



AIDE MEMOIRE

New Zealand Residence Programme and the Parent Resident Visa (Parent Category) - Talking points for DEV Cabinet Committee

Date:	10 December 2018	Priority:	Medium
Security classification:	In Confidence	Tracking number:	2015 18-19

Information for Minister(s)
Hon Iain Lees-Galloway Minister of Immigration
Hon Kris Faafoi Associate Minister of Immigration

Contact for telephone discussion (if required)				
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The following departments/agencies have been consulted

Minister's office to complete:

- | | |
|---|--|
| <input type="checkbox"/> Approved | <input type="checkbox"/> Declined |
| <input type="checkbox"/> Noted | <input type="checkbox"/> Needs change |
| <input type="checkbox"/> Seen | <input type="checkbox"/> Overtaken by Events |
| <input type="checkbox"/> See Minister's Notes | <input type="checkbox"/> Withdrawn |

Comments



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Purpose

On 5 December 2018, you agreed to lodge the following Cabinet papers for consideration at the Economic Development (DEV) Cabinet Committee on 12 December 2018 [BN1985 18-19 refers]:

- *New Zealand Residence Programme: New objectives and approach to managing residence numbers; and*
- *Changes to the Parent Resident Visa (Parent Category).*

This paper provides you with talking points and potential questions with answers to support you in that meeting.

Siân Roguski

Manager, Immigration Policy

Labour, Science and Enterprise, MBIE

10 / 12 / 2018

Background

1. On Wednesday 12 December 2018, you will be taking the following two papers to DEV:
 - *New Zealand Residence Programme: New objectives and approach to managing residence numbers; and*
 - *Changes to the Parent Resident Visa (Parent Category).*
2. The New Zealand Residence Programme (NZRP) paper seeks Cabinet's agreement to:
 - new objectives for the NZRP that better reflect the Government's current vision and priorities for the wider immigration system
 - change the approach to controlling residence numbers and priorities from one based on an overarching planning range and streams structure to one based on managing forecasts of individual resident visa categories.
3. The Parent Category paper seeks Cabinet's agreement to:
 - resume the selection of Parent Category expressions of interest and assessment of new residence applications using the current cap of 2,000 people per year
 - increase the financial and evidential requirements for applicants and their sponsors
 - remove the Tier Two stream and the parent resettlement fund eligibility options within the category.
4. A previous briefing [BN1985 18-19 refers] noted the feedback from consultation of the papers with your coalition partners and ministerial colleagues and that the feedback did not indicate that substantial changes needed to be made to the papers. The briefing also noted that some of the data and statistical analysis in the papers had been updated from version that you had previously seen.

We propose that you announce the changes in early 2019

5. Subject to Cabinet agreeing to the proposals in the papers, we recommend that you consider making announcements on these changes in early 2019.
6. Our view is that announcing the re-opening of the Parent Category is likely to result in a surge of new expressions of interest being lodged as well as renewed interest from people who have existing expressions of interest queued. MBIE has to prepare its operational systems and staff for the proposed changes to the criteria and to notify those people who are already queued prior to selections resuming.
7. A post-Christmas announcement will help manage the public's expectations regarding when processing will commence and it eliminates the risk that queries and new expressions of interest lodged over the Christmas period are not able to be acknowledged in a timely manner.

Annexes

- Annex One: Talking points – New Zealand Residence Programme
- Annex Two: Questions and answers – New Zealand Residence Programme
- Annex Three: Talking points – Parent Resident Visa (Parent Category)
- Annex Four: Questions and answers – Parent Resident Visa (Parent Category)

Annex One: Talking points – New Zealand Residence Programme

Context

- The New Zealand Residence Programme (NZRP) is the Government's statement on who can get New Zealand residence each year
- Resident visas allow migrants to live in New Zealand and enjoy the majority of the rights that New Zealand citizens enjoy

Proposed changes

- I seek Cabinet's agreement to:
 - new objectives for the NZRP that better reflect the Government's current vision and priorities for the wider immigration system; and,
 - change the approach to controlling residence numbers and priorities from one based on an overarching planning range and streams structure to one based on managing forecasts of individual resident visa categories

Issues these proposals seek to address

- The NZRP does not effectively control residence numbers
- It's current objectives are outdated and do not reflect how the immigration system works
- The combination of planning range and stream proportions does not consistently prioritise residence places in line with the Government's objectives
- The planning range does not control residence numbers effectively as more emphasis is placed on achieving the overall numbers rather than prioritising migrants with the skills New Zealand needs; and,
- Focussing on overall numerical control reduces the overall benefits of migration affecting the quality of visa decisions and risk management, resulting in:
 - cutting numbers of migrants through categories where numbers are easy to control, which can mean cutting priority migrants such as skilled migrants
 - performance targets based on number of decisions each year creating pressure points at end of year to reach targets and get faster decisions, meaning less time spent on risk management
- Additionally, the streams and planning range settings are not flexible enough to respond to changes
 - For example, fixed stream proportions and overall cap on numbers don't allow for changes in demand for residence places (eg steady growth in Partnership applications, fluctuations in demand for Skilled Migrant Category) or the development of new policies in response to government priorities

Proposal One - New objectives for the NZRP

- I propose updating the NZRP's objectives to better reflect what it does and what the Government's current objectives are for the immigration system
- The current objectives for the NZRP were agreed in 2001 and reflect an immigration context that is different from today
- The role of the residence programme in controlling the flow of foreign nationals to and from New Zealand is significantly less pronounced now than it was at the turn of the century

Objective One

- To maximise the contribution of the New Zealand Residence Programme to the economic and social wellbeing of New Zealand and New Zealanders by:
 - attracting skilled workers and business migrants
 - reunifying the families of New Zealand residents and citizens, and
 - meeting international and humanitarian commitments

Objective Two

- To manage overall residence numbers through controlling each of the individual components of the programme
- These new objectives balance the Government's interests in prioritising resident visas to achieve its economic, social and humanitarian outcomes with the need to managing residence numbers

Proposal Two – Manage and control residence numbers through the individual residence categories rather than with an overall planning range

- I propose to move to a system where the Government manages and controls residence numbers and priorities directly through the individual resident visa categories
- This means that formal level of control for how many people get residence would move from an overall planning range to the individual residence categories, directly through policy settings for each categories and, where appropriate, by setting numerical caps
- This approach will add transparency to achieving the balance between prioritising categories and limiting numbers by:
 - recognising where numbers are not subject to numerical control and being clear about the trade-offs with having or not having caps on some categories; and,
 - addressing the key risk that higher priority categories, such as the Skilled Migrant Category, become the main target for cuts when overall demand increases
- Explicit decisions would be required regarding:
 - how and where the Government prioritises some migrants over others for residence places
 - how and in which categories the Government controls residence numbers
 - which categories are capped or uncapped

Benefits and risks

- This new approach will:
 - Signal the Government's priorities for the types of migrants it wants to settle in New Zealand long-term
 - Be transparent and clear about the Government's intention for managing different visa categories (capped or uncapped) and how many migrants will be granted residence
 - Be flexible to respond to changes in demand for visas, government priorities and policies, or international influences
 - Be coherent and purposeful about how changes in demand should be managed and simple to understand
- A key risk is that, by not setting an annual target or planning range, the public could perceive that the Government has less control of the overall number of new residents it is allowing to settle in New Zealand

- This would not be the case as each individual category would be forecasted, closely monitored and reported on so that the total number of forecast and actual new residents can be managed and visible to Ministers and the public
- The transparency of category-specific forecasts also means losing the leeway to shift 'surpluses' or under-performance between categories to get a stream or overall number 'on target'
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Forecasting, monitoring, analysis and reporting of residence trends

- To support these proposals, a forecast-based planning, monitoring, analysis and reporting regime will be required, which is more realistic than generic stream-based allocation of places
- Forecasting and monitoring numbers directly at the category level will ensure that trends and forecasts can be quickly identified, analysed and addressed
- MBIE are scoping requirements for this, which will incorporate intelligence-led approach to forecasting immigration trends, drivers, emerging issues and potential impacts that will enable strategic decisions to be made on individual streams and categories
- Regular, timely reporting to Ministers on residence numbers and analysis of trends will identify pressures or gaps in the system before they become significant issues so that policy responses to be implemented to address them
- Officials are scoping a reporting framework that covers quarterly trends analysis supported by regular statistical updates for each category or stream. This is likely to be tied to the current monthly reporting of permanent long-term migration reporting that MBIE provides to me and other ministers

Next steps and implementation

- Operational changes will manage risks, demand and provide assurance to Ministers
- I propose to commence controlling the NZRP through individual residence categories from 1 January 2020 onwards
- In the interim, the following transitional arrangements are proposed:
 - Establish a new 18 month planning range of 50,000 to 60,000 residence approvals from 1 July 2018 until 31 December 2019
 - Set the individual stream proportions to:
 - Business/Skilled – 25,500 to 30,600 people (51%)
 - Family – 19,000 to 22,800 people (38%)
 - International/Humanitarian – 5,500 to 6,600 people (11%)
- The planning range and stream proportions reflect MBIE's current inflows and forecasts for the NZRP. An interim range is proposed to provide the system with sufficient flexibility to accommodate any fluctuations and changes in demand that may occur in uncapped visa categories

Annex Two: Questions and Answers - New Zealand Residence Programme (NZRP)

What are the existing objectives for the NZRP?

- The existing objectives are:
 - Regulating the flow of foreign nationals wanting to come to New Zealand
 - Prioritising among would-be migrants and avoiding the free flow from demand-driven immigration
 - Trying to produce benefits to New Zealanders; and
 - Consistency and stability (market signalling around the number of residence places available in any particular year)

What new objectives are proposed for the NZRP?

Objective One

- To maximise the contribution of the New Zealand Residence Programme to the economic and social wellbeing of New Zealand and New Zealanders by:
 - attracting skilled workers and business migrants
 - reunifying the families of New Zealand residents and citizens, and
 - meeting international and humanitarian commitments

Objective Two

- To manage overall residence numbers through controlling each of the individual components of the programme

Why does the Government care about controlling who gets residence?

- The Government has two main interests in controlling who gets residence:
 - Regulating the overall number of people granted residence to manage the impact that new residents have once they settle permanently in New Zealand; and
 - Directing which migrants' applications are prioritised within this overall number to make sure residence categories contributes towards providing migrants with the skills New Zealand needs, supports family re-unification for New Zealanders, and helps meet our humanitarian obligations

How many residence approvals have been granted since 1 July 2018?

- 15,185 new residents have been approved so far in the 2018/19 financial year
- This represents between 25 to 30 percent of the proposed interim planning range (50,000 to 60,000 approvals over the 18 month period from 1 July 2018 to 31 December 2019)

Why does the paper not have detailed advice on category prioritisation, caps, category numbers and demand/risk management?

- Treasury recommends that, to enable the removal of the planning range, further decisions should be made about which categories will be prioritised, which should be demand-driven, which should be capped, and how many people from each category should be granted residence

- A temporary 18-month planning range through to 2020 is proposed during which time we will develop the forecasting, modelling and policy approaches for Ministers to agree on how the categories will be prioritised and managed
- Taking this approach confirms whether Cabinet has the appetite for moving away from the planning range model while providing a transition period to develop and confirm the settings that Ministers need to agree in order to introduce the new management approach. This will ensure that Ministers are comfortable with the direction of travel before significant resource is committed to the detailed work around management of the individual categories

Does the paper indicate that the policy settings for each residence category are to be reviewed over the next year?

- At this stage, no
- The paper signals a change in the strategic approach to managing residence numbers (based on forecasting, monitoring and reporting) that will enable Ministers to decide which categories of residents are prioritised, how demand for each category will be identified and managed, and what potential policy responses should be considered if demand in a particular category needs to be addressed

- Constitutional conventions
- [Redacted]
- [Redacted]
- [Redacted]

Why is there no modelling done on what the proposed changes would do for arrivals and departures of non-New Zealanders?

- Free and frank opinions
- [Redacted]
- MBIE proposes to develop its existing capability to forecast immigration numbers and analyse trends, including from future policy changes, to ensure the requirements of this new approach can be met. This is noted in the Cabinet paper

How do net permanent long-term migration and the number of residence approvals differ?

- The net PLT figure in any year is the difference between two very large flows (of people leaving and people arriving) and, as such, is volatile and difficult to influence directly. PLT arrivals are people who arrive in New Zealand intending to stay 12 months or more, including New Zealand residents and citizens returning after an absence of 12 months or more
- The vast majority of those who arrive in New Zealand and declare their intention to remain long term are entering on temporary visas (visitors, students, and workers), or have a pre-existing right to live here (such as New Zealand and Australian citizens)

- There is not a strong relationship between permanent and long-term arrivals (PLT) and the NZRP. Within a calendar year, the NZRP does not have a strong correlation with PLT arrivals, as most NZRP places are filled by people who already hold a visa, have been in New Zealand for some time and have applied for residence from within New Zealand
- However, high levels of PLT arrivals can signal future pressure on the NZRP if temporary visa holders do decide to seek residence











Free and frank opinions



Examples of skilled migrants who fall just below the existing 160 point threshold

Applicant profile scenario	Qualification	Age	Work experience	Job Offer/ Employed	Bonus Points	Total points.
A 42 year old Registered Nurse working in aged care in Auckland. She has a recognised bachelor qualification, 4 years of skilled work experience and a \$53,000 salary	50 points	20 points	20 points	50 points	10 points recognised skills experience in NZ	150
51 year old primary school teacher with a bachelor's degree working in Auckland with 20 years' experience outside of New Zealand on a salary of \$68,000	50 points	5 points	50 points	50 points		155
A 31 year old Early Childhood teacher employed in Auckland with a level 7 qualification, 2 years of work experience in New Zealand and a salary of \$52,000	50 points	30 points	10 points	50 points	10 points recognised skills experience in NZ	150
A 37 year old construction project manager with bonus points for high salary and six years of previous skilled work experience outside of New Zealand in an area of absolute skills shortage and a \$140,000 salary offer in Auckland.	Nil	30 points	45 points	50 points	20 points high salary 10 points absolute skills shortage	155
A 27 year old Auckland-based electrician with bonus points for employment in an area of absolute skills shortage, a certificate level qualification and 2 years of skilled work experience and has a \$52,000 salary.	40 points	30 points	10 points	50 points	10 points recognised skills experience in NZ 10 points absolute skills shortage	150

New Zealand Residence Programme (NZRP) – Category trends, areas of influence and trade-offs

	Visa Category	Who is it for?	Trends
Skilled / Business	Skilled Migrant Category (SMC)	Migrants who can claim points for age, qualifications, work experience and a job/job offer in NZ – need 160 to be selected.	 Policy changes 2016/17 increased the selection point and introduced a salary threshold 89% are living in NZ when approved.
	Residence from Work	People who have held a work to residence visa for two years	 Changes to SMC and the essential skills work visa have made the work to residence/residence from work pathway more attractive
	Investors	Investors under Category 1 invest \$10m for three years or Category 2: capped, points based, min investment of \$3m for 4 years	 Investor 2 cap increased to applications 400 in early 2017 (from 300) and minimum investment criteria raised and changed. Only 24% in NZ when approved
	Entrepreneurs	People who have run a successful business in NZ for two years.	 Small numbers, relatively stable. 92% are living in NZ when approved.
Family	Partnership	Partners of NZ citizens and residents (the couple must have lived together for 12 months)	 Increasing numbers of younger SMC migrants subsequently support partners (rather than including them in an SMC application) 83% are living in NZ when approved
	Parent	Parents of New Zealand citizens and residents. Parent must be able to support themselves or be supported by their NZ children	 Capped at 4,000 over two years for 2015/16–2016/17 and closed to new applications (previously capped at 11,000 over two years) Only 22% are in NZ when approved.
	Dependent Child	Dependent children up to 24 years old of New Zealand citizens and residents	 Uncapped but fairly small and stable Only 35% are approved from within New Zealand
International / Humanitarian	Samoan Quota/ Pacific Access Category	Those selected from the Samoan Access or Pacific ballot. Must have a job in NZ to be approved.	 Capped at 1,750 per year 1,100 Samoa, 250 Fiji, 250 Tonga, 75 Tuvalu, and 75 Kiribati with some spill-over between years
	Refugee categories	Quota refugees and their families and recognised asylum claimants.	 Capped or stable categories Refugee quota (1,000 Refugee Family Support Category (300 places), asylum claimants (uncapped)
Overall	Across all residence categories	All the above categories and smaller categories which do not feature in above	 The New Zealand Residence Programme (NZRP) for 2016/17 – 2017/18 was set at 85,000 – 95,000. 2016/17 was expected to be 45-50,000 2017/18 is expected to be 40-45,000

Constitutional conventions

Free and frank opinions

Annex Three: Talking points – Parent Resident Visa (Parent Category)

Context

- The Parent Category supports adult migrants to reunify their family by enabling them to bring their parents to New Zealand to live permanently
- The principle of the policy is that, where possible, the costs of bringing migrant parents to New Zealand and supporting them are to be borne by the sponsoring migrants and their parents
- Selection of new Expressions of Interest (EOIs) was suspended by the previous Government in October 2016
- Almost all of the previously selected applications have now been considered and it is timely to consider the next steps for this category
- While the current policy is generally fit for purpose, its settings need updating

Proposed changes

- I propose to:
 - Resume selections of EOIs for the Parent Category visa, at the cap of 2,000 people per annum, and as a single-tier system by disestablishing the Tier Two sub-category
 - Increase the level of financial requirements to make sure sponsors and parents are able to meet their obligations and enable these requirements to be re-adjusted annually when the income requirements for other residence visas are reviewed

This will align the Parent Category's financial requirements with other residence visas, such as the Skilled Migrant Category.
 - Increase the evidential requirements of income for both sponsors and parents, to ensure there is adequate financial support to ensure successful settlement outcomes for parents
 - Abolish the \$500,000 settlement fund financial eligibility criteria as it does not provide a robust mechanism for guaranteeing the long-term financial stability of the applicant's settlement.
 - Align the sponsorship period and the residency requirements for eligibility to New Zealand Superannuation
- These proposals will achieve the benefits of the Parent Category while helping manage the demand for places and potential longer-term costs of migrant parents to the Government

Benefits and risks

- The ability of adult migrants to sponsor their parents to join their family unit in New Zealand is recognised as a factor in the attraction and retention of skilled migrants to this country
- The presence of parents as part of the family unit is also linked to improved settlement and economic outcomes for their migrant children enabling sponsors to contribute and be more productive in their work and other activities
- Migrants' parents positively contribute to the family, cultural and economic wellbeing of their children (the sponsors) and their families through:
 - parent's support freeing up their migrant children's time to enable them to work by providing child care, caring for sick children

- assisting with household and other tasks
- taking up paid employment themselves. There is also an indirect flow-on to businesses, the wider economy and communities through sponsor migrants being more settled
- Historically, approximately two thirds of sponsors are skilled migrants and a very high proportion (92%) of sponsors stay in New Zealand after their parents have been granted residence
- Parent Category migrants hold a residence class visa and are eligible to access publicly-funded health care, including rest home care, and, while these costs are in line with those for New Zealanders, they represent an additional cost to the Government
- The key fiscal risks for the Crown lie in the potential for migrant parents to access publicly-funded healthcare services and superannuation payments, once they qualify, for the remainder of their lives while they are in New Zealand
- These costs may be disproportionate to the parents' length of residence in New Zealand and, for health and aged care, are likely to increase as parent's age
- These potential costs would be mitigated by:
 - Formally aligning the sponsorship period with the migrant eligibility requirements for NZ Superannuation (currently 10 years)
 - The costs of migrant parents superannuation to New Zealand being off-set by reciprocal arrangements that are in place with a number of countries
 - Increased financial and evidentiary requirements that require sponsors to demonstrate that they have sufficient, consistent, stable income to support their parents
 - Remove Tier Two (for lower income sponsors) and the settlement fund eligibility criteria - reducing the risk that migrant parents are unable to maintain an income from the lump sum for the duration of the sponsorship period
 - Parent migrants are subject to health screening prior to approval ensuring they meet an acceptable standard of health when they emigrate - reducing the risk that migrant parents access publicly-funded health care services

Next steps and implementation

- I propose to make an announcement early in the New Year that selections for the Parent Category will resume in the middle of 2019
- Parent migrant applicants with queued EOIs will be invited to update their EOIs to the new criteria before they can be considered for selection
- People who choose not to re-submit updated EOIs will receive a full refund of their fees

Annex Four: Parent Resident Visa (Parent Category): Questions and Answers

What are the current objectives for the Parent Category policy?

- The objectives of the Parent Category are to support family connections, in order to:
 - progress the Government's economic objectives for immigration
 - attract and retain skilled and productive migrants, while also limiting the costs of Government benefits

Who can sponsor their parents and what are sponsors' responsibilities?

- Migrant parent sponsors must be a New Zealand citizen or resident and:
 - be 18 or over and live in New Zealand;
 - have been a New Zealand citizen or resident for at least 3 years before the parent submits an EOI;
 - agree to meet the parents living costs for the first 10 years of the parent's residence;
 - meet the financial and evidential income requirements of the category
- Sponsors are currently responsible for the reasonable maintenance (living), accommodation and repatriation costs (if there are any) for their parents for ten years

When were selections for the Parent Category suspended?

- On 12 October 2016, the annual cap was reduced from 5,500 to 2,000 people per year and new selections to apply for this visa were suspended
- Following the suspension of selections, INZ had enough applications on hand to meet the new cap and continued processing EOIs selected for assessment

How many Parent Category visas have been granted since 1 July 2016?

- 3,714 parents have been approved for residence through the Parent Category since 1 July 2016
- 1,788 people were approved in 2016/17, 1,600 in 2017/18, and 326 in 2018/19
- 2,219 people have had their residence approved since 12 October 2016, when the Parent Category was closed by the previous Government

How many Expressions of Interest are currently queued?

- As at 27 November 2018, the current queue for awaiting selection was 5,521 expressions of interest (EOI) representing 9,212 people, made up of:
 - 5,045 Tier One EOIs, representing 8,443 people
 - 476 Tier Two EOIs, representing 769 people
- Since 12 October 2016 (when selections were suspended):
 - 711 Tier One EOIs have been received, representing 1,185 people
 - 47 Tier Two EOIs have been received, representing 76 people

Why isn't the Government requiring parents or their sponsors to have health insurance to offset parent's public-funded healthcare costs?

- Requiring parents to have health insurance or insurance companies developing insurance products for older migrant parents to help mitigate the potential healthcare costs to the Government has been discussed with the insurance industry
- Feedback was that parents' older age and likely health conditions would preclude them from accessing comprehensive health insurance. Parents are likely to face significant costs of premiums for policy holders as they age, and the potential difficulty of arranging cover for pre-existing conditions
- This approach would also require Government to set minimum requirements for the level and extent of insurance cover and establish a mechanism to ensure that the cover is maintained for the duration of the sponsorship period
- I consider that this requirement is too unwieldy to be practicable and that the existing health checks required before sponsored parents are granted residency, coupled with maintaining the reduced cap of 2,000 persons per year, provide a sufficient mitigation for the management of foreseeable health costs associated with sponsored parents

The paper does not determine whether the impact of having the Parent Category is fiscally negative, neutral or positive. Why is this and is further work needed to better quantify the costs and benefits?

- The direction of the paper is to support Ministers to make an informed decision about whether or not they wish to reopen the category based on the known fiscal costs, evidence from research, and humanitarian considerations
- The reality is that a significant proportion of the net positives (including positive economic outcomes for families) are largely intangible meaning that a purely fiscal assessment cannot be applied to the decision as to whether the category should be reopened
- Officials are not convinced that undertaking further work will result in a better assessment of costs and benefits in net fiscal terms

Constitutional conventions

NZ Superannuation and Retirement Income (Fair Residency) Amendment Bill

- On 18 October 2018, the New Zealand Superannuation and Retirement Income (Fair Residency) Amendment Bill, proposed by New Zealand First Member of Parliament Mark Patterson, was introduced to the House after being drawn from the ballot to be debated
- The Bill proposes raising the minimum residency qualification for New Zealand Superannuation from 10 years to 20 years after age 20. This is to ensure that a resident has lived in New Zealand for a substantial part of their adult lives, whether consecutively or cumulatively, and, in principle, contributes to the economy mainly through the taxation system

Why are migrant sponsors not required to become citizens before they are allowed to sponsor their parents? Is this a requirement in other jurisdictions?

- The potential benefit of requiring sponsors to become citizens is that this would increase the minimum time the sponsor is normally resident in New Zealand from three to five years (five years being required for New Zealand citizenship eligibility) providing increased evidence of contribution to New Zealand's economy and communities
- However, there are potential implications if this requirement were to be applied to Australian citizens and permanent residents in New Zealand who can lawfully sponsor their parents to settle with them in New Zealand under the reciprocal rights of the Trans-Tasman agreement
- Citizenship may be considered by some as an indication of a stronger personal commitment to New Zealand than the holding of permanent residence status, however it does not provide any more of a guarantee that the sponsoring migrant will remain in New Zealand in the longer term. A citizenship requirement (including a longer residence requirement before an application to be a sponsor can be considered) may also affect the competitiveness of New Zealand as an option for migrants who are looking to reunite with parents in the longer-term
- No comparable jurisdiction has a citizenship requirement for sponsorship of migrant parents. Canada, the United States, the United Kingdom, Australia and China all permit both citizens and permanent residents that meet normal residence requirements to sponsor parents. In some cases, the requirement to become a citizen would require the sponsor to renounce their citizenship of their country of origin where that country does not permit dual citizenship (eg China, India, Japan, Netherlands)

Why are migrant sponsors, who leave New Zealand permanently, required to take their parents with them to address the potential issue of parent migrants being stranded in New Zealand if their children permanently leave the country?

- Any requirement to move parents is complicated by the fact that the parent/s hold residence status meaning they would potentially have to be forcibly deported or have a visa condition indicating that their sponsor must remain in the country
- This proposal assumes that the parent's key relationship with and ties to their families is through their direct sponsors, which may not always be the case. For example, the parent migrants may wish to remain in New Zealand to support their grand-children, if their grand-children are old enough to live independently and wish to stay, should the grand-children's sponsoring parents choose to leave New Zealand
- Requiring parent migrants to leave if their sponsors did after 10 or 15 years, after the sponsorship period expires, (as would be expected if the policy objective was to reduce the cost burden of aging parent migrants on NZ) could be problematic especially if the parent migrant had independently established themselves with their families, in their communities and, potentially, in work
- Officials have been unable to find information in any other jurisdiction that explicitly details this as a requirement
- On the basis of the above, requiring sponsors to take parents with them when they leave New Zealand permanently is not proposed

Why isn't a longer-term temporary visa proposed to enable parents to stay with their families that would limit parent's access to publicly-funded healthcare services and superannuation?

- A longer-term temporary parent visa could have more costs than benefits and would blur the line between temporary visitor and permanent residence status
- Uptake of this visa is likely to be low as it would not have the attraction of a pathway to residence, which is what many migrant parents seek, plus it risks setting expectations of residence for applicants on temporary visas when their visa expires
- By not providing a pathway to residence, migrant children may be less inclined to invite their parents to come to New Zealand, potentially reducing the benefits of migrants better integrating into their workplaces and communities
- For those parents who do visit, it could be traumatic for families to have their parents/grandparents become established in their homes and the community only to require them to leave once their visa has expired. This could carry reputational risks for the Government, particularly if there is no family support in their home country for the parent who is leaving
- There are risks for the Government regarding managing potential healthcare costs. In principle, parents needing to access healthcare during the initial temporary visa stage would need to fund it themselves via personally-held funds or insurance, or through their sponsor. If parents were unable to fund their own healthcare costs, their sponsor would be liable for this debt if treatment was received during the visit. In cases of high-cost treatment in particular, some of these debts are unlikely to be recovered. Breaches of visa conditions, such as non-payment of debts by sponsors, could also exclude parents from eligibility for residence under the Parent Category at a later stage, limiting uptake of the policy

- There is also a risk that some older parents may be medically unfit to travel home, even if they could access healthcare in their home country, which could attract media attention and/or they may not seek urgent treatment in New Zealand if they or their sponsors cannot cover the cost. There could be additional costs for ACC and for health and disability services if residence screening at hospitals or medical centres is not effective

What other residence and temporary visa options already exist for parents outside of the Parent Category?

- Parents and grandparents of New Zealand citizens and residents have two other visa options available to them. They may apply under:
 - The *Parent Retirement Category*: This category is uncapped. Applicants require an annual income of NZ\$60,000, NZ\$1 million to invest in New Zealand for four years plus another NZ\$500,000 to live on. After four years, the parent becomes eligible to apply for permanent residence, and
 - The *Parent and Grandparent visitor visa*: This category is for long-term temporary visits and offers a 36-month multiple-entry visa which enables stays of up to six months at a time, although at least 18 months must be spent outside New Zealand

What is the proposed implementation process and timing?

Once the proposed changes have taken effect, the existing EOI system structure needs monitoring to ensure that it can manage the number of EOIs being submitted

- Sufficient EOIs are already in the system for around four years' worth of time to process applications
- There is likely to be a surge of initial interest from migrants who have waited for selections to resume
- Longer term, the queue of EOIs is likely to continue to grow at a faster rate than can be processed under the cap each year and could become unmanageable for INZ
- Officials will monitor the effects the changes have on managing the EOI queue and, if necessary, report back to me in 2019. with advice on how the EOI system needs to be structured to best manage high demand and the lower annual cap

INZ will contact each Parent category applicant to advise them of the proposed changes

- Applicants will be invited to re-consider their eligibility against the new requirements and decide whether they wish to continue, update or withdraw their EOI
- Tier One applicants who choose to continue and Tier Two applicants who re-submit their EOI under the new criteria will retain their existing places in the EOI queue

Fees will be refunded to applicants that withdraw their EOIs under the new criteria

- All Tier Two applicants, who do not re-submit new EOIs, will be refunded their assessment fees (\$440 each) – Total cost to MBIE: \$209,440
- An estimated 10% of existing Tier One applicants may no longer meet the new criteria and choose to withdraw – Total cost to MBIE: Approx. \$220,880
- A total of \$2,219,800 is held in fees by Immigration NZ for all queued EOIs

INZ are only likely to approve visas for around 400 people in 2018/19, with 2,000 people per year approved from 2019/20 onwards

- Parent Category applications take a long time to process. Around sixty per cent of applications take eight months to finalise once received, because of processes required to obtain multiple medical referrals and security checks

Subject to Cabinet's decisions, EOI selections will likely resume in mid-2019

- All EOIs that have been reviewed by applicants will be assessed for selection in the current order in which applications are queued

PROACTIVELY RELEASED