



BRIEFING

MIQ Group allocations March – May 2022

Date:	9 February 2022	Priority:	High
Security classification:		Tracking number:	2122-2286

Action sought		
	Action sought	Deadline
Hon Chris Hipkins Minister for COVID-19 Response	Agree to the proposed March to May 2022 group allocation package, on a contingency basis Agree to reinstate the Ministerial Travel allocation for February capped at a maximum of five rooms	11 February 2022
Hon Kris Faafoi Minister of Immigration	Note the proposed March to May 2022 group allocation package	11 February 2022

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Kara Isaac	General Manager, MIQ Policy	Privacy of natural persons	✓
Privacy of natural persons	Policy Manager, MIQ Policy Unit		
	Senior Policy Advisor, MIQ Policy		

The following departments/agencies have been consulted
Ministry of Foreign Affairs and Trade; Ministry of Primary Industries; Ministry of Health; Ministry of Education; Department of Prime Minister and Cabinet; Sport NZ; Ministry of Culture and Heritage; New Zealand Trade and Enterprise; Ministry of Business, Innovation and Employment (major events, screen sector, immigration policy, construction sector accord)

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 Withdrawn |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



BRIEFING

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Purpose

To seek your agreement to the proposed group allocations of MIQ rooms for March to May 2022, to provide certainty to these travellers that they will be able to enter the country over this time.

Executive summary

At their last meeting on 30 November 2021, the Border Exceptions Ministerial Group did not approve a package of MIQ group allocations for March to May 2022. Instead, it delegated this decision to you, as Minister for COVID-19 Response. It noted that you would receive further advice on these allocations as more information on self-isolation became clear [briefing 2122-1754 refers].

Cabinet has now agreed a revised timetable for the start of self-isolation under the *Reconnecting New Zealanders with the World strategy* (RNZ), starting with Step One (travellers from Australia) from 11.59pm, 27 February 2022, and Step Two (travellers from other destinations) from 11.59pm, 13 March 2022 [CAB-22-MIN-0008 refers].

While the majority of the travellers in this package will be eligible to – and therefore will be expected to – self-isolate on arrival, this approval is necessary for groups arriving prior to the start of Step Two of RNZ in mid-March. It will also give other travellers certainty that they will be able to enter New Zealand after mid-March in the event that border settings change before then. For this latter group, we recommend the allocation is made on a contingency basis only, and that MIQ vouchers be cancelled (or not issued) if they are eligible to enter via self-isolation.

MIQ officials have engaged with agencies on their request for rooms over March – May and recommend a package of group allocations of approximately 2900 rooms across the period (of the 5300 rooms requested by agencies). MIQ officials consider that approving this package will give high-priority travellers certainty, while ensuring that MIQ retains considerable flexibility should the announced changes to border settings not proceed as currently planned due to unforeseen events.

This package was prepared during a time of considerable pressure on MIQ capacity [briefings 2122-2293, 2122-2343, and 2122-2493 refer]. We considered the current strain on our operational capacity due to a range of factors and applied this lens over our approach.

Given that the anticipated upcoming changes to the border settings will provide for more capacity in MIQ from mid-March, if you consider that further rooms should be made available for groups as a contingency, then we will work with the relevant agencies to identify their requirements and balance these against the rights of New Zealanders to enter the country.

Recommended action

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

- a **Note** that on 30 November 2021, the Border Exceptions Ministerial Group (BEMG) noted that MBIE would provide you further advice on group allocations for March to May 2022 as details of self-isolation under the Reconnecting New Zealanders (RNZ) strategy became clear;

Noted

- b **Note** that Cabinet has agreed that self-isolation under the Reconnecting New Zealanders with the World strategy will commence from the end of February 2022, and many travellers in the proposed March to May 2022 group allocation package will be eligible to self-isolate and will therefore not require MIQ rooms;

Noted

Overall group package

- c **Note** that confirming the March to May 2022 package on a contingency basis will give these travellers seeking group allocations certainty to enable them to plan their travel;

Noted

- d **Note** that due to current pressure on MIQ capacity and the possibility of unforeseen events arising, officials recommend a reduced March to May 2022 package of group allocations (2846 rooms) from that considered by the Senior Officials Group in November 2021 (4217 rooms);

Noted

- e **Note** that Ministers have already agreed to some ongoing components of the recommended March to May package during 2021 (for example sector allocations).

Noted

- f **Agree** to the March to May 2022 package of group allocations (2846 rooms) set out at Annex One;

Agree / Disagree / Discuss

- g **Indicate** your preference to receive any further advice on allocating additional rooms for groups over March – May, as a contingency:

Yes / No / Discuss

- h **Note** that MIQ officials may direct the dates and region of arrival for groups receiving MIQ vouchers under this package, where necessary and appropriate to maximise MIQ's operational efficiency (continuing the approach adopted in February [briefing 2122-2343 refers]);

Noted

- i **Agree** that MIQ officials will cancel or not issue (as appropriate) MIQ vouchers issued under the March to May 2022 group allocation package where the traveller is eligible to self-isolate, unless exceptional circumstances exist;

Agree / Disagree / Discuss

Health sector allocation

- j **Note** that the health sector allocation has previously been underutilised, and that reducing the health sector allocation to 150 rooms per month would be in line with historic utilisation rates;
Noted
- k **Note** that Ministry of Health projects utilisation of the health sector allocation to grow substantially over the coming months;
Noted
- l **Agree** to maintain the health sector allocation at 300 rooms per month;
Agree / Disagree / Discuss

Deep sea fishing crew

- m **Note** that Cabinet previously agreed a Border Class Exception for 450 BATM-class deep-sea fishing crew for April and May 2022, and authorised you (along with the Ministers of Immigration and Oceans and Fisheries) to finalise isolation arrangements for this group [CAB-21-MIN-0517 refers];
Noted
- n **Note** that, given the size of this group and the relatively high demand the fishermen have previously placed on resources (in particular health resources), MIQ does not recommend including this group in the current package.
Noted
- o **Note** that these workers will be eligible to self-isolate under Step Two of Reconnecting New Zealanders (from 13 March);
Noted

New requests for group allocations

- p **Note** that agencies have raised a number of new groups seeking support to enter MIQ that are not included in the proposed March to May 2022 package as they emerged after the package was developed in November, including from MFAT, Sport NZ, and MPI;
Noted
- q **Note** that due to the pressure currently on the MIQ system, and the lack of time available for a robust assessment process, MIQ recommends that no further requests for group allocations are included in the original March to May 2022 package assembled in November;
Noted
- r **Agree** to forward this briefing to the members of the Border Exceptions Ministerial Group;
Agree / Disagree
- s **Agree** that agencies may communicate these decisions to the approved groups of travellers;
Agree / Disagree / Discuss

Ministerial Travel in February

- t **Note** that, on 31 January 2022 you agreed to suspend the Ministerial travel allocation for February due to severe pressure of MIQ capacity [2122-2493 refers];
Noted
- u **Note** that we have been advised that Minister Mahuta and a staff member are expected to shortly undertake urgent international travel, returning to New Zealand in late February.
Noted

v **Agree** to reinstate Ministerial travel allocation for February capped at a maximum of five rooms

Agree/Disagree

w **Agree** to proactively release this briefing with withholdings as appropriate under the Official Information Act 1982

Agree/Disagree



Kara Isaac
General Manager
MIQ Policy, MBIE

9 / 2 / 2022



Hon Chris Hipkins
Minister for COVID-19 Response

11 / 02 / 2022

Context

Previous decisions

1. On 30 November 2021, the Border Exceptions Ministerial Group (BEMG) met to discuss group allocations for March-May 2022 but deferred making any decisions as Steps One and Two of *Reconnecting New Zealanders with the World (RNZ)* had been announced, removing the need for most group allocations. The BEMG delegated final authority for this group allocation round to you [briefing 2122-1754 refers].
2. Ministers have previously agreed during 2021 to a some components of the Mach – May package, including for certain groups (e.g. Paralympians) and ongoing sector allocations (e.g. health workers).

Reconnecting New Zealanders (RNZ) decisions

3. Cabinet has now confirmed revised timeframes for self-isolation under RNZ, with Step One (New Zealanders and other eligible travellers coming from Australia) commencing at 11.59pm on Sunday 27 February 2022, and Step Two (New Zealanders and other eligible travellers from all other countries) to commence at 11.59pm on Sunday 13 March.
4. This timing will mean that some groups scheduled to arrive in early March, as well as later travellers who are not vaccinated (e.g. refugees), will still be required to enter MIQ.
5. However, the majority of the groups covered by the recommended package are expected to be eligible to self-isolate on arrival under the *RNZ* medium-risk pathway.
6. Agencies have been seeking to reassure the travellers included in these groups that they will be able to enter New Zealand on their desired travel dates. This includes groups requiring longer planning lead times (e.g. Antarctic researchers) and travellers of critical importance to New Zealand's COVID-19 response (e.g. health sector workers). The public announcements of the timing for *RNZ* and therefore requirement to self-isolate, on 3 February will have provided considerable reassurance to these travellers.
7. However, approving these allocations will grant these high-priority travellers additional reassurance and certainty and facilitate planning of their travel.
8. We therefore recommend you approve a limited package of group allocations, set out at **Annex One**, on a contingency basis.

MIQ capacity pressures have increased

9. Due to a range of concurrent events and decisions, managed isolation and quarantine (MIQ) capacity is approaching its limits with MIQ experiencing severe demand for rooms from mid-January until the end of February. MBIE has recently briefed you on measures we are taking to manage these pressures [briefings 2122-2293, 2122-2343, and 2122-2493 refer].
10. The opening of self-isolation under Steps One and Two of *RNZ* will allow most travellers currently entering New Zealand via MIQ to self-isolate instead, and so relieve this pressure over most of the time period covered by this package of group allocations.
11. However, MIQ officials still recommend a limited package of group allocations over this time, as a contingency. If these travellers are not eligible to self-isolate as anticipated under Steps One and Two of *RNZ*, and so are required to use the MIQ allocations they are seeking, it would likely be the result of an unexpected change in public health settings requiring a wide range of travellers, including New Zealand citizens, to once again enter via MIQ.
12. Potential group allocations must therefore be weighed against releasing additional vouchers on MIAS for New Zealand citizens to use. Only groups with the most significant social,

economic or national interest value should be granted allocations to ensure that they do not create an unreasonable limitation on the right of New Zealanders to enter New Zealand, especially during the current extended period of high demand.

Contingency allocations

13. For travellers arriving after Step Two comes into effect, we recommend these allocations are made on a contingency basis only, and that all groups who are eligible to self-isolate at the time of their arrival will either not be issued MIQ vouchers, or have issued MIQ vouchers cancelled, unless there are exceptional circumstances necessitating them to stay in MIQ.
14. This approach aligns with the Government's expectation that once travellers become eligible for self-isolation under *RNZ* that they should no longer continue to use MIQ, while leaving some flexibility should some groups of travellers (who have more complex arrangements that cannot be appropriately accommodated elsewhere in the time available).
15. Should such travellers need to enter MIQ despite being otherwise eligible to self-isolate, bespoke arrangements will be required to allow MBIE to charge equivalent fees to those groups, as MIQ fees for groups are based on the legislative requirements for travellers who are required to enter MIQ.
16. MBIE will provide further advice on the potential to accommodate groups in MIQ after Steps One and Two of *RNZ* have commenced, including on ensuring appropriate legal authority exists to accommodate them and recover costs, as capacity planning progresses.
17. If you agree to the package, agencies will communicate to successful applicants that MIQ group allocations are being agreed on a contingency basis to give certainty of their ability to enter New Zealand, and so that all groups should plan accordingly.
18. This package was prepared during a time of considerable pressure on MIQ capacity [briefings 2122-2293, 2122-2343, and 2122-2493 refer]. However, if there is a change, then the groups would have assurance that there is space for them in MIQ. We considered the current strain on our operational capacity due to a range of factors and applied this lens over our approach.
19. If you consider that more rooms should be made available as a contingency, then we will work with the relevant agencies to reconsider their proposals and balance these against the rights of New Zealanders to enter the country.

Group allocation package

20. MIQ received a high number of Expressions of Interest (EOIs) for the March-May period (1350-1450 rooms per month). This number is significantly more than previously agreed group allocation levels, generally between 800 and 1000 per month. MIQ and agency officials have worked together to assess and reduce the number of EOIs into a workable package, taking a pragmatic approach to the requests in light of the increase in pressure on MIQ capacity since these applications were made.
21. The full package is attached at Annex One.

	March	April	May
EOIs received (November)	1348	1419	1450
Total requests (November + January)	1773	2023	1502
Recommended allocation	1077	830	939

22. In reaching this recommended allocation, officials have sought to:
 - a. continue to enable those groups that both present the most significant social, economic or national interest value, and whose travel is time sensitive, to enter New Zealand; and also
 - b. reduce the number of MIQ rooms required to close to or no greater than previous total group allocation levels, so that New Zealanders wishing to return to New Zealand are not further limited in their ability to do so.
23. At this time, regardless of RNZ steps proceeding as announced on 3 February MBIE considers that an overall package of this size will be able to be accommodated in MIQ while retaining sufficient flexibility to respond to further challenges or unforeseen events over this time.
24. To support MIQ in managing a large group allocation and minimising the impact of these travellers on the number of rooms that can be made available via MIAS (including to New Zealand citizens seeking to enter New Zealand), MIQ will continue to, where necessary and appropriate, require these groups to arrive on dates and into specific regions (such as Christchurch) that maximise MIQ's operational efficiency. This mirrors the approach taken for some travellers in February 2022 [briefing 2122-2343 refers].
25. If there is a further significant reduction in MIQ capacity or if the weighting given to these allocations needs to change – for example, stemming from current litigation – MIQ may need to ask Ministers to revisit these decisions.

Reducing sector allocations

26. Since October last year, sector allocations (such as, the sport and culture allocation) have made up an increasing proportion of the group allocations – for example, sector allocations made up 735 (55%) of 1348 rooms requested (or previously approved) for March 2022. These allocations are designed to allow agencies more discretion in selecting travellers to access MIQ without proving the individual merits of each traveller. Sector allocations do not generally meet the standard of a group, as they are not a team or other cohort of people traveling for a common purpose, but do reflect specific areas of Government priority.
27. In recent months sector allocations have been under-utilised. This has resulted in rooms being released onto MIAS in relatively short timeframes (2-4 weeks before date of travel). There have also been at least seven instances where a traveller granted a voucher through a sector allocation has decided not to travel without notifying MIQ, leading to a room being wasted.
28. There are currently sector allocations in place for: health workers; sport and culture; exporters; Ministerial travel; and construction workers. A full breakdown of the size of each allocation and its utilisation rate is included in **Annex 2**.
29. In addition to these allocations, other sectors have requested allocations (auditors, primary sector workers and government offshore workers), and NZTE has requested an increase to the size of the exporter allocation (up to 150 rooms for March 2022).
30. MIQ recommends that some sector allocations be adjusted to reduce the risk of underutilisation, reflecting previous utilisation rates (for existing allocations) and conservative estimates of use rates (for new allocations), set out in the table below. These allocations will support the most efficient utilisation of MIQ capacity while facilitating as best we can in the circumstances, the right of New Zealanders overseas to enter the country.

Allocation	Previously allocated	Historic usage	March 2022	April 2022	May 2022
Primary sector workers	N/A	N/A	50	30	30
NZTE Exporters (inc Expo)	90	62%	150	75	75
Govt Offshore workers	N/A	N/A	50	50	50
Construction Accord	60	37%	40	40	40
Health Workers	300	40%	300	300	300
Sport and Culture	40	49%	40	40	40
Ministerial Travel	20	9%	5	5	5

31. We are not recommending establishing an allocation for auditors as this was not supported by the Border Exceptions Senior Officials Group.

Health sector allocation

32. The health sector allocation was created in November 2021 to create a guaranteed pathway for health sector workers, in recognition of their central role in supporting New Zealand's COVID-19 response.
33. Since it was created, this allocation has been consistently under-used, with 497 places (60%) of the 830 places for travel in November to mid-February (inclusive) unallocated. In light of the historic utilisation levels and significant pressure on MIQ capacity, the health sector allocation could be reduced to 150 places per month to minimise the inefficiency use of MIQ rooms.
34. The Ministry of Health notes that a number of factors have contributed to this underutilisation and project a significant increase in demand for this allocation over the coming months (see comment below from para 58).
35. In light of the projected increase in utilisation and given the vital role of health sector workers in the COVID-19 response, we recommend that the health sector allocation is maintained at its current level of 300 rooms per month.
36. With the commencement of self-isolation under Steps One and Two of *RNZ*, critical health workers will be eligible to enter New Zealand by self-isolating on arrival. This will remove MIQ availability as a barrier to their reaching New Zealand.
37. MBIE will provide further advice on the future of the sector allocations, including the health worker allocation (in consultation with the Ministry of Health), once self-isolation under *RNZ* has commenced.

BATM fishers

38. The BEMG agreed in December to grant a border exception for up to 450 BATM-class fishers, subject to satisfactory isolation arrangements being made. This is the third such

border exception these fishers have received.¹ The fishers are seeking to enter the country in April and May.

39. Experience has shown that the BATM-class fishers put greater demands on MIQ than an equivalent number of 'standard' returnees. If Steps One and Two of *RNZ* are not in place by April, accommodating groups of this size will take a large number of rooms and resources away from MIAS. Legal professional privilege
40. We recommend that no group allocation is given to these travellers, and that the expectation be that they will make their own self-isolation arrangements as they will be eligible to self-isolate under Step Two of *RNZ* at the time of their arrival. As they are arriving in April and May there is also sufficient time available for their employers to plan for self-isolation.

Allocation requests received after the EOI round

41. Owing to the long interval between the EOI round closing (early November) and now, as well as changes to border reopening plans, there are several further requests from agencies for group allocations.
42. Because they have not submitted EOIs for these groups, robust evaluation of the groups against the group allocation criteria has not been possible. These requests cover a time when the vast majority of these travellers should now be eligible to self-isolate under Steps One and Two of *RNZ*. Should border settings change and self-isolation not be available to them, their entry would be in the context of significant renewed pressure on MIQ capacity and resultant impacts on New Zealanders unable to obtain a MIAS voucher. Legal professional privilege
43. As such, MIQ recommends against granting any further requests for group allocations beyond the original package assembled in November 2021.

SportNZ requests

44. We have received the following additional requests from Sport NZ:
 - a. Phoenix women's – 19 people, March – returning from Australia;
 - b. Phoenix men's – 36 people, April/May – returning from Australia;
 - c. NZ Breakers – 38 people, April – returning from Australia;
 - d. Aquatic World Championships – 52 people (in addition to 30 requested in the original package), May – returning from Japan.
45. The sports teams seeking to return from Australia have been based there for between five and seven months (i.e. before *RNZ* Step One was announced). They had not previously submitted an EOI and would be unlikely to meet the criteria for Emergency Allocation category 5 (travellers from Australia). In the interest of consistency with other New Zealand citizens, MIQ recommends they do not receive an allocation.
46. The Aquatic World Championships end in the final week of May. Given this, while we recommend maintaining the original request for 30 people in May, and the additional travellers be expected to make self-isolation arrangements (or considered for June allocations at a later date, if required).

¹ Previous cohorts of fishers arrived in November 2020, January 2021 and September-November 2021

Ministry for Primary Industries requests

47. MPI has noted a number of further requests which have arisen since the package was first considered in November. These include:
 - a. Rural contractors (30);
 - b. Dairy farm workers (700) (200 remaining from existing commitments + anticipated further border exception request – entry before May));
 - c. Halal slaughterers (15);
 - d. Winemakers/cellarhands (anticipated 150 tbc).
48. MPI have noted that the inability to facilitate these workers into New Zealand in time will have significant risks and consequences for the primary industries sector – see their comment below at paragraph 65.

Agency comments on recommended package and changes to sector allocations

49. As noted, we are recommending that you agree to the package as contingency for the sector. It was developed in consultation with the agencies and with the understanding that there would be border changes as a result of impending RNZ decisions. To assist us with the assessment of the final proposed package, agencies provided us with further feedback on the impacts on the sector, although we note that some agency feedback preceded final decisions on RNZ being known.

Construction Sector Accord

50. MBIE's Construction Sector Accord team notes that construction activity continues to remain high into 2022 with key labour shortages being experienced by the sector. The MIQ group allocation is considered important as it provides certainty for major projects that key resources can enter New Zealand to undertake time critical work. The sector appreciates the ability to secure MIQ rooms via the construction pathway that has been granted to them.
51. The 40 rooms per month now allocated represent the average use over the previous Jun-Jan period and if demand remains static this will continue to support the sector and the Governments priorities for economic recovery, increasing housing supply and supporting key infrastructure development.
52. Possible challenges/risks are if demand increases (noting that in two previous months applications exceeded the previous 60 room cap) this has potential to impact major projects being delivered on time and to budget. There are possible alternative pathways for these workers, but all face limitations.

Sport NZ

53. Sport NZ have noted that there are significant financial and reputational risks associated with the inability to secure sports team allocations.
54. If teams do not participate in select events they face relegation (e.g. World Seven's Series), there are financial consequences (NZ Cricket have lost in Commercial information due to the cancelled Australian tour) and they miss qualification opportunities for pinnacle events (The World Aquatic championships are a qualifying event for the 2022 Commonwealth Games). These decisions also put significant High Performance Sport NZ investment at risk.
55. With specific reference to the three Professional sporting franchises (NZ Breakers and the Women and Men's Phoenix teams) these teams have faced significant disruption since the beginning of the pandemic, relocated to Australia at significant cost to their franchises and

the Government, separated from their families and have not been supported through the Groups process to date.

NZDF

56. Planning is currently underway for Anzac Day Commemorations in Turkey in April. This will likely involve a 50-person party consisting of NZDF ceremonial personnel and support staff, NZ Police staff, NZ Intelligence personnel, MFAT staff and DPMC Staff deploying to Turkey.
57. The Government's decision on New Zealand's commitment is pending. This year is New Zealand's turn as lead nation for the commemorations and Australia has also begun planning for participation. A group allocation for this travel is not currently included in the recommended package.

Ministry of Health

58. The Ministry of Health recommends maintaining the current allocation at 300 places per month from March. The 300-monthly allocation for Critical Health and Disability workers was based on information from DHBs on their anticipated number of employees recruited from overseas requiring an MIQ voucher and a small additional number of health workers to account for non-DHB employers.
59. Initial utilisation was low due to a number of factors including; low awareness in the early phase of the allocation, confusion between the new pathway and some continuing to apply for time sensitive travel (which no longer applies to critical health workers), and the announcement of the changed border settings leading some to delay travel to avoid MIQ. We have now seen numbers pick up significantly, with the first half of the February allocation closer to capacity and applications still coming in for the second cohort.
60. We expect to see utilisation continue to increase as awareness of the pathway grows, additionally two international recruitment campaigns have recently been launched to attract ICU and nursing staff to New Zealand, both workforces with significant shortages and necessary for our ongoing COVID-19 response.
61. New Zealand continues to experience significant shortages across the health workforce, and we have a comparatively high reliance on overseas trained professionals (42.4% doctors and 26% of nurses). The COVID-19 pandemic and subsequent border closures have exacerbated these issues. Staffing shortages are likely to be exacerbated further as modelling shows the likelihood of health worker numbers testing positive rapidly increases with the Omicron variant and are off work and required to self-isolate. We note the significant risk in reducing access to critical health workers entering New Zealand and as such there is a need to continue to have a supportive and accessible pathway to bring as many health professionals into the country as possible. We expect the need for the allocation at its current level to be met but are happy to review on an ongoing basis.

NZTE

62. NZTE acknowledges that there are difficult trade-offs to be made, but still consider that there should be 100 places for exporters (instead of 75) in April and May.
63. Since the border announcements on 21 December 2021, **Free and frank opinions**
[REDACTED]
[REDACTED] As the rest of the world has begun to open up (in spite of their continuing Covid issues) and competitors have begun to travel, it has become less and less viable for New Zealand's exporters to pitch for contracts, perform contracts and build key relationships remotely. Demand for places in the exporter allocation were very high in November and December. While they dipped in January and for February because exporters had insufficient time to make plans after the border settings changed, there appears to be very strong demand for March and beyond.

64. Enabling exporters to travel to market is a key part of the strategy to promote an export-led recovery. When listing Government initiatives to assist in this recovery, the allocation of MIQ places to exporters is one of the most tangible. In November and December, NZTE asked exporters that had been allocated MIQ places to estimate the commercial value of the projects they were travelling for and the future commercial value of the relationships they were travelling for. The estimates they provided were an average value of \$3.2 million per MIQ place for projects they were travelling for and an average value of \$22.73 million per MIQ place for relationship building. While these numbers may well be optimistic, they do still strongly suggest that allocating MIQ places to exporters has a material impact on New Zealand's economy

MPI

65. Following the disruption of the pandemic, the primary sector has been the engine room of New Zealand's economic recovery. It employs 14% of New Zealand's total workforce and sector export revenue is forecast to hit a record \$49.1 billion in the year ending June 2022, driven mostly by strong demand for New Zealand's dairy, forestry and horticulture products.

66. For the primary sector to remain a key part of New Zealand's economic recovery over the coming years, it is vital that it has the right numbers of skilled workers at the right time in the growing season (worker demand is driven by seasonality and the rhythms of biology – this creates hard deadlines that we cannot shift). Without the workforce it needs the primary sector will continue to experience –

- a. loss of direct export revenue and loss of employment and profit in a range of associated industries;
- b. reputational damage (and possible loss of market share) with key trading partners;
- c. animal health and wellbeing issues, damage to plants, and delayed maintenance and infrastructure investment;
- d. staff redundancies and flow-on impacts on rural communities over time;
- e. higher levels of staff accidents, due to long hours and burn out.

67. Free and frank opinions

MBIE Commerce and Consumer Affairs

68. In the 18 November Senior Officials' Group meeting it was recommended that auditors not get an allocation in MIQ for March – May 2022 and consequently there is no recommendation for an auditor allocation in this briefing. Officials understand that there is significant pressure on MIQ however even a relatively small allocation would help give the audit profession some certainty to recruit until the timing of self-isolation is confirmed.

69. [Commercial in confidence] There is an acute shortage of auditors in New Zealand at present which is causing numerous audit delays. Confidentiality [REDACTED]. These delays are impacting entities across the breadth of the economy including capital markets, the public sector and the charitable sector. It is because of the serious and ongoing problem of audit delay that in our view auditors meet the threshold of having "significant social, economic or national interest value" required to obtain an allocation. Bearing in mind the pressures on MIQ our request is for a small allocation of 10 - 15 rooms per month.

Ministerial Travel in February

70. Due to the severe pressure on demand we are facing, among other measures you agreed to suspend the Ministerial travel allocation (twenty rooms) for February [2122-2493 refers]. We understand that Minister Mahuta and a staff member are expected to travel overseas and return to New Zealand before 27 February.
71. To facilitate Ministerial travel that is required in February, we seek your agreement to reinstate the Ministerial Travel allocation for February capped at a maximum of five rooms.

Next steps

72. Officials are available to discuss further changes to the recommended package if required.
73. We recommend you forward this briefing to your colleagues on the Border Exceptions Ministerial Group, for their information.
74. If you approve the recommended package, agencies will begin to notify relevant travellers and organisations following the announcement of decisions on revised dates for the *RNZ* strategy. This notification will emphasise that these allocation decisions were made on a contingency basis, restate the dates from which travellers will be eligible to self-isolate, and that the expectation will be for all travellers who are eligible to self-isolate on arrival should do so.
75. If you consider that more rooms should be made available as a contingency, we will provide you with further advice.

Annexes

Annex One: Proposed group allocation package

Annex Two: Sector allocation utilisation

Annex One: Proposed group allocation package

Groups highlighted in red indicate where reductions in the requested or previously agreed allocations have been made.

Proposed package for March- May	March	April	May
All Black 7's & Black Fern 7's		48	
PAC4 Rugby (USA, Canada, Australia)			108
Aquatics World Championships			30
NZDF - anti-submarine warfare training			40
NZDF - Exercise TEAK NET		60	
NZDF - Operation FARAD			29
International Students	150	50	60
non-BATM Fishers	20	20	20
Primary Sector Workers	50	30	30
Exporters	150	75	75
Government Offshore workers	50	50	50
Winter Olympics/Paralympics	19		
Antarctic Programme - overwinters	70		
Expo	25		
Refugees	112	112	112
Winter Olympics/Paralympics	11		
Cricket Netherlands	35		
Construction Accord	40	40	40
Health Workers	300	300	300
Sport and Culture allocation	40	40	40
Ministerial Travel	5	5	5
Total by Month 2022	1077	830	939
Total	2846		

Annex Two: sector allocation utilisation

Sector	Month	Allocation per month ²	Room uptake
Health workers	Nov-21	80	32
	Dec-21	300	78
	Jan-22	300	133
	Feb-22	250*	201
Sport and Culture	Dec-21	40	13
	Jan-22	40	7
	Feb-22	40	39
NZTE	Nov-21	25	24
	Dec-21	25	24
	Jan-22	30	10
	Feb-22	90	47
Construction Sector Accord	Jun-21	60	0
	Jul-21	60	0
	Aug-21	60	15
	Sep-21	60	32
	Oct-21	60	46
	Nov-21	60	18
	Dec-21	60	28
	Jan-22	60	38
	Feb-22	40*	Pending
Ministerial Travel	Nov-21	20	7
	Dec-21	20	0
	Jan-22	20	0
	Feb-22	0 ^{3*}	0

² The allocation for some sectors has been temporarily reduced due to MIQ capacity pressures over February 2022 – briefings 2122-2343 and 2122-2493 refer.

³ We are seeking your agreement to reinstate a Ministerial Travel allocation capped at a maximum of 5 rooms for February (see paragraph 71)