

Vote(s): Immigration

Proposal: Meeting immigration-related international obligations

Funding allocation: Other

Short Description:

This initiative comprises four separate sub initiatives, each of which will assist New Zealand to meet its international obligations. Two of them provide for humane and appropriate accommodation for asylum seekers, refugees, and overstayer children, one provides resources to support New Zealand's recent accession to membership of the International Organisation for Migration (IOM), and one seeks resource to support New Zealand's membership of international forums. Each proposal seeks funding from Revenue Crown.

The first initiative is a contract with a non-governmental organisation to run a hostel in Auckland, primarily to house asylum seekers not granted a permit at the border. It is proposed that it also be available to house people with children who are appealing removal (primarily unsuccessful former refugee status seekers) who are not eligible for a permit and who therefore may neither work nor receive a benefit. Housing New Zealand Corporation has expressed interest in using the proposed additional hostel capacity as transit accommodation for some refugee quota members who are being resettled in Auckland, where housing is not yet available, and the Ministry of Social Development has also expressed interest in purchasing some accommodation services for clients. The initiative also proposes increasing the weekly allowance for food, clothing and medication paid to people released on conditions from the current \$70 per week to \$85 per week, and proposes that this be paid to all persons released on conditions, rather than only those persons housed in hostels, as at present. The cost is offset by funding provided in the 2002 Budget for community-based accommodation. The initiative seeks initial funding of \$0.854 million in 2004/05 and ongoing funding of \$0.445 million per annum (GST inclusive). A one off cost of \$0.017 million in 2005/06 for an evaluation is also included.

The second initiative is a survey of the Mangere Refugee Reception Centre / Accommodation Centre to determine upgrade needs and costs. The Centre is a collection of WWII prefabs, and several of its infrastructural services have been operating for longer than originally designed. In particular, the sewerage and electrical systems are liable to fail in the medium term. The estimated cost of the survey is \$0.090 million (GST inclusive) in 2004/05 only. The survey may form the basis of a capital bid in Budget 2005.

The third initiative seeks funding to resource New Zealand's membership of the IOM. Cabinet agreed to New Zealand joining the IOM in May 2003 [CAB Min (03) 17/2 and ERD Min (03) 4/4 refer]. The Ministry of Foreign Affairs and Trade and the Department of Labour's New Zealand Immigration Service (NZIS) have jointly funded the first

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annual fee in 2003/04, with Cabinet agreeing that a Budget bid would be made by the Department of Labour to support both the annual fee and the cost of attending two meetings per year. An appropriation of \$0.073 million (half the annual fee of \$130,000, plus GST) is sought for the current year, to enable an appropriate accrual to be made. In 2004/05 and outyears \$0.214 million is sought, to cover the annual fee, plus the cost of meeting attendance (at \$0.034 million, GST inclusive, per meeting attended).

The fourth initiative is a half time position in the Department of Labour's New Zealand Immigration Service to provide strategic support to membership of forums including the Executive Council of the United Nations High Commissioner for Refugees (UNHCR), the Pacific Rim Immigration Directors Conference (PACRIM), and the Bali conference on people-smuggling. New Zealand has considerably increased its participation in immigration-related international organisations and bi- and multi-lateral relationships over the past two to three years, and a dedicated resource would enable the full benefits (including intelligence flow) of international collaboration to be realised. The initiative seeks operating funding of \$0.070 million per annum from 2004/05.

Initiative Ranking: 3 of 5

Impact

\$000	2003/04	2004/05	2005/06	2006/07	2007/08 & outyears
Gross operating impact**	73	1,418	1,343	1,328	1,328
Offsetting savings/revenue**		189	601	601	601
Net operating impact (GST incl)	73	1,229	742	727	727

Benefits / Contribution to Growth

This proposal is seeking to meet New Zealand's international obligations, rather than contribute to growth per se. However, initiatives which contribute to a positive international reputation may assist other countries' views of New Zealand and thereby have positive spin offs for New Zealand in a variety of forums. In addition, better intelligence and international cooperation contribute to better management of risks which could undermine growth.

Collaboration in development and implementation

Discussions have been held with stakeholder departments (Housing New Zealand Corporation, Ministry of Social Development, Treasury).

Costing Information

The hostel proposal's total cost (excluding the evaluation) is calculated to be \$1.043 million (GST inclusive) from 2004/05. This can be partially offset by \$0.189 million (GST inclusive) already in NZIS baselines, in 2004/05, and by another \$0.412 million (GST inclusive), from 2005/06, once transitional arrangements with existing providers have been worked through. The offsetting funding is the \$0.601 million provided in Budget 2002 for community-based accommodation.

The components of the cost are:

- subsidising the rental of \$0.450 million per annum plus GST, and

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- paying an allowance to persons without permits of \$85 per week (equivalent to the average amount paid to persons on permits after rental is paid) – assuming an average of 90 persons without permits accommodated on conditions, per week,
- an evaluation (\$15,000 plus GST) during 2005/06.

This funding does not take account of any refunds with regard to bed nights paid for by other agencies (such as MSD). It is proposed that any refunds be accounted for by the NZIS and returned to the Crown at the end of each year. At this stage it is not possible to estimate how much money this might be. The evaluation will include information on the pattern of expenditure and baselines will be able to be adjusted from 2006/07 to take account of this.

The Mangere Refugee Reception Centre survey cost is based on estimates from similar surveys of premises of approximately similar size.

The IOM proposal is based on:

- Membership fees of \$0.130 million (plus GST) per annum plus costs of attending two sessions per annum, estimated at \$0.060 million (plus GST) in total .

The international strategic support resource costing is based on half of a full time equivalent advisor, plus overheads and travel.

Monitoring

The Department reports on the detention and community accommodation of asylum seekers, and on contracts with community based organisations, as part of its usual reporting.

The evaluation of the hostel proposal will examine whether it is meeting its objectives of providing safe and humane accommodation to people without permits, in particular asylum seekers and overstayer children, at a cost effective price. It will include feedback from stakeholders. It will also examine the patterns of bed night utilisation from a financial perspective, and determine whether any baseline changes should be made.

Risks

The proposed contract to administer the hostel is relatively expensive and has risks around ensuring that the funding is well managed, spent on people for whom it is intended, and appropriately refunded where it has not been spent. This will be managed through: monthly payments, dependent on invoices showing bed nights for the previous month, and close monitoring by the contracts advisor; and an evaluation of the initiative in the second year of its operation.

Both the IOM proposal and the survey of the Mangere Refugee Reception Centre proposals are relatively low risk.

There are no legislative changes required for any of the proposals.

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Draft Recommendations to Ministers

It is recommended that Ministers:

1. **agree** that provision be made to contract for sustainable hostel accommodation for people without permits, and that allowances for food and other necessities for people without permits be increased to \$85 per week, and that the range of people able to receive allowances be broadened; that a survey of the Mangere Refugee Reception / Accommodation Centre be carried out during 2004/05 to determine maintenance and upgrade needs; and that funding be appropriated to cover the costs associated with New Zealand's accession to membership of the International Organisation for Migration (IOM), and other international forums;
2. **agree** to increase funding to enable better provision of humane and appropriate accommodation for asylum seekers, refugees, and overstayer children, fund a survey of the Mangere Refugee Reception / Accommodation Centre, and cover costs associated with New Zealand's membership of the IOM and other international forums, with consequential impacts on the operating balance:

All figures are \$m, GST inclusive where applicable					
<i>Vote Immigration</i>	2003/04	2004/05	2005/06	2006/07	2007/08 and outyears
Operating Balance Impact	0.073	1.418	1.343	1.328	0.727
Debt Impact	-	-	-	-	-
No impact	-	189	601	601	601
Total Baseline Impact	0.073	1.229	0.742	0.727	0.727

3. **approve** the following changes to appropriations to put into effect the changes in 2. above:

\$million – increase/(decrease)						
<i>Vote Immigration</i>	2003/04	2004/05	2005/06	2006/07	2007/08 and outyears	GST
Departmental Output Class: Services to increase the capacity of New Zealand through immigration (funded by revenue Crown)	-	0.855	0.458	0.443	0.443	Incl
Services to position New Zealand as an international citizen with immigration-related interests and obligations (funded by revenue Crown)	0.073	0.374	0.284	0.284	0.284	Incl
	0.073	1.229	0.742	0.727	0.727	