



BRIEFING

Draft Budget bid on Refugee Quota Programme cost pressures

Date:	23 January 2025	Priority:	High
Security classification:	Budget - Sensitive	Tracking number:	BRIEFING-REQ-0008120

Action sought		
	Action sought	Deadline
Hon Erica Stanford Minister of Immigration	Note that MBIE has prepared a draft Budget bid for your consideration Agree to provide feedback at the officials meeting on 24 January, ahead of submission to Treasury by 31 January	29 January 2025
Hon Casey Costello Associate Minister of Immigration	For information	N/A

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Sam Foley	Manager, Immigration (International and Humanitarian) Policy	Privacy of natural persons	✓
Privacy of natural persons	Senior Policy Advisor, Immigration (Border and Funding) Policy		

The following departments/agencies have been consulted
The Treasury

Minister's office to complete:

☐ Approved

☐ Declined

☐ Noted

☐ Needs change

☐ Seen

☐ Overtaken by Events

☐ See Minister's Notes

☐ Withdrawn

Comments



BRIEFING

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Date:	23 January 2025	Priority:	High
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Purpose

To provide you with a draft Budget bid on the Refugee Quota Programme (RPQ) cost pressures, and a draft letter to the Minister of Finance, ahead of submission of the final Budget bid to Treasury on 31 January 2025.

Recommended action

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

- a **Note** that on 20 January 2025 you received a letter from the Minister of Finance, which invited you to submit a Budget bid for the RQP cost pressures by 31 January

Noted

- b **Note** that officials have prepared a draft Budget bid (refer to Annex Two) and a letter to the Minister of Finance (refer to Annex One) for your consideration

Noted

- c **Agree** that MBIE submit the draft Budget bid to Treasury by 31 January 2025, subject to your feedback

Agree / Disagree / Discuss

- d **Note** that officials will discuss the draft Budget bid with you at the officials meeting on 24 January 2025.

Noted

Sam Foley
Manager, Immigration (International and Humanitarian) Policy
Labour, Science and Enterprise, MBIE
23/01/2025

Hon Erica Stanford
Minister of Immigration

..... / /


Background

1. On 16 December 2024, you sent a letter to the Minister of Finance, providing information on the RPQ cost pressures and requesting an invite to Budget 25 (on the advice of Treasury) (REQ-0007066 refers). As previously noted, the cost pressures arise because funding for the programme will reduce by \$6.5m per year on 1 July 2026 due to the time-limited funding agreed by Cabinet in 2024 ending. The time-limited funding was agreed to offset increases in the costs of running the programme post-COVID (i.e. increased costs of flights etc). However, these costs have not reduced.
2. On 20 January 2025, you received a letter from the Minister of Finance inviting you to submit a Budget bid for these cost pressures by 31 January. We have prepared a draft Budget bid and a letter to the Minister of Finance for your consideration.

We have prepared a draft Budget bid for your consideration

3. The draft Budget bid is attached at Annex Two. We are available to discuss it at the Officials meeting on Friday 24 January, ahead of the Budget bid being finalised and sent to the Treasury by 31 January 2024. A draft letter to the Minister of Finance, providing a summary of the Budget bid, is attached at Annex One.
4. The draft Budget bid provides further details about the cost pressures and assesses options to reduce costs across the three phases of the programme (outlined below). However, these options would have negative impacts by lowering the quality and outcomes achieved from the RPQ and are unlikely to realise enough savings to fully meet the cost pressure. MBIE's preferred approach is to fund the cost pressures in full.

Confidential advice to Government



The cost pressure has been revised from \$5.6m to \$7.297m per annum

6. During the process of developing the Budget bid, the previous costings (based on 2022/23 costs) have been updated. The updated costings have increased the cost pressure bid from \$5.6m to \$7.297m per annum. This is largely due to further depreciation spend in outyears being included as well as an increase in the capital charge from 2023/24 (for the security uplift programme at the Mangere Refugee Resettlement Centre).

Reprioritisation across MBIE and scaling options

7. The letter from the Minister of Finance asked for reprioritisation options across MBIE. Due to time constraints, we have not been able to include options for reprioritisation. As you are aware, reprioritisation would require other portfolio ministers to agree to contribute funding and reduce funding in other areas, which is a complex process that requires time and sensitivity. Officials will discuss your appetite for including reprioritisation options in the Budget bid at the Officials meeting on 24 January.
8. Officials will work with Treasury to include scaling options in the final Budget bid.

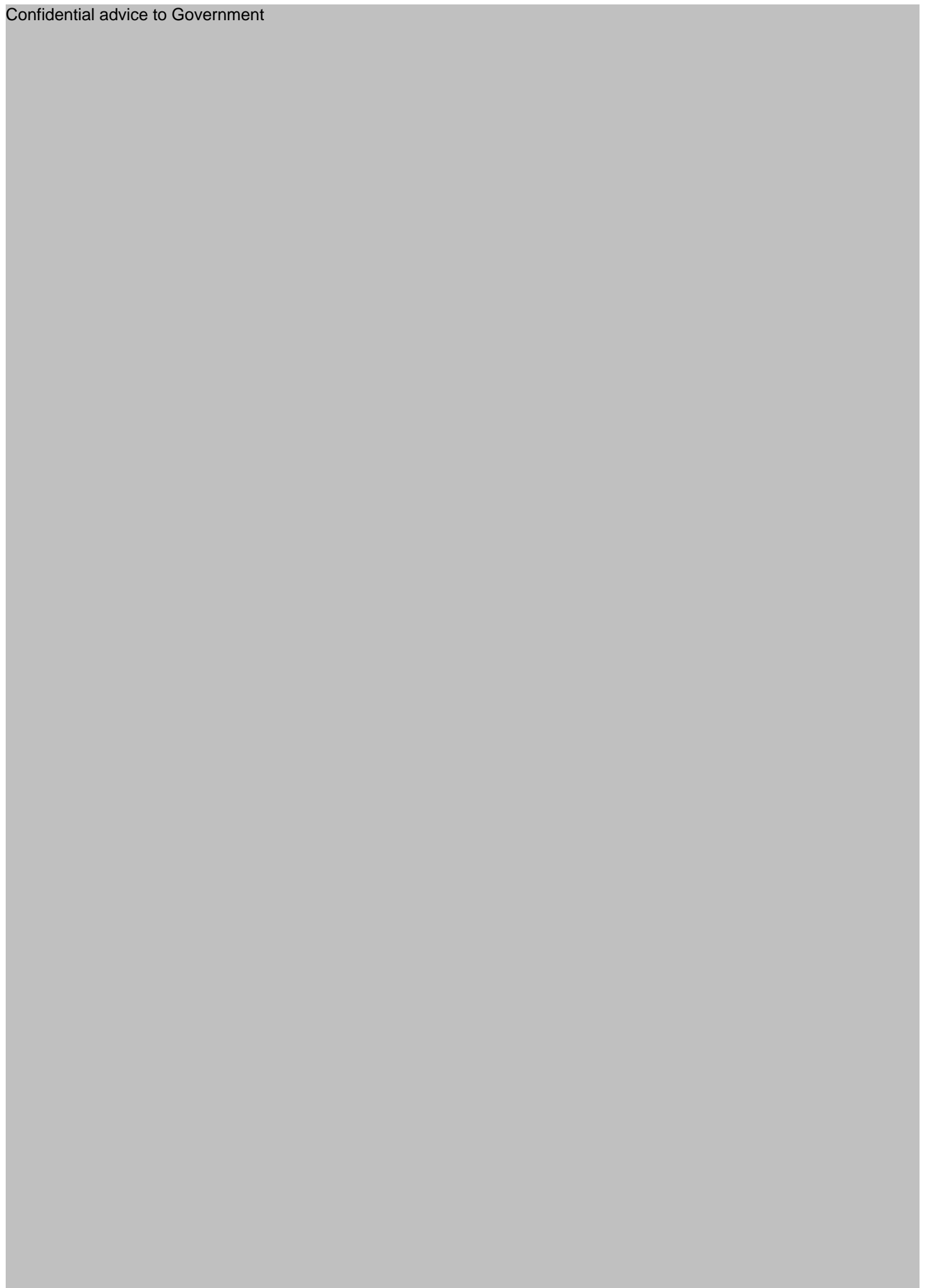
Next steps

9. Following your feedback on the draft Budget bid, officials will finalise the Budget bid and submit it to Treasury by 31 January. We understand further advice on Budget 25 is being provided to the Minister of Finance in mid-February.

Annexes

Annex One: Draft letter to the Minister of Finance

Annex Two: Draft Budget bid for the Refugee Quota Programme cost pressures



Annex Two: Draft Budget bid for the RPQ cost pressures

Refugee Quota Programme

Annex 1: Budget 2025 Cost Pressures and New Spending Template

Section 1: Overview

Section 1A: Basic initiative information										
Initiative title (max 120 characters)	Refugee Quota Programmes cost pressures									
Lead Minister	Minister of Immigration – Hon Erica Stanford	Agency	Ministry of Business, Innovation and Employment							
Initiative description (max 800 characters)	This initiative funds cost pressures from 1 July 2026 to enable delivery of New Zealand's international humanitarian commitments to resettle 1,500 quota refugees and 600 Refugee Family Support Category (RFSC) approved cases per annum. Existing baseline funding does not cover the operational cost increases which have arisen and successive Cabinet decisions (in Budget 2022 and in March 2024) have provided supplementary funding. The existing arrangements will end on 30 June 2026, with no reduction in costs expected. The funding would enable New Zealand to continue to meet its quota targets per annum; maintain a world-leading resettlement programme; continue to support good settlement outcomes; and maintain New Zealand's international reputation.									
Priority Area (PA) Objective	<input type="checkbox"/>	New Spending Commitments	<input type="checkbox"/>	Capital Investments						
	<input checked="" type="checkbox"/>	Cost Pressures	<input type="checkbox"/>	Capital Cost Escalation						
	<input type="checkbox"/>	Performance Plan Scrutiny								
Is this a cross-Vote initiative?	No	If yes, indicate which other Votes are affected								
Does this require legislative change?	No									
Agency contact	Privacy of natural persons		Treasury contact (Vote Analyst)	Privacy of natural persons						
Section 1B: Summary of funding profile										
Operating costs associated with initiative (\$m)										
2024/25	2025/26	2026/27	2027/28	2028/29 & outyears*	Total					
[●]	[●]	7.297	7.297	7.297	21.891					
*For irregular outyears, add additional rows above to display the full profile of the initiative. Delete "& outyears" for time-limited funding. See the Budget 2025 Uploading Initiatives to CFISnet for more information on entering outyears into CFISnet.										
Capital costs associated with initiative (\$m)										
24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	31/32	33/34*	Total
[●]	[●]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[●]
*Extend the profile above if funding is needed beyond 2033/34.										

Section 2: Alignment and options analysis

Section 2A: Problem definition – Cost Pressure							
The answer to each question must not exceed 1-2 paragraphs							
Type of cost pressure (select 1)	<input type="checkbox"/> Wage	<input checked="" type="checkbox"/> Price	<input type="checkbox"/> Volume	<input type="checkbox"/> Other			
What is the cause of the cost pressure?	<p>Cabinet has made successive decisions to fund the cost pressures facing New Zealand's refugee programmes, with the current arrangements concluding 30 June 2026. The cost pressure is driven mainly by increases in costs of services and activities necessary to deliver the refugee quota of 1,500 per annum and the RFSC of 600 people per year. These costs sit across an end-end resettlement process delivered by Immigration New Zealand (INZ) comprised of three key components:</p> <ol style="list-style-type: none"> Offshore costs <ul style="list-style-type: none"> Refugee travel and departure costs: The cost of airfares for travel to New Zealand and offshore medical screening costs have increased and other additional departure costs (e.g. exit fees) are being incurred. International Organization for Migration's (IOM's) fixed fees: New Zealand has a Memorandum of Understanding and Funding Framework with IOM under which they make travel bookings and complete necessary pre-departure arrangements for refugees travelling as part of New Zealand's RQP, including pre-flight medical assessments, medical treatment, exit permission formalities and escort of medical cases, when required. The fees are set annually and have increased over time. - IOM Fees are charged in USD and the exchange rate has further impacted the baseline. Operating costs of the Māngere Refugee Resettlement Centre (MRCC) (quota refugees only): <ul style="list-style-type: none"> Site operating costs: Funding is required to cover a range of cost increases to operate services at the centre, including security, living wage, rates and utilities, and repairs and maintenance (given the age of the site). Interpreting services: A central government contract is used to provide interpreting services and the costs have increased due to labour cost increases. Depreciation: The security uplift undertaken using \$4.5m of capital funding from Budget 2023 means that there are additional capital assets that have incurred a 24% increase in depreciation costs. This was not part of the original Budget bid. Capital charge: Due to increased borrowing costs on capital, the capital charge incurred increased to \$4.9m in 2023/24 due to in progress capital spend on the Security Uplift Programme at the Mangere Refugee Resettlement Centre. This is a \$1.9m increase on 2022/23. Ongoing settlement support: <ul style="list-style-type: none"> Household furniture costs (refugee quota): Families are supplied with basic household furniture for their new home as part of the settlement process. Costs vary based on family composition, but have increased each year, including more freight costs. Settlement support: INZ funds third party providers in the 13 settlement locations to fund settlement support for refugees for up to two years post-arrival. The contracts expired on 30 June 2022 and the new contracts (negotiated until 2027/28) reflect the negotiated prices (the 2024 costs presented an 8% increase from 2023/24). 						
Why is the cost pressure unmanageable?	<p>In 2018, the Government agreed to increase the refugee quota from 1,000 to 1,500 from 1 July 2020 and allocated a tagged operating contingency against Budget 2019 for the changes and resources required to facilitate this. This increased to \$35.021m for 2024/25 and outyears but has not been sufficient to meet an annual quota of 1,500 people due to increasing costs.</p> <p>Initially a reduced quota (of 750-1,000 for 2021/22, made necessary by the border closure) mitigated the cost pressure. Additional funding of \$4.2m was allocated in Budget 2022 to meet cost pressures, reducing to \$2.7m from FY25. This additional funding was provided to meet increased costs due to COVID-19, but post-pandemic costs have not reduced as expected. On 27 March 2024, Cabinet agreed to address cost pressures through to 30 June 2026 by</p>						

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	<p>repurposing \$13.581m from a tagged operating contingency (originally for maintaining visa processing in the event fees revenue was insufficient to cover costs).</p> <p>MBIE is actively managing cost pressures across 23 ministerial portfolios, including quite a number that require ministerial reprioritisation decisions within the individual portfolio baselines and/or fee and levy changes. It is not possible within the Immigration portfolio to offset this cost pressure with the Immigration Services MCA fully subscribed, and the programmes relating to this cost pressure being Crown (rather than the fee or levy-funded areas). Reprioritisation would require other portfolios to agree to contribute funding and reduce funding in other areas, which is why this cost pressure is one of the few listed in the draft Performance Plan as requiring ministerial decisions and either new funding or a cross-portfolio decision to fund. A cross-portfolio decision of this nature requires Cabinet and/or Budget consideration.</p>			
Alignment to Government Priorities (if alignment to multiple Priorities is possible, select the most relevant)	<input type="checkbox"/>	Addressing the rising cost of living	<input checked="" type="checkbox"/>	Delivering effective and fiscally sustainable public services
	<input type="checkbox"/>	Building for growth and enabling private enterprise	<input type="checkbox"/>	Not Aligned
	<p>Primarily, the RQP fulfils New Zealand's international humanitarian commitments and supports the UNHCR and the international community in providing protection to refugees who are not able to return safely to their home country. This bid seeks to put the RQP on a sustainable funding path, to enable the delivery of effective and fiscally sustainable public services.</p> <p>The RQP is aligned with the social investment approach. Both the reception programme and settlement support in the community have been developed and continue to be refined in line with international best practice and evidence, involving multiple government agencies and NGOs. New Zealand's approach to resettling refugees is predicated on early investment to achieve better long-term results for refugees and assisting them to become settled and integrate in New Zealand, in a way which reduces the number relying on social services over time and the overall costs for taxpayers.</p>			

Section 2C: Options analysis

The answer to each question must not exceed 1-2 paragraphs

What was the range of options considered?	<p>Four alternative options to reduce costs across the three phases of the programme have been identified. These options would all have negative impacts by lowering the quality and outcomes achieved from the RPQ or would have negative impacts on our international refugee commitments by reducing our intake of refugees. Options 1-3 on their own are unlikely to realise enough savings to fully meet the cost pressure.</p>
	<p>Confidential advice to Government</p>

Confidential advice to Government



Confidential advice to Government



	Confidential advice to Government
What was the process used to select the preferred option?	The options analysis frames the operating costs for RQP at each stage of the three key stages of the resettlement process. The assessment seeks to balance meeting New Zealand's international humanitarian commitments, maintaining an appropriate level of service delivery for refugees as per the NZRSS and cost considerations.
Interaction with savings proposals	Not applicable.

Section 3: Costs and Benefits Analysis

All initiatives need to complete section 3A and 3B.

All initiatives except those submitted by:

- *agencies provided with an envelope, or*
- *economic growth initiatives that are asked to provide a fiscally neutral option*

are required to complete section 3C.

Section 3A: Benefits and non-fiscal costs

The answer to each question must not exceed 1-2 paragraphs.

What outcome(s) would the initiative achieve?	<p>An effective refugee pathway and settlement assistance supports New Zealand to meet its international commitments, primarily the 1951 United Nations Convention on Refugees. There are positive international relationship and reputational benefits for New Zealand associated with this. New Zealand's refugee programme is considered world-leading; at the UNHCR's 75th annual Executive Committee meeting in October 2024 the High Commissioner for Refugees Filippo Grandi commended New Zealand for continuing to "run one of the most significant resettlement programs per capita globally".</p> <p>The funding would directly affect the settlement outcomes of refugees arriving in New Zealand, supporting them to feel safe and well, have a sense of belonging and able to participate in and contribute to all aspects of life (social, economic, cultural, and civic).</p>
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How will these outcomes be measured and evaluated?	<p>We continue to meet New Zealand's targets of 1,500 quota refugees and 600 RFSC places per annum; maintain a world-leading resettlement programme; and continue to support good settlement outcomes under our refugee resettlement programmes.</p> <p>The NZRSS provides the framework for monitoring settlement outcomes across a range of outcome areas which is reported on annually. Historically this has only included quota refugees but from 2025 will include all other refugee cohorts, including RFSC. The NZRSS is governed by a cross-agency Senior Officials Group who provide strategic direction on settlement activities, including funding and delivery of settlement related programmes and activities.</p>		
Evidence and assumptions	<p>The Refugee Resettlement Strategy outcomes for quota refugees reported in 2023² included:</p> <ul style="list-style-type: none"> • The 2021-22 cohort had a very high employment rate of 27% one year after arrival, and employment rates steadily increase over time to around 36% on average at year five (with a corresponding decrease in unemployment benefits over time) • In 2022, 77% of former refugee students attained NCEA level 2 or above after 5+ years in the education system (above the 75% rate for New Zealand school leavers as a whole). • 100% of former quota refugees aged under 17 years who arrived in the 2022-23 year had received an age-appropriate vaccination within six months of arrival. 		
Climate impact	<input type="checkbox"/> Yes – emissions impacts (positive or negative)	<input type="checkbox"/> Yes – climate adaptation or resilience impacts (positive or negative)	<input checked="" type="checkbox"/> No impact

Section 3B: Expenditure profile and cost breakdown

The answer to each question must not exceed 1-2 paragraphs.

Formula and assumptions underlying costings	<p><i>What assumptions have been used to prepare the costings for this initiative?</i></p> <p>Assumptions have been included below, where applicable.</p>
	<p><i>Provide any formula that has been used to support the calculation of the costings. Alternatively, a spreadsheet of the costing that demonstrates the formula used to calculate the costing can be attached.</i></p> <p>Offshore costs</p> <ul style="list-style-type: none"> • <u>Refugee travel and departure costs</u>: \$2.984m in 2026/27 and outyears 2023/24 costs were \$5m (airfares) and \$1.4m (medical). The costing is based on an average pp cost of \$3,700 airfares (assumes the 450 bilateral arrangement with Australia ceases in June 2025³) and \$960 medical costs for 1,500 people. • <u>One additional selection mission</u>: \$0.048m in 2026/27 and outyears Costing calculated from previous costs – this flows on from the assumption above. • <u>Pakistan exit fees</u>: \$0.120m in 2026/27 and outyears Assumes ongoing exits from Pakistan for RFSC of 80 people at current rate of \$1,500 pp. • <u>International Organization for Migration's (IOM's) fixed fees</u>: \$0.556m in 2026/27 and outyears 2023/24 costs were NZD\$4.3m. The costing includes a 10% increase from 2023/24 and exchange rate costs. <p>Operating costs of the Māngere Refugee Resettlement Centre (MRCC) (quota refugees):</p> <ul style="list-style-type: none"> • <u>Site operating costs</u>: \$1.250m in 2026/27 and outyears Primarily based off cost differences between 2022/23 and 2023/24 actuals, and other known property and utility-related cost increases. • <u>Interpreting services</u>: \$0.426m in 2026/27 and outyears The costing uses an average of \$530 for 1,500 refugees based on 2023/24 costs of \$786k. • <u>Depreciation</u>: \$1m from 2026/27 and outyears

² New Zealand Refugee Resettlement Strategy: Success indicators and measures. Outcomes update for 2023.

<https://www.immigration.govt.nz/documents/refugees/nzrss-outcomes-dashboard-2023.pdf>

³ The Australian government paid for the airfares from Australia to New Zealand.

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	<p>Based off initial \$4.5m capital from Budget 23, WIP is \$5.7m, depreciation will be \$2.2m (an increase of \$1m from 2023/24).</p> <ul style="list-style-type: none"> <u>Capital charge: \$0.285m in 2026/27 and outyears</u> Based off \$5.6m of new spend (some from Budget 23). <p>Ongoing settlement support:</p> <ul style="list-style-type: none"> <u>Household furniture costs (refugee quota): \$0.223m in 2026/27 and outyears</u> 2023/24 expenditure was \$1.8m, an increase of \$0.140m from 2022/23. The cost factors in assumptions regarding cost increases when the contract is re-tendered. <u>Settlement support: \$0.360m in 2026/27 and outyears</u> New contracts were negotiated, which factored in year-on-year price increases.
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Provide a breakdown of existing and additional funding sought by individual expense category and agency. Add additional rows as appropriate for additional expense categories.

Operating expenses (\$m)

Existing operating funding (\$m)

Operating expense category	2024/25	2025/26	2026/27	2027/28	2028/29 & outyears	Total

Operating costs associated with initiative (\$m)

Operating expense category	2024/25	2025/26	2026/27	2027/28	2028/29 & outyears	Total
Travel	[●]	[●]	3.708	3.708	3.708	11.124
Settlement Support	[●]	[●]	2.3042	2.304	2.304	6.913
Depreciation and/or capital charge (if relevant) – [Agency / Crown Entity etc.]	Click or tap here to enter text.	Click or tap here to enter text.	1.285	1.285	1.285	3.855

Personnel expenditure (\$m) – please state impact at the initiative level

Net FTE funding	[●]	[●]	[●]	[●]	[●]	[●]
Net contractor/consultant funding	[●]	[●]	[●]	[●]	[●]	[●]
Net FTE and contractor/consultant overhead funding	[●]	[●]	[●]	[●]	[●]	[●]
Total operating expenses (\$m)	[●]	[●]	[●]	[●]	[●]	[●]

*Extend the profile above to a “steady state” if funding into outyears is irregular. Delete “& outyears” for time-limited funding.

FTE implications – please state impact at the agency level

	2024/25	2025/26	2026/27	2027/28	2028/29 & outyears
Total # of net FTEs at [Agency / Crown Entity / etc.] (employees)	[●]	[●]	[●]	[●]	[●]
Total # of net FTEs at [Agency / Crown Entity / etc.] (contractors/consultants)	[●]	[●]	[●]	[●]	[●]

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Total # of net FTEs (employees and contractors/consultant) over the forecast period	[●]	[●]	[●]	[●]	[●]						
Additional occupation breakdown of FTE changes (count) over the forecast period											
Occupation	2024/25	2025/26	2026/27	2027/28	2028/29 & outyears						
Managers	[●]	[●]	[●]	[●]	[●]						
Policy Analyst	[●]	[●]	[●]	[●]	[●]						
Information Professionals	[●]	[●]	[●]	[●]	[●]						
Social, Health and Education Workers	[●]	[●]	[●]	[●]	[●]						
ICT Professionals and Technicians	[●]	[●]	[●]	[●]	[●]						
Legal, HR and Finance Professionals	[●]	[●]	[●]	[●]	[●]						
Other Professionals not included elsewhere	[●]	[●]	[●]	[●]	[●]						
Inspectors and Regulatory Officers	[●]	[●]	[●]	[●]	[●]						
Contact Centre Workers	[●]	[●]	[●]	[●]	[●]						
Clerical and Administrative Workers	[●]	[●]	[●]	[●]	[●]						
Other Occupations	[●]	[●]	[●]	[●]	[●]						
Would funding this initiative impact current employees?	<i>Please indicate if funding this initiative extends the employment of or retains current employees, or if it is to fund new employees.</i> <i>If there is a split, please describe how it is split and if possible, provide figures here.</i>										
Existing capital funding (\$m)											
Capital expense category	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34*	Total
<i>[Type of funding currently allocated or set aside in contingency. E.g. current baseline funding allocated.] - [Agency / Crown Entity etc.]</i>	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Capital costs associated with initiative (\$m)											
Capital expense category	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34*	Total
<i>[Name of capital expense category] - [Agency / Crown Entity etc.]</i>	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
<i>[Name of capital expense category] - [Agency / Crown Entity etc.]</i>	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
<i>[Name/type of contingency] -</i>	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

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[Agency / Crown Entity etc.]											
Total (\$m)	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

*Extend the profile above if funding is needed beyond 2033/34.

Section 3C: Scaled and/or Reprioritisation Options to meet 75%, 50% and 25%

Operating expenses (\$m)											
Operating expenses and reprioritisation (\$m)	2024/25		2025/26		2026/27		2027/28		2028/29 & outyears		Total
[Total cost of full or scaled option]	[●]		[●]		[●]		[●]		[●]		[●]
[Reprioritisation Option – please state the corresponding initiative ID and Title]	[●]		[●]		[●]		[●]		[●]		[●]
Net Total (\$m) – 75%	[●]		[●]		[●]		[●]		[●]		[●]
[Total cost of full or scaled option]	[●]		[●]		[●]		[●]		[●]		[●]
[Reprioritisation Option – please state the corresponding initiative ID and Title]	[●]		[●]		[●]		[●]		[●]		[●]
Net Total (\$m) – 50%	[●]		[●]		[●]		[●]		[●]		[●]
[Total cost of full or scaled option]	[●]		[●]		[●]		[●]		[●]		[●]
[Reprioritisation Option – please state the corresponding initiative ID and Title]	[●]		[●]		[●]		[●]		[●]		[●]
Net Total (\$m) – 25%	[●]		[●]		[●]		[●]		[●]		[●]
Capital expenses (\$m)											
Capital expense category	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34 *	Total
[Name of capital expense category]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[Name of capital expense category]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[Name/type of contingency]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total (\$m)	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

*Extend the profile above if funding is needed beyond 2032/33.

Confidential advice to Government

What are the main risks of the options presented above?	The RQP is held in high regard internationally and domestically because it delivers successful settlement outcomes for refugees who come to New Zealand. There will be a negative impact on New Zealand's international humanitarian reputation if numbers are decreased, but this will also occur to some extent if the programme's settings are significantly altered and the quality and outputs reduced . Moreover, this would materially impact refugees' ability to settle
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successfully (for example, in terms of education, health, and employment outcomes) and likely attract downstream costs (e.g. welfare, justice, social housing) as a result.

Section 4: Delivery

Section 4A: Procurement

The answer to each question must not exceed 1-2 paragraphs.

What is the initiative purchasing/funding?	As this is an existing service, no additional resources need to be sourced.
What market constraints or other delivery risks exist?	Additional future costs would result from any new significant capital expenditure and increases in third party costs.
Government Procurement Rules	Significant procurement is required to deliver the RQP on an ongoing basis due to the number of third-party service providers, and is delivered in line with the Government Procurement principles, rules and related guidance.

Section 4B: Risks, constraints, and dependencies

The answer to each question must not exceed 1-2 paragraphs

What are the main risks?	This initiative is low risk as it is providing for existing activities to continue.
What are the key constraints?	
What are the key dependencies?	N/A

Section 4C: Governance and oversight

The answer to each question must not exceed 1-2 paragraphs.

What are the governance arrangements for this initiative?	Existing governance arrangements are in place for the quota and Mangere Refugee Resettlement Centre, including representatives from across MBIE. The New Zealand Refugee Resettlement Strategy (NZRSS) provides the framework for monitoring settlement outcomes across a range of outcome areas which is reported on annually. Historically this has only included quota refugees but from 2025 will include all other refugee cohorts, including RFSC. The NZRSS is governed by a cross-agency Senior Officials Group who provide strategic direction on settlement activities, including funding and delivery of settlement related programmes and activities. <i>Explain how the proposed governance structure provides for input from partners/stakeholders/customers, including iwi and Māori?</i>
Timeframes and monitoring	Monthly reporting on performance against the refugee quota is provided to lead Ministers via the weekly report.

Section 4D: Demonstrating performance

The answer to each question must not exceed 1-2 paragraphs.

The Refugee Quota is an existing programme, which is reflected in the Estimates through the **measure “Number of UNHCR Refugee Quota Programme (RQP) arrivals”**, which covers the quota target of 1,500 places per year. If the target number for quota arrivals was to change this performance measure would need to be updated.

Section 5: Equity

All initiatives need to complete this section.

The answer to each question must not exceed 1-2 paragraphs.

Timing of costs and benefits	Findings from recent New Zealand research identified the first five years of settlement are vital for successful refugee settlement. ⁴
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⁴ <https://www.auckland.ac.nz/en/news/2023/06/02/first-five-years-make-all-the-difference-for-refugee-success.html#:~:text=Findings%20reveal%20the%20importance%20of,who%20arrive%20under%20the%20family>

BUDGET-SENSITIVE

Treaty of Waitangi (Te Tiriti o Waitangi) Obligations	Yes	Are there any Treaty-related implications or legislative risks in relation to Treaty settlements, including Treaty settlement commitments relevant to your Agency? Describe any specific implications and outline how these implications can be mitigated. Guidance on applying the Treaty to policy work can be found here and here .		
		<p>No</p> <p>Consultation with iwi and Māori was undertaken as part of the expansion of settlement locations from 8 to 13, when the quota was increased from 1,000 to 1,500. The delivery of the reception programme includes modules run by the Auckland Institute of Technology (funded by the Ministry of Education) including an introduction to the Treaty of Waitangi for each intake of refugees. Iwi are also involved in settlement support programmes run through settlement service providers in regions across New Zealand.</p>		
Specific implications regarding human rights	Yes	New Zealand has domestic and international human right obligations to ensure access to housing, education, health, etc. These stem from domestic and international legislation and conventions, including the refugee convention. There is a risk that reducing settlement support could impact on our compliance with these obligations if the changes had the effect of reducing access to services. Noting that the reduction in funding would not directly impact refugees' legal access to these services (they would still have the same access to health, education, housing, etc) but could impact on their ability to access them if they are unable to understand what they are eligible for.		
Does the initiative have a larger impact on any of the following groups of New Zealanders than on the population as a whole?	Māori	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Pasifika</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Other minority ethnic groups</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Rural Populations</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Seniors</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Disabled Peoples</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Women and girls</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Low-income individuals / families</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Children and Young People</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Other groups (please specify)</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
Distributional Impacts	This cost pressure directly impacts refugee arrivals to New Zealand, an extremely vulnerable group. To be considered for resettlement in New Zealand, a refugee must be found by the UN Refugee Agency (UNHCR) to have priority protection needs requiring resettlement in a safe third country and be referred for consideration according to established international guidelines. UNHCR is responsible for identifying global resettlement needs and priorities on an annual basis.			
	Meeting this cost pressure would have a positive impact on children and young people who are offshore in refugee situations outside New Zealand (in 2023/24, 44% of refugee arrivals to New Zealand were under the age of 18, which is 662 children). There would also be a positive impact on refugee women and people with disabilities. Under current settings at least 150 places are allocated to women at risk ⁵ and up to 75 places for refugees with medical conditions and disabilities. (In March 2025 Cabinet is expected to consider the composition of the quota for the three years from 2025/26 to 2027/28).			

⁵ Refugee women who lack support of traditional family protectors or community who are at risk in their country of refuge, who need protection from gender-related persecution (e.g., abduction, sexual abuse and exploitation).