy	Privacy of natural persons	ü
Kara Isaac	General Manager, MIQ Policy		ü

The following departments/agencies have been consulted

--

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 Withdrawn |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



AIDE MEMOIRE

Broadening Border Settings and MIQ Supply and Demand

Date:	25 June 2021	Priority:	Medium
Security classification:		Tracking number:	2021-4195

Purpose

To assist your meeting on border settings and MIQ capacity we attach advice on aligning future immigration settings and MIQ capacity (Annex One) and MIQ group allocations for November 2021 to March 2022 (Annex Two).

Ruth Isaac
**General Manager, Employment, Skills and
Immigration Policy**
Labour, Science and Enterprise, MBIE

25/6/21

Kara Isaac
**General Manager, Managed Isolation and
Quarantine Policy**
Managed Isolation and Quarantine, MBIE

25/6/21

Expanding border settings to include people who are flexible in timing and willing to wait for space in managed isolation to become available

1. To support New Zealand's health and economic response to COVID-19 and to manage demand for MIQ space, we have been using highly-targeted exceptions to allow certain groups of travellers, including critical workers, into New Zealand.
2. Targeted exceptions can lead to inconsistent treatment between groups of travellers and can have rules that are complex and costly to administer.
3. MIQ has recently seen a period of lower demand, and the MIQ system is better able to operate in periods of high demand, providing an opportunity to expand border settings for those with flexibility around travel dates.
4. The slide pack in Annex One provides detail on managing MIQ supply and options for broadening border settings.
5. There is lead-in time required to implement changes to border settings as Ministers take decisions which then need to be reflected in Immigration Instructions. This is also true for travellers wishing to come to New Zealand as they are likely to have to make arrangements to leave their current homes and countries.
6. We are confident that there are no unnecessary steps or obvious improvements that could be made between the visa and MIQ process to streamline these processes but acknowledge that ongoing communications with potential users of these systems are needed to counter "myths" and hearsay about the timeframes, hurdles and lack of availability of MIQ.
7. We recommend taking decisions on broadening border decisions now in order to have these in place for travellers to take advantage of any periods of reduced MIQ demand as it arises.

Managing group demand for MIQ space November 2021 to March 2022

8. The group allocation is oversubscribed for the November-March period, particularly in November 2021 and January 2022. Not all Expressions of Interest (EOIs) can be accommodated. This will continue to be the case even if RSE places are reallocated.
9. Officials have identified seven groups that have complex needs and for whom it is not advisable to go through MIAS or alternative booking pathways. We recommend that these groups be prioritised for the group allocation over groups that could feasibly use other pathways.
10. Nonetheless, there is still further sequencing and scaling needed to accommodate these groups and other government priority groups. We are working with agencies to determine how this could be done.
11. Due to the likely high level of demand from returning New Zealanders over the summer period, we do not recommend increasing the size of the group allocation. However, if necessary it could be increased to 500 rooms over periods of peak group demand.
12. The slide pack in Annex Two provides detailed analysis of the group allocations and options to accommodate them.

Annexes

Annex One: Broadening border settings and MIQ capacity

Annex Two: MIQ group allocations November 2021-March 2022

Annex One: Broadening border settings and MIQ capacity



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HIKINA WHAKATUTUKI

Joint discussion Broadening border settings and MIQ capacity

Prepared by:
MIQ Policy & MBIE Immigration Policy
25 June 2021



Introduction

To support New Zealand's health and economic response to COVID-19 and manage demand for MIQ space, we have used highly-targeted exceptions to allow certain groups of travellers into New Zealand.

Highly targeted exceptions can lead to inconsistent treatment between groups of travellers and can have rules that are complex and costly to administer.

MIQ has recently seen a period of lower demand, and the MIQ system is better able to operate in periods of high demand, providing an opportunity to expand border settings for those with flexibility around travel dates.

Context: Demand has recently fallen; supply is stable but reduced due to contingencies

MIQ Demand

- Over Christmas 2020/21 we faced consistently high demand for MIQ rooms, with c.4000 rooms per fortnight used through December and January.
- Since early February 2021 there has been a period of reduced demand, both before and after the start of QFT with Australia.
- As at 21 June, approx. 2800 rooms were in use.
- More recently, MIQ demand appears to be again increasing, with no rooms available on MIAS as of 25 June.

MIQ Supply

- The MIQ network has been reasonably stable since its inception, providing around 4500 rooms for travellers.
- Over mid-2021 we have significantly reduced how many rooms are available, with additional QFT contingency (500 rooms) and both general and ventilation maintenance (c.700 rooms).
- The introduction of cohorting has also resulted in c.15% of rooms unable to be used on any given day.

Looking ahead

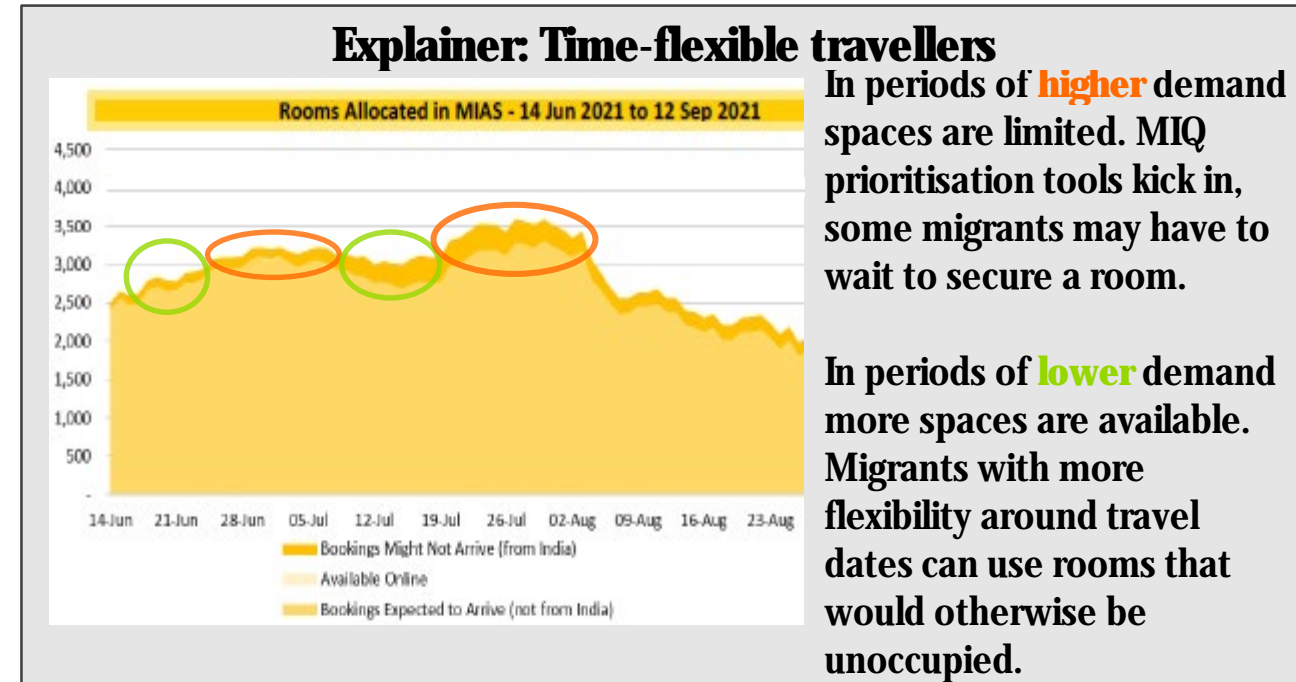
Some periods of higher demand are anticipated this year:

- A large number of Group arrivals over July to October (500 per fortnight)
- Travellers from India who will seek to travel when restrictions are lifted (est. 2800 total);
- The potential for another Christmas/summer seasonal travel peak.

- One facility is currently being decommissioned over the coming months (c.-30 rooms) with the continuation of another uncertain.
- Grand Millennium to return to use on 29 June (+396 rooms).
- Ventilation review requiring further rooms/facilities temporarily offline for maintenance.

Context: How immigration settings help manage MIQ demand

- Targeted border exceptions have enabled us to prioritise entry to New Zealand eg highly skilled workers, and manage demand for MIQ.
- Tightly controlled border settings has limited the risk of non-New Zealanders 'displacing' or causing significantly delays to New Zealanders seeking to book a space. It has also caused periods of low MIQ utilisation, though there has still been times when demand has exceeded supply.
- Going forward we may continue to see periods of both high and low MIQ demand.
- Expanding our border settings for those who have more flexibility around travel dates will help ensure MIQ rooms are consistently used. But would likely mean consistently high demand for MIQ and a delay in travelling to New Zealand for some.
- Taking decisions on border settings now allows lead-in time to implement the changes and for travellers to make arrangements and be ready to take up any MIQ supply as it arises.
- There is an ongoing trade-off between ensuring high utilisation of spaces, and minimising waiting times.



Context: MIQ now has better tools to manage demand

- Since the introduction of the Managed Isolation Allocation System (MIAS) in October 2020, a number of improvements have been made to how MIQ allocates rooms.
- Collectively, these have improved the ability of MIQ to manage and prioritise capacity during periods of high demand.

Emergency allocations

- Ensures access for those with an urgent (compassionate) need to enter NZ
- 350 rooms per fortnight

Group allocations

- Ensures access for larger groups who can't easily book on MIAS (or have bespoke needs)
- 400-500 rooms per fortnight

Time-dependent worker allocation

- Ensures access for workers who must be in NZ on/by a set time
- 100 rooms per fortnight

Voucher release framework

- Vouchers now released six months prior and in smaller batches after that

Ring-fencing

- Ensures NZers have first priority to a large majority of MIQ rooms
- (Not currently active)

- In general, ring-fencing for small groups does not support efficient use or high utilisation of MIQ space.

Rationale for broadening border settings

There is demand for less restrictive border settings from businesses and employers for skilled workers and families still separated by the border closure.

Skilled workers

- There is increased demand from industry for skilled workers particularly early to mid-career professionals who earn less than twice the median wage e.g. veterinarians and teachers.
- Broadening the other critical worker criteria would simplify and streamline the process to bring skilled workers to New Zealand.

Family reunification

- Family reunification for skilled workers: the requirement to demonstrate “technical or specialist skills not readily obtainable in New Zealand” is a barrier to uptake of family reunification (despite meeting salary threshold).
- If Ministers wished to expand family reunification to all temporary work visa holders, there are around 88,000 workers who have not sponsored partners and dependents (not all of these will have partners or dependents). Ministers have taken decisions to allow temporary work visa holders to extend their visas in New Zealand, this allows their families to join them.

Policy options to broaden border settings

Here is a list of options that we think are viable for people who are flexible around travel dates

Other critical worker salary thresholds

Narrow

Broad

- **Option A:** Lower salary threshold to 1.5x median wage (all other criteria remain the same)
- **Option B:** Option A and introduce bright line test of a job offer and a salary 2x median wage
- **Option C:** Introduce a bright line test of a job offer and a salary of 1.5x median wage

Family reunification

Narrow

Broad

- **Option D:** Allow partners and dependents holding visas to enter New Zealand (900 people)
- **Option E:** Allow partners and dependents, where work visa holder meets other critical work salary threshold to enter New Zealand
- **Option F:** Allow partners and dependents of all eligible onshore temporary work visa holders to enter New Zealand (estimated 88,000 who have not sponsored a partner or dependents)

Offshore residence visa holders

- **Option G:** Allow off shore residence visa holders (approx. 5000 people) to enter New Zealand

Exit and re-entry settings

- **Option H:** To support travel for business and/or family reunification, allow exit and re-entry for temporary work visa holders (~180,000 temporary visa holders)

Possible packages of options to broaden border settings

We recommend Package 1, the broadest settings, as this would provide consistency across groups and reduce the need to implement highly specific exceptions for specific groups.

Package 1 – Broadest (Recommended)

- **Option C:** Introduce a bright line test of a job offer and a salary of 1.5x median wage
- **Option F:** Allow partners and dependents of all eligible onshore temporary work visa holders to enter New Zealand
- **Option G:** Allow off shore residence visa holders (approx. 5000 people) to enter New Zealand
- **Option H:** To support travel for business and/or family reunification, allow exit and re-entry for temporary work visa holders (~180,000 temporary visa holders)

Package 2 – Less Broad

- **Option B:** Lower salary threshold to 1.5x median wage (all other criteria remain the same) and introduce bright line test of a job offer and a salary 2x median wage
- **Option E:** Allow partners and dependents, where work visa holder meets other critical work salary threshold to enter New Zealand
- **Option G:** Allow off shore residence visa holders (approx. 5000 people) to enter New Zealand

Package 3 - Narrowest

- **Option A:** Lower salary threshold to 1.5x median wage (all other criteria remain the same)
- **Option D:** Allow partners and dependents holding visas to enter New Zealand (900 people)

Proposed change: Advantages and risks

Advantages

- Simpler tests promote consistency of decision-making and ease of understanding
- Simpler criteria reduce inequities between similar groups of migrants
- Requires less Ministerial assessment of competing groups
- Greater use of wide exceptions (esp for groups with more discretion on when they travel) support greater MIQ utilisation
- Greater MIQ utilisation supports increased migration, bringing economic and social benefits

Risks

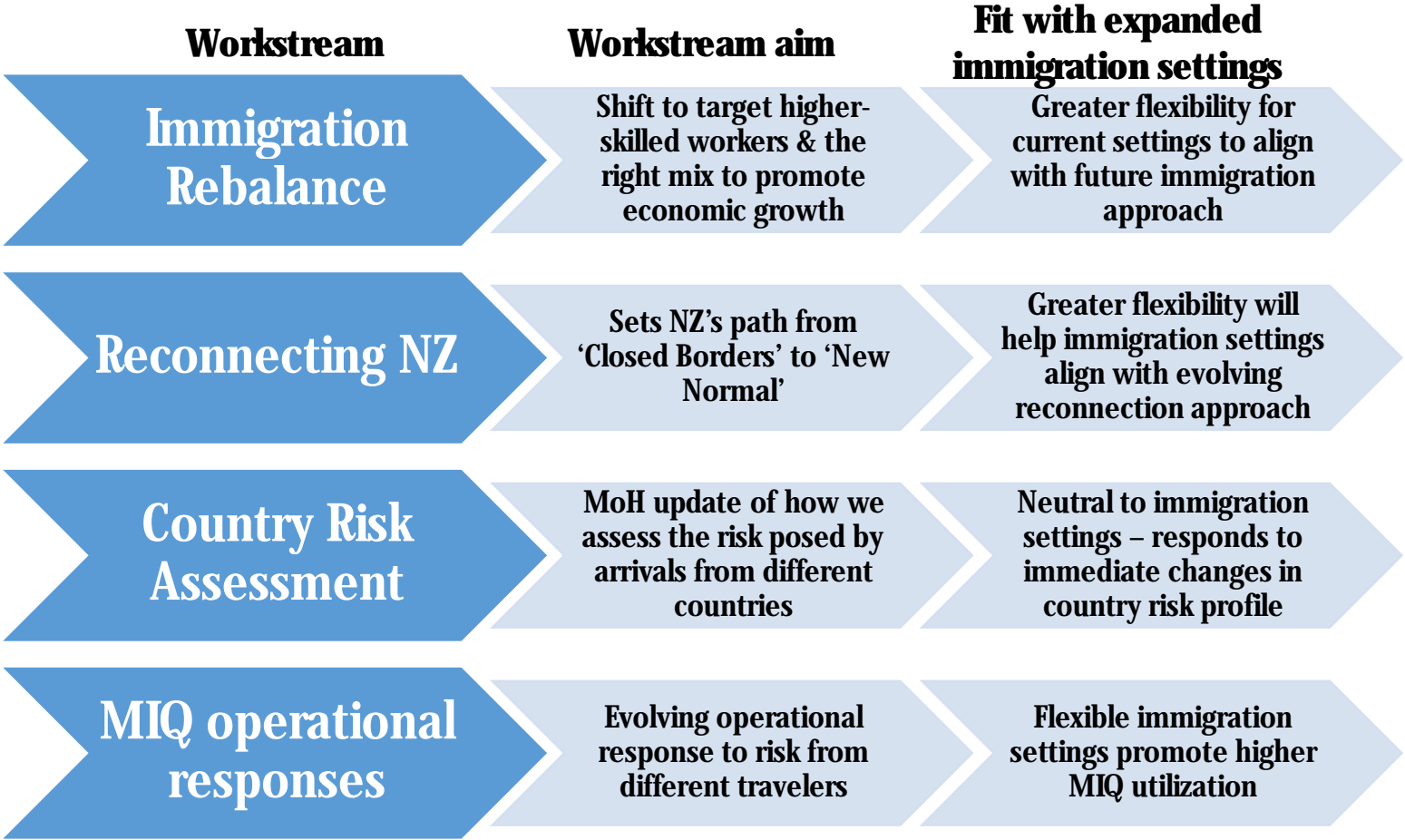
- Hard to accurately predict the size of wider exceptions
- Immigration changes have a time-lag – risk of wider border settings coinciding with periods of reduced MIQ availability
- Risk to social licence if there is a perception of NZers being “crowded out” by large numbers of migrants.
- Uneven MIQ demand & supply will mean periods where both NZers and migrants struggle to get place

Key Decision

Indicate preferred option(s) to broaden border settings

How expanded immigration settings fit with other border workstreams

An expanded approach to immigration settings will complement other border workstreams.



Annex Two: MIQ group allocations November 2021-March 2022

MIQ group allocations November 2021 – March 2022



The role of group allocations

- **Group allocations allow entry of Ministerial priority groups on a highly targeted level**
- **They allow groups with additional needs to access bespoke MIQ arrangements such as sports team**
- **For MIQ, group allocations provide a degree of control over operationally complex, high risk or high volume groups to ensure MIQ is not pushed past safe operating limits**
- **Certain travellers should be accommodated through the group allocation not MIAS due to the additional support they require, such as RSE workers, refugees or deep-sea fishers**

Group allocations – November 2021 to March 2022

- **You have agreed to setting aside 400 places per fortnight for the group allocation over the November – March period**
- **You have already allocated 150 spaces per fortnight to RSE workers and 100 spaces every four weeks on an ongoing basis, reducing the number of allocable spaces to around 200 per fortnight**
- **We have received more than 20 separate group allocation EOIs requesting a total of more than 5,000 rooms**
- **Ministers will need to make trade-offs between groups as applications significantly outnumber unassigned spaces in the group allocations.**

Summary of EOs

November	December	January	February	March
<p>Deep-sea fishermen, 602</p> <p>Expo, 80</p> <p>Euro AP, 71</p> <p>RSE, 300</p> <p>Rugby league, 108</p> <p>USAP, 148</p> <p>Summer of Cricket, 20</p> <p>All Blacks, 65</p> <p>Black Ferns, 65</p> <p>Construction, 60</p>	<p>NZDF, 76</p> <p>RSE, 300</p> <p>Summer of Cricket, 103</p> <p>Refugees, 108</p> <p>Euro AP, 65</p> <p>Motorsport, 86</p> <p>Construction, 60</p>	<p>Students, 150</p> <p>Expo, 70</p> <p>SailGP, 170</p> <p>USAP, 221</p> <p>RSE, 300</p> <p>NZDF, 80</p> <p>Silver Ferns, 24</p> <p>Refugees, 115</p> <p>Construction, 60</p>	<p>Expo, 184</p> <p>Euro AP, 25</p> <p>USAP, 25</p> <p>Summer of Cricket, 35</p> <p>Cricket World Cup, 454</p> <p>RSE, 150</p> <p>Winter Olympics, 60</p> <p>NZDF, 60</p> <p>Students, 150</p> <p>Construction, 60</p>	<p>Expo, 25</p> <p>RSE, 300</p> <p>Refugees, 112</p> <p>Winter Paralympics, 11</p> <p>Construction, 60</p>
1,519	814	1,190	1,203	508

November – March pain points

- **November and January are the months when demand most significantly outstrips supply**
- **In November, this is chiefly because of a large application for deep-sea fishers coinciding with Antarctic programmes and travellers returning from the Dubai Expo.**
- **January sees large group sizes for sport and Antarctic programmes**
- **The two cricket proposals (Summer of Cricket and the women's Cricket World Cup) partially overlap, which is not operationally manageable given their bespoke requirements**
- **Early February has high demand with the Cricket World Cup, a large group returning from the Dubai Expo and a cohort of refugees**

Preliminary advice

- **Groups that have previously not used their allocations should not be granted additional allocations**
 - This would apply to the Construction Sector Accord and international students
- **Cricket World Cup teams need to stagger their entry, with the first two teams entering MIQ on 23 January, rather than 5 teams entering on 11 February**
- **Small groups (20-70) with no bespoke requirements should be advised to consider alternative pathways such as MIAS with the use of dummy vouchers/name changes (however this does not provide the same level of certainty of allocation and may mean that some event organisers do not proceed with their events)**

This will increase efficient use of the group allocation, but it still may not be possible to facilitate the entry of all other approved groups on the dates they have requested.

Size of the group allocation

- **The group allocation is currently 400 rooms per fortnight during the November-March period**
- **Over the winter, you increased the size of the group allocation to 500 over peak periods of group demand (in particular to accommodate the US Antarctic Programme and returning athletes from the Olympics)**
- **The group allocation could be increased to 500 if necessary; due to the complexity of managing it, the allocation could not increase above this**
- **We anticipate seeing a spike in demand from New Zealanders seeking to return home over the summer, so increasing the group allocation risks making it harder for New Zealand travellers**
- **This risk could be mitigated by introducing ring-fencing to ensure that the majority of MIAS spaces were available to New Zealanders only**
- **There is work underway on quarantine-free travel from some Pacific Islands; this could free up to 150 spaces per fortnight. We are developing advice on how these spaces could be used.**