
Vote: Immigration**Proposal: Community-Based Accommodation for Border Refugee Status Claimants****Funding allocation: Other**

Short Description

Cabinet agreed [CAB Min (02) 3/2] that the Department of Labour's New Zealand Immigration Service (NZIS) seek funding and approval in the Budget Round for a number of measures to manage immigration risk, as part of a counter-terrorism package. One of these was **Community-Based Accommodation for Border Refugee Status Claimants**. Ministers directed officials to report back by the end of February 2002 on options for releasing refugee status claimants detained at the border on condition that they reside at the Auckland Refugee Council Hostel. The paper noted that there could be fiscal implications should those refugee status claimants not be granted permits (enabling them to apply for emergency benefits) upon release.

There are significant advantages to not granting refugee status claimants work permits. In particular, refugee status claimants found not to have genuine cases can be easily removed from New Zealand, both because under international civil aviation law the airline which brought them is required to remove them, and because they do not have the ability to appeal against removal from New Zealand. An advantage to housing them in the community is that it is more cost effective than detaining in the Mangere Refugee Reception Centre (MRRC) or granting them work permits and therefore entitling them to benefits.

This bid therefore seeks a transfer from Vote: Work and Income to meet the costs associated with accommodating, feeding, and providing health checks to those claimants in the community, noting that these costs would have been met through benefits had the claimants been granted permits. It identifies savings of \$0.051 million (GST inclusive) in 2002/03 and outyears and recommends that these be applied to the Budget bid "Security: Managing Immigration Risks".

Impact on the Provisions**VOTE: IMMIGRATION**

\$000 (GST incl)	2001/02	2002/03	2003/04	2004/05	Outyears
Net operating impact	-	(51)	(51)	(51)	(51)
Total Operating Impact	-	601	601	601	601
Offsetting Savings/Revenue*	-	(652)	(657)	(664)	(664)

Benefits

Following the events of 11 September 2001, tighter detention guidelines were put in place for undocumented arrivals at the border who claim refugee status. There are potential benefits for New Zealand from enhanced requirements for positive identification of undocumented individuals who arrive and claim refugee status. Community-based accommodation is a relatively cost-effective mechanism of accommodating people who have been released from Mangere Refugee Reception Centre and, as noted above, enables the NZIS to remove people found not to be refugees in a relatively straightforward manner. It also assists with the resettlement process of those people who are found to have genuine cases to be considered refugees.

By contributing, along with the general Security initiatives, to the Government's role in maintaining New Zealand's security while upholding New Zealand's international obligations, this proposal contributes to the goals "Strengthen National Identity and Uphold the Principles of the Treaty of Waitangi" and "Restore Trust in Government and Provide Strong Social Services".

Costing information

The operational design of the process is being worked through as part of the development of the Cabinet report back due by 28 February 2002. The report back will examine the feasibility and cost-effectiveness of various mechanisms for accommodating detained asylum seekers who could be released on conditions from the MRRC.

This bid represents the results of the preliminary investigation of costings. It is based on 180 persons per year (including some people in family groups) spending on average 15 weeks each in community-based accommodation, at a cost of \$180 per week each. The total comes to \$0.601 million (GST inclusive), and compares with the estimated benefit expenditure of the group of \$0.651 million in 2002/03. The assumptions are set out below.

Assumptions: most detained border claimants to be placed into community-based accommodation without permits, following new operating instructions
funding provided to community organisations at \$180 per week (\$100 for accommodation, \$80 for food)

Estimates of numbers over full year

79 border claimants detained	19/09/01 - 7/02/02
141.00 days	
0.56 claimants per day at present	
at that rate over entire year	
205 maximum number per year	
previous expectation (Budget 2000)	
10 per month	
0.333 per day	
at that rate over entire year	
122 minimum number per year	
best estimate	
180 per year	

Costings

\$180 per week (for accommodation and food, as above)
15 weeks average stay

\$350 health costs (one off)

\$10,000 Administration

\$559,000 Total

\$628,875 Plus GST

-\$27,706 less money granted in 2000 Budget Round

\$601,169 Total Net GST inclusive

\$241 average benefit entitlement per week 02/03

\$3,619 total benefit entitlement per person

\$651,434 total estimated net benefit entitlement

\$50,265 Difference between bid and entitlement

Risks

Should a decision be made to not fund the costs associated with providing community-based accommodation for some persons whose identities cannot be positively ascertained, it would not be possible for this option to be implemented. There are limits to the holding capacity of the MRRC. Therefore, it is likely that a number of people whose identities cannot be positively established would be granted permits and released into the community, or would be committed to prison. Both outcomes would mean that the benefits gained from not granting permits would not be realisable.

Should the total number of person / weeks exceed 2,700 (ie if more than 180 people per year meet the criteria for community-based accommodation, or if the average number of weeks in community-based accommodation is greater than 15) this funding would not be sufficient to meet the associated costs. This could also necessitate the review of the operational instruction which changed the NZIS's business processes.

Should the designated community-based accommodation be full (ie not physically have room for more persons released on conditions), even if there were funding available for board, this would also raise issues. These potential issues will be highlighted during the development of the report back.

Evaluation

Community-based accommodation has not been evaluated. The success of community-based accommodation would be measured by the health and welfare of the people detained and the number of detainees who abscond.

The entire Security package, including the community-based accommodation would be monitored and evaluated in terms of the overall reduction in refugee status claims, and in particular of unsubstantiated refugee status claims. These are monitored on an ongoing basis.

Draft Recommendations to Cabinet Committee

It is recommended that Ministers:

1. **note** that Cabinet directed [CAB Min (02) 3/2 refers] the New Zealand Immigration Service to report back on options for releasing refugee status claimants detained at the border on condition that they reside at the Auckland Refugee Council Hostel, by 28 February 2002;
2. **agree** to support the proposal for providing funding to support those refugee status claimants who were released into the community without permits;
3. **approve** the following changes to appropriations to give effect to the decisions made in recommendation 2 above, with consequential impacts on the operating balance;

	\$ m – increase / (decrease)					
<i>Vote Immigration</i>	2001/02	2002/03	2003/04	2004/05	Outyears	GST
<i>Vote Immigration</i>						
Departmental output class:						
Refugee Services (funded by revenue Crown)	-	0.601	0.601	0.601	0.601	Incl
<i>Vote: Work and Income</i>						
Benefits and other unrequited expenses:						
Unemployment benefit (funded by revenue Crown)	-	(0.408)	(0.408)	(0.408)	(0.408)	N/A
Accommodation supplement (funded by revenue Crown)	-	(0.139)	(0.139)	(0.139)	(0.139)	N/A
Special benefit (funded by revenue Crown)	-	(0.105)	(0.105)	(0.105)	(0.105)	N/A
Total	-	(0.051)	(0.051)	(0.051)	(0.051)	

4. **agree** to apply the savings identified above to the Budget bid “Security: Managing Immigration Risks”.