



MEMO

DATE 3 April 2020

TO Carolyn Tremain, Chief Executive, Ministry of Business, Innovation and Employment

FROM Catriona Robinson, Acting Deputy Chief Executive, Immigration New Zealand

SUBJECT **INCREASING FINANCIAL SUPPORT TO ASYLUM CLAIMANTS**

PURPOSE

The purpose of this memo is to seek approval to increase the allowance paid to a small group of asylum claimants from \$120 to \$225 per week. The allowance was last increased in 2015 from \$85 to \$120. It is currently paid from Immigration New Zealand's (INZ's) Compliance and Verification budget and is not recoverable.

RECOMMENDATIONS

It is recommended that you:

- a) **Note** that Immigration New Zealand pays an allowance of \$120 per week to a small number of asylum seekers who have not been issued with visas (and as such are unable to work or claim any benefit from Work and Income) and are not housed at the Mangere Refugee Resettlement Centre

Noted

- b) **Agree** to an increase in the allowance to \$225 net per week, an amount mid-way between the net jobseeker's allowance for a single person aged 25 or above and the net jobseeker's allowance for a person in a partnership without children as at 1 April 2020

Agree/ Discuss

- c) **Note** that no increase is proposed to the allowance of \$85 per week which is currently paid to asylum claimants residing at the Mangere Refugee Resettlement Centre

Noted



d) **Note** that an increase to the allowance does not require Cabinet approval.

Noted

Catriona Robinson
Acting Deputy Chief Executive - Immigration
3 April 2020

Carolyn Tremain
Chief Executive, Ministry of Business,
Innovation and Employment
6 April 2020

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BACKGROUND

1. There is currently a small number of refugee and protected person claimants in New Zealand who have been refused entry permission and a visa¹. Because of their refused entry and unlawful immigration status, this category of claimant does not have the ability to legally support themselves in New Zealand while their claim is being progressed (through working or claiming assistance from the Ministry of Social Development). Due to their status as claimants they are also unable to be deported from New Zealand.
2. Consistent with New Zealand's obligations under the International Covenant on Economic, Social and Cultural Rights (in particular Article 11 which provides that States will take appropriate steps to ensure the realisation of the right to an adequate standard of living), Immigration New Zealand (INZ) pays a living allowance to these claimants where they are released from detention into the community, or to the Mangere Refugee Resettlement Centre (MRRC).
3. As at 1 April 2020, 11 asylum claimants have been released on reporting conditions into the community and are eligible to receive the living allowance. Nine of the eleven asylum claimants are released on reporting conditions to the Asylum Seekers Support Trust (ASST) in Auckland and two claimants are released on reporting conditions to other addresses in the community. (Two further claimants released on conditions to the MRRC are eligible only for a lesser allowance of \$85 per week.)
4. INZ has received submissions from members of the public regarding the need for an increase to the weekly allowance payments, including from the ASST. While work was already underway to propose an increase in the allowance, the current situation requires more urgent action, as some asylum seekers have now been released into the community as a result of the COVID-19 lock-down. It was not considered appropriate for the claimants to remain in detention in Corrections facilities at this time.

Eligibility for the allowance

5. The allowance is payable to those who have lodged a claim with the Refugee Status Unit to be recognised as refugees and protected persons under Part 5 of the Immigration Act 2009 (the Act) and whose freedom of movement is restricted² under the Act in the following circumstances:
 - Released on Conditions into the Community (RoC) under s120 of the Act

¹ A person who comes to New Zealand unlawfully is denied entry and detained until they can be removed. If a claim for asylum is then made, that person will continue to be detained but is not removed. Immigration New Zealand determines where and how they should be detained, and adopts a humanitarian approach to such detention, by allowing them to be released on conditions into the community.

² But it is not paid to those who are detained under the Immigration Act 2009.



- Released on Residence and Reporting Requirements Agreement (RRRA) into the community under s115 of the Act.

6. Asylum claimants who are detained under a warrant of commitment under the Act and not released on conditions into the community or to the MRRC do not qualify for the payment. Those who have sought asylum more than once in New Zealand and have already had decisions made on their claims are also not eligible.

Current allowance rates

7. The amount of the living allowance is currently set as follows:

- Claimant residing in the community: \$120.00 per week
- Claimant residing at MRRC: \$85.00 per week (claimants are provided with accommodation and related services)

8. As the housing requirements for claimants released to the MRRC are fully met, no increase to the relevant \$85 per allowance is proposed.

Payment of allowances is discretionary and subject to review

9. The payment of these allowances by INZ is discretionary and dependent on the claimant being able to prove to INZ that they require financial assistance. The allowance is generally only provided if it is requested, and in most cases it would be the individual's representative who requests the payment on behalf of their client and confirms that the claimant had arrived in New Zealand with little or no money.

10. The payment of allowances to each individual is reviewed every six months to confirm whether the asylum seeker is still meeting the criteria. As soon as a claim is either approved or declined, the claimant, their representative and Ministry of Business Innovation and Employment (MBIE) Finance team are notified, and the payment is ceased.

RATIONALE FOR INCREASE

11. The current allowance for claimants released into the community and not residing at the MRRC is insufficient to provide adequate support for them as they are waiting for their refugee claim to be determined, especially as the majority reside in Auckland where the cost of living is relatively high. (Claimants released on conditions into the community to the Asylum Seekers Support Trust are required to meet the costs of their own food and to contribute to the rental cost of the accommodation.)



12. The proposed new allowance amount of \$225 is the midpoint between the net Job Seeker's benefit for a single 25 year old (\$250.74) and a person in a relationship without children (\$200.60), as at 1 April 2020³, rounded to the nearest \$5.
13. In determining the level of increase, INZ has considered the need to keep the amount less than that provided to single jobseekers aged 25 and above, to ensure that the increase does not in itself incentivise unlawful entry to New Zealand.
14. The proposed increase in the allowance may also enable more claimants released on conditions to be housed outside the MRRC, where there are periodic pressures on space for those already determined to be refugees.

FINANCIAL IMPLICATIONS

Total payment of the allowances has been low

15. Allowances are paid to a small group of claimants only and expenditure has been low over the last five financial years:

Financial Year	Expenditure
2014/2015	\$52,075
2015/2016	\$26,938
2016/2017	\$16,913
2017/2018	\$12,395
2018/2019	\$5,802
2019/2020 YTD	\$28,631

16. INZ Finance forecast a full year spend of \$38,175 at the current allowance rate (i.e. if no increase is approved).
17. If the allowance is increased from \$120 to \$225 (an 88 per cent increase), an additional \$8,398 cost is forecast for the remainder of the current financial year⁴.
18. The expected impact across a full financial year⁵ would be an additional \$33,593. So the estimated annual cost from 2020/21 onwards would be approximately \$72,000.

³ As set out at <https://www.workandincome.govt.nz/products/benefit-rates/benefit-rates-april-2020.html#null>

⁴ This assumes an effective date of early April and was calculated as an average from the current monthly run rate of allowances.

⁵ Based on this year's average number of claims.



Affordability

19. INZ currently has a number of cost and funding pressures, particularly in the 2020/21 financial year, however this expenditure only represents a very small portion of the total Immigration budget. While the increased cost will need to be absorbed from within INZ's existing baseline, it is not likely to have a material impact on INZ activity.
20. The allowances are paid from Crown funding rather than through Fees and Levies.

Costs in out-years

21. It is difficult to determine the likely cost to INZ of allowance payments in out-years as the number of asylum claimants in New Zealand at any given time may be influenced by events outside the control of New Zealand.

s 9(2)(h)

POTENTIAL RISKS

25. There are potential media and political risks associated with a decision to increase the allowance, primarily the potential negative perception that claimants are receiving similar entitlements to New Zealand citizens and residents and that increasing the allowance may incentivise individuals to make unmeritorious claims for asylum.



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26. Conversely those people who have requested an increase to the allowance to \$250 per week (the Asylum Seekers Support Trust) may consider that the proposed increase is too low.
 27. The INZ Comms team is aware of the proposed change in allowance and will have key messages prepared for use in the event of media interest.

CONSULTATION

28. INZ Finance, INZ Refugee and Migrant Services, MBIE Legal Services and the Ministry of Social Development have been consulted during the drafting of this paper.

NEXT STEPS

29. If the proposed increase to the allowance is approved, INZ will move towards implementation which will include comms to stakeholders at the appropriate time.
30. Given the potential risks set out above, the Minister of Immigration will also be briefed on the increase to the allowance.

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