

Hon Chris Hipkins

MP for Remutaka

Minister for COVID-19 Response

Minister of Education

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Sean Richards
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Ref. OIA0096

Dear Sean

Thank you for your email of 8 March 2021 requesting, under the Official Information Act 1982 (the Act), answers to six questions relating to the increase of Managed Isolation and Quarantine (MIQ) fees for temporary entry class visa holders from \$3,100 to \$5,520.

As you are aware, the Ministry of Business, Innovation and Employment announced that from 25 March 2021, temporary entry class visa holders will be liable for the fee of \$5,520 (inclusive of GST) for the first/only person in a room for their managed isolation and quarantine stay.

The change in the fee level supports the Government's ability to recover an amount closer to the actual costs for MIQ. This fairly reflects the benefits to both the New Zealand public of having a robust COVID-19 response system, and those who leave and enter the country. Although the new fee reflects an amount closer to the actual costs of MIQ, it is important to note the Government is still subsidising some of the cost for temporary entry class visa holders.

1) *What consultation measures were undertaken to inform the increase?*

The Government did not undertake any external consultation as part of its decision to increase the fee. The new fee is the same as that for 'other critical workers' (who are also temporary entry class visa holders). The decision will therefore mean that international students and other types of temporary entry class visa holder are liable to the same fee.

2) *Was this increase disclosed to students who had already applied?*

The MIQ charges were publically communicated on 2 March 2021 to allow time for students to consider this in preparation for their travel to New Zealand. Students who are arriving from 25 March 2021 have been notified of the increased charges.

3) *How many of the 1000 students eligible under the Government's second exemption cohort of 1000 international students will be required to pay this fee?*

As students will be arriving after 25 March 2021 at the earliest, all students returning to New Zealand under the exception cohort of 1,000 international students will be required to pay the new fee.

4) *What factors led to the decision to increase the fee?*

A key consideration that led to the decision to increase the MIQ charge for temporary entry class visa holders, including international students, was recovering an amount closer to the actual costs of MIQ. The new fees are the same as those charged to critical workers entering the country under a border exception. Students, and other temporary entry class visa holders, will continue to have

90 days to pay their MIQ charges from the day they are invoiced as well as have the ability to apply for full or partial fee waivers.

5) *Why, specifically, was \$5,520 chosen as the new fee?*

The new fee of \$5,520 (including GST) is the average weighted cost for a person staying in MIQ for 14 days. However, the fee is still a Government-subsidised fee, and while it does not take into account the fuller costs associated with MIQ, the new fee level better reflects the costs of operating MIQ.

The table below provides a breakdown of the average weighted costs of MIQ services, at the time the original fee level of \$5,520 was set for 'other critical workers':

	<i>Average weighted costs</i>
MIQ facility, including accommodation and food costs.	\$3,432
Transport, including costs of transport to and from airports and MIQ facilities, including between internal flights.	\$256
Operational costs, which include Ministry of Business, Innovation and Employment (MBIE) personnel based in the MIQ facilities and also the regional isolation and quarantine teams, security and staff wrap-around support.	\$517
Support costs, which covers MBIE personnel involved in MIQ operations and ICT services.	\$595
Total excluding GST	\$4,800
Total including GST	\$5,520

Please note, this figure does not include the costs of any additional services provided by other Government agencies involved in MIQ, including the Ministry of Health, New Zealand Police, New Zealand Defence Force and the Aviation Security Service.

6) *Why were students specifically selected for this fee increases, as opposed to an across-the-board increase for all MIQ entrants?*

As outlined above, the changes affect all temporary entry class visa holders, including student visa holders. This fee is consistent with the fee level applied to 'other critical workers' who travel to New Zealand as a border class exception.

You can find out more about the changes to the MIQ fees, at: www.miq.govt.nz/about/news/changes-to-fees-for-some-people-staying-in-managed-isolation/.

I trust you find this information helpful. You have the right to seek an investigation and review by the Ombudsman of this decision. Information about how to make a complaint is available, at: www.ombudsman.parliament.nz.

Thank you again for writing.

Yours sincerely



Chris Hipkins
Minister for COVID-19 Response