



## BRIEFING

### Proposed next three-year refugee quota; costs and other impacts of options

<b>Date:</b>	18 April 2016	<b>Priority:</b>	Medium
<b>Security classification:</b>	In Confidence	<b>Tracking number:</b>	2601 15-16

Action sought		
	Action sought	Deadline
Hon Michael Woodhouse Minister of Immigration	Agree to the recommendations	22 April 2016
Hon Craig Foss Associate Minister of Immigration	Copy attached for your information	N/A

Contact for telephone discussion (if required)				
Name	Position	Telephone		1st contact
Christine Hyndman	Manager, Immigration Policy, MBIE	04 901 8575	S 9(2)(a)	✓
Floss Caughey	Senior Advisor, Immigration Policy, MBIE	04 901 8583		

The following departments/agencies have been consulted					
<input type="checkbox"/> Treasury	<input type="checkbox"/> MoJ	<input type="checkbox"/> NZTE	<input type="checkbox"/> MSD	<input type="checkbox"/> TEC	<input type="checkbox"/> MoE
<input type="checkbox"/> MFAT	<input type="checkbox"/> MPI	<input type="checkbox"/> MfE	<input type="checkbox"/> DIA	<input type="checkbox"/> TPK	<input type="checkbox"/> MoH

Minister's office to complete:

Approved

Declined

Noted

Needs change

Seen

Overtaken by Events

See Minister's Notes

Withdrawn

Comments:



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#### Purpose

The purpose of this briefing is to:

- advise on three options for the size of the refugee quota (priority protection cases referred by the United Nations High Commissioner for Refugees – UNHCR), including their costs and impacts.
- seek your direction on the recommendations on the refugee quota to be proposed to Cabinet in the June 2016 Cabinet paper, and
- propose that the June 2016 Cabinet paper also seeks agreement in principle for the development of a community refugee sponsorship category for refugees outside the quota, to be initially implemented from 2017/18.

#### Executive summary

The refugee quota, comprising UNHCR-referred priority protection cases, is one stream within a broader refugee and humanitarian programme. This programme, in addition to the refugee quota, currently includes 250 additional places as an emergency response to the Syrian crisis, agreed by Cabinet in September 2015 [CAB-15-MIN-0057], as well as between 125 and 175 Convention refugees (successful asylum claimants), a year and 300 family members of refugees sponsored for residence annually under the Refugee Family Support Category.

Cabinet is required to decide on the size (including funding for any agreed increase to the quota) and regional allocation of the next three-year refugee quota by 30 June 2016. This will include related decisions on the number of places for large-scale refugee crisis situations, the possible removal of the family-link requirement and the allocation of the transferee places where they are not needed by Australia.

Three options are provided for the size of the next three-year refugee quota:

- Option One would reflect the status quo, that is 750 refugees per annum
- Option Two would increase the refugee quota to 1,000 places from 2016/17, and
- Option Three would increase the refugee quota to 1,250 from 2016/17 and to 1,500 (double the current refugee quota) from 2018/19.

Any increases to the number of refugees resettled (as per Options Two or Three) would have financial implications for a range of Votes. The paper sets out the additional refugee-specific costs, for which funding would need to be approved, and notes the additional mainstream costs.

The annual capacity at the Mangere Refugee Resettlement Centre (MRRC) is between 1,200 and 1,300 refugees, but maintaining that level of refugees housed (around two-thirds above previous quota levels) would impact on the forecast life of the new asset.

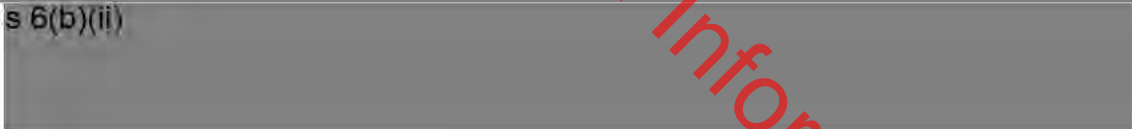
Should the quota be increased above the current level, the Ministry of Business, Innovation and Employment (the Ministry) proposes to fund the building of two additional accommodation units on the MRRC site from the Ministry's balance sheet. Ministers would be asked to approve \$0.314 million in 2016/17, \$0.697 million in 2017/18 and \$0.737 million in 2018/19 and outyears in operating funding to meet associated ongoing costs of the MRRC. This is on top of an additional \$2.976 million per annum from 2016/17 which is required to meet currently-unfunded operating costs associated with the current build. This funding cannot be met through reprioritisation within the Ministry baselines.

In addition to the refugee quota decisions, we propose that Cabinet's agreement in principle is also sought in June 2016 to the development of a community refugee sponsorship category for refugees outside the quota. This category would have residence criteria that could enable those refugees to become self-sufficient earlier and settle well. Cabinet decisions on the new community refugee sponsorship category would be sought in November 2016.

s 9(2)(f)(iv) and s9(2)(g)(i)



• s 6(b)(ii)



## Recommended action

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

- a **Note** that that in September 2015, Cabinet agreed that New Zealand would resettle 250 Syrian refugees in each of the years 2016/17 and 2017/18 in addition to the refugee quota [CAB-15-MIN-0057]
- b **Note** that the Ministry has advised the costs and other impacts of three options for the size of the refuge quota (excluding the additional Syrian refugees already approved for 2016/17 and 2017/18):
  - i. Option One would reflect the status quo, that is 750 refugees
  - ii. Option Two would increase the refugee quota to 1,000 places from 2016/17
  - iii. Option Three would increase the refugee quota to 1,250 from 2016/17 and to 1,500 (double the current refugee quota) from 2018/19

*Noted*

*Noted*

- c **Note** that any decisions to increase the refugee quota would need to be taken by Cabinet in early June 2016, after the Budget moratorium, given the decisions will have fiscal implications, and that there is an opportunity to announce any changes to the refugee quota at the opening of the MRRC on 18 June 2016

*Noted*

- d **Agree** that the June 2016 Cabinet paper would specifically seek Cabinet's:

- i. agreement to the preferred option for the next three-year refugee quota and to any corresponding funding changes in outyears

*Agree/disagree/discuss*

- ii. agreement to the construction of two additional accommodation blocks at the Mangere Refugee Reception Centre, and to the corresponding associated operating funding increases of \$0.314 million in 2016/17, \$0.697 million in 2017/18 and \$0.737 million in 2018/19 and outyears

*Agree/disagree/discuss*

- iii. agreement to meeting the currently-unfunded costs of ownership of the facility (depreciation, capital charge and facilities management) of \$2.976 million from 2016/17

*Agree/disagree/discuss*

- iv. agreement that the places within the refugee quota for large-scale refugee crisis situations increase from 50 to 100 from July 2016

*Agree/disagree/discuss*

- v. agreement that the previously-agreed balance of 50 percent of the refugee quota places allocated to the Asia-Pacific region and 50 percent to the rest of the world be maintained [DES Min (10) 2/3], but with some adjustments made to allocations to regions within the rest of the world to reflect the declining refugee resettlement needs of the Americas (17 per cent Americas, 17 per cent Middle East and 16 per cent African region)

*Agree/disagree/discuss*

s 6(a)



*Agree/disagree/discuss*

- vii. agreement that, if Australia does not require the annual 150 transferee places, the Minister of Immigration, in consultation with the Minister of Foreign Affairs, will decide the regional reallocation of the places to UNHCR-referred refugees

*Agree/disagree/discuss*

- viii. approval in principle for a new community refugee sponsorship category, to be implemented from 2018/19 for refugees outside the quota. This would incorporate residence criteria and community sponsorship requirements that could enable refugees to become self-sufficient earlier and settle well

*Agree/disagree/discuss*

- e **Direct** officials to report back to Cabinet in November 2016 on the new community refugee sponsorship category, which could be phased in from 2017/18 with about 50 refugees and implemented more fully from 2018/19, including the proposed numbers, residence criteria, evaluation criteria and to seek funding approval for implementation costs, and

*Agree/disagree/discuss*

- f **Indicate** whether you want officials to include advice for the November 2016 Cabinet paper on options for further responding to the Syrian crisis in 2018/19, noting that no places are currently approved for 2018/19.

*Agree/disagree/discuss*

Christine Hyndman  
**Manager, Immigration Policy**  
Labour, Science and Enterprise, MBIE

Hon Michael Woodhouse  
**Minister of Immigration**

19/4/16

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### **We propose Cabinet decisions on the refugee quota in June and on the community refugee sponsorship category in November 2016**

1. The refugee quota, comprising UNHCR-referred priority protection cases, is one stream within a broader annual refugee and humanitarian programme which includes an additional 250 places in response to the Syrian crisis in each of 2016/17 and 2017/18, between 125 and 175 Convention refugees (successful asylum claimants) and 300 family members of refugees sponsored for residence under the Refugee Family Support Category (who may not be mandated refugees). This paper does not propose changes to Convention refugees, who are decided on a case by case basis, or to the Refugee Family Support Category.
2. In 2010, the Cabinet Committee on Domestic and Security Co-ordination (DES) agreed to the introduction of a rolling three-year Refugee Quota Programme, with the composition agreed annually by the Minister of Foreign Affairs and the Minister of Immigration [DES Min (10) 2/3]. Cabinet decisions on the refugee quota for the next three years (2016/17 - 2018/19) are required before 30 June 2016 so that selection planning and intakes for 2016/17 can be undertaken. The decisions required include the size and composition of the refugee quota and associated funding implications. There is an opportunity to announce any changes to the refugee quota at the opening of the new MRRC accommodation blocks on 18 June 2016.
3. It is also recommended that, in addition to the refugee quota, refugees outside the quota be resettled under a new community refugee sponsorship category.

s 9(2)(f)(iv)

4. If the community refugee sponsorship category were agreed, the refugee and humanitarian programme would comprise the following streams as shown in Figure One below.

Figure One: Refugee and humanitarian programme

<i>Refugee and humanitarian programme</i>				
<i>Mandated refugees</i>				
<i>Refugee resettlement programme</i>				300 per annum
<i>Refugee quota*</i>				
750 per annum (+ 250 Syrians in 2016/17 & 2017/18) <b>UNHCR-referred refugees</b>	150 per annum <b>Transferees</b> (Australia)	(To be decided in November 2016) <i>Community refugee sponsorship category</i> (proposed)	125 – 175 per annum <i>Convention refugees</i>	<i>Refugee Family Support Category</i>

**Three options for the size of the next three-year refugee quota are set out with their impacts**

5. This paper provides advice on the impacts of three options for the size of the refugee quota. These are:
- Option One; the status quo
  - Option Two; increase the annual refugee quota to 1,000 places from 2016/17, and
  - Option Three; increase the annual refugee quota to 1,250 from 2016/17 and to 1,500 (double the current refugee quota) from 2018/19.

**The number of refugees resettled each year for each option is shown in Table One**

6. In September 2015, Cabinet agreed that in each of 2016/17 and 2017/18 New Zealand would resettle 250 Syrian refugees above the refugee quota, as an emergency response to the Syrian crisis [CAB-15-MIN-0057]. If the status quo is maintained (Option One), the refugee quota will remain at 750 refugees each year. The number of refugees resettled each year for Options One, Two and Three are shown in Table One below.

Table One: Options for increasing the refugee quota

Options	2016/17		2017/18		2018/19 and out-years
	Refugee quota	Emergency response to Syrian crisis	Refugee quota	Emergency response to Syrian crisis	Refugee quota
Option One	750	250	750	250	750
Option Two	1,000	250	1,000	250	1,000
Option Three	1,250	250	1,250	250	1,500

**The impacts are summarised in Table Two**

7. Table Two outlines the impacts of each option on the facility management at the MRRC, the settlement locations, accommodation in the settlement locations and the costs. Further explanation of the impacts on the MRRC follow from paragraph 8, and more detailed cost impacts are provided in Tables Three and Four.

Table Two: Assessment of impacts of each of the three options

	Option One	Option Two	Option Three
Facility management at the MRRC	The new facility will meet the demands for accommodation and delivery of services and the reception programme.	A permanent increase to 1,000 plus the 250 additional Syrian refugees in 2016/17 and 2017/18 would mean the facility operating at the outer limits of its capacity. This would impact on the life span of the buildings and increase the risk of infrastructure failure. Additional accommodation would be required at the MRRC to reduce these risks and maintain the expected life of the facility.	A permanent increase to 1,500 would be beyond the capacity of the new facility. Additional accommodation and infrastructure would be required at the MRRC.  The earliest the additional accommodation blocks could be completed is 12 months from building approval.
Settlement locations	The current settlement locations would meet the demands over the medium term but ongoing monitoring of pressures in the locations will continue.	Assessment of the capacity of the current settlement locations to settle larger numbers will be needed. It is likely that an additional settlement location will be required in the medium term.	An additional resettlement location would need to be established within the first six months of 2016/17 to manage the settlement numbers in each location and reduce the pressure on services in any one area.
Accommodation in the settlement locations	No impact above the current situation – around 70 per cent are accommodated in HN <sup>1</sup> ZC <sup>1</sup> /community housing	The increased number of refugees would continue to be a priority for Government housing (HN <sup>1</sup> ZC and Community housing). This may impact on the overall allocation of houses to those on the priority list.	The increased number of refugees would continue to be a priority for Government housing (HN <sup>1</sup> ZC and Community housing). This may impact on the overall allocation of houses to those on the priority list.

<sup>1</sup> Housing New Zealand Corporation

	Option One	Option Two	Option Three
Costs	<p>No additional cost for refugee-specific costs*.</p> <p>Funding is required to meet currently-unfunded operating costs for the MRRC of \$2.976 million per annum.</p>	<p>Funding approval of an additional \$3.2 million per annum is required from 2016/17 for refugee-specific costs.</p> <p>\$ 9(2)(i) for additional accommodation will be funded by the Ministry, but funding approval for an additional \$3.3 million in 2016/17, rising to \$3.7 million per annum from 2018/19 will be required for the ongoing operating costs of the MRRC.</p>	<p>Funding approval of an additional \$6.3 million for refugee-specific costs required for 2016/17 and 2017/18, increasing to an additional \$9.5 million per annum from 2018/19.</p> <p>\$ 9(2)(i) for additional accommodation will be funded by the Ministry, but funding approval for an additional \$2.976 million in 2016/17, rising to \$3.7 million per annum from 2018/19 will be required for the ongoing operating costs of the MRRC.</p>

- Refugee-specific costs include travel to New Zealand, health screening, the reception programme at the MRRC, and initial costs of settlement in the community.

**The annual capacity at MRRC is now between 1,200 – 1,300 refugees but should the quota be raised, we recommend it be increased**

- The new MRRC will open on 18 June 2016 and be operational from 1 July 2016 for all future resettlement intakes. The new MRRC has been configured to provide between 210 and 220 places for each intake, depending on family composition. This provides an annual capacity of between 1,200 and 1,300 individuals, which is a 67 per cent increase in occupancy above the current annual quota of 750. With a higher ongoing level of occupancy, the new centre will be operating at the very outer limits of its design. This poses a significant ongoing impact on the maintenance and overall life of the facility.
- Should the quota be increased above the current level, additional accommodation units will be required. It is likely that the Ministry will be able to fund this from the Ministry's balance sheet and is consulting with Treasury. The cost of construction of the two additional accommodation buildings is \$ 9(2)(i) if their construction commences during the current contract. \$ 9(2)(i)  
\$ 9(2)(i)  
\$ 9(2)(i) The additional buildings would provide accommodation for a further 50 places for each intake (around 300 people per annum), which would allow planned maintenance to continue and extend the life of the centre.
- Separate to the capital cost, there will also be the ongoing cost of ownership for the new accommodation blocks, which will require new Crown funding of \$0.314 million in 2016/17, \$0.697 million in 2017/18 and \$0.737 million in 2018/19 and outyears. In addition to these costs, the cost of ownership for the newly rebuilt MRRC is also currently unfunded. This is due to the \$1.600 million new funding approved in Budget 13 being based on a leased model for the MRRC. A subsequent decision was made that the Ministry would build and own the Centre. The currently-unfunded operating costs associated with the current build total \$2.976 million per annum from 2016/17. A detailed breakdown is provided in Annex One.



**The additional refugee-specific costs and the additional mainstream costs have been estimated for each option**

11. Table Three shows the additional refugee-specific costs for which Cabinet approval will be required. These costs are based on the estimates provided by agencies in November 2015 and it is possible that some may be adjusted following agency consultation (for example, the Ministry of Health may seek additional funding).

*Table Three: Additional refugee-specific costs*

Options	2016/17 \$m	2017/18 \$m	2018/19 \$m	2019/2020 \$m	2020/21 & outyears \$m
Option one (current status)	-	-	-	-	-
Option Two	3.171	3.171	3.171	3.171	3.171
Option Three	6.341	6.341	9.512	9.512	9.512

12. Table Four shows the additional ongoing mainstream education, health and social support costs of each option. Funding for any increase in mainstream costs would be provided via future population-based funding adjustments or, in the case of Vote Social Development, six-monthly forecasts.

*Table Four: Additional mainstream costs*

Options	2016/17 \$m	2017/18 \$m	2018/19 \$m	2019/2020 \$m	2020/21 & outyears \$m
Option one (current status)	-	-	-	-	-
Option Two	6.596	6.596	6.596	6.596	6.596
Option Three	13.191	13.191	19.787	19.787	19.787

s 9(2)(g)(i)



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§ 9(2)(g)(i)

Released under the Official Information Act 1982

## Progress of the New Zealand Refugee Strategy

26. Cabinet could be informed of progress with the Strategy (refer Appendix Three)

### Next steps

27. The first available Cabinet committee meeting after the budget moratorium is the Cabinet Economic Growth and Infrastructure (EGI) meeting on Wednesday 1 June 2016. We seek your feedback by 21 April 2016, if possible, so we can prepare a draft Cabinet paper for you to share with the Minister of Foreign Affairs. We propose the following timetable for Cabinet decisions. Announcements of any changes could be made at the opening of the new MRRC on Saturday 18 June 2016.

<i>Action</i>	<i>Date</i>
Ministry receives your feedback on the recommendations in this paper	Thursday, 21 April 2016
Ministry sends a draft Cabinet paper which reflects your feedback to you, to share with the Minister of Foreign Affairs	Tuesday, 3 May 2016
Cabinet paper submitted for signing by you and Minister of Foreign Affairs	Thursday, 19 May 2016
Signed and lodged with Cabinet Office	Thursday, 26 May 2016
Considered by EGI	Wednesday, 1 June 2016
Cabinet approval	Tuesday, 7 June 2016
Announcement of any changes	Saturday, 18 June 2016

### Annexes

Annex One: Funding shortfall for the Mangere Refugee Resettlement Centre

Annex Two: Top twenty countries' confirmed pledges for resettlement and other forms of admission of Syrian refugees since 2013

Annex Three: Progress of the New Zealand Refugee Resettlement Strategy

**ANNEX ONE: FUNDING SHORTFALL FOR THE MANGERE REFUGEE RESETTLEMENT CENTRE**

Asset	Type	2016/17 \$m	2017/18 \$m	2018/19 \$m	2019/20 \$000's	2020/21 & Outyears \$000's
Two additional accommodation blocks	S 9(2)(i)					
	Operating	0.050	0.050	-	-	-
				0.180	0.180	0.180
	Depreciation (30 years)	-	0.090	0.180	0.180	0.180
	Capital Charge	0.264	0.432	0.432	0.432	0.432
	Maintenance & Facilities Management	-	0.125	0.125	0.125	0.125
	<b>Total Operating</b>	<b>0.314</b>	<b>0.697</b>	<b>0.737</b>	<b>0.737</b>	<b>0.737</b>
Mangere Refugee Resettlement Centre	Operating	0.823	0.823	0.823	0.823	0.823
	Depreciation (30 years)					
	Capital Charge	1.976	1.976	1.976	1.976	1.976
	Maintenance & Facilities Management	1.770	1.770	1.770	1.770	1.770
	<b>Total Operating</b>	<b>4.569</b>	<b>4.569</b>	<b>4.569</b>	<b>4.569</b>	<b>4.569</b>
	<i>Budget 2013 funding based on leasing Refugee Centre</i>	<i>(1.593)</i>	<i>(1.593)</i>	<i>(1.593)</i>	<i>(1.593)</i>	<i>(1.593)</i>
	<b>Unfunded cost of ownership</b>	<b>2.976</b>	<b>2.976</b>	<b>2.976</b>	<b>2.976</b>	<b>2.976</b>
	<b>Total new operating funding required</b>	<b>3.290</b>	<b>3.673</b>	<b>3.713</b>	<b>3.713</b>	<b>3.713</b>

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**ANNEX TWO: TOP TWENTY COUNTRIES' CONFIRMED PLEDGES FOR RESETTLEMENT AND OTHER FORMS OF ADMISSION OF SYRIAN REFUGEES SINCE 2013**

<i>Country</i>	<i>Number of refugees</i>	<i>Type of admission</i>
Germany	41,899	Humanitarian admission and private sponsorship
Canada	38,089	Resettlement
United Kingdom	20,000	Vulnerable Persons Relocation scheme
Norway	9,000	Resettlement
Australia	5,800	Resettlement and Special Humanitarian Programme
Austria	1,900	Humanitarian admission
Sweden	2,700	Resettlement
Switzerland	2,000	Resettlement and humanitarian visas
Finland	1,900	Resettlement
Italy	1,400	Resettlement
Spain	984	Resettlement
<b>New Zealand</b>	<b>850</b>	<b>Resettlement</b>
Netherlands	500	Resettlement
Belgium	475	Resettlement
Denmark	390	Resettlement
Uruguay	120	Resettlement
Portugal	118	Resettlement and Emergency Scholarships for Higher Education
Iceland	75	Resettlement
Czech Republic	70	Resettlement
Luxembourg	60	Resettlement

Source: UNHCR 18 March 2016

## ANNEX THREE: PROGRESS OF THE NEW ZEALAND REFUGEE RESETTLEMENT STRATEGY

1. The Strategy, approved by Cabinet in 2012, provides a whole-of-government approach to delivering improved refugee resettlement outcomes so that refugees more quickly achieve self-sufficiency, social integration and independence. The Strategy is being implemented progressively and covers quota refugees who arrived in New Zealand after 1 July 2013.
2. Since implementation of the Strategy began in July 2013, the following changes have been made to improve refugee settlement outcomes.
  - Changes to the mix of services provided to refugees to place a greater emphasis on employment and living in New Zealand. These include:
    - improved off-shore orientation to help prepare them for life and work in New Zealand
    - a revamped six-week reception programme at the Mangere Refugee Resettlement Centre (MRRC) to place a greater emphasis on supporting refugees to achieve employment, social integration and independence
    - the development of settlement plans for each refugee family, and
    - support in the community for the initial 12 month settlement phase strengthened to link refugees through the settlement plans to mainstream services.
  - A Ministry of Social Development contract with the New Zealand Red Cross for the "Pathways to Employment" programme is focused on connecting refugees to employment opportunities in the community.
  - The Ministry of Education and the Tertiary Education Commission have mapped the English language needs for refugees with a view to providing easier access to English language classes at the level required.
  - A refugee driver training programme has been implemented in Hamilton, Palmerston North and Nelson. In 2015/16 these programmes are expected to provide 60 refugees with the opportunity to obtain their restricted drivers licence.
  - A review of interpreter services and how they are used to support refugees' access to mainstream services is expected to report with findings and recommendations by July 2016.
3. Progress in improving the Strategy's integration outcomes is measured annually. The Strategy applies to those who arrived after 1 July 2013 and there is limited data at this stage on the outcomes for this group.
  - The baseline figures (2010 - 2012) show a marked improvement in employment over time - at two years after arrival in New Zealand 20 per cent were in employment and at five years after arrival almost 40 per cent were in employment. It is expected that those covered by the Strategy will achieve higher levels of employment at two years and five years
  - Since 2010, there has been a slight decline (from almost 70 per cent to around 67 per cent) in the proportion of refugees on unemployment-related benefits 12 months after their arrival in New Zealand

- historically around 90 per cent of quota refugees were placed in state housing. Of the quota refugees resettled in 2014/15, around 67 per cent were placed in State houses and almost 33 per cent placed in private rental accommodation or with friends or family. Around 16 per cent of the quota refugees who had arrived in 2013/14 and had been placed in State houses had moved on from being tenants of Housing New Zealand, and
- 81 per cent of refugee students who left school in 2014 (after at least five years in education in New Zealand) gained NCEA level 2. This compares with 73 per cent in 2013 and 77 per cent for all school leavers in 2014.

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