



BRIEFING

Letter to the Minister of Finance on Refugee Quota and Refugee Family Support Category cost pressures

Date:	12 December 2024	Priority:	High
Security classification:	Budget - Sensitive	Tracking number:	REQ-0007066

Action sought		
	Action sought	Deadline
Hon Erica Stanford Minister of Immigration	Agree to send the attached letter to the Minister of Finance	23 December 2024
Hon Casey Costello Associate Minister of Immigration	For information	N/A

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Stacey O'Dowd	Manager, Immigration (Border and Funding) 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☐ Withdrawn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



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Purpose

To provide you with a letter for the Minister of Finance on the Refugee Quota (the Quota) and Refugee Family Support Category (RFSC), which provides context on the cost pressures and seeks an invitation to Budget 25.

Recommended action

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

- a **Note** that MBIE has not been invited to submit a Budget 25 bid for the Refugee Quota and RFSC cost pressures
Noted
- b **Note** that the Treasury has advised that although funding for these cost pressures is not needed until 2026/27, additional funding would come from the Budget 25 allowance and therefore requires a Budget 25 decision
Noted
- c **Note** that a draft letter for you to send the Minister of Finance seeking an invitation to Budget 25 (on the recommendation of the Treasury) is attached at **Annex One**
Noted
- d **Agree** to finalise and send the attached letter to the Minister of Finance by 23 December.
Agree / Disagree / Discuss

Stacey O'Dowd
Manager, Immigration (Border and Funding)
Policy

12 / 12 / 2024

Hon Erica Stanford
Minister of Immigration

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Refugee Quota and RFSC cost pressures were not invited for Budget 25

1. In September 2024, we briefed you on preferred options to address immigration cost pressures relating to Refugee and Migrant Services (RMS) area (refer 2425-1078). You indicated your preference was to seek Crown funding from 2026/27 in Budget 25 to address the Quota and RFSC cost pressures. The cost pressures were included in the Performance Plan submitted to the Treasury on 7 November 2024.
2. On 15 November 2024, the Minister of Finance wrote to Hon Minister Lee, as minister responsible for the Ministry of Business, Innovation and Employment (MBIE), regarding the process for Budget 25. As you are aware, Immigration was not invited to submit a cost pressure or new spending initiative.
3. At the Officials meeting on 25 November 2024, you agreed to write to the Minister of Finance setting out the implications of not funding the Quota and RFSC cost pressures for:
 - a. 2025 (small impact on Immigration New Zealand's ability to plan) and
 - b. 2026 (likely a reduction in Quota places by a third, which would negatively impact our international reputation).
4. On 11 December, The Treasury confirmed with MBIE that although funding for the cost pressures is not needed until 2026/27, any funding would come from the Budget 25 allowance and is therefore a Budget 25 decision. The Treasury has recommended that you seek an invitation for Budget 25 from the Minister of Finance.

We have prepared a draft letter for you to send to the Minister of Finance outlining the cost pressures and seeking an invite for Budget 25

5. As agreed, we have prepared a draft letter that sets out context on the cost pressures, including why they cannot be funded from the Immigration Services Multi Category Appropriation or delivered within baselines. On Treasury's advice, the letter also seeks an invitation for Budget 25.
6. The draft letter attached at Annex One. We are available to discuss at the Officials meeting on Monday 16 December, ahead of the letter being finalised and sent to the Minister of Finance by 23 December 2024.

Next steps

7. If invited for Budget 25, MBIE will have to complete a Budget template for submission by the end of January 2025. We will provide you with a draft the week of 21 January. Officials will begin work on this in advance of Christmas due to the short time frame.
8. Minister Costello can expect a draft Cabinet paper in early 2025 on the strategic settings for the Quota for the three years from July 2025 to June 2028. Decisions will be sought on the overall number of Quota refugees to be resettled in each of the years, alongside the regional allocations and priority groups.

Annexes

Annex One: Draft letter to the Minister of Finance

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