



AIDE MEMOIRE

Cabinet consideration of Cabinet paper: *The next three-year refugee quota programme*

Date:	10 June 2016	Priority:	High
Security Classification:	In Confidence	Tracker number:	3834 15-16

Information for Ministers
Hon Michael Woodhouse Minister of Immigration
Hon Craig Foss Assoc. Minister of Immigration

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

The following departments/agencies have been consulted					
<input type="checkbox"/> Treasury	<input type="checkbox"/> MoJ	<input type="checkbox"/> NZTE	<input checked="" 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
	<input type="checkbox"/> DPMC		N/A		

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 Withdrawn |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:

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Purpose

1. This note provides you with talking points for Cabinet's consideration of the Cabinet paper *The next three-year (2016/17 – 2018/19) refugee quota programme* on Monday, 13 June 2016, following discussion at the Cabinet Economic Growth and Infrastructure Committee (EGI) on Wednesday, 8 June 2016.
2. Two alternate sets of recommendations are also provided, should you wish to table them on Monday:
 - The set at Annex one includes new recommendations (18-22) which could restrict the number of quota refugees likely to be settled in Auckland, and which note that officials propose to undertake work to identify one or two new settlement locations, and
 - The set at Annex two includes those recommendations 18 - 22, and also allows for Cabinet deciding to defer the increase of the refugee quota until 2017/18.

s 9(2)(g)(i)

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Annexes

Annex one: Revised recommendations (housing and new settlement location)

Annex two: Revised recommendations (housing, new settlement location, deferral of the increase in the Refugee Quota until 2017/18)

Annex one – Revised recommendations (housing and new settlement location)

Recommendations

1. **Note** that Cabinet decisions on the next three-year (2016/17-2018/19) Refugee Quota Programme are now required;
2. **Note** that in September 2015, Cabinet agreed that New Zealand, in response to the Syrian refugee crisis, 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];
3. **Note** that three options concerning the size of the refugee quota have been considered:
 - 3.1 Option One: maintain the status quo of 750 places annually;
 - 3.2 Option Two: increase the annual refugee quota to 1,000 places from 2016/17 (recommended option); and
 - 3.3 Option Three: increase the annual refugee quota to 1,000 in 2016/17; to 1,250 in 2017/18; and to 1,500 (double the current refugee quota) from 2018/19;

Proposed increase to the refugee quota programme

4. **Note** that increasing the refugee quota to 1,000 places from 2016/17 (in addition to the places for Syrian refugees referred to in recommendation 2) is recommended because:
 - 4.1 an increased commitment by New Zealand to refugee resettlement is timely given the extent of the global refugee crisis and the fact that New Zealand has not increased the quota for several decades; and
 - 4.2 it would leave some flexibility, particularly from 2018/19, to respond to continuing or new global refugee situations;
5. **Note** that increasing the refugee quota to 1,000 places from 2016/17 (in addition to the places for Syrian refugees referred to in recommendation 2), would:
 - 5.1 cost an estimated \$68.4 million over the first 5 years (\$21.7 million refugee-specific and \$46.7 million mainstream) and then \$20.6 million per year ongoing (\$8.06 million refugee-specific and \$12.54 million mainstream);
 - 5.2 require the construction of two additional accommodation units at Mangere Refugee Resettlement Centre s 9(2)(i) (utilising unspent capital on the Ministry of Business, Innovation and Employment's balance sheet);
 - 5.3 cost an additional \$0.050 million in 2016/17, \$0.265 million in 2017/18 and \$0.305 million in 2018/19 and outyears in operating funding, to meet associated ongoing costs of the Mangere Refugee Resettlement Centre and for which funding approval is sought;
 - 5.4 require a block of three additional classrooms at the Mangere Refugee Resettlement Centre, which would require a capital injection to Vote Education of s 9(2)(i)
 - 5.5 cost an additional \$0.066 million in 2016/17 and \$0.131 million in 2017/18 and outyears in operating funding, to meet associated ongoing costs of the new block of three classrooms for which funding is sought; and
 - 5.6 potentially increase the time to house other applicants on the social housing register in certain locations where refugees are settled;
6. **Note** that when the rebuild of the Mangere Refugee Resettlement Centre was approved, the Ministry of Business, Innovation and Employment was instructed by the Treasury to seek funding for the ongoing costs of ownership once the new centre was opened, and that

this will cost an additional \$2.976 million per annum from 2016/17 to meet the currently-unfunded costs of ownership of the facility (depreciation, capital charge and facilities management);

7. **Agree** that the refugee quota be increased to 1,000 places each year from 2016/17, plus or minus ten per cent (in addition to the 250 places for Syrian refugees referred to in recommendation 2) as shown in the table below;

2016/17		2017/18		2018/19 and outyears
Refugee quota	Emergency response to Syrian crisis	Refugee quota	Emergency response to Syrian crisis	Refugee quota
1,000	250	1,000	250	1,000

Financial implications of the proposed increase

8. **Agree** to increase expenditure to provide for costs associated with the policy decision in recommendation 7 above and the unfunded costs of ownership of the new Refugee Resettlement Centre, with the following impact on the operating balance;

	\$m - increase				
	2016/17	2017/18	2018/19	2019/20	2020/21 and outyears
Operating Balance Impact	14.591	18.117	20.994	23.013	23.882
No Impact	3.300	2.100	-	-	-
Total	17.891	20.217	20.994	23.013	23.882

9. **Approve** the following changes to appropriations to give effect to the policy decision in recommendation 7 above;

	\$m - increase				
	2016/17	2017/18	2018/19	2019/20	2020/21 and Outyears
Vote Labour Market Minister of Immigration Departmental Output Expense: Immigration - Refugee and Protection Services (funded by revenue Crown)	2.850	3.065	3.105	3.105	3.105
Vote Health Minister of Health Non-departmental Output Expense: Public Health Service Purchasing	3.671	3.671	3.671	3.671	3.671
Minister for Social Housing Benefits or Related Expense: Accommodation Assistance	0.334	0.844	1.234	1.533	1.533
Vote Social Development Minister for Social Development Departmental Output Expense: Improved Employment and Social Outcomes Support MCA: Improving Employment Outcomes (funded by revenue Crown)	0.836	0.836	0.836	0.836	0.836
Non-departmental Output Expense: Strong Families and Connected	0.252	0.252	0.252	0.252	0.252

Communities					
Benefits or Related Expense: Jobseeker Support and Emergency Benefit	0.660	1.674	2.487	3.147	3.147
Benefits or Related Expense: Sole Parent Support	0.071	0.179	0.267	0.337	0.337
Benefits or Related Expense: Supported Living Payment	0.123	0.312	0.464	0.586	0.586
Benefits or Related Expense: Hardship Assistance	0.117	0.117	0.117	0.117	0.117
Vote Social Development Total	2.059	3.370	4.423	5.275	5.275
Vote Education Minister of Education					
Non-departmental Other Expense: Primary Education	0.442	0.782	1.123	1.464	1.805
Non-departmental Other Expense: Secondary Education	0.870	1.311	1.752	2.193	2.634
Multi-Category Expenses and Capital Expenditure: Outcomes for Target Student Groups					
Departmental Output Expense: Interventions for Target Student Groups (funded by revenue Crown)	0.385	0.385	0.385	0.385	0.385
Non-departmental Other Expense: Special Needs Support	0.480	0.663	0.750	0.837	0.924
Total for Outcomes for Target Student Groups MCA	0.865	1.048	1.135	1.222	1.309
Vote Education Total	2.177	3.141	4.010	4.879	5.748
Vote Tertiary Education Minister for Tertiary Education, Skills and Employment					
Multi-Category Expenses and Capital Expenditure: Tertiary Tuition and Training					
Non-departmental Output Expense: Community Education	0.525	1.050	1.575	1.575	1.575
Total Operating	11.615	15.141	18.018	20.037	20.906

10. **Approve** the following additional funding to meet the currently-unfunded costs of ownership of the Mangere Refugee Resettlement Centre (depreciation, capital charge and facilities management);

	\$m - Increase				
	2016/17	2017/18	2018/19	2019/20	2020/21 and outyears
Vote Labour Market Minister of Immigration Departmental Output Expense: Immigration - Refugee and Protection Services (funded by revenue Crown)	2.976	2.976	2.976	2.976	2.976

11. **Agree** that the proposed changes to appropriations for 2016/17 in recommendations 9 and 10 be included in the 2016/17 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;
12. **Agree** that the expenses incurred under recommendations 9 and 10 above be charges, respectively, against the between-Budget operating contingency, established as part of Budget 2016 and against the Budget 2017 capital allowance;
13. **Agree in-principle** the following additional funding for building a new block of three classrooms subject to final approval from Investment Ministers in June 2016;

	\$m - increase				
	2016/17	2017/18	2018/19	2019/20	2020/21 and outyears
Vote Education Minister of Education Departmental Output Expense: School Property Portfolio Management (funded by revenue Crown)	0.066	0.131	0.131	0.131	0.131
Capital Injection Authorisations Ministry of Education – Capital Injection	§ 9(2)(i)	-	-	-	-

Other proposals relating to the refugee programme

14. **Note** that no change is proposed to the regional allocations § 6(a) [redacted]
15. **Agree** that the places within the refugee quota for large-scale refugee crisis situations be increased from 50 to 100 each year from 2016/17;
16. **Note** that no change is proposed to the arrangement agreed by Cabinet in 2013 that, if the annual 150 places offered to Australia to resettle transferees were not required, they be reallocated to UNHCR-referred refugees, subject to Cabinet consideration of the regional allocations [CAB Min (13) 20/15];

17. **Approve** in principle the piloting of a community organisation refugee sponsorship category, as an alternative form of admission for 25 refugees in 2017/18, to complement the refugee quota, and invite the Minister of Immigration, in consultation with the Minister of Foreign Affairs, to report back to Cabinet on the details, including:

- 17.1 the criteria for the refugees to be approved residence under the new category;
- 17.2 the criteria for, and responsibilities of, the sponsors;
- 17.4 the evaluation criteria for the new category; and
- 17.5 seeking agreement to the funding required; and

18. **Note** that Immigration New Zealand will progress, through a cross-government agency assessment, identification of one or two further refugee settlement locations during 2016/17;

19. **Direct** officials to work together to ensure that, over the next three years, the impact of the settlement of quota refugees on the housing supply in Auckland and Christchurch in particular is minimised;

20. **Note** that, given the current shortfall in social housing supply to demand in Auckland and Christchurch, any additional quota refugees placed in Auckland or Christchurch would put further stress on Auckland and/or Christchurch's social housing market;

s 9(2)(f)(iv)



23. **Note** that the Ministry of Business, Innovation and Employment, in consultation with the office of the Minister of Immigration, has developed a communications strategy.

Annex Two – Revised recommendations (housing and new settlement location, deferral of the increase in the Refugee Quota until 2017/18)

Recommendations

1. **Note** that Cabinet decisions on the next three-year (2016/17-2018/19) Refugee Quota Programme are now required;
2. **Note** that in September 2015, Cabinet agreed that New Zealand, in response to the Syrian refugee crisis, 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];
3. **Note** that three options concerning the size of the refugee quota have been considered:
 - 3.1 Option One: maintain the status quo of 750 places annually;
 - 3.2 Revised Option Two: increase the annual refugee quota to 1,000 places from 2017/18 (recommended option); and
 - 3.3 Option Three: increase the annual refugee quota to 1,000 in 2016/17; to 1,250 in 2017/18; and to 1,500 (double the current refugee quota) from 2018/19;

Proposed increase to the refugee quota programme

4. **Note** that increasing the refugee quota to 1,000 places from 2017/18 (in addition to the places for Syrian refugees referred to in recommendation 2) is recommended because:
 - 4.1 an increased commitment by New Zealand to refugee resettlement is timely given the extent of the global refugee crisis and the fact that New Zealand has not increased the quota for several decades;
 - 4.2 an increase from 2017/18 would allow more time for additional accommodation and other services in the settlement locations to be ready for the additional refugees; and
 - 4.3 it would leave some flexibility, particularly from 2018/19, to respond to continuing or new global refugee situations;
5. **Note** that increasing the refugee quota to 1,000 places from 2017/18 (in addition to the places for Syrian refugees referred to in recommendation 2), would:
 - 5.1 cost an estimated \$63.9 million over the first five years (2016/17 - 2020/21); (\$29.7 million refugee-specific and \$34.2 million mainstream) and then \$20.6 million per year ongoing (\$8.06 million refugee-specific and \$12.54 million mainstream);
 - 5.2 require the construction of two additional accommodation units at Mangere Refugee Resettlement Centre s 9(2)(i) (utilising unspent capital on the Ministry of Business, Innovation and Employment's balance sheet);
 - 5.3 cost an additional \$0.050 million in 2016/17, \$0.265 million in 2017/18 and \$0.305 million in 2018/19 and outyears in operating funding, to meet associated ongoing costs of the Mangere Refugee Resettlement Centre and for which funding approval is sought;
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 - 5.5 cost an additional \$0.066 million in 2016/17 and \$0.131 million in 2017/18 and outyears in operating funding, to meet associated ongoing costs of the new block of three classrooms for which funding is sought; and

5.6 potentially increase the time to house other applicants on the social housing register in certain locations where refugees are settled;

6. **Note** that, when the rebuild of the Māngere Refugee Resettlement Centre was approved, the Ministry of Business, Innovation and Employment was instructed by the Treasury to seek funding for the ongoing costs of ownership once the new centre was opened, and that this will cost an additional \$2.976 million per annum from 2016/17 to meet the currently-unfunded costs of ownership of the facility (depreciation, capital charge and facilities management);

7. **Agree** that the refugee quota be increased to 1,000 places each year from 2017/18, plus or minus ten per cent (in addition to the 250 places for Syrian refugees referred to in recommendation 2) as shown in the table below;

2016/17		2017/18		2018/19 and outyears
Refugee quota	Emergency response to Syrian crisis	Refugee quota	Emergency response to Syrian crisis	Refugee quota
750	250	1,000	250	1,000

Financial implications of the proposed increase

8. **Agree** to increase expenditure to provide for costs associated with the policy decision in recommendation 7 above and the unfunded costs of ownership of the new Refugee Resettlement Centre, with the following impact on the operating balance;

	\$m - increase					
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22 and Outyears
Operating Balance Impact	-	14.591	18.117	20.994	23.013	23.882
No Impact	3.300	2.100	-	-	-	-
Total	3.300	16.691	18.117	20.994	23.013	23.882

9. **Approve** the following changes to appropriations to give effect to the policy decision in recommendation 7 above;

	\$m - increase					
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22 and Outyears
Vote Labour Market Minister of Immigration Departmental Output Expense: Immigration - Refugee and Protection Services (funded by revenue Crown)	-	2.850	3.065	3.105	3.105	3.105
Vote Health Minister of Health Non-departmental Output Expense: Public Health Service Purchasing	-	3.671	3.671	3.671	3.671	3.671
Minister for Social Housing Benefits or Related Expense: Accommodation Assistance	-	0.334	0.844	1.234	1.533	1.533
Vote Social Development Minister for Social Development						

Departmental Output Expense: Improved Employment and Social Outcomes Support MCA: Improving Employment Outcomes (funded by revenue Crown)	-	0.836	0.836	0.836	0.836	0.836
Non-departmental Output Expense: Strong Families and Connected Communities	-	0.252	0.252	0.252	0.252	0.252
Benefits or Related Expense: Jobseeker Support and Emergency Benefit	-	0.660	1.674	2.487	3.147	3.147
Benefits or Related Expense: Sole Parent Support	-	0.071	0.179	0.267	0.337	0.337
Benefits or Related Expense: Supported Living Payment	-	0.123	0.312	0.464	0.586	0.586
Benefits or Related Expense: Hardship Assistance	-	0.117	0.117	0.117	0.117	0.117
Vote Social Development Total	-	2.059	3.370	4.423	5.275	5.275
Vote Education Minister of Education						
Non-departmental Other Expense: Primary Education	-	0.442	0.782	1.123	1.464	1.805
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Multi-Category Expenses and Capital Expenditure: Outcomes for Target Student Groups						
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Vote Labour Market Minister of Immigration					
Departmental Output Expense: Immigration - Refugee and Protection Services (funded by revenue Crown)	2.976	2.976	2.976	2.976	2.976

11. Agree that the proposed changes to appropriations for 2016/17 in recommendation 10 be included in the 2016/17 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;

12. Agree that the expenses incurred under recommendation 10 above be charges, respectively, against the between-Budget operating contingency, established as part of Budget 2016;

13. Agree in-principle the following additional funding for building a new block of three classrooms subject to final approval from Investment Ministers in June 2016;

	\$m - increase				
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Capital Injection Authorisations Ministry of Education – Capital Injection	s 9(2)(i)	-	-	-	-

Other proposals relating to the refugee programme

14. **Note** that no change is proposed to the regional allocations ^{s 6(a)}
^{s 6(a)}

15. **Agree** that the places within the refugee quota for large-scale refugee crisis situations be increased from 50 to 100 each year from 2016/17;

16. **Note** that no change is proposed to the arrangement agreed by Cabinet in 2013 that, if the annual 150 places offered to Australia to resettle transferees were not required, they be reallocated to UNHCR-referred refugees, subject to Cabinet consideration of the regional allocations [CAB Min (13) 20/15];

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^{s 9(2)(f)(iv)}

23. **Note** that the Ministry of Business, Innovation and Employment, in consultation with the office of the Minister of Immigration, has developed a communications strategy.