

Cabinet Economic Growth and Infrastructure Committee

THE NEXT THREE-YEAR (2016/17 – 2018/19) REFUGEE QUOTA PROGRAMME

Proposal

1. This paper seeks decisions on the size, regional allocations and related matters concerning the next three-year (2016/17 - 2018/19) refugee quota programme. An increase to the refugee quota, and associated funding changes, is proposed from 2016/17.

Executive summary

2. The paper recommends that the size of the refugee quota be increased from 750 to 1,000 places annually from 2016/17. This increase would demonstrate an increased commitment to refugee resettlement by New Zealand in response to the global refugee crisis, recognising that New Zealand has not increased the refugee quota for several decades. The recommended increase would be in addition to the 250 places in each of the 2016/17 and 2017/18 years that Cabinet has already approved as an emergency response to the Syrian crisis.
3. An increase to 1,000 quota places annually would add to both refugee-specific¹ and mainstream costs. It would cost an estimated additional \$68.4 million over the first five 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). Any offsetting additional tax revenue that would be generated by the refugees has not been estimated. Improving employment outcomes for refugees is a key focus of the New Zealand Refugee Resettlement Strategy (the Strategy).
4. Quota refugees spend their first six weeks in New Zealand at the Mangere Refugee Resettlement Centre (MRRC). The annual capacity at the new MRRC facilities 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. If Cabinet approves the recommended refugee quota increase, it is proposed that two additional accommodation units on the MRRC site be built, utilising unspent capital from the Ministry of Business, Innovation and Employment's (MBIE) balance sheet. An additional block of three classrooms (as well as some temporary adjustments to existing facilities) is also required to cater for the education needs of the additional refugee children. This will require a capital injection to Vote Education of § 9(2)(i)

¹ Refugee-specific costs include travel to New Zealand, health screening, the reception programme at the Mangere Refugee Resettlement Centre and initial costs of settlement in the community. Mainstream costs are health, education and other services accessed by other New Zealanders as well as quota refugees once they are settled in communities.

as the new block of classrooms will be an expansion of the Education portfolio rather than replacing an existing asset.

5. The construction of new accommodation and classrooms will require additional operating funding for the cost of ownership (that is, capital charge, depreciation and facilities management). This is on top of an additional \$2.976 million from 2016/17 which is required to meet currently-unfunded operating costs associated with the current build of the new MRRC. Funding approved in Budget 2013 was based on a leased model for the MRRC. Following Treasury advice, this was later changed to a build and ownership model and, as Treasury advised, now that the build is completed, funding is being sought for ongoing operating costs.
6. This paper proposes that the regional allocation of places within the refugee quota remain at the proportions agreed by Cabinet in 2013. ^{s 6(a)}

^{s 6(a)}

The paper also proposes that the number of places within the refugee quota for large-scale refugee crisis situations be increased from 50 to 100 annually. The family-link requirement does not apply to these places.

7. Exploring a greater role for community organisations in supporting refugees to resettle well is proposed, in light of significant public advocacy during the current refugee quota period. Approval in principle is sought for the piloting of a community organisation refugee sponsorship category for 25 refugees in 2017/18. Cabinet will decide the details of the new category. The Minister of Immigration, in consultation with the Minister of Foreign Affairs, will report back to Cabinet on the details of the new category to be piloted.

Background

Quota refugees are referred for resettlement based on protection needs

8. New Zealand's refugee quota programme is comprised solely of cases referred by the United Nations High Commissioner for Refugees (UNHCR). Cases for resettlement in New Zealand under the quota programme are refugees mandated by UNHCR and selected on the basis of physical and legal protection needs as well as family reunification needs. ^{s 6(b)(ii)}

Consideration is being given to establishing a category of community-sponsored refugees outside the quota with alternative criteria aimed at improving settlement outcomes. ^{s 9(2)(f)(iv)}

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

² The family link requirement means only those with immediate family members in New Zealand, or in the case of UNHCR priority cases, relatives in New Zealand, will be considered for resettlement.

Quota refugees are referred for resettlement based on internationally accepted guidelines

9. The refugee quota programme comprises priority protection cases referred by the United Nations High Commissioner for Refugees (UNHCR) for consideration for resettlement in New Zealand. The UNHCR refers refugees for resettlement according to internationally accepted guidelines that take account of physical and legal protection needs as well as family reunification. ^{s 6(b)(ii)}

s 9(2)(f)(iv)

s 9(2)(f)(iv)

10. All cases referred for consideration undergo the following assessments as part of the INZ decision-making process and those that do not pass these checks are declined:

- on and off-shore screening and assessment that focuses on credibility, risk and settlement to ensure that the person is not a security risk, or a character of concern to New Zealand, and that settlement is the right option for them
- immigration risk assessment by the INZ Risk Assessment Team (assessed for reputational risk to New Zealand)
- a security check by the New Zealand Security Intelligence Service
- Five Country Conference (FCC) biometric checks (those whose identity is not satisfactorily established are declined), and
- INZ health assessment.

11. Refugees that would not meet New Zealand's requirements for resettlement include those that have large families which would be difficult to house or have a polygamous marriage. Currently, about 10 percent of UNHCR referrals to New Zealand do not proceed to interview and a further 8 – 10 per cent is declined following an interview.

s 6(b)(ii)

The refugee quota is one stream within New Zealand's broader refugee and humanitarian programme

13. The refugee quota is one stream within a broader annual refugee and humanitarian programme. The broader programme currently includes:

- an additional 250 places in response to the Syrian crisis in each of 2016/17 and 2017/18
- approximately 125 – 175 Convention refugees (successful asylum claimants), whose asylum claims are decided on a case-by-case basis, and

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- 300 family members of refugees in New Zealand sponsored for residence annually under the Refugee Family Support Category (who may not be mandated refugees).

Decisions on the next three-year refugee quota are now required

14. 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 that need to be taken regarding the refugee quota are the size, regional allocations and related operational issues, including consequential funding impacts.

International Context

15. The world is experiencing a global refugee crisis, with refugee protection and resettlement needs vastly outnumbering the approximately 80,000 places³ made available each year by around 30 resettlement countries (including New Zealand). Countries neighbouring refugee-producing countries (for example, Lebanon, Turkey, Jordan, Kenya, Burundi and Rwanda) bear the greatest burden of providing protection to refugees. The key international security drivers for displacement and migration are likely to endure throughout the next quota period, and beyond. Resettlement options will continue to fall short of demand for places. Requests for greater international burden-sharing are an ongoing focus of Ministerial level interactions, s 6(b)(i)

s 6(b)(i)

16. There are a series of international processes in play aimed at achieving better coordination on refugee issues in response to the crisis. Public momentum is expected to build through 2016, with United Nations Secretary-General Ban Ki-moon and United States President Obama both fronting high level summits on the large-scale movements of people (migrants and refugees), and on refugees, in the margins of the United Nations General Assembly Leaders' Week in New York in September. New Zealand will be president of the United Nations Security Council during this period, with both the Prime Minister and the Minister of Foreign Affairs in New York.

17. International attention remains focused on refugees fleeing Syria. Many countries, including New Zealand, have recently pledged additional places for Syrian refugees. Cabinet approved 250 Syrian refugees for each of 2016/17 and 2017/18, in addition to the refugee quota, as an emergency response to the Syrian refugee crisis [CAB-15-MIN-0057]. Funding for the initial cost of those places was approved in November last year [EGI-15-MIN-0155], with the mainstream costs met from forecast updates or as part of wider cost pressures through Budget 2016.

³ This number was reported by UNHCR in 2014 and excludes those subsequently pledged for the resettlement of Syrian refugees.

An increase to 1,000 quota refugees each year is proposed

18. The current refugee quota programme is set at 750 (plus or minus ten per cent) refugees per annum and has not been increased since it was introduced in 1987.

Three options have been considered

19. Three options concerning the size of the refugee quota programme have been considered (in addition to the 250 places approved for Syrian refugees in 2016/17 and 2017/18). These options are:

- Option One: maintain the status quo of 750 places annually
- Option Two: increase the annual refugee quota to 1,000 places from 2016/17, or
- Option Three: increase the annual refugee quota to 1000 in 2016/17, to 1,250 in 2017/18, and to 1,500 (double the current refugee quota) from 2018/19.

20. The numbers of refugees resettled each year for Options One, Two and Three (plus or minus ten per cent) 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	1,000	250	1,250	250	1,500

The operational impacts of each option are summarised in Table Two

21. Table Two outlines the impacts of each option on the facility management at the new MRRC, the number of settlement locations, accommodation in the settlement locations, and the costs. More detailed comment on the costs of increasing the refugee quota to 1,000 places each year from 2016/17 is provided in paragraphs 38 - 40 and Tables Four and Five.

Table Two: Assessment of the operational 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 result in 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. Two additional accommodation units would be required at the MRRC to reduce these risks and maintain the expected life of the facility. A block of three additional classrooms would be required.	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, beyond the two additional accommodation units and a block of three additional classrooms proposed in option two. The earliest the additional accommodation units could be completed is 12 months from building approval.

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	Option One	Option Two	Option Three
Refugee settlement locations – currently Auckland, Waikato, Manawatu, Wellington, Nelson, Christchurch and Dunedin (Auckland and Christchurch are family-linked only)	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 settlement 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 is accommodated in social housing.	The increased number of refugees would continue to be a priority for social housing. This may increase the time to house other applicants on the social housing register in certain locations.	The increased number of refugees would continue to be a priority for social housing. This may increase the time to house other applicants on the social housing register in certain locations.
Costs	<p>Cost: additional \$2.976m per annum from 2016/17</p> <p>No additional refugee-specific or mainstream costs.</p> <p>Funding is required to meet currently-unfunded operating costs for the MRRC of \$2.976 million per annum (refer paragraph 40 for an explanation of these unfunded operating costs).</p>	<p>Cost: additional \$14.921m for 2016/17 rising to \$24.444m per annum from 2020/21 including ownership costs</p> <p>Funding approval of an additional \$21.721 million between 2016/17 and 2018/19 and \$8 million per year from 2019/20 for refugee-specific costs.</p> <p>Funding approval of an additional \$46.740 million between 2016/17 and 2020/21 and \$12.544 million per year from 2021/22 for mainstream costs. (Totalling \$68.4 million over the first five years.)</p> <p>§ 9(2)(i) for additional accommodation would be funded by MBIE, but funding approval for an additional \$3.0 million in 2016/17, and \$3.2 million per annum from 2017/18, would be required for the ongoing operating costs of the MRRC.</p> <p>The block of three additional classrooms would require a capital injection to Vote Education § 9(2)(i) 2016/17. § 9(2)(i) in 2017/18 and 2018/19 in operating costs would also be required for the additional classrooms.</p>	<p>Cost: additional \$29.842m for 2016/17 rising to \$48.888m per annum from 2020/21 including ownership costs</p> <p>Funding approval of an additional \$43.443 million between 2016/17 and 2018/19 and \$16 million per year from 2019/20 for refugee-specific costs.</p> <p>Funding approval of an additional \$93.473 million between 2016/17 and 2020/21 and \$25 million per year from 2021/22 for mainstream costs. (Totalling \$136.9 million over the first five years.)</p> <p>§ 9(2)(i) for additional accommodation would be funded by MBIE. The cost of further expanding facilities at the MRRC to accommodate a permanent increase to 1500 refugees at the MRRC has not been estimated.</p> <p>Funding approval for an additional \$3.2 million in 2016/17, and \$3.7 million per annum from 2017/18, would be required for the ongoing operating costs of the MRRC.</p> <p>A capital injection of § 9(2)(i) for Vote Education and associated operating funding of \$0.131 million in 2016/17 and \$0.263 million in 2017/18 and 2018/19 would be required for additional classrooms.</p>

Option Two: Increase the annual refugee quota to 1,000 places from 2016/17 is recommended

22. Option Two is the recommended option because:

- 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 refugee quota for several decades
- an increased contribution would demonstrate New Zealand's commitment to an international burden-sharing approach, as well as responding to requests from bilateral partners and international agencies
- an increase of this level is a measured response that, once the proposed two additional accommodation units at the new MRRC are built, can be accommodated at the MRRC without impacting on the maintenance or overall forecast life of the centre, and
- it would leave some flexibility, particularly from 2018/19, to respond to continuing needs arising from the global refugee crisis.

23. There are some risks with increasing the refugee quota but those risks can be managed:

- There may be concerns, especially in Auckland, that an additional 250 refugees each year will add to housing demand, including for social housing, and may increase the time to house other applicants on the social housing register. However, a decreasing proportion of refugee families are settled in Auckland (only those quota refugees who have relatives already living in Auckland are now settled there). The locations of refugee settlement have been expanded, most recently to Dunedin, and will be expanded further if necessary.
- There may be concerns that additional refugees will increase the number of long-term unemployed and long-term beneficiaries. 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, settlement in the community and independence. Improving employment outcomes for refugees is a key focus of the Strategy. The latest measures of the success indicators of the Strategy show that five years after arrival in New Zealand almost 40 per cent of quota refugees are in employment. This level of employment is expected to increase with the implementation of the Strategy. Changes have been made to the reception programme at the MRRC to place a greater emphasis on preparing refugees for employment.

In addition, the Ministry of Social Development has contracted with the New Zealand Red Cross for the "Pathways to Employment" programme which is focused on connecting refugees to employment opportunities in the community. Further details about the Strategy, which has been implemented from July 2013, are provided in Annex One.

- There may be concerns that additional refugees will increase security risks. However, prospective quota refugees are subject to stringent security checks, and security agencies are comfortable that existing screening processes would

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appropriately manage risk for any additional quota refugees agreed. Security check requirements could be covered in public communications material.

- Refugee advocates are likely to be critical of the fact that the proposed increase falls short of doubling the refugee quota. A communications approach which outlines New Zealand's total refugee and humanitarian programme, along with the financial implications of the increase proposed, would mitigate public traction of this criticism.

The two additional accommodation units at the MRRC to house the increased numbers will be funded from the MBIE balance sheet

24. Quota refugees spend their first six weeks in New Zealand at the MRRC, where they complete a reception programme to help prepare them for living and working in New Zealand. The new MRRC will be officially opened on 18 June 2016 and be operational from 1 July 2016 for all future quota intakes. The new MRRC has been configured to provide between 210 and 220 places for each quota 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.

25. If the refugee quota is increased to 1,000 places, the higher ongoing level of occupancy at the new MRRC will mean that the new centre would be operating at the upper limits of its design. The modular design of the new MRRC allows for additional units to be added as additional capacity is required. It was assessed that operating at this occupation density would pose a significant ongoing impact to the maintenance and overall forecast life of the accommodation blocks at the facility and adversely impact on the effectiveness of the reception programme. To mitigate the asset degradation and provide better outcomes for refugees, it is proposed that the Crown fund the two additional accommodation units at the MRRC, utilising unspent capital on the MBIE balance sheet. § 9(2)(i) and will be treated as a variation to the existing build of the new refugee centre. § 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 for planned maintenance to continue and maintain the overall forecast life of the centre.

26. In addition, the higher refugee quota will also create increased pressure on the capacity of the replacement school and also impact adversely on the education outcomes for refugee children during the reception programme. To mitigate this, it is proposed that an additional block of three additional classrooms be built to cater for the education needs of the additional refugee children. This would require a capital injection to Vote Education § 9(2)(i) and would be treated as a variation on the existing rebuild.

Reconfirmation of the 2013 Cabinet-agreed regional allocations within the quota is proposed

27. In 2010, Cabinet agreed to 50 per cent of places being allocated to the Asia-Pacific region and 50 per cent to the rest of the world, to demonstrate New Zealand's commitment to the Asia-Pacific region [DES Min (10) 2/3]. The allocation to the rest of

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the world agreed by Cabinet in 2013 was 22 per cent to the Americas, 14 per cent to the Middle East and 14 per cent to the African region⁴ Table Three compares the Cabinet-agreed allocations with the actual percentage resettled from each region in 2014/15

s 6(b)(ii)

Table Three: Proposed reconfirmed regional allocations (compared with the actual percentage resettled in 2014/15)

Region	Actual percentage resettled in 2014/15 %	s 6(b)(ii)	Cabinet-agreed in 2013 and proposed reconfirmed in 2016 %
Asia-Pacific	74		50
Americas	13		22
Middle East ⁶	12		14
Africa	1		14

28. In 2010, Cabinet established a requirement that refugees resettled from the Middle East and African regions would only be considered for resettlement in New Zealand if they have a pre-existing family link (that is, refugee family members already in New Zealand).

This requirement was reconfirmed in 2013.

s 6(a)

An increase in the annual number of places within the refugee quota for large-scale refugee crisis situations is proposed

30. In 2013, Cabinet approved 50 places each year within the refugee quota for refugees resettled from large-scale refugee crisis situations and those places were allocated to refugees from the Syrian crisis during 2013/14 and 2014/15. In 2015/16, 150 places within the refugee quota (as well as 100 places above the quota) were allocated to refugees from the Syrian crisis. The family-link criterion does not apply to refugees from large-scale refugee crisis situations.

31. This paper proposes that the places for large-scale refugee crisis situations within the refugee quota be increased from 50 to 100 places in each of the three years 2016/17 to

⁴ The percentage allocations in the Cabinet paper [CAB Min (13) 20/25] differ because they allow for 20 per cent of the refugee quota to be allocated to transferees.

s 6(b)(ii)

⁶ In 2014/15, 83 Syrian refugees were resettled from the 50 large-scale refugee crisis situation places approved for each of the 2013/14 and 2014/15 years, that is, those approved in 2013/14 did not arrive until 2014/15.

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2018/19 to maintain flexibility to respond to global events. The composition of these places would be agreed annually, along with the rest of the refugee quota, by the Minister of Immigration and the Minister of Foreign Affairs. As a large-scale refugee crisis situation is not confined to any particular region, these places are considered separately from the regional allocations.

No change is proposed regarding the 150 places for transferees

32. Cabinet agreed in 2013 that, if the annual 150 places offered to Australia to resettle transferees⁷ were not required, they would be reallocated to UNHCR-referred refugees, subject to Cabinet consideration of the regional allocations [CAB Min (13) 20/15]. No change to this arrangement is proposed.

A greater role for community organisations in supporting refugees to settle well is proposed

Volunteers currently provide valuable support to refugees in the settlement locations

33. A number of community organisations have indicated that they would be willing to undertake a greater role in supporting refugees to settle well in New Zealand. Under current arrangements, volunteers underpin the settlement of refugees in the community. The New Zealand Red Cross is contracted by MBIE to provide refugee settlement support services to quota refugees in the refugee settlement locations across New Zealand. It runs training programmes for refugee support volunteers in each refugee settlement location. Refugee support volunteers help each refugee family enrol with schools and doctors, assist them with budgeting, shopping and how to use public transport, and make social visits. Other volunteers, for example, are involved with driver training programmes and English language learning.

Approval in principle is sought for a community organisation refugee sponsorship category to be piloted in 2017/18

34. The UNHCR is encouraging member States to explore alternative forms of admission that would sit alongside current refugee resettlement programmes and help expand the current protection places. The UNHCR has reiterated its support for this approach in its submission on New Zealand's next three year refugee quota planning cycle. These forms of admission include private or community organisation sponsorship. Cabinet is asked to agree in principle to the piloting of a new community organisation refugee sponsorship category as an alternative form of admission to complement the refugee quota. It is proposed that 25 refugees would be granted residence under this new category in 2017/18, in addition to the proposed increase in the refugee quota.
35. The Minister of Immigration (in consultation with the Minister of Foreign Affairs) would report back to Cabinet concerning the details of the new category. The details would include the criteria for refugees to be approved residence under the new category, the criteria for, and responsibilities of, the sponsoring organisations, the evaluation criteria and the estimated funding needed to implement the new category. Cabinet approval

⁷ Refugees subject to Australian offshore processing legislation.

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would be sought for the additional funding required for the additional 25 refugees to be granted residence under this category in 2017/18.

Benefits and risks related to a greater role for community organisation have been identified

36. The benefits of community groups taking a greater role are:

- the strengthening of bonds between refugees, community-based organisations and local communities, and
- the opportunity to explore a shared model to expand the refugee programme (complementary, and additional to, the refugee quota programme) with community organisations undertaking responsibility for some aspects of settlement while the refugees remain eligible for publicly-funded services.

37. The main risk is that the capacity of community organisations to undertake refugee settlement, and what support the community organisations would need to take a larger role, is unknown at this point.

Consultation

38. The following agencies have been consulted during the development of this paper: the Ministries of Education, Health and Social Development; the Department of Internal Affairs (including the Office of Ethnic Communities), the New Zealand Security Intelligence Service, and the Treasury. The Department of Prime Minister and Cabinet has been informed.

Financial Implications

39. Table Four shows the additional refugee costs for which Cabinet approval will be required. Detailed cost estimates for each agency (Vote) are provided in Annex Two.

Table Four: Additional refugee costs

	2016/17 \$m	2017/18 \$m	2018/19 \$m	2019/2020 \$m	2020/21 & outyears \$m
Option one (current status)	-	-	-	-	-
Option Two (preferred)	11.565	14.876	17.713	19.732	20.601
Option Three	23.131	29.752	35.425	39.465	41.203

40. The proposed two additional accommodation units on the MRRC site ^{§ 9(2)(i)} ~~§ 9(2)(i)~~ would be funded utilising unspent capital from MBIE's balance sheet. The block of three additional classrooms (as well as some temporary adjustments to existing facilities to meet, among other things, early childhood education requirements), that is required to cater for the education needs of the refugee children, would require a capital injection to Vote Education ^{§ 9(2)(i)} ~~§ 9(2)(i)~~

41. Separate to the capital cost, there will also be the ongoing cost of ownership for the two new proposed accommodation units, which will require new Crown funding of \$0.050 million in 2016/17, \$0.265 million in 2017/18 and \$0.305 million in 2018/19 and outyears

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(refer Table Five). 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 2013 being based on a leased model for the MRRC. Following Treasury advice, a subsequent decision was made that MBIE would build and own the new MRRC and that the currently-unfunded \$2.976 million per annum from 2016/17 for operating costs would be sought upon completion.

Table Five: Operating impact of cost of ownership

Expense	2016/17 \$m	2017/18 \$m	2018/19 \$m	2019/2020 \$m	2020/21 & outyears \$m
Option one (current status)					
<i>Unfunded cost of ownership of new refugee centre</i>	2.976	2.976	2.976	2.976	2.976
Total operating impact	2.976	2.976	2.976	2.976	2.976
Option Two (preferred)					
<i>Unfunded cost of ownership of new refugee centre</i>	2.976	2.976	2.976	2.976	2.976
Total operating impact	3.092	3.372	3.412	3.412	3.412

Human Rights Implications

42. The proposals are consistent with the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993.

Legislative and Regulatory Implications

43. There are no legislative implications arising from this proposal. A regulatory impact statement is not required.

Publicity

44. MBIE will liaise with the office of the Minister of Immigration on a communications strategy for the announcement and related material.

Recommendations

45. The Ministers of Foreign Affairs and Immigration recommend that the Cabinet Economic Growth and Infrastructure Committee:

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:

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- 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, 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);

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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 Communities	0.252	0.252	0.252	0.252	0.252

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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
§ 9(2)(i)					
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					
§ 9(2)(i)					
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

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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) § 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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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 the Ministry of Business, Innovation and Employment, in consultation with the office of the Minister of Immigration, will develop a communications strategy.

Hon Michael Woodhouse
Minister of Immigration

____/____/____

Hon Murray McCully
Minister of Foreign Affairs

____/____/____

Annex One: 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 are mapping 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 latest measures of the success indicators for the Strategy show that there is a marked shift in employment at the two year and five year mark, with 20 per cent employed at two years and almost 40 per cent employed at five years after arrival in New Zealand. It is expected that those employment rates will continue to

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increase with the additional focus on employment during specific initiatives to prepare the refugees for employment and connect them to work.

- 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.
- Of the quota refugees resettled in 2014/15, around 67 per cent were placed in available social housing 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 social housing were no longer Housing New Zealand tenants at the end of December 2015.
- 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 of refugee students in 2013 and 77 per cent for all school leavers in 2014.

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Annex Two: Detailed cost estimates of each Agency (Vote)

Table One: Ministry of Business, Innovation and Employment – Immigration (Vote Labour Market)

	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Refugee-specific	\$000	\$000	\$000	\$000	\$000
Quota immigration officers	215	215	215	215	215
Settlement case officer	57	57	57	57	57
Housing coordinator	57	57	57	57	57
Data entry operator	48	48	48	48	48
Facilities and liaison Officer	48	48	48	48	48
Administration support	48	48	48	48	48
International travel for selection missions	70	70	70	70	70
s 9(2)(f)					
Domestic travel for refugee resettlement	75	75	75	75	75
Refugee allowances	45	45	45	45	45
s 9(2)(f)					
Total Refugee-specific	2,800	2,800	2,800	2,800	2,800
Mainstream					
None	-	-	-	-	-
Total	2,800	2,800	2,800	2,800	2,800

Table Two: Ministry of Social Development (Vote Social Development)

	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Refugee-specific	\$000	\$000	\$000	\$000	\$000
Employment focused	836	836	836	836	836
Social worker support	252	252	252	252	252
Total Refugee-specific	1,088	1,088	1,088	1,088	1,088
Mainstream					
Benefits - Job Seeker Support	660	1,674	2,487	3,147	3,147
Benefits - Sole Parent Support	71	179	267	337	337
Benefits - Supported Living Payment	123	312	464	586	586
Benefits - Accommodation Supplement	334	844	1,234	1,533	1,533
Benefits - Hardship Assistance	117	117	117	117	117
Total Mainstream	1,305	3,126	4,569	5,720	5,720
Total	2,393	4,214	5,657	6,808	6,808

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Table Three: Ministry of Education (Vote Education)

	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Refugee-specific	\$000	\$000	\$000	\$000	\$000
Education Programme at Mangere	530	530	530	530	530
Refugee Education co-ordinator	140	140	140	140	140
ESOL funding in Schools	183	365	452	539	626
Refugee Flexible Funding programmes	198	198	198	198	198
Refugee Pathways and Careers	89	89	89	89	89
Bilingual tutor funding, incl Bilingual Assessments (BAS)	100	100	100	100	100
Computers in Homes	89	89	89	89	89
Special education	67	67	67	67	67
Total Refugee-specific	1,395	1,578	1,665	1,752	1,839
Mainstream					
Primary and Secondary education	782	1,564	2,345	3,127	3,909
Total Mainstream	782	1,564	2,345	3,127	3,909
Total	2,177	3,142	4,010	4,879	5,748

Table Four: Ministry of Education (Vote Tertiary Education)

	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Refugee-specific	\$000	\$000	\$000	\$000	\$000
Intensive Literacy and Numeracy ESOL	525	1,050	1,575	1,575	1,575
Total Refugee-specific	525	1,050	1,575	1,575	1,575
Mainstream					
None	-	-	-	-	-
Total	525	1,050	1,575	1,575	1,575

Table Five: Ministry of Health (Vote Health)

	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Refugee-specific	\$000	\$000	\$000	\$000	\$000
Public health: physical and mental health (including dental), communicable diseases prevention and control (health screening immunisation) and health promotion.	757	757	757	757	757
Mainstream					
Health and disability services	2,914	2,914	2,914	2,914	2,914
Total	3,671	3,671	3,671	3,671	3,671