



BRIEFING

Options for staging the increase in the Refugee Quota

Date:	29 March 2018	Priority:	Medium
Security classification:	In Confidence	Tracking number:	2428 17-18

Action sought		
	Action sought	Deadline
Hon Iain Lees-Galloway Minister of Immigration	Agree to your preferred approach to staging the increase in the Refugee Quota Agree to your preferred policy settings for the 2018/19 Refugee Quota	9 April 2018
Hon Kris Faafoi Associate Minister of Immigration	Copy for your information	N/A

Contact for telephone discussion (if required)				
Name	Position	Telephone		1st contact
Siân Roguski	Manager, Immigration Policy	04 901 3855	Privacy of natural persons	✓
Kate Manners	Policy Advisor	Privacy of natural persons	N/A	

The following departments/agencies have been consulted
The Ministry of Foreign Affairs and Trade; the Ministry of Health; the Ministry of Education; the Treasury; the Office of Ethnic Communities; the Ministry of Social Development; Housing New Zealand Corporation

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 Withdrawn |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



BRIEFING

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Date:	29 March 2018	Priority:	Medium
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Purpose

This briefing is in two parts:

Part One provides you with advice and seeks a decision on your preferred option for staging the increase in the annual Refugee Quota to 1,500 places by June 2020.

Part Two provides you with advice and seeks your agreement to operational and policy settings for the 2018/19 Refugee Quota, including:

- the regional allocation of Refugee Quota places; and
- the impact of the family link requirement for refugees being considered for resettlement under the Refugee Quota from the Africa and Middle East regions.

Executive summary

Part One: Options for staging the increase in the Refugee Quota

You have committed to increasing the annual Refugee Quota to 1,500 places by June 2020. Two options for staging the increase have been analysed:

- Option One: that the Refugee Quota is increased in two stages, beginning in 2018/19; and
- Option Two: that the Refugee Quota is increased in one stage in 2019/20.

Both options have been assessed against a number of criteria, including operational risks associated with the capacity of the reception programme and facilities at the Mangere Refugee Resettlement Centre (MRRC), particularly in relation to housing pressures in refugee settlement locations; settlement outcomes for quota refugees and communities; demonstrating New Zealand's commitment to refugee resettlement; and funding implications.

Officials recommend Option Two, that the Refugee Quota is increase in one stage, as it will allow for more comprehensive preparation for the increase that will both reduce operational risks and ensure quality settlement outcomes for refugees and the community.

Changes to the operating model of the Refugee Quota Programme, such as establishing new refugee settlement locations and changing the length of the reception programme at the MRRC, will be required under either option. We consider that the objectives of the Refugee Quota Programme and the New Zealand Refugee Resettlement Strategy (NZRRS) can be met under these changed operating parameters.

There are challenges associated with providing housing for refugees that will be exacerbated by the increase in the Refugee Quota. Decisions on providing housing for quota refugees will need to be made together with the Minister of Housing and Urban Development. Officials from the Ministry of Business, Innovation and Employment (MBIE) and the Ministry of Social Development (MSD) will report back to both you and the Minister of Housing and Urban Development in April with

advice on changing the approach to providing housing for refugees, and associated funding implications.

The Treasury has advised that the funding required to support the increase could be sought from the between-Budget operating contingency or as a pre-commitment against Budget 2019. Alternatively, the funding required could be sought in a bid for Budget 2019.

Part Two: Operational and policy settings for the 2018/19 Refugee Quota

The international regional allocation of Refugee Quota places for the current three-year Refugee Quota Programme was agreed by Cabinet in 2016. Your agreement is sought to maintain these allocations for 2018/19, the final year of the current three-year programme. There is a risk that significant changes to the regional allocation of places would be difficult to implement in time for the 2018/19 Refugee Quota. There is an opportunity to consider further changes to the policy settings for the Refugee Quota at the start of the next three-year Refugee Quota Programme.

Removal of the family link requirement for refugees being considered for resettlement under the Refugee Quota Programme from the Africa and Middle East regions is recommended. We have assessed the requirement against a number of criteria, which include operational risks, global refugee resettlement needs and the humanitarian objectives of the Refugee Quota Programme, views of key stakeholders and security and settlement considerations. Your agreement to remove this requirement is sought, and will require Cabinet approval.

You and the Minister of Foreign Affairs will be provided with advice on allocation of the 100 places set aside for large-scale refugee crisis situations for 2018/19. Cabinet approval is not required for allocation of these places. As there are fewer places available for resettlement of Syrian refugees in 2018/19 than in previous years, there will be an option to allocate these places to the Middle East region. Similarly, if Australia declines to utilise the 150 places that are offered for refugee resettlement in 2018/19, there will be an opportunity to use these places to resettle Syrian refugees, subject to Cabinet approval.

Next steps

Your agreement is sought to your preferred option for staging the increase in the Refugee Quota. Officials will then prepare a proposal seeking Cabinet agreement to permanently increase the annual Refugee Quota to 1,500 places, to your preferred approach to staging the increase and to the funding required.

We recommend that you discuss the options in this paper with the Minister of Foreign Affairs and the Minister of Housing and Urban Development. Cabinet decisions on staging the increase in the Refugee Quota will be required by the end of May to allow for implementation of the changes required for the increase to begin.

Recommended action

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

Options for staging the increase in the Refugee Quota

- a **Note** that the options for staging the increase in the Refugee Quota have been assessed against the following criteria:
 - i. operational risks associated with capacity of the reception programme and facilities at the Mangere Refugee Resettlement Centre, particularly in relation to housing pressures in refugee settlement locations;
 - ii. settlement outcomes for quota refugees and communities;
 - iii. demonstrating New Zealand's commitment to refugee resettlement; and

iv. funding implications

b **Agree** to your preferred approach to staging the increase in the Refugee Quota:

Either

i. Option One, that the Refugee Quota is increased in two stages, beginning in 2018/19

Agree / **Disagree**

Or

ii. Option Two (recommended), that the Refugee Quota is increased in one stage in 2019/20

Agree / Disagree

Changes that will be required to increase the annual Refugee Quota to 1,500 places

c **Note** that in developing advice on staging the increase in the Refugee Quota, officials have assumed that the operating parameters of the Refugee Quota Programme will remain largely unchanged in terms of the broad objectives of the services that are provided to quota refugees under the New Zealand Refugee Resettlement Strategy

Noted

d **Note** that some changes to the operating model of the Refugee Quota Programme will be required to accommodate 1,500 refugees annually

Noted

e **Note** that, subject to Cabinet approval of funding, the following changes will be made to the operating model of the Refugee Quota Programme to accommodate for an annual Refugee Quota of 1,500:

i. Additional accommodation at the Mangere Refugee Resettlement Centre, the cost of which is included in a bid for Budget 2018;

ii. Reconfiguration of the reception programme at the Mangere Refugee Resettlement Centre to a five week programme with seven intakes annually;

iii. Construction additional classrooms and extension of the early childhood centre at the Mangere Refugee Resettlement Centre;

iv. Establishment of 4-5 additional refugee settlement locations around New Zealand (in addition to Christchurch, which is being reopened in 2018/19); and

v. Recruitment and training of additional staff across the agencies that are involved in delivery of the New Zealand Refugee Resettlement Strategy.

Noted

f **Note** that the changes in (e) can be fully implemented by 2019/20, subject to Cabinet approval of funding

Noted

Housing considerations

g **Note** that demand for accommodation in refugee settlement locations means that it is difficult to locate suitable accommodation for refugees following completion of the reception programme at the Mangere Refugee Resettlement Centre, and that this means that quota refugees are often not able to leave the centre when planned and the capacity available for subsequent intakes is reduced

Noted

h **Note** that decisions on providing housing for quota refugees would need to be made by the Minister of Housing and Urban Development, in discussion with you

Noted

i **Agree** that the Ministry of Business, Innovation and Employment and the Ministry of Social Development will report back to both you and the Minister of Housing and Urban Development on options for providing housing for quota refugees before a proposal to increase the Refugee Quota is taken to Cabinet

Agree / Disagree

j **Note** that officials from the Ministry of Business, Innovation and Employment, the Ministry of Social Development and Housing New Zealand Corporation will continue to work to strengthen the process for locating housing for refugees

Noted

Funding required to increase the Refugee Quota

k **Note** that the approximate level funding required to support the increase in the Refugee Quota has been estimated as follows:

	2018/19 \$m	2019/20 \$m	2020/21 \$m	2021/21 \$m	2022/23 \$m	2023/24 & Outyears \$m
Option One	14	36	45	51	56	56
Option Two	2	33	42	49	53	55

Noted

l **Note** that the cost of construction of additional classrooms and extension of the early childhood centre at the Mangere Refugee Resettlement Centre, which is not included in (k), has been estimated at \$2.5m and would be required in 2018/19

Noted

m **Note** that there are funding implications for 2018/19 for both options for staging the increase, and that early indications from the Treasury are that this funding can be sought from the between-Budget operating contingency or as a pre-commitment against Budget 2019

Noted

n **Note** that early indications from the Treasury are that the funding required from 2019/20 onwards can be sought either as a pre-commitment against Budget 2019 (alongside Cabinet decisions on your preferred approach to increasing the Refugee Quota), or alternatively in a bid for Budget 2019

Noted

Operational and policy settings for the 2018/19 Refugee Quota

o **Agree** that the existing international regional allocation of places for the Refugee Quota will apply to the 2018/19 Refugee Quota, regardless of the approach that is taken to staging the increase in the size of the Refugee Quota

Agree / Disagree

p **Agree** that the family link requirement for refugees being considered for resettlement under the Refugee Quota Programme from the Africa and Middle East regions be permanently removed from the 2018/19 Refugee Quota onwards

Agree / Disagree

q **Note** that the Ministry of Business, Innovation and Employment and the Ministry of Foreign Affairs and Trade will jointly provide you and the Minister of Foreign Affairs with advice on allocation of the 100 Refugee Quota places set aside for large-scale refugee crisis situations for 2018/19 in April 2018

Noted

r **Note** that the decision on allocation of the 100 Refugee Quota places set aside for large-scale refugee crisis situations does not require Cabinet approval

Noted

s **Note** that if Australia declines to use the 150 places that are set aside annually for refugees subject to its offshore processing legislation in 2018/19, a Cabinet decision will be required to reallocate the places to refugees referred by the United Nations High Commissioner for Refugees

Noted

Next steps

t **Direct** officials to draft two papers to be taken to Cabinet:

- i. in May, seeking agreement to permanently remove the family link requirement for refugees being considered for resettlement under the Refugee Quota Programme from the Africa and Middle East regions from 2018/19 onwards; and
- ii. in June, seeking agreement to permanently increase the annual Refugee Quota to 1,500 places, to your preferred approach to staging the increase and to the funding required

Yes / No

Consultation

u **Agree** to forward this briefing to the Minister of Foreign Affairs and the Minister of Housing and Urban Development and discuss the recommendations of this paper with them.

Agree / Disagree

Siân Roguski
Manager, Immigration Policy
LSE, MBIE

28 / 03 / 2018

Hon Iain Lees-Galloway
Minister of Immigration

02 / 04 / 18

Background

1. You have committed to increasing the annual Refugee Quota to 1,500 places annually by June 2020. You were provided with initial advice on implementing this commitment in November 2017, and you agreed that officials would provide you with advice in March 2018 on developing a plan for the increase in the Refugee Quota [1025 17-18 refers].
2. New Zealand currently has an annual Refugee Quota of 750 places (+/- 10 per cent). Over the last three financial years, 600 refugees from Syria have been resettled in addition to the annual Refugee Quota (100 places in 2015/16 and 250 places each in 2016/17 and 2017/18 [CAB-15-MIN-0057]).¹ In June 2016, Cabinet agreed that the annual Refugee Quota would permanently increase to 1,000 places from 2018/19 [CAB-16-MIN-0271].

Part One: Options for staging the increase in the Refugee Quota

3. You discussed options for staging the increase in the Refugee Quota with officials on 12 February 2018, and indicated that you are interested in considering advice on both staging the increase over two years, and implementing the entire increase in 2019/20. We are seeking a decision on your preferred approach, to which Cabinet agreement will be sought in June 2018.

Two options for staging the increase in the Refugee Quota have been analysed

4. Officials have analysed two options for staging the increase in the Refugee Quota. Changes to the operating model of the Refugee Quota Programme will be required under both options, to ensure that the programme has the capacity to provide resettlement to 1,500 refugees by 2019/20. The feasibility of each of the options for staging the increase is generally related to the speed at which it will be possible to make these changes to accommodate additional refugees.

Changes to the operating model of the Refugee Quota Programme will be required under both options

5. The overarching vision of the New Zealand Refugee Resettlement Strategy (NZRRS), of which the Refugee Quota Programme is a part, is that refugees are participating fully and integrated socially and economically as soon as possible so that they are living independently, undertaking the same responsibilities and exercising the same rights as other New Zealanders and have a strong sense of belonging to their own community and to New Zealand.
6. In developing options for staging the increase to 1,500 places, we have assumed that the operating parameters of the Refugee Quota Programme will remain largely unchanged in terms of the broad objectives of the services that are provided to quota refugees under the NZRRS, both during the reception programme at the Mangere Refugee Resettlement Centre (MRRC) and in the community.
7. However, in order to continue to deliver these services to 1,500 quota refugees annually, a number of "step changes" in the capacity of the Refugee Quota Programme will be required. These include the following:
 - a. Construction of two additional accommodation blocks at MRRC: This work is underway and is due to be completed by May 2019.
 - b. Review and reconfiguration of the reception programme at MRRC: The number of intakes of refugees and the size of each intake need to be changed, which will impact

¹ As such, in the last and current financial years, 1,000 refugees have been resettled as part of the Refugee Quota Programme.

on the length of the reception programme at MRRC that can be provided to each cohort of quota refugees. We propose that for an annual Refugee Quota of 1,500 places, there are seven intakes of 214 people each (for the current Refugee Quota there are six intakes of 170 people each), and that the reception programme at MRRC is shortened from six to five weeks. A review of the programme and implementation of changes would be complete by June 2019.

- c. Construction of additional classrooms and extension to the early childhood centre at MRRC: This work would begin in 2018/19 and would be completed by June 2019.
 - d. Establishment of 4-5 additional settlement locations around New Zealand (in addition to Christchurch): This will be necessary to manage demand for accommodation and access to key refugee-specific and mainstream services in refugee settlement locations. Up to two additional settlement locations could be established by the start of 2018/19, with the remaining 2-3 locations operational by June 2019.
 - e. Recruitment and training of additional staff across the agencies that are involved in delivery of the NZRRS: this would begin in 2018/19.
8. As noted above, some of the changes that are required can be made in stages, but others will not be completed until the start of 2019/20. As such, the earliest that the Refugee Quota Programme will have full capacity and capability to resettle 1,500 refugees annually is in 2019/20.

Option One: Increase the Refugee Quota in two stages, starting in 2018/19

9. Although it will not be possible to make the necessary changes to the Refugee Quota Programme to accommodate 1,500 refugees in 2018/19, it is possible to accommodate 200 additional refugees in 2018/19 while additional capacity is scaled up. In this option, the increase to the Refugee Quota would be staged in the following way:

	Current settings	2018/19	2019/20
Number of refugees resettled through the Refugee Quota Programme	1,000	1,200	1,500
Number of intakes each year	6 (170 refugees per intake)	6 (200 refugees per intake)	7 (214 refugees per intake)
Length of MRRC reception programme for each intake	6 weeks	6 weeks	5 weeks
Total number of settlement locations required around New Zealand	7	8-10 (including Christchurch)	12-13

Option Two: Increase the Refugee Quota in one stage in 2019/20

10. Alternatively, the Refugee Quota can be increased in a single stage in 2019/20, by which time the necessary changes to the Refugee Quota Programme are expected to be fully completed. In this option, the increase in the Refugee Quota would be staged in the following way:

	Current settings	2018/19	2019/20
Number of refugees resettled through the Refugee Quota Programme	1,000	1,000	1,500
Number of intakes each year	6 (170 refugees per intake)	6 (170 refugees per intake)	7 (214 refugees per intake)
Length of MRRC reception programme for each intake	6 weeks	6 weeks	5 weeks
Total number of settlement locations required around New Zealand	7	8 (including Christchurch)	12-13

Both options have been assessed against a number of criteria

11. We have assessed both options for staging the increase in the Refugee Quota against the following criteria:
 - a. operational risks associated with capacity of the reception programme and facilities at MRRC, particularly in relation to accommodation pressures in settlement locations;
 - b. settlement outcomes for quota refugees and communities;
 - c. demonstrating New Zealand's commitment to refugee resettlement; and
 - d. funding implications.

Operational risks associated with the capacity of the reception programme and facilities at MRRC: Capacity at MRRC would be particularly constrained in Option One

12. It is possible to accommodate 1,200 refugees at the existing MRRC facilities in 2018/19, as per Option One, within the existing six week reception programme model. However, the centre would be operating at the limits of its capacity until additional facilities are completed. Particular areas in which capacity would be constrained include:
 - a. Education facilities: construction of additional classrooms and extension of the early childhood centre at MRRC will not be complete by July 2018. It is likely that classroom space would be constrained in 2018/19, which would pose challenges for the delivery of the education programme at MRRC.
 - b. Health assessment and screening: It will not be possible to implement changes to the health assessment and screening model at MRRC (which may include provision of some services offshore or in the community) by 2018/19. Provision of health services to larger intakes of refugees at MRRC under the existing assessment and screening model will put pressure on the service, and will require additional staff.
 - c. Accommodation: It is currently challenging to locate suitable accommodation for refugees following completion of the reception programme, which has resulted in extended stays at MRRC. These challenges are expected to continue (further detail is provided later in this briefing). In 2018/19, the two additional accommodation blocks at MRRC will not be completed, and intakes of 200 refugees each would significantly reduce the available accommodation capacity at MRRC. If there were large numbers of refugees remaining at MRRC following completion of the reception programme, the space available for the next intake of refugees would be reduced, and could make it impossible or costly to meet a Refugee Quota of 1,200 in 2018/19. In addition, operating the facility at capacity will mean that there is limited time to undertake maintenance that will extend the life of the asset.
13. Alternatively, Option Two would mean that the changes to the reception programme and construction of additional education and accommodation facilities at MRRC would be complete before the Refugee Quota was increased. Option Two would also allow for an additional year to address accommodation pressures in settlement locations, although pressures are unlikely to have been eliminated in advance of the Refugee Quota increase (more detail on this is provided later in this briefing).

Settlement outcomes for quota refugees and communities: Option Two would allow for more lead-in time in the establishment of new settlement locations, which will benefit settlement outcomes for refugees and communities

14. Establishment of two additional settlement locations in time for the 2018/19 intake of refugees will be challenging, and the lead-in time to prepare settlement locations for the arrival of the first cohorts of quota refugees will be limited. The lead-in time to prepare new settlement locations before the arrival of the first cohorts of quota refugees is usually around six to nine months – in Option One, this would be shortened to one or two months. This may

affect the settlement services that are provided to refugees in the community, which may have a negative impact on refugee settlement outcomes and on the local communities.

15. The lead-in time between a settlement location being identified and refugees arriving in the location is generally used for capability-building in the location. This includes working with the local council, community and service providers (including schools, district health boards and frontline MSD staff) to build their knowledge about refugee settlement, and their capacity to deliver successful settlement outcomes.
16. The settlement support provided by schools will be particularly enhanced by the increased lead-in time available in Option Two. Schools are a key support mechanism for former refugee students and their families, and schools new to working with former refugees will need support to ensure that they are able to cater to the needs of their communities. With the increase in the Refugee Quota to 1,500 places, there will be a need for additional education advisory staff to support schools in new settlement locations. Additional lead-in time will allow for a new advisory staff member to work with schools in newly-established settlement locations to prepare for arrival of the first cohorts of quota refugees.
17. MSD also works with frontline staff in new refugee settlement locations prior to the arrival of the first cohorts of quota refugees to ensure that they are able to access mainstream MSD services. Preparatory work includes ensuring that there is sufficient availability of qualified interpreters and training frontline staff in engaging with people from refugee backgrounds. The shortened lead-in time that would be available for this work in Option One may mean that frontline staff are less prepared to provide services to quota refugees.

Demonstrating commitment to refugee resettlement: Option One could demonstrate New Zealand's commitment more strongly

18. Resettlement of an additional 200 refugees in 2018/19 would demonstrate New Zealand's commitment to refugee resettlement and would be received positively by the UNHCR and the international community.
19. However, there are other ways in which New Zealand is demonstrating its commitment to providing protection for refugees, including through its commitment to the Global Compact on Refugees; development of alternative pathways for refugee resettlement through private or community sponsorship; humanitarian funding contributions to global refugee responses, such as those for the Syria crisis, South Sudan, and the Rohingya crisis in Cox's Bazar, Bangladesh; and support for the work of the UNHCR.

Cost: The overall difference in the cost of the two options is moderate

20. Approximate costings for each of the two options, including both mainstream and refugee-specific costs, have been estimated as follows:

	2018/19 \$m	2019/20 \$m	2020/21 \$m	2021/21 \$m	2022/23 \$m	2023/24 & Outyears \$m
Option One	14	36	45	51	56	56
Option Two	2	33	42	49	53	55

21. The main difference in the cost of the two options is in 2018/19, and relates to the operating costs of providing settlement services to the 200 additional refugees that would be resettled in 2018/19 in Option One. However, you will note that there are funding implications in 2018/19 for both options. This is because implementation of the changes required to increase the Refugee Quota to 1,500 places will need to begin in 2018/19, regardless of the approach that is taken to staging the increase.

22. The costings above do not include the cost of construction of additional classrooms or expansion of the early childhood centre at MRRC. The estimated cost of these changes is \$2.5 million, and would be required in 2018/19.
23. The costings above also do not include the funding that will be required to address the challenges associated with providing housing for refugees, which will be required under either option (further detail on these challenges is provided later in this briefing). MBIE and MSD will provide you and the Minister of Housing and Urban Development with options, including funding implications, for providing housing for quota refugees in April 2018.

Increasing the Refugee Quota in one stage in 2019/20 is recommended

24. We recommend Option Two: that the increase in the Refugee Quota is implemented in a single phase in 2019/20. This approach will allow for more time to address accommodation pressures in refugee settlement locations, and will mean that the additional accommodation blocks and health screening and assessment processes at MRRC are in place before the Refugee Quota is increased. In addition, there will be more lead-in time to prepare newly established refugee settlement locations, which will have benefits for refugee settlement outcomes and for the local communities.
25. We consider that the risks associated with Option One are significant. These include the limited time available to address accommodation pressures in refugee settlement locations, the risks associated with exceeding the capacity of MRRC (both in regards to capacity of accommodation and education facilities and of the health assessment and screening process), and the lack of lead-in time to prepare newly established refugee settlement locations for the arrival of the first cohorts of quota refugees.

There are challenges associated with providing housing for refugees that will be exacerbated by the increase in the Refugee Quota

26. Demand for affordable public and private housing in refugee settlement locations means that it is currently challenging to locate suitable accommodation for refugees in settlement locations. This has recently resulted in refugees remaining at MRRC after the completion of the six week reception programme. The cost of accommodating refugees at MRRC past the completion of the reception programme is approximately \$198,000 per year, and is currently absorbed by MSD and Immigration New Zealand (INZ). The planned increase in the Refugee Quota will exacerbate these existing challenges.
27. Quota refugees are guaranteed access to housing on arrival in New Zealand, which may be public housing or a private rental. Due to pressure on the supply of public housing, it is not always possible to locate public housing for all eligible quota refugees. Currently, around 55 per cent of the Refugee Quota is accommodated in public housing. Further detail on the processes that INZ, MSD and Housing New Zealand Corporation (HNZC) use to locate housing for refugees following completion of the reception programme is provided in Annex One.
28. The costs associated with providing accommodation for refugees are significant. This includes the cost of providing the Accommodation Supplement to refugees in the private market and the cost of providing Income Related Rent Subsidy (IRRS) places to those in public housing.
29. Work is underway across government to try to reduce housing pressures across New Zealand, including in refugee settlement locations. This includes MBIE's work to deliver the Government's commitment under Kiwibuild to build 100,000 affordable homes over the next ten years. In addition, the Government has committed to increasing the supply of public housing across the country and funding is being sought through Budget 2018 to deliver this. However, despite these initiatives, it is unlikely that housing pressures in refugee settlement locations will be eliminated before the Refugee Quota is increased.

Decisions on providing housing for quota refugees will need to be made together with the Minister of Housing and Urban Development

30. A decision on providing housing for quota refugees, and on the funding required, would need to be made by the Minister of Housing and Urban Development in discussion with you. We propose that officials from MBIE and MSD report back to both you and the Minister of Housing and Urban Development in April on options for providing housing for quota refugees before a proposal to increase the Refugee Quota is taken to Cabinet. Funding required to address housing challenges would be sought alongside Cabinet agreement to increase the Refugee Quota.
31. The April report will provide you and the Minister of Housing and Urban Development with advice on the possible options, including financial implications, for providing housing for quota refugees.

There may be opportunities to strengthen the process for locating housing for refugees

32. In addition to more significant changes, there may also be opportunities to strengthen the process for locating housing for refugees. Officials from MBIE, MSD and HNZA will continue to work on these issues and will report back to you and the Minister of Housing and Urban Development if necessary.

The funding required to support the increase can be sought from the between-Budget operating contingency or as a pre-commitment against Budget 2019

33. Funding for the two additional accommodation blocks at the MRRC is being sought in Budget 2018.
34. Further funding will be required to support the increase in the Refugee Quota in 2018/19 under both options for staging the increase. This is because work to make the necessary changes to the Refugee Quota Programme will need to begin in 2018/19 to ensure that there is sufficient capacity in the system by 2019/20. The Treasury's preliminary indications are that the funding required in 2018/19 can be sought from the between-Budget operating contingency or as a pre-commitment against Budget 2019.
35. The Treasury's preliminary indications are that the funding required to support the increase in the Refugee Quota from 2019/20 onwards (including the funding required for providing housing for quota refugees) can be sought as a pre-commitment against Budget 2019, alongside Cabinet agreement to increase the Refugee Quota and to your preferred approach to staging the increase. This approach would enable you to make an announcement on increasing the Refugee Quota in June. Alternatively, the funding required could be sought in a bid for Budget 2019.

We consider that the objectives of the Refugee Quota Programme and the NZRRS can be met under the proposed changes to the operating model

Shortening the length of the reception programme at MRRC will not affect the services provided

36. We consider that the proposed changes to the length of the reception programme will not represent a significant difference in the settlement services provided to refugees under the Refugee Quota Programme. The main changes to the reception programme at MRRC relate to the health assessment and screening that currently takes six weeks to complete, and largely determines the length of the existing reception programme.
37. We propose reviewing the health assessment and screening process to determine what services can be provided either offshore (before refugees arrive in New Zealand²) or in the community (once they leave MRRC). There will be no material changes associated with delivering the reception programme, which focusses on living and working in New Zealand

² Services that could be provided offshore and contracted to a third party include vaccinations or screening.

(including settlement planning and orientation to New Zealand life, English language and preparing for employment or school) over five weeks as opposed to the existing six week programme.

The process for establishment of new settlement locations will ensure that newly-established settlement locations are suitable for refugees

38. As noted, increasing the Refugee Quota will require establishment of a number of additional refugee settlement locations where refugees have not been settled previously. This will be necessary to manage demand for accommodation in existing refugee settlement locations, and to ensure that there is capacity in each settlement location to provide refugee-specific and mainstream services to quota refugees.
39. The process for establishing new settlement locations is well-defined and takes into account employment opportunities, availability of housing and government services and support provided by the local community. The cross-government New Zealand Refugee Resettlement Strategy Senior Officials' Group is responsible for making decisions on the selection of new settlement locations. We are confident that this process will continue to ensure that newly-established settlement locations will benefit refugees and communities.

Part two: Operational and policy settings for the 2018/19 Refugee Quota

40. In 2018/19, the annual Refugee Quota is set to increase to 1,000 places (and depending on the approach that is taken to staging the increase, may be 1,200 places). The emergency Syrian response that has been implemented over the past three financial years is also scheduled to finish at the end of 2017/18.
41. You discussed the possibility of making changes to policy settings for the 2018/19 Refugee Quota with officials on 6 March 2018 [2322 17-18 refers]. You indicated that you are interested in considering advice on changes to the family link requirement for refugees being considered for resettlement under the Refugee Quota from the Africa and Middle East regions from 2018/19 onwards.

The international regional allocation of Refugee Quota places for the current three-year Refugee Quota Programme was agreed by Cabinet in 2016

42. The percentage of Refugee Quota places that are allocated to resettle refugees from each international region³ excludes the 150 places that are set aside for refugees subject to Australia's offshore processing legislation, and the 100 places that are set aside for large-scale refugee crisis situations. The regional allocation of Refugee Quota places for the current three-year Refugee Quota Programme, which was agreed by Cabinet in 2016, is as follows [CAB 16 Min 0271]:

Region	Percentage of Refugee Quota
Asia-Pacific	50
Americas	22
Middle-East	14
Africa	14

43. As discussed with you, we recommend that the above regional allocation of Refugee Quota places is maintained for 2018/19. There is a risk that significant changes to the regional allocation of places would be difficult to implement in time for the 2018/19 Refugee Quota, as major changes to the number of refugees that are resettled from each region would mean

³ The regional allocation of Refugee Quota places refers to the region from which refugees are referred by the UNHCR for resettlement, and not nationality.

that cohorts of eligible UNHCR-referred refugees from those regions would need to be identified, which would be challenging to do in time for the 2018/19 Refugee Quota.⁴

44. Subject to your agreement, the regional allocation of places in the table above will apply to the 2018/19 Refugee Quota, regardless of the approach that is taken to staging the increase in the Refugee Quota (ie. whether the Refugee Quota consists of 1,200 or 1,000 places in 2018/19).
45. Decisions will be required for 2018/19 on allocation of the 100 places set aside for large-scale refugee crisis situations, and if not required by Australia, reallocation of the 150 places set aside for refugees subject to Australia's offshore processing legislation. Further detail on these decisions is provided below.

There are fewer places available for resettlement of Syrian refugees in 2018/19 than in previous years

46. The end of the emergency Syrian response, in combination with the family link requirement for refugees being considered for resettlement under the Refugee Quota from the Africa and Middle East regions, means that there are fewer places available for resettlement of refugees of Syrian nationality in 2018/19 than in previous years, despite the continuing refugee crisis situation affecting Syrians. You may wish to consider this in future decision-making on allocation of the 100 large-scale crisis situation places and potential reallocation of the 150 places set aside for Australia in 2018/19.

There is an opportunity to consider further changes to the policy settings for the Refugee Quota at the start of the next three-year Refugee Quota Programme

47. You will receive advice on the next three-year Refugee Quota Programme in early 2019, at which point you will have the opportunity to consider changes to the overall regional allocation of Refugee Quota places and the distribution of sub-categories.

Removal of the family link requirement for refugees from Africa and the Middle East is recommended

48. The requirement for refugees being considered for resettlement under the Refugee Quota from the Africa and Middle East regions to have an existing family link in New Zealand was introduced in 2010 [DES Min (10) 2/3].
49. We have assessed the family link requirement against the following criteria:
 - a. operational risks;
 - b. global refugee resettlement needs and the humanitarian objectives of the Refugee Quota Programme;
 - c. views of key stakeholders; and
 - d. security and settlement considerations.

Operational risks: The family link requirement makes it difficult to fulfil the regional allocations that have been agreed by Cabinet

50. Since the family link requirement was introduced, MBIE and the UNHCR have worked to identify refugees in these regions that meet the requirement. However, it has been difficult to identify refugees with an existing family link in New Zealand, and as such the proportion of the Refugee Quota made up of refugees resettled from Africa and, to a lesser extent, the

⁴ The three-year Refugee Quota Programme decision making cycle was introduced to improve efficiency by enabling long-term planning for the Refugee Quota, given that assessment and selection of refugees for resettlement is a lengthy process.

Middle East⁵ regions has been lower than the proportions agreed by Cabinet. The Refugee Quota has been met with refugees from other regions. Further detail on the proportion of Refugee Quota arrivals from each region over the past three years is provided in Annex Two.

51. We expect the challenges of identifying refugees with an existing family link in New Zealand to persist. As such, there is a risk that the existing regional allocation of Refugee Quota places to the Africa and Middle East regions will not be met in 2018/19.

Global refugee resettlement needs and humanitarian objectives: There are large numbers of refugees in need of resettlement in the regions where the family link requirement is applied

52. Of the regions that New Zealand currently resettles refugees from under the Refugee Quota,⁶ UNHCR forecasting for 2018 indicates that the countries with the largest numbers of refugees in need of resettlement are in the Africa and Middle East regions:

Region of Asylum	Projected resettlement needs for 2018 (number of persons and percentage of global total)
Africa	510,676 (43%)
Asia-Pacific	100,988 (8%)
Europe	302,000 (25%)
Middle East and North Africa	279,855 (23%)
Americas	1,830 (<1%)
Total	1,195,349

Source: UNHCR Projected Global Resettlement Needs 2018

53. Removal of the family link requirement would facilitate resettlement of larger numbers of refugees from the Africa and Middle East regions, where there are large numbers of refugees in need of resettlement. Responding to the resettlement need in these regions is consistent with the humanitarian objectives of the Refugee Quota Programme.
54. If the family link requirement were removed, the countries from which refugees would be considered for resettlement under the Refugee Quota, based on UNHCR priority resettlement areas, include:
- Ethiopia (refugees of South Sudanese, Eritrean and Somali nationality);
 - Kenya (refugees of Ethiopian, South Sudanese and Somali nationality);
 - Rwanda and Uganda (refugees of Congolese nationality); and
 - Jordan and Lebanon (refugees of Syrian and Iraqi nationality).

Views of key stakeholders: The family link requirement has attracted criticism

55. The UNHCR has expressed opposition to the family link requirement, particularly in regards to the large proportion of refugees in need of resettlement that are located in the regions currently subject to the requirement.
56. In addition, the requirement has also attracted criticism from non-government organisations and other community stakeholders, who perceive the requirement to be discriminatory against refugees from the Africa and Middle East regions by restricting them from accessing resettlement in New Zealand.

⁵ The family link does not apply to the crisis situation places. The emergency Syrian response, which has been implemented over the last three financial years, has provided resettlement for larger numbers of refugees from the Middle East region. The family link requirement was not applied to the emergency Syrian response. In addition, some of the places set aside for large-scale refugee crisis situations have been used to resettle Syrian refugees from the Middle East region over the past few years.

⁶ New Zealand does not currently resettle refugees from Europe.

Security and settlement considerations: We do not consider that there are additional security or settlement risks associated with resettling refugees from the regions currently subject to the family link requirement

57. All refugee cases submitted to INZ by the UNHCR undergo a full assessment and screening before they are accepted for resettlement under the Refugee Quota (further details are provided in Annex Three). We consider that this process is sufficient to mitigate any security and settlement risks to New Zealand.
58. We do not expect that there will be a higher likelihood of poor refugee settlement outcomes associated with removal of the family link requirement. We are confident that the all of government approach to the provision of settlement support services to all quota refugees under the NZRRS is sufficient to manage any difficulties that arise.

Removal of the family link requirement is recommended

59. We recommend that the family link requirement is removed. This will demonstrate commitment to providing support to the UNHCR, to the international community and to refugees in need of resettlement, and is consistent with the humanitarian objectives of the Refugee Quota Programme. Removal of the requirement will also enable the regional allocations that have been agreed by Cabinet to be met.
60. Removal of the family link requirement will require Cabinet approval. If you would like to take a proposal to Cabinet to remove the family link requirement, we suggest that you do this in May, to enable the change to be implemented for 2018/19.

You and the Minister of Foreign Affairs will be provided with advice on allocation of the 100 places set aside for large-scale refugee crisis situations for 2018/19

61. There are 100 places set aside each year within the Refugee Quota for responding to large-scale refugee crisis situations. A decision on where to allocate these places is made for each financial year. As noted above, there will be an opportunity to allocate these places to the Middle East region, where they can be used to resettle Syrian refugees.
62. This decision is usually made by the Ministers of Immigration and Foreign Affairs and does not require Cabinet approval. You and the Minister of Foreign Affairs will be provided with advice by MBIE and the Ministry of Foreign Affairs and Trade (MFAT) on allocation of the 100 places for 2018/19 in April 2018.

If Australia declines to utilise the 150 places in 2018/19, a decision on reallocation will be required later in 2018

63. In 2013, Cabinet agreed to annually resettle up to 150 refugees subject to Australia's offshore processing legislation within New Zealand's Refugee Quota. Cabinet also agreed that if the places were not required by Australia, that they would be reallocated to refugees referred by the UNHCR from other regions, subject to Cabinet consideration [CAB Min (13) 20/15].

64. Confidential information entrusted to the Government

65. Australia declined to use the 150 places in 2017/18, and you will be taking a proposal to the Cabinet Economic Development Committee on 4 April seeking agreement to reallocate the places to UNHCR-referred refugees from the Asia-Pacific region.
66. As noted above, if Australia declines to use the 150 places in 2018/19, there will be an option to reallocate them to UNHCR-referred refugees from the Middle East region and use them to resettle Syrian refugees.

Next steps

67. We recommend that you discuss the recommendations of this paper with the Minister of Foreign Affairs and the Minister of Housing and Urban Development before making a decision on your preferred approach to staging the increase in the Refugee Quota.
68. Cabinet decisions on removal of the family link requirement will be required in May 2018, to enable the change to be implemented for the 2018/19 Refugee Quota.
69. If you agree to increase in the Refugee Quota in a single stage, as per Option Two, Cabinet decisions on staging the increase to the Refugee Quota will be required by the end of June to allow for implementation of the changes required for the increase to begin. If you prefer Option One, that the Refugee Quota is implemented in two stages beginning in 2018/19, the timing of Cabinet decisions will need to be revised.
70. Key milestones are set out in the table below:

Key milestones	Timing
Minister of Immigration advised on options for staging the increase in the Refugee Quota and 2018/19 Refugee Quota settings	March 2018
Ministers of Immigration and Foreign Affairs advised by MBIE and MFAT on allocation of the 100 places set aside for large-scale refugee crisis situations for 2018/19	April 2018
Ministers of Immigration and Housing and Urban Development advised by MBIE and MSD on options for providing housing for quota refugees	April 2018
Cabinet decisions on removal of the family link requirement	May 2018
Cabinet decisions on increasing the Refugee Quota	June 2018
Submission of bid for Budget 2019	December 2018
Advice provided on the next three-year Refugee Quota Programme	Early 2019
Start of the next three-year Refugee Quota Programme	July 2019

Annexes

Annex One: Further detail on the process for locating appropriate housing for quota refugees

Annex Two: Further detail on the impact of the family link requirement for refugees resettled from the Africa and Middle East regions

Annex Three: Immigration New Zealand's decision making process on the Refugee Quota

Annex One: Additional detail on the process for locating housing for refugees

Quota refugees are guaranteed access to housing when they arrive in New Zealand, which may be public housing or a private rental. As permanent residents, quota refugees are eligible to access public housing in the same way as other New Zealand permanent residents and citizens, and are subject to the same needs assessment.

The Ministry of Social Development (MSD) conducts a housing needs assessment while refugees are at the Mangere Resettlement Centre (MRRRC). In cases where a quota refugee does not qualify for public housing or where public housing is unavailable a private rental is sought by Immigration New Zealand (INZ) in the designated refugee settlement location.

Refugees accommodated in public housing pay an Income Related Rent (IRR) which is no more than 25 per cent of their income (including benefits). Refugees who are housed in private rentals are typically eligible for the Accommodation Supplement.

Where quota refugees do not qualify for public housing, a private rental is also sought by INZ.

Agencies have taken a range of actions to mitigate the challenges in securing housing for refugees, including:

- a. reducing the number of quota refugees that are settled in the Auckland region;
- b. establishing Invercargill as a settlement location;
- c. developing strategic relationships with private rental housing providers; and
- d. preparing to re-open Christchurch as a settlement location.

Annex Two: Further detail on the impact of the family link requirement for refugees resettled from the Africa and Middle East regions

The following table sets out Refugee Quota arrivals by region over the past three years, as compared with the Cabinet-agreed regional allocation. Note that this table excludes the 150 Refugee Quota places set aside each year for refugees subject to Australia's offshore processing legislation, and the places set aside each year for large-scale refugee crisis situations (100 places in 2016/17 and 50 places in 2014/15 and 2015/16).

UNHCR-referred region	Cabinet-agreed allocation (%)	2014/15 arrivals (%)	2015/16 arrivals (%)	2016/17 arrivals (%)
Asia-Pacific	50	63	74	64
Americas	22	16	18	32
Middle-East	14	20	6	3
Africa	14	1	1	1

Annex Three: Immigration New Zealand's decision making process on the Refugee Quota

All cases submitted by the UNHCR undergo a full assessment and screening as part of the Immigration New Zealand decision-making process, which includes:

- on and off-shore screening and assessment – includes interview that focuses on credibility, risk and settlement to ensure that the person is not a security risk or character of concern to New Zealand and that settlement in New Zealand is the right option for them;
- immigration risk assessment by the INZ Risk Assessment Team (assessed for reputational risk to New Zealand);
- security check;
- Migration 5 (M5) biometric checks; and
- immigration health assessment.

Those that do not meet the Government's agreed Refugee Quota Programme requirements, New Zealand's relevant immigration policies, security and M5 checks and risk assessment are declined from inclusion in the Refugee Quota Programme.