



BRIEFING

Funding for the Temporary Accommodation Service's Response to COVID-19

Date:	26 March 2020	Priority:	Urgent
Security classification:	In Confidence	Tracking number:	BR 2819 19-20

Action sought		
	Action sought	Deadline
Hon Dr Megan Woods Minister of Housing	Note that MBIE activated its temporary accommodation function on Friday 20 March 2020 in response to COVID-19 Agree to \$15.050 million of funding being sought to support the continued operation of the response Agree to lodge the attached Cabinet paper seeking funding	27 March 2020
Hon Kris Faafoi Associate Minister of Housing	For your information	27 March 2020

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Steve Watson	Incident Controller COVID-19 Response, Temporary Accommodation Service	s 9(2)(a)	✓
Gemma Wiig	Principal Advisor, Service Design Policy	s 9(2)(a)	

The following departments/agencies have been consulted
The Treasury, the Ministry of Housing and Urban Development, the National Emergency Management Agency, the Ministry of Social Development, the Department of Prime Minister and Cabinet, and the Ministry of Foreign Affairs

Minister's office to complete:

☐ Approved

☐ Declined

☐ Noted

☐ Needs change

☐ Seen

☐ Overtaken by Events

☐ See Minister's Notes

☐ Withdrawn

Comments



BRIEFING

Funding for the Temporary Accommodation Service's Response to COVID-19

Date:	26 March 2020	Priority:	Urgent
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Purpose

To provide you with information about the Temporary Accommodation Service's (TAS) response to COVID-19, in particular the funding implications of the additional border requirements for people to self-isolate at the port of their arrival.

This paper also seeks agreement to lodge the attached Cabinet paper, which seeks additional funding for TAS.

Executive Summary

MBIE is responsible for coordinating of the provision of temporary accommodation for people who are displaced from their homes as a result of an emergency.

The Temporary Accommodation Service (TAS) was activated on 20 March 2020 as part of the Government's response to the COVID-19 pandemic, ensuring the provision of accommodation for people who are unable to self-isolate – both those who ordinarily reside in New Zealand and those who don't.

TAS is currently providing support to close to 100 registered households. TAS has established an accommodation supply register of around 4,500 hotel rooms and 2,000 motorhomes situated around the country.

The initial stages of TAS's COVID-19 response have been adequately funded through the Temporary Accommodation Services Multi-Category Appropriation (the Appropriation). The Appropriation is not limited to a specific event or geographic location, allowing TAS to better prepare for emergencies. The Appropriation operates under the expectation that additional funding will be sought as an emergency response progresses, as required.

As at 29 February 2020 there is approximately \$1 million in the Appropriation not spent. Prior to the COVID-19 outbreak, there was a forecast underspend of \$133,000 by 30 June 2020.

The scale and magnitude of people unable to self-isolate is extremely difficult to predict, but given new border requirements for people to self-isolate at their port of entry, the large number of predicted air-travel passengers over the next few days, and the number of people likely to have difficulties in returning to their home countries due to a reduction in flights leaving New Zealand - TAS must prepare for the possibility of having to support a large amount of people.

The attached Cabinet paper seeks approval of \$15.050 million in funding based on 3,500 people requiring accommodation support to self-isolate, at a cost of approximately \$3,700 per person, including a per diem to fund food and other essentials over the 14 days self-isolation period.

If you agree, we recommend the attached Cabinet paper be lodged for consideration by the Ad Hoc Cabinet Committee on COVID-19 Response at 10:30am on Friday 27 March 2020.

Recommended action

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

- a **Note** that MBIE activated its temporary accommodation function on Friday 20 March 2020, ensuring the provision of accommodation support for people unable to self-isolate in response to COVID-19

Noted

- b **Note** that additional border control measures requiring all people to self-isolate at the port of their arrival have significantly increased the potential number of people who require support from TAS to find accommodation in which to self-isolate

Noted

- c **Note** that as at 1300 hours on 26 March 2020, TAS is supporting close to 100 registered households with temporary accommodation

Noted

- d **Note** that the Temporary Accommodation Services Multi-Category Appropriation allows MBIE to prepare for emergencies, with the expectation that additional funding is sought as an emergency response progresses. As at 29 February 2020 there is approximately \$1 million in the Appropriation not spent, with a previously forecast underspend of \$133,000 by 30 June 2020

Noted

- e **Agree** to \$15.050 million of funding being sought to support the continued operation of TAS's COVID-19 response, based on 3,500 people requiring accommodation support to self-isolate, at a cost of approximately \$3,700 per person including a per diem to fund food and other essentials over the 14 day self-isolation period

Agree/Disagree

- f **Agree** to lodge the attached Cabinet paper for the Ad Hoc Cabinet Committee on COVID-19 Response to consider on Friday 27 March 2020 at 10:30am

Agree/Disagree

Steve Watson
Incident Controller COVID-19 Response
Temporary Accommodation Service
Market Services, MBIE

Hon Dr Megan Woods
Minister of Housing

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Background

1. On 11 March 2020, the World Health Organisation (WHO) characterised the outbreak of novel coronavirus (COVID-19) as a pandemic. As of 26 March 2020 at 1300 hours there are 283 cases of COVID-19 in New Zealand.
2. On 24 March 2020 New Zealand published an Epidemic Notice under the Epidemic Preparedness Act, providing the Government with additional powers to facilitate the management of epidemics/quarantinable diseases.
3. A state of emergency was formally declared 25 March 2020, allowing agencies to use their powers and functions under both the Civil Defence Emergency Management Act, as well as the National Civil Defence Emergency Management Plan Order 2015 (the Order).

Requirement to self-isolate

4. Accommodation for self-isolation is for those who are not presenting any symptoms nor have they been around anyone who has tested positive for COVID-19 or is symptomatic. Self-isolation accommodation is for a minimum of 14 days to ensure the person does not display symptoms, they can then move into their own lodging for the remainder of the alert four lockdown period.
5. By comparison, quarantine accommodation is for those who have tested positive for COVID-19, are symptomatic, or been around close contacts that have tested positive for COVID-19 or are symptomatic. This is the responsibility of the Ministry of Health, who are being supported in these efforts by New Zealand Police.
6. Under a four level alert system, the Government have put a number of restrictions and requirements in place to manage the spread of Covid-19 in New Zealand. This includes the requirements for all people entering New Zealand to self-isolate for a period of 14 days, and the instruction for all people in New Zealand to stay at home until at least 23 April 2020.
7. Self-isolation is an effective precautionary measure for controlling the spread of COVID-19 and therefore reducing the impact of the disease. In a statement on 14 March 2020, the Prime Minister said "Given self-isolation is so important, we want to make it as easy as possible. As such, the Government will be introducing a range of measures to assist with self-isolation".
8. There are people who are unable to self-isolate for a wide range of reasons; they may have arrived into New Zealand without any accommodation arrangements, pre-planned accommodation arrangements may have fallen through, they may be stranded foreign nationals awaiting departure without accommodation, or they may be prevented from self-isolating at their home because of other people living there.

MBIE's temporary accommodation function

9. MBIE is responsible for coordinating of the provision of temporary accommodation for people who are displaced from their homes as a result of an emergency under clause 73 of the Order. MBIE manages this responsibility through its Temporary Accommodation Service (TAS) business unit.

10. TAS's core activities are to:
 - a. work with other agencies, organisations and businesses as part of the emergency response
 - b. identify and register displaced individuals and households who are in need of support to find temporary accommodation
 - c. undertake needs assessments to clarify what temporary accommodation options are suitable and affordable
 - d. coordinate the provision of temporary accommodation placement.
11. People who have or who are suspected of having an infectious and/or quarantinable disease are eligible for publicly funded health services to address the risks to other people. Where the Ministry of Health requires that a person be put into quarantine (enforced by New Zealand Police), this falls outside of the scope of TAS.
12. TAS activated on 20 March 2020 [briefing BR19-20 2794 refers].
13. As at 1400 hours on 26 March 2020, TAS is supporting close to 100 registered households with temporary accommodation. People needing TAS support are currently being placed in hotels.
14. During the initial stages of the response, all incoming travellers to New Zealand international airports were provided with a fact sheet explaining the support TAS could provide, and a list of accommodation providers willing to host people required to self-isolate. The Ministry of Health and New Zealand Police have also been directing people to TAS.
15. The TAS response complements the Ministry of Social Development (MSD) and the Ministry of Housing and Urban Development efforts to secure motel accommodation for rough sleepers and other vulnerable people for self-isolation.
16. TAS is working with MSD to develop a process for people who have ongoing accommodation requirements following the 14 days self-isolation period.

The supply and demand of temporary accommodation

17. The scale and magnitude of the accommodation support needed to ensure people self-isolate, the profile of the people requiring support, and the geographic distribution of demand has been continually evolving since TAS activated.
18. TAS has been working on the assumption that people will enter the service through three key avenues:
 - people arriving in to New Zealand
 - people in New Zealand who are unable to return to their homes outside of New Zealand
 - people in New Zealand who are unable to self-isolate in their homes

Recent requirement for all people to self-isolate at their port of arrival

19. Additional border control measures, agreed by Cabinet on 24 March 2020, significantly increased the potential number of people requiring support from TAS.

20. From 2359 hours on 25 March 2020, all passengers arriving on international flights to New Zealand are required to self-isolate for 14 days in the city of their arrival before continuing their journey home, unless they are able to reach their destination directly using approved transport.
21. For those who have not made arrangements to self-isolate, and are unable to do so, temporary accommodation will be provided for them to self-isolate in the city of arrival through TAS.
22. TAS is able to provide information and support for people to find suitable accommodation themselves, or provide government funded accommodation for those unable to make their own arrangements.
23. The border process is being highly managed with advance screening for COVID-19. TAS will only provide assistance to people showing no signs of COVID-19. People who are unwell, or those that indicate at screening that they have had exposure to COVID-19, will be quarantined. New Zealand Police together with the Ministry of Health are responsible for quarantine accommodation, as well as arranging transport to quarantine, to self-isolation accommodation, and to individual homes. During the border screening process people will be directed to TAS for self-isolation support if they are well and indicate that they have no accommodation arrangements in place.
24. MBIE is working to support New Zealand Police and the Ministry of Health by providing up to date lists of commercial facilities available for quarantine and self-isolation. TAS has regular (twice daily at this stage) meetings with Police and Health.
25. TAS will also provide hotels and other accommodation providers with clear information and guidelines.
26. For the majority of people, providing information around the policies and the assistance available is likely to be sufficient. However, it is likely that a large number of people will be unable to fund this self-isolation requirement.

Estimated number of people requiring assistance to self-isolate

27. Between 26 March and 30 March 2020 there are 6,454 people booked on Air New Zealand flights returning to New Zealand, with a projected 1,613 people booked to arrive on 26 March 2020 via other aircraft carriers.
28. Based on the number of actual arrivals, compared to those booked to arrive in New Zealand on 26 March 2020, we anticipate around 60 per cent of booked passengers will arrive in New Zealand.
29. As at 10:30 on 25 March 2020 there are 4,773 people booked to depart from New Zealand up to and including 29 March 2020. This travel is predominately split between flights returning to the USA and Pacific. Due to the closure of borders around the world, there is a risk that flights do not depart New Zealand. People arriving at airports to board these flights may be stranded and require accommodation. TAS are working closely with Immigration New Zealand at the border.
30. Based on current estimates we anticipate that 50% of arrivals may require TAS assistance. The remaining 50% are either based in the port of arrival or will have arranged their own suitable accommodation and transport.

31. In the early days of the COVID-19 outbreak there were approximately 85,000 people in New Zealand on temporary visas whose visas are due to expire prior to 31 July 2020. There were also 9,177 Pacific Recognised Seasonal Employers workers and essential work visa holders with expiry dates between March and December 2020.
32. People with a work, student, visitor, limited or interim visa with an expiry date of 2 April to 9 July 2020 (inclusive), who are in New Zealand on 2 April 2020, will have their visas automatically extended to 25 September 2020, under the Government's Epidemic Management Notice relating to immigration matters.
33. However many of these people may have made arrangements to end their accommodation arrangements, thinking that they would be leaving the country. It's highly likely that people will have difficulties in returning to their home countries due to a reduction in flights leaving New Zealand. Officials are working with other governments on repatriation arrangements, but it is likely that some of these people will require temporary accommodation over the next few weeks, as phased departures are managed.
34. The scale and magnitude of the need for accommodation is extremely difficult to predict, but given new border requirements for people to self-isolate at their port of entry, and the large number of predicted air-travel passengers during this week, TAS must prepare for the possibility of having to support a large amount of people.
35. Auckland will be the main port of entry for repatriation flights. If Auckland is unable to cope with the number of arrivals, flights will be diverted to Christchurch or Wellington.
36. After 30 March 2020, the number of flights entering New Zealand is expected to drop significantly, but not cease entirely. It is estimated that an additional 210 arrivals will require TAS assistance to self-isolate until the end of the lock-down period.
37. In addition to this, an estimated 238 people in the community will require TAS assistance to self-isolate until the end of the lock-down period.
38. Therefore we expect to assist a total of 3,500 people to self-isolate.

Supply of temporary accommodation

39. MBIE has connections with a range of tourist accommodation providers and has established a register of around 4,500 rooms in hotels around New Zealand.
40. MBIE has entered into a contract with Tourism Holdings Limited on 23 March 2020 for first option on up to 2,000 campervans/motorhomes to be available for quarantine or self-isolation services in Auckland, Wellington and Christchurch. This was to ensure that there was adequate supply to meet an unknown demand. A deposit of \$2.000 million has been paid to secure the contract, and any hire charges will come out of this amount in the first instance.
41. In addition to this, TAS has used the All-Of-Government provider FCM Travel (Flight Centre) to procure and pre-book 220 hotel rooms in Manukau and Auckland for 14 days. These will be used to assist people arriving in to New Zealand to self-isolate.

42. New Zealand Police have contracted 3,000 rooms in Auckland for quarantine purposes. We understand that around 2,000 rooms may not be required for quarantine and are able to be used by TAS for self-isolating purposes. We are working with Police to confirm the number of rooms available for self-isolation purposes.
43. TAS continues to work with accommodation providers to ensure there is supply of temporary accommodation if the number of people requiring it exceeds expectations.

Funding for TAS's ongoing response

44. The Temporary Accommodation Services Multi-Category Appropriation (the Appropriation) has the single overarching purpose to coordinate and provide temporary accommodation to people displaced by a civil emergency. The Appropriation is not limited to a specific event or geographic location; this allows MBIE to better prepare for emergencies and be ready to respond in a timely and effective manner. The Appropriation operates under the expectation that additional funding is sought as an emergency response progresses, as required, without the need for a new appropriation for each emergency that TAS responds to.
45. The Appropriation has three categories:
- a. Readiness, Response and Recovery - this covers Departmental Output Expenses including Service coordination, contingency planning, civil defence sector engagement and event-specific services such as matching and placement, property management, and departmental support;
 - b. Temporary Accommodation Housing Management - this covers Non-departmental Output Expenses of establishing, maintaining and decommissioning temporary accommodation support; and
 - c. Temporary Accommodation Housing Initiatives - this covers Non-departmental Capital Expenses of procuring future temporary accommodation solutions. This category acts as a reserve that enables MBIE to rapidly respond to new emergencies, for example by making initial payments for short-term temporary accommodation housing stock.
46. As at 29 February 2020 there is approximately \$1 million in the Appropriation not spent, with a forecast underspend (prior to the activation of the Covid-19 response) of \$133,000 by 30 June 2020. The initial stages of TAS's COVID-19 response have been adequately funded through the Appropriation.
47. We have calculated the cost per person for a 14 day period of self-isolation at \$3,700 per person. This includes a per diem of \$75 per person, per day for food and other essentials.
48. We will not be requiring people who are placed in TAS accommodation to pay anything towards their accommodation costs. This is because people who have not made their own arrangements prior to arrival will be required to take TAS supplied accommodation, and are not able to exercise their normal purchasing choices based on their means.
49. We will require a further \$0.100 million to run this operation. This will provide resource for an increased matching and placement service, an increase in call centre volumes, and funding for TAS operations during this period. We expect to temporarily increase our FTE count by up to 25 people for up to 28 days.

50. Therefore, we request an initial sum of \$15.050 million to provide temporary accommodation services to people who are unable to self-isolate, as per the table below:

	\$m – increase/(decrease)				
Vote Building and Construction Minister for Housing	2019/20	2020/21	2021/22	2022/23	2023/24 and outyears
Multi-Category Expenses and Capital Expenditure: Temporary Accommodation Services MCA Departmental Output Expense: Readiness, Response and Recovery (funded by revenue Crown)	0.100	-	-	-	-
Non-Departmental Output Expense: Temporary Accommodation Housing Initiatives – Operations	14.950	-	-	-	-
Total	15.050		-	-	-

Next steps

51. Subject to your agreement, the CVD committee will consider the attached Cabinet paper on Friday 27 March 2020 at 10:30am.
52. MBIE will report to you with regular updates via our situation report process, and separate advice will be provided on significant operational policy decisions.
53. If the number of people needing support from TAS is significantly higher than the number estimated, MBIE will provide you with advice on potential funding requirements in a separate briefing.

Annexes

Annex One: Ad Hoc Cabinet Committee on COVID-19 Response paper – Temporary Accommodation Service - Funding the COVID-19 Response

Annex Two: Temporary Accommodation Service Operating Costs and Households Supported

Annex One

Ad Hoc Cabinet Committee on COVID-19 Response paper – Temporary Accommodation Service - Funding the COVID-19 Response

Proactively Released

Annex Two

Temporary Accommodation Service Operating Costs and Households Supported

2019/20 (Year to date)	2018/19	2017/18	2016/17
1,140,652	1,401,361	4,911,935	149,149

Event	Date	Households supported by TAS
Canterbury Earthquakes	Sept 2010 & Feb 2011	6,974
Kaikōura Earthquake	Nov 2016	502
Ex-tropical cyclones Cook and Debbie	April 2017	150
Ex-tropical cyclones Fehi and Gita	Feb 2018	82
Rotorua Floods	April 2018	81
Southland Floods	Feb 2020	9