



2 May 2022

Ref: DOIA 2122-1896

Wendy McGuinness

Email: [REDACTED]

Dear Wendy

We refer to your request which was partly transferred on 30 March 2022 from the Ministry of Health to the Ministry of Business, Innovation and Employment (the Ministry). You requested the following information under the Official Information Act 1982 (the Act):

Question 1: Cost recovery for MIQ:

- a) *We want to understand the extent to which the cost of a seven day stay for an individual at MIQ (\$1610) was being met by travellers or by the Government.*
- b) *In addition, can you clarify the current policy for cost recovery? For example to what extent is the Government aiming for 'almost full recovery' or 'partial recovery'?*
- c) *Could you provide an assessment of your existing financial assessment and any projections you may have? Note: We are aware of your statement that 'all stays in MIQ will be extended to 10 days', found on your website here.*

Question 2: Comparison of home stay versus MIQ stay:

- a. *Was the self-isolation pilot for business travellers successful?*
- b. *Can you provide the report assessing the results of the pilot? The fee for the self-isolation pilot was \$1000 for 14 days (based on the link found here).*
- c. *Can you advise how the fee is being treated for accounting purposes – is it being treated as:*
 - i. *revenue or*
 - ii. *as part of a cost recovery exercise? Can you explain?*

On 19 April 2022, you further amended *question 1(c)* of your request to include the following:

Question 1(c) redrafted - Could you provide any reports or papers that discuss the existing system of cost recovery as well as other cost-recovery options, including those that undertake assessments and/or projections of a range of options?

Please refer to our response below to your questions.



Question 1: COST RECOVERY FOR MIQ

1 (a): *We want to understand the extent to which the cost of a seven day stay for an individual at MIQ (\$1610) was being met by travellers or by the Government.*

The COVID-19 Public Health Response Act 2020 provides the power for the Government to recover MIQ costs. The COVID-19 Public Health Response (Managed Isolation and Quarantine Charges) Regulations 2020 came into effect on 11 August 2020 and the MIQ fees system was introduced in an attempt to recover some of the MIQ costs.

Fees were introduced to recover some of the costs for managed isolation in a way that fairly reflects the benefits to both the New Zealand public of having a robust system, and those who enter the country. The response to 1(b) below provides an estimate with regard to how much of the charge covered the actual costs of an MIQ stay.

The Ministry has the power to grant a full or partial waiver of fees in cases of financial hardship or other special circumstances, or arrange a deferment of payment, for temporary entry visa class holders.

From 1 June 2021, the Ministry increased its minimum stay criteria from 90 days to 180 days. This meant that returning New Zealand citizens and residents needed to stay in the country for at least 180 days in order to not be liable to pay managed isolation fees. This change continued to apply when MIQ stays reduced to 7 days from 14 November 2021 and the fee levels reduced (see Regs 7 'Amount of charges: general' and 8 'Persons exempt from charges'). Returnees who were unable to satisfy the above minimum 180-day stay requirement and were not otherwise exempt from paying the fees were invoiced accordingly for their stay in MIQ.

Returnees who travelled to New Zealand on managed flights from New South Wales on or after 12 July 2021 until 22 August 2021 had their fees automatically waived.

1 (b): *In addition, can you clarify the current policy for cost recovery? For example, to what extent is the Government aiming for 'almost full recovery' or 'partial recovery'?*

There is no specific Government or Ministerial policy aiming for 'almost full recovery' or 'partial recovery'. However, the average weighted cost of a stay in MIQ at the time, was taken into account when the fee levels were set, to ensure we were not over-recovering.

In December 2021, we estimated that fees for the first person in the room recovered 48% of average costs for critical workers and temporary visa holders, and 28% of costs for New Zealand citizens and residents (based on Year-to-Date costs to the Ministry).

The Ministry publicly released the Supplementary Analysis Report on the MIQ fees regulations in June 2021. You can find the report here: www.mbie.govt.nz/dmsdocument/15146-impact-statement-amendments-to-the-covid-19-public-health-response-managed-isolation-and-quarantine-charges-regulations-2020-proactiverelease-pdf

1(c): redrafted - *Could you provide any reports or papers that discuss the existing system of cost recovery as well as other cost-recovery options, including those that undertake assessments and/or projections of a range of options?*

In late 2021, MIQ started a review of the fees regime with the intent to provide proposals for change to the Minister for COVID-10 Response (this included cost recovery). This review was not completed but we are using the assessments from the review as an input into our work on the legacy of the fees regime that

is currently underway. There are two draft documents that were developed as part of that process and based on the information we held. These workings are subject to updates and further change as the legacy work is completed. As these documents are under active consideration, this part of your request is refused under section 9(2)(f)(iv) of the Act – to maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials.

QUESTION 2: COMPARISON OF HOME STAY VERSUS MIQ STAY

2 (a): *Was the self-isolation pilot for business travellers successful?*

2 (b): *Can you provide the report assessing the results of the pilot? The fee for the self-isolation pilot was \$1000 for 14 days (based on the link found here).*

The Self-Isolation pilot was set up to test some of the processes for isolation in the community as an alternative to managed isolation and quarantine for low to medium risk international arrivals. An evaluation focused primarily on aspects of scalability and participant experience of the components of the self-isolation pilot, drawing on monitoring and administrative data, as well as feedback from the staff implementing the pilot at the airports, and project staff. As a result of the pilot, insights were successfully identified to inform any future wider roll out of self-isolation for large volumes of travellers should it be required.

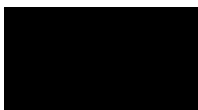
The report on the self-isolation pilot is published here on the MIQ website - [Self-Isolation Pilot | Managed isolation and quarantine \(miq.govt.nz\)](https://www.miq.govt.nz/self-isolation-pilot).

(2) (c): *Can you advise how the fee is being treated for accounting purposes – is it being treated as: i) revenue or ii) as part of a cost recovery exercise? Can you explain?*

In accordance with guidance from the Crown (Treasury), the fee is treated as non-departmental revenue for the Ministry’s financial records.

You have the right to seek an investigation and review by the Ombudsman of this decision. Information to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

Yours sincerely



Acting Associate Deputy Secretary
Managed Isolation and Quarantine