



COVERSHEET

Minister	Hon Andrew Little	Portfolio	Immigration
Title of Cabinet paper	Options for updating and reopening the Parent Category Resident Visa	Date to be published	12 July 2023

List of documents that have been proactively released		
Date	Title	Author
September-October 2022	Options for updating and reopening the Parent Category Resident Visa	Office of the Minister of Immigration
28 September 2022	Options for updating and reopening the Parent Category Resident Visa DEV-22-MIN-0230 Minute	Cabinet Office
3 October 2022	Options for updating and reopening the Parent Category Resident Visa CAB-22-MIN-0421 Minute	Cabinet Office
29 July 2022	Options for updating and reopening the Parent Category Resident Visa	Ministry for Business, Innovation and Employment
18 August 2022	Draft Cabinet paper for consultation – Updating and reopening the Parent Category Resident Visa	Ministry for Business, Innovation and Employment
18 August 2022	Parent Category – options for Green List sponsors and implementation	Ministry for Business, Innovation and Employment
9 September 2022	Final Cabinet paper – Options for updating and reopening the Parent Category Resident Visa	Ministry for Business, Innovation and Employment

Information redacted

YES / NO (please select)

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Some information has been withheld to maintain legal professional privilege, privacy of natural persons, free and frank opinions and confidential advice to Government.



BRIEFING

Options for updating and reopening the Parent Category Resident Visa

Date:	29 July 2022	Priority:	Medium
Security classification:	In Confidence	Tracking number:	2122-4075

Action sought		
	Action sought	Deadline
Hon Michael Wood Minister of Immigration	Indicate your preferred options	5 August 2022

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Andrew Craig	Manager, Immigration (Skills and Residence) Policy	Privacy of natural persons	✓
Ella Pearce	Graduate Policy Advisor		

The following departments/agencies have been consulted
Immigration New Zealand, Ministry of Disabled People, Ministry of Housing and Urban Development, Ministry of Social Development, Ministry of Health, Treasury, Ministry for Ethnic Communities, Ministry for Pacific Peoples.

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



BRIEFING

Options for updating and reopening the Parent Category Resident Visa

Date:	29 July 2022	Priority:	Medium
Security classification:	In Confidence	Tracking number:	2122-4075

Purpose

To seek your agreement to proposed changes to the Parent Category Resident Visa (Parent Category) settings that reduce barriers to access, and to provide options for resuming selections of expressions of interest for Parent Category visas, which have been suspended since 2016.

Executive summary

The Parent Category is part of the Family Stream of the New Zealand Residence Programme and enables New Zealand residents and citizens to sponsor their parents for residence in New Zealand, in order to support skilled migration. In general, the principle of the Parent Category is that where possible, the costs of bringing parents to New Zealand are to be borne by the adult children who sponsor them. This is consistent with other countries, such as Canada and Australia, which have similar policies that place long-term obligations on sponsoring-children to ensure that their parents are supported when they immigrate.

To apply for the Parent Category, applicants submit an expression of interest (EOI) which enters a pool until it is selected by Immigration New Zealand (INZ) and processed. EOI selections have been paused since 2016, pending a review of the Parent Category settings. The review was completed in 2018-19, and Cabinet subsequently agreed to tighten the Parent Category settings and resume EOI selections from May 2020. However, EOI selections were unable to be resumed due to the COVID-19 pandemic and the impact on visa processing.

The Parent Category has remained open to new EOIs, and in the time that selections have been paused, a large queue of EOIs has accrued. As of 28 March 2022, this queue reached 5,545 EOIs, representing 8,742 individuals.

We have provided you options for making changes to the Parent Category in the context of the 2020 Labour Party manifesto commitment to reduce barriers to access the Parent Category, the broader immigration settings (particularly the shift to higher skill migrants), and the queue of EOIs.

In order to reduce barriers to access in this category, you have decisions to make about the income thresholds, the annual cap of visas issued, and the way that EOIs are selected for both the existing pool and future EOIs.

While there is no precise formula to determine the appropriate income threshold for sponsoring a parent(s), we consider that income thresholds remain the most appropriate and simple manner to determine eligibility and manage risk. However, the current income thresholds are high and there is opportunity to reduce them without creating undue risk of cost to the taxpayer, or to the welfare of parents and their families.

We recommend that you lower the income threshold to a baseline of 1.5 times the median wage (to sponsor one parent), decrease the added income threshold for additional parents to 0.5 times median wage, decrease the joint sponsorship threshold and extend joint sponsorship eligibility to include siblings. You could also change settings so parents that are in a partnership are considered to be one parent for the purposes of the income threshold (noting that we only

recommend considering this option if you agree the baseline income threshold is 1.5 times median on wellbeing grounds).

The combination of these income threshold and eligibility adjustments amounts to a balanced approach to the income threshold (to account for any risk that a parent is not suitably supported). We have also explored lower income threshold options, discussed in this briefing for your consideration. However, we do not recommend those options, due to risks of increased cumulative pressure on public services, and risks to the welfare of the parents and their families if the income is not sufficient, and a likely significant increase in demand for the Parent Category which will extend wait times.

We also recommend that the annual cap on individual visas granted is increased from 1,000 to 2,000 to support increased access. This cap increases the number of visas issued per year without creating excessive cumulative demand on public health and social services. Any further increase to the cap would increase the cumulative pressure on these services.

Managing current and future demand for the Parent Category needs to firstly consider the queue of EOIs already in the system. We advise these should be dealt with first, and in chronological order based on when the EOI was submitted. We anticipate there will be future spikes in demand due to the considerable length of time the Parent Category has been paused and recent residency numbers (notably the 2021 Resident Visa). Therefore, we recommend that once the existing queue is processed chronologically, which will take approximately four years, new EOIs are processed through a random ballot system to help manage queues in the immigration system and ensure applications are more current.

We are also seeking your decision on whether to conduct a period of consultation with migrants and licensed immigration advisors on some aspects of the proposals ahead of Cabinet making final decisions. We recommend targeted consultation, but this will delay reopening timeframes.

We will be able to provide you more precise timelines for implementation once you have indicated your preferences in making changes to the category. Ideally, six months is normal for implementing this type of policy change and is consistent with the planned lead-in time following the last review of the Parent Category in 2019. However, we understand that reopening the Parent Category is likely to be a short-term priority for you. In light of the priority you have placed on reopening the Skilled Migrant Category (SMC) in 2022, INZ will provide you with further advice about the implementation timeframes and short-term trade-offs around the Parent Category, SMC, and other visa products.

Following your agreement to the options for the Parent Category, officials will draft a Cabinet paper to progress proposals to Cabinet for decisions. Should you wish to conduct consultation, this Cabinet paper will seek initial approval of the proposals for consultation, with a later Cabinet report-back to finalise the settings for implementation. If you elect not to consult, the draft Cabinet paper will seek final decisions from Cabinet.

Recommended action

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

- a **Note** that expression of interest (EOI) selections have been paused since 2016, and the Parent Category pool includes 5,545 EOIs, representing 8,742 individuals

Noted

Income threshold

- b **Note** that while there is no precise methodology for the exact income thresholds that should apply, officials consider that an income threshold remains the best simple proxy to ensure that risks and benefits of the Parent Category are balanced

Noted

c **Agree** to one of the following options for the baseline income threshold (sponsor 1 parent):

<u>2x</u> median wage (status quo)	<i>Agree / Disagree</i>
<u>1.5x</u> median wage (recommended)	<i>Agree / Disagree</i>
<u>1x</u> median wage	<i>Agree / Disagree</i>
Two-tiered system: Tier One: <u>1.5x</u> median wage Tier Two: <u>1x</u> median wage	<i>Agree / Disagree</i>

d **Agree** to lower the income threshold for sponsoring additional parents, so it increases by 0.5 times the median wage per additional parent

Agree / Disagree

e **Agree** to allow parents who are in a partnership to be considered 'one parent' for the purposes of the sponsorship income threshold (only recommend if the baseline income threshold is 1.5 times median)

Agree / Disagree

f **Agree** to an additional income threshold for joint sponsors of:

EITHER

a) Additional 1x median wage (recommended)

Agree / Disagree

OR

b) Additional 0.5x median wage

Agree / Disagree

g **Agree** to allow siblings to be joint sponsors for the Parent Category, in addition to partners, with the same income thresholds applying

Agree / Disagree

Annual cap

h **Note** that given the potential demand for this visa, and the potential cumulative pressure on Crown-funded services, the cap for the Parent Category is unlikely to ever meet or exceed demand

Noted

i **Agree** to raise the annual cap on individual Parent Category visas granted from 1,000 to 2,000

Agree / Disagree

j **Note** that with an annual cap of 2,000 and EOI selections resuming in early 2023, it is estimated that the pool of existing EOIs will be processed within four years – by 2026/27

Noted

Processing of future EOIs

k **Agree** that when processing resumes, the EOIs already in the pool are processed chronologically (as per the status quo when these applications were made) and those who withdrew EOIs on the basis of the previous income thresholds are invited to resubmit

Agree / Disagree

l **Agree** that future EOIs are selected:

EITHER

a) from a ballot to avoid lengthy queues in future (recommended)

Agree / Disagree

OR

b) from the pool in chronological order (status quo)

Agree / Disagree

Cabinet and Consultation

m **Agree** to:

EITHER

a) undertake a short period of targeted public consultation on changes to the Parent Category eligibility settings and the resumption of EOI selections

Agree / Disagree

OR

b) or agree to take proposals straight to Cabinet for final decisions

Agree / Disagree

Implementation

n **Note** that you will receive further advice on implementation timeframes and financial implications once you have indicated your preferences for changes to the Parent Category

Noted

o **Agree** that self-employed people are able to be sponsors with appropriate evidentiary requirements included

Agree / Disagree

Privacy of natural persons

Andrew Craig
Manager, Immigration (Skills and Residence) Policy
Labour, Science and Enterprise, MBIE

Hon Michael Wood
Minister of Immigration

29/07/2022

..... / /

Context

1. The Parent Category Resident Visa (Parent Category) allows New Zealand residents and citizens who have been resident in New Zealand for at least three years to sponsor their parent's application for residence. The objective of the Parent Category is to support family connections in order to:¹
 - a. progress New Zealand Government economic objectives for immigration and
 - b. attract and retain skilled and productive migrants, while also limiting the costs of New Zealand Government benefits.
2. Expression of interest (EOI) selections have been paused since 2016; however, EOIs are still able to be submitted. A review was conducted in 2018-19, which led to the annual cap being lowered from 2,000 to 1,000, and the income threshold requirements tightening. Selections were set to resume under these settings in 2020, but this was not able to proceed, given the impact COVID-19 had on visa processing, and selections remain paused. The current visa settings for the Parent Category as agreed in 2019, which no applications have been processed under, are:

Income threshold for sponsors	One sponsor	2x median wage
	Joint sponsor	3x median wage
Sponsoring more than one parent	Income threshold increased by 1x median wage per parent (up to six parents) <i>3x median wage (\$173,222.40) for one sponsor supporting two parents</i>	
Annual cap	1,000 individual visas per year	
Other settings	Applicants must meet health, character, and English language requirements Sponsors must be New Zealand Residents for a minimum of three years. Only partners may be joint sponsors, both must meet residence requirements.	

3. The purpose of these settings is to limit the impact that Parent Category visa holders have on New Zealand's health system and aged care services and cost to the taxpayer. All New Zealand residents and citizens are eligible to sponsor their parents' residence visa regardless of their own residence pathway, provided they meet the income threshold and sponsorship criteria.
4. In 2020, the Labour Party made a manifesto commitment to review the barriers to access the Parent Category. In 2021, the former Minister of Immigration agreed to delay reopening the Parent Category EOI selections until a review of the settings was completed [2021-2518 refers]. As of 28 March 2022, the EOI pool contains a total of 8,742 individuals, and this number continues to grow.

Alternatives to the Parent Category

5. There are limited alternatives to the Parent Category, which are only available in specific circumstances:

¹ Per the Operational Manual.

- a. *Parent Retirement Category Visa (Parent Retirement Category)*: a residence visa for those with family links to New Zealand and who wish to make a significant contribution to New Zealand's economy. It is intended to be a visa for those with significant financial means, as applicants must prove they have funds to invest in New Zealand and an annual income of at least \$60,000. The key difference is that the Parent Retirement Category relies on the financial capacity of the parents, rather than the adult children who are sponsors within the Parent Category.
 - b. *Refugee Family Support Category (RFSC)*: refugees in New Zealand can sponsor family members (including parents) to join them in New Zealand. It is a two-tier system, where Tier One sponsors have no immediate family in New Zealand and Tier Two sponsors can have some family in New Zealand. There are a limited number of RFSC places available, and the second tier is rarely used. The sponsored family members are not required to be refugees, but they cannot be eligible to apply for a visa in their own right.
6. Additionally, there is the temporary Parent and Grandparent Visitor Visa, which is discussed later in this briefing.

The purpose that you identify for the Parent Category will shape the visa settings

The objectives of the category, and the inherent trade-offs

7. The Parent Category involves trade-offs between accessibility, pressure on taxpayer-funded services, and wait times for visa processing. The more accessible the category becomes, the higher the demand, which results in long wait times for those seeking visas. In general, with increased accessibility there is also more risk of down-stream cost to taxpayers. Given that the Parent Category is not central to the economic objectives of the immigration system, it will always be a limited visa category due to available resourcing and trade-offs with processing other categories. It is unlikely demand for the Parent Category can ever be met without requiring people to wait. The aim is to strike the right balance in visa settings so that the visa is available and supporting government objectives (including limiting pressure on taxpayer-funded services), but not such a limited resource so that it is seen as inaccessible by applicants.
8. While the Parent Category sits in the Family Stream, it is designed to be a means to support the attraction and retention of skilled migrants. The category is supportive of family reunification objectives, but it is ultimately intended to support skilled migration objectives by retaining skilled migrants and cannot address all family reunification demand.
9. The income threshold for sponsors and low annual cap supports this objective by limiting the pool of eligible sponsors to more skilled/highly paid migrants. The higher income threshold also helps ensure new residents' physical wellbeing (and the wellbeing of the sponsoring family). While fewer people may be eligible, wait times are likely to be more reasonable (although still several years).

We have provided advice on different aspects of the visa settings that can reduce barriers to access

10. In developing the advice in this briefing, we have considered attracting and retaining skilled migrants to be the first purpose of the category and supporting migrant settlement by encouraging family reunification, the second. If you prefer to give more emphasis to reunification, the options we have outlined allow for this while still considering skilled migrant settlement.
11. The settings for the category apply at the time the invitation to apply (ITA) is issued, so changes agreed for the Parent Category will apply when processing the EOIs currently in the

pool. Cabinet approval will be required to make changes to the Parent Category, and decisions will be given effect through immigration instructions.

12. In order to reduce barriers to access the Parent Category, while still limiting impacts on health services, there are three areas of the visa settings which you should take decisions on:
 - a. the income thresholds and settings for sponsors
 - b. the annual cap on the number of visas that can be issued
 - c. the 'fairest' way of selecting EOIs from the pool.

Decisions required on the income threshold for sponsors

13. There are three decisions that you need to make about the income threshold for sponsors. These are:
 - a. the rate of the baseline income threshold (ie for one sponsor, one parent)
 - b. how much it costs to sponsor additional parents
 - c. the income threshold for joint sponsors, and who can be a sponsor.
14. While there is no precise methodology to determine the income threshold which is appropriate for different family arrangements, we still consider an income threshold remains the best measure to give effect to key considerations of the Parent Category:
 - a. to ensure skilled and productive migrants can sponsor their parents
 - b. to limit pressure on taxpayer-funded services
 - c. to ensure that migrants and sponsoring families can enjoy an acceptable standard of living in New Zealand
 - d. to maintain a system that is simple for people to assess their eligibility against.
15. Parent residents do not qualify for New Zealand Superannuation for up to 20 years after gaining residence, so they are dependent on their sponsor or their own savings to support them if they are unemployed. However, they may be eligible for emergency benefits if their circumstances meet the criteria.

We do not recommend removing the income threshold

16. While there are some challenges associated with income thresholds, removing the income threshold for sponsors significantly increases the risk of higher cumulative cost to the Crown if sponsors are unable to financially support their parents, leading to welfare concerns for the sponsored parent. There is an obligation for the Government to take measures to protect against these risks, as they exist because they are facilitated by the Parent Category. We consider that alternative assessment options (for example a comprehensive assessment of the individual circumstances of each visa application) are not operationally feasible, and we recommend retaining an income threshold for the Parent Category.
17. This review was scoped as an adjustment to the core existing settings, and we have not fully explored non-threshold alternatives. For example, in Australia, sponsors are required to give an assurance of support and lodge a bond that is held for the sponsorship period to cover any costs incurred by the parent. Further work could be done but would likely take longer to implement and may affect the eligibility of those already in the queue.

Decision One: the baseline income threshold (one sponsor, one parent)

18. We have identified three baseline income threshold options for you to choose from, or you may choose to retain the status quo. This choice reflects the starting income threshold for one sponsor supporting one parent's application. These options are outlined in Table One below:

Table One: Baseline income threshold options

Status Quo	Option One (recommended)	Option Two	Option Three (hybrid of other options)
2x median wage (\$115,481.60)	1.5x median wage (\$86,611.20)	1x median wage (\$57,740.80)	Tier One: 1.5x median wage (\$86,611.20) Tier Two: 1x median wage (\$57,740.80)

Option One makes the most appropriate balance between accessibility, risk, and supporting skilled migration

19. We recommend Option One because it widens the eligibility requirements and reduces a significant barrier to access. It provides the best balance of reducing barriers to family reunification while remaining attractive to skilled migrants. The baseline of 1.5 times the median wage mitigates the risk that sponsorship obligations are not met, and higher cumulative pressures are imposed on the Crown funded services and benefits. It will likely increase demand, but not significantly extend existing queues and therefore wait times. If queues clear you could review the income threshold at a later date.
20. The options for income thresholds were consulted with other agencies, and they were generally supportive. The Ministry of Social Development (MSD) indicated that the higher of the two income threshold options is likely to minimise the need for emergency benefits. The Ministry for Pacific Peoples (MPP) also supported Option One, however, noted that uptake of the Parent Category by Pacific migrants is likely to be low because of the income threshold, even if lowered. The Ministry for Ethnic Communities highlighted that this wage threshold is not likely to be accessible for refugees and asylum seekers. However, we consider that the RFSC is a better avenue to explore expanded support for reunification for these groups, rather than the Parent Category which is focussed on skilled migrants.

We do not recommend Option Two due to risk associated with cost and accessibility

21. We do not recommend the lower income threshold in Option Two because we do not consider that median wage is high enough to provide a reasonable assurance that the parent, sponsor, and family will enjoy an acceptable standard of living. In the absence of a comprehensive, time and resource-intensive assessment that takes into account all dependents, wider family support, and the living situation of the sponsor, we recommend a more conservative income threshold that mitigates risk. The risks of high cumulative cost to the Crown and increased risk that sponsorship obligations cannot be met are much higher with this option.
22. The Accredited Employer Work Visa introduced a median wage threshold for migrants to work in New Zealand, with some limited exceptions. Therefore, earning median wage will be the entry point for most migrants entering New Zealand from now on. As such, it is reasonably foreseeable that all migrants who gain residence on a skilled work pathway will be eligible to sponsor a parent under the Parent Category, which will significantly increase demand.
23. For this reason, lowering the income threshold to median wage in order to support migrants who gain residence on a pathway outside the Business Stream (for example, through the

Refugee Quota Programme, Pacific Access Category, or as a partner of a New Zealander), is not an effective means of targeting those groups. If you are concerned about specific groups being locked out of the Parent Category, then we recommend looking at alternative options designed specifically for those groups.

24. Given the Parent Category is a capped visa and will always be a limited resource (which we consider to be the right status for this visa category), increasing demand is likely to lead to disappointment for a larger group of people. The barrier to access the Parent Category would quickly become the over-subscription of the visa, rather than the income threshold.

We do not recommend Option Three because it combines the weaknesses of the other options and few of the strengths

25. We understand you were interested in a two-tiered system where the majority of the annual cap is allocated to those who meet a higher income threshold (eg 1750 places) and a smaller portion is allocated to those who meet a lower income threshold (eg 250 places). This limits the number of those who are entering into higher risk sponsorship arrangements, but still makes that option available to those who are not high earners and want to reunite with their parents.
26. The Parent Category used to operate using a two-tier system, where there was a lower income threshold for Tier Two, but these EOIs were only selected if the cap was not met by Tier One. As a result, Tier Two EOIs were rarely, if ever, selected. We can mitigate this by reserving part of the annual cap for the second tier, however, demand will always outstrip supply, which leads to a larger group of people who are eligible for the Parent Category but unable to access it.
27. While this option can be viewed as a 'best of both worlds' solution, we consider that it combines all the weaknesses of the other options, while also limiting the strengths. The highest demand will be in the second tier, where there is the least capacity to meet people's expectations. In our view, the strength of this option is the optics and not the reality – it is seen to be a middle ground that aims to balance a variety of objectives; however, it is more symbolic than effective.

Decision Two: income threshold for sponsoring additional parents

We propose that the income threshold for additional parents is lowered to reflect the expected cost

28. Currently, the income threshold increases incrementally by the median wage for each additional parent. This assumes that each parent brings additional costs of one median wage, which may be too onerous, as additional parents may share the same accommodation and related costs, rather than requiring a full set of additional costs per person. The extra cost reflects that the policy is neutral to the parents' status (ie single or in a partnership). We consider that the proposed setting of an additional 0.5 times median is more reflective of the true costs of supporting more than one parent, especially if those parents are in a partnership.

Table Two: Income threshold for additional parents

	Status Quo	Option One	Option Two	Option Three <i>(hybrid of other options)</i>
Baseline income threshold (One parent, one sponsor)	2x median wage (\$115,481.60)	1.5x median wage (\$86,611.20)	1x median wage (\$57,740.80)	<i>Tier One: 1.5x</i> median wage (\$86,611.20) <i>Tier Two: 1x</i> median wage (\$57,740.80)
Additional parent (up to six parents)	+ 1x median wage per parent <i>3x median wage (\$173,222.40) for one sponsor supporting two parents</i>	+ 0.5x median wage per parent <i>2x median wage (\$115,481.60) for one sponsor supporting two parents</i> (recommended)	+ 0.5x median wage per parent <i>1.5x median wage (\$86,611.20) for one sponsor supporting two parents</i>	+ 0.5x median wage per parent
Additional parent (if both parents in the application are partners)	N/A	No additional income threshold where both parents in the application are partners. <i>1.5x median wage (\$86,611.20) for one sponsor supporting two parents who are current partners</i> (not preferred)	Not recommended	Not recommended

29. We recommend that the income threshold increases incrementally by 0.5 times median wage for each additional parent. This assumes that each parent brings additional costs of 0.5 times median wage, which is consistent with current superannuation payments (the figures are very similar).² This would not account for situations where parents are partners and there are associated cost savings in the living arrangements. However, this is a simple rule and clear to understand.
30. Parents in a single application could be treated as one parent for the purposes of the income threshold. This would mean that one person can sponsor their parents without having to prove additional income. However, if the parents are separated or otherwise not in a partnership, an additional income threshold would need to be proved in order to sponsor the parent, as they are unlikely to have the same shared resources.
31. We do not support this change on wellbeing grounds, noting that there are extra costs associated with additional partners even in a single relationship (superannuation provides extra payments for couples). However, if you are concerned that the baseline of 1.5 times median wage still presents an accessibility barrier, we recommend allowing partnered parents to count as one parent for the purposes of the income threshold, rather than lowering the baseline threshold to the median wage. We do not recommend counting partnered

² The current rates for New Zealand Superannuation payments are \$28,000 per annum for a single person, and \$42,000 per annum for a couple (\$21,000 per person) and 0.5 times median wage is \$28,870.40.

parents as one for the purposes of the income threshold if you prefer the median wage as the baseline threshold.

Decision Three: income threshold for joint sponsors

A higher income threshold for joint sponsors better mitigates risks and aligns with the objective of targeting skilled migrants

32. Current settings allow people who are in a genuine and stable partnership to jointly sponsor a parent or parents, at a higher joint income threshold of three times the median wage, compared to a single sponsor requiring two times the median wage. This follows the general formula that each additional sponsor or parent requires an additional median wage. This allows for partners to pool their joint income to try to meet the relevant income threshold at a discounted rate compared to applying as a single sponsor. Joint sponsorship may also be necessary where the adult child is not the higher earner in the relationship (as one sponsor must be directly related to the parents applying for the visa).
33. We recommend retaining the additional income threshold for joint sponsors, as it requires that both sponsors meet the “skilled” threshold, which supports the Parent Category objectives. A higher income threshold for joint sponsors also mitigates risks that living costs cannot be met particularly in the situation where the partnership does not last. We recommend an increase to the baseline of either *median wage* or *0.5 times the median wage*.

Table Three: Income threshold for joint sponsors

Baseline income threshold (one sponsor, one parent)	1.5x median wage (recommended)		1x median wage	
	Additional 1x median wage (recommended)	Additional 0.5x median wage	Additional 1x median wage	Additional 0.5x median wage
Joint sponsors (two sponsors, one parent)	2.5x median wage <i>Minimum of three adults supported by \$144,352.00</i>	2x median wage <i>Minimum of three adults supported by \$115,481.60</i>	2x median wage <i>Minimum of three adults supported by \$115,481.60</i>	1.5x median wage <i>Minimum of three adults supported by \$86,611.20</i>
Additional parents (two sponsors, two parents) <i>(assuming an increase of 0.5x median wage per parent)</i>	3x median wage <i>Minimum of four adults supported by \$173,222.40</i>	2.5x median wage <i>Minimum of four adults supported by \$144,352.00</i>	2.5x median wage <i>Minimum of four adults supported by \$144,352.00</i>	2x median wage <i>Minimum of four adults supported by \$115,481.60</i>

34. We recommend maintaining the additional income required for joint sponsors at an additional median wage to keep the focus of the Parent Category on attracting and retaining skilled migrants. Relaxing this means that lower earners can pool their income with a partner. With a joint sponsorship arrangement there is an additional risk of relationship breakdown or parents from separate families requiring support, which increases the burden on any one sponsor.
35. You could drop the additional sponsor requirement to 0.5 times median wage to align with the additional parent cost. This would increase accessibility with some increased risk to wellbeing if there is a relationship breakdown (in theory, sponsors remain obligated to meet living costs, but in practice this does not tend to be enforced). We do not recommend

dropping the additional sponsor income threshold to 0.5 times median wage if the baseline is set to median wage.

We recommend extending sponsorship eligibility to include siblings, to account for different family structures and cultural values

36. In order to support widening eligibility for sponsors, you can also choose to make two siblings eligible as joint sponsors. The current settings only allow those in a genuine and stable relationship to act as joint sponsors. We consider that this excludes different cultural values (especially the family values of Pacific peoples), where it is more suitable for siblings to be joint sponsors. MPP were supportive of this option.
37. We recommend extending eligible joint sponsorship relationships to include two siblings that have both been resident in New Zealand for a minimum of three years (and otherwise meet the sponsorship requirements), rather than just partners as in the current settings. We recommend that the same income thresholds apply, but do not recommend allowing joint sponsorship of siblings for baseline income threshold Options Two and Three (1x median wage or a two-tiered system), as at this income level there is increased risk that parents are not suitably financially supported with potentially two households support by the siblings.

Sponsors could be required to be New Zealand citizens, as they demonstrate a long-term commitment to living in New Zealand

38. During the 2018-19 review of the Parent Category, there were media reports of Parent Category visa holders being abandoned in New Zealand by their sponsors after being granted residence. There is no obligation for sponsors to remain in New Zealand during the sponsorship period, so if sponsors do choose to leave, this is contrary to the retention and family reunification aims of the visa category. The review found that there was no substantial evidence that this was occurring, however, it did raise the issue of whether residence is enough to demonstrate a commitment to settling permanently in New Zealand.
39. If you are concerned about this issue or think only those who have made a full commitment to New Zealand should be eligible, then can set the policy to limit eligible sponsors to those who are New Zealand citizens. This will demonstrate that they are committed to settling in New Zealand and may be less likely to leave their parents in New Zealand without them. Limiting sponsor eligibility may help to manage demand for the Parent Category.
40. We do not recommend this option, as we consider it to be an attempt to solve an unsubstantiated problem. Additionally, the two main countries of origin of Parent Category visa holders are from China and India, which do not allow for dual citizenship. Therefore, the consequences of this change may be disproportionately felt by these groups. Requiring sponsors to be New Zealand citizens would set New Zealand apart from other comparable countries' settings. In both Australia and Canada, both permanent residents³ and citizens can sponsor their parents' residence visa applications.

Summary of income threshold options

41. We are recommending a balanced approach to the income threshold, rather than the most permissive approaches which include trade-offs. The packages of options are outlined in the table below:

³ Noting that Australia and Canada do not have the distinction between residence and permanent residence as in New Zealand.

Table Four: Summary of income threshold packages

Status Quo	Balanced Approach (recommended)	Most Accessible Approach	Hybrid Approach
<u>2x</u> median wage baseline (one sponsor, one parent)	<u>1.5x</u> median wage baseline (one sponsor, one parent)	<u>1x</u> median wage baseline (one sponsor, one parent)	Two tiers: baseline of <u>1.5x</u> and <u>1x</u> median wage
<u>1x</u> median wage for every additional parent	<u>0.5x</u> median wage for every additional parent	<u>0.5x</u> median wage for every additional parent	<u>0.5x</u> median wage for every additional parent
<u>3x</u> median wage baseline for joint sponsors	<u>2.5x</u> median wage baseline for joint sponsors (expanding to include sibling sponsors)	<u>2x</u> median wage baseline for joint sponsors	<u>2.5x</u> and <u>2x</u> median wage baseline for joint sponsors

42. We recommend the balanced approach because it reduces barriers to access the Parent Category by widening access, but not to the point where it creates excessive risk or demand. We consider that it aptly balances the objective of the category to attract and retain skilled migrants and the family reunification aims, while still limiting cost to the Crown.

Prioritise applications where the sponsor whose occupation is on the Green List

43. To further the use of the Parent Category as a tool to attract and retain skilled migrants, we also considered:
- a. Setting aside a portion of the annual cap for applicants with sponsors whose occupation is on the Green List
 - b. A lower income threshold for sponsors whose occupation is on the Green List.
44. We do not recommend these options due to the perception of unfairness to those who are not on the Green List and the risk of creating a two-tier system that disadvantages a significant number of skilled migrants in other occupations. Our view is that the income threshold (particularly in Option One) is sufficient to target skilled migrants, so prioritising the Green List is not necessary to achieve that objective, as significant proportion of skilled migrants are expected to come through the Green List.
45. If you select a lower threshold that increases demand and wait times, we recommend reconsidering Green List prioritisation options to improve the global attractiveness of New Zealand for these occupations. If you choose this option, we recommend adding the requirement that the sponsor is in the Green List occupation at the time of the application. This will assist with the retention of skilled migrants in those occupations, particularly doctors and nurses, and may be an attracting factor in their decision to migrate to New Zealand in the first place.

Annual cap on individual visas

46. You can also take decisions about the annual cap of visas issued in order to further reduce barriers to access for the Parent Category.
47. The criteria to consider when setting the cap include:
- a. Potential pressure on (and cost to) taxpayer-funded services and the cumulative number of people provided visas;
 - b. Accessibility, including wait times and demand;

- c. Processing resources trade-offs – primarily in the shorter-term.

The Parent Category carries additional costs to the Crown

48. A major reason for capping the number of Parent Category visas granted per annum is to limit the pressure on public health and aged care services and cost to the taxpayer. While the sponsorship obligations and income thresholds do limit some costs to the taxpayer, this does not apply to the public health system or social welfare (after two years), which all residents can have access to. Parent Category visa applicants must meet the standard immigration health requirements and be assessed as having an acceptable standard of health before they can be granted residence. Despite this, their health costs are among the highest for recent migrants. The cumulative impact of resident parents will put pressure on health services, which are already stretched with the COVID response and with workforce shortages.

Future demand for the Parent Category is unpredictable, and the cap is unlikely to be able to be set to address all demand, so the right annual cap is an estimate based on past experience and with regard to other priorities

49. Predicting demand for the Parent Category is a difficult exercise and cannot be done with much accuracy, especially given that the category has been closed for selecting new EOIs since 2016 limited accurate recent data, and that there is likely to be pent-up demand.
50. There are currently 5,500 EOIs in the pool, and it is not clear how many meet the current income threshold, how many still meet other criteria (for example, the health requirement), or how many no longer want to apply.
51. In previous years when the category was operational, around 4,200 EOI submissions per year from 2013-2016 were received. However, a new trend could be higher with pent-up demand and increased accessibility. There are also likely to be peaks and troughs of demand in coming years. Peaks likely as the category reopens, and as the 2021 Resident Visa group become eligible to sponsor parents in three years' time.
52. It is difficult to accurately identify the income of residents, but approximately 20 per cent of SMC skilled migrants earned over 1.5 times the median wage.
53. The access criteria for the category (unless you wish to change it) requires that sponsors must have held New Zealand residence for three years or more. Immigration data has shown that approximately 10 per cent of residence approvals may be linked to Parent Category applications three years later, though this does not consider the existing residents and citizens who may submit applications too).
54. Opening the category will provide better information about actual eligibility numbers and pent-up demand. As noted, you could review the cap and income threshold in two years' time based on this new information.

There are several options to approaching the annual cap in light of demand, priority and service pressure considerations

55. The current cap on individual visas is set at 1,000 per annum, though with EOI selections paused this cap has not been filled. We recommend increasing this cap.

Table Five: Annual cap options

Status Quo	Option 1 (recommended)	Option 2	Option 3
1,000 individual visas per annum (flat cap)	2,000 individual visas per annum (flat cap)	Begin with high cap to address pool of EOIs (eg 3,000), then reduce to 2,000 flat cap per annum	Begin at 1,000 and increase in cap year on year to reach 2,000 (or somewhat higher, depending on your preference)

56. We recommend that the annual cap is increased to 2,000. A cap of 2,000 per year offers a balance between controlling the Parent Category residence numbers to manage strain on public health and social services and keeping the policy sufficiently open and active to continue to have value in attracting skilled migrants to New Zealand with the possibility of bringing parents here.
57. Increasing the annual cap to 2,000 is unlikely to create undue risk of high cumulative health or social costs from the increased residents coming to New Zealand. The Ministry of Health have indicated that while demand for health services is driven by a range of factors that are always changing (for example, population demography and system capacity) and an additional 2,000 older people per year will increase costs to the health system over time, this alone is not likely to be a significant driver of health costs, given the fluctuating health costs of the wider population. The Ministry of Health cautioned that an annual cap much higher than 2,000 is expected to have a greater impact on the health system over time. MSD also indicated that an annual cap of 2,000 is likely to increase access to social welfare, but do not think it will be significant.
58. A cap of 2,000 is comparable to the allowances under other skills-focused immigration systems with similar arrangements namely, Canada (30,000 visas per annum) and Australia (6,000 visas per annum), when adjusted for population size. The United Kingdom does not have an equivalent visa to the Parent Category.
59. For the first years of visa processing when it resumes, INZ will be entirely occupied with the existing pool of EOIs. Under the current settings with a cap of 1,000, the existing queue is unlikely to be cleared before 2029. An annual cap of 2,000 is likely to clear the queue by 2026/27, provided that EOI selections resume in early 2023. This means that the existing queue is an important consideration in your plans to manage future demand for the Parent Category.
- We do not recommend temporarily raising the annual cap in order to clear the EOI queue more efficiently*
60. The existing queue of almost 9,000 individuals in the EOI queue is an influential factor in deciding the annual cap for the Parent Category, and we have considered the option of temporarily raising the cap in order to clear the queue faster.
61. We do not consider this to be a good option for the following reasons:
- a. Part of the rationale for having an annual cap is to limit the cost to public health and social services. This rationale is weakened by temporarily increasing the cap for the purpose of clearing the queue, because it demonstrates that the cost is acceptable one year, but not the following year.
 - b. Even with a clear communication and publicity plan, raising the annual cap and then lowering it again sends mixed messages to migrant communities. The Parent Category

is essentially being prioritised then deprioritised in quick succession, and we consider that a consistent message around the annual cap will be better in the long run.

- c. There will be significant short-term processing implications and trade-offs with processing other visa categories required to start with a cap higher than 2,000. However, this trade-off is less significant if capacity is scaled up, rather than scaled down.
- d. We consider that the benefit of a temporarily higher cap is negligible when comparing to the length of time it will take to clear the queue under our proposed annual cap of 2,000. An annual cap of 3,000 is likely to clear the queue by 2025, while it is likely to only take an additional year to clear it with an annual cap of 2,000.⁴

62. As such, we consider that the risks of a temporarily higher cap outweigh the benefits. Instead, if you would prefer a higher annual cap, then we recommend scaling up capacity to meet that cap and keeping it at that level once it is met (Option Three). Note that if you prefer to raise the cap higher than 2,000, INZ will provide you with further advice about the trade-offs for processing other visa categories that may be required to enable this.

Options for resuming EOI selections

63. The manner in which EOIs are selected (eg in chronological order) has an impact on the applicant's perception of how accessible and fair the visa category is. You can choose to change the manner in which this occurs if you wish to. In preparing advice about the manner of selections, we have considered fairness, efficiency, and certainty (or lack thereof) for applicants submitting EOIs.
64. Given these principles, we are recommending that the pool of existing EOIs is processed in chronological order. We considered other options but given the time that people have had applications waiting in the pool (some dating back to 2012), we consider that changing the manner of processing for this group is likely to be considered extremely unfair to these people. However, you may wish to consider some alternative options for processing EOIs that are submitted after changes to the Parent Category are announced and selections resume.
65. Upon making changes that reduce barriers to access for the Parent Category, we also recommend making some accommodations for those who withdrew their EOIs from the current pool on the previous advice of INZ. Ahead of the 2020 reopening of the Parent Category, INZ advised those in the EOI pool to withdraw their EOI if they knew they would not meet the two times median wage income threshold, as it was not foreseeable at the time that EOI selections would not resume, nor that the income threshold may be lowered. As a result, 217 individuals withdrew their EOIs, thus losing their place in the queue. If the income thresholds are decreased, these applicants should be invited to resubmit their EOIs, so they are not locked out of the Parent Category that they could have been eligible for had they not followed INZ's advice.
66. We have identified three options for managing future EOIs once selections resume, as outlined in Table Six.

⁴ Assuming EOI selections resume in January 2023.

Table Six: Options for selecting future EOIs

Status Quo	Option One (recommended)	Option Two
<p>A somewhat certain but lengthy queue</p> <p>EOIs continue to be processed in chronological order, future EOIs are added to the queue (to be processed after the existing queue).</p>	<p>Future EOIs are processed efficiently but with some uncertainty</p> <p>The existing pool of EOIs are processed chronologically. Once this is complete, all new EOIs are balloted annually.</p> <p>(any EOIs submitted while existing queue is processed go to the first ballot)</p>	<p>Prioritising a quick return to processing new applications</p> <p>The existing pool of EOIs are processed chronologically, while this is happening a portion of the annual cap is allocated for new EOIs which are balloted.</p>

We recommend a random ballot system is implemented after the existing pool of EOIs are processed chronologically

67. We recommend selecting new EOIs using an annual ballot that operates similarly to the Pacific Access Category and Samoan Quota. With this type of ballot, INZ selects from EOIs in the pool, and the remaining EOIs effectively expire. The benefit of this system is that it is realistic and transparent about the chances applicants have to receive a Parent Category Resident Visa, and it prevents a recurring queue from forming where circumstances may change in the years between the time the EOI is submitted and a formal application is invited.
68. We understand that a ballot does not give certain outcomes for migrants, because there is no guarantee an applicant's EOI is selected at any point. However, due to the anticipated wait times for EOI selections (of either up to eight years if the cap is maintained at 1,000 or up to four years with the higher recommended cap of 2,000), there are also uncertain outcomes if you maintain the status quo.
69. While applicants may know their place in the EOI queue, the longer the EOI remains in the queue, the less likely it is for the visa application to be approved due to health and other eligibility requirements. By which time, if INZ select and process the EOI, the fees paid cannot be refunded and their plans for the future cannot be pursued. The ballot system is transparent about the probability of getting a Parent Category Resident Visa, whereas the current queuing system hides the element of chance that is still present.
70. Submitting a ballot would still attract a fee to recover the cost of administration. The current cost of the parent category EOI is \$490. However, costs could be reviewed for a new ballot system. For example, the Pacific Access Category has a cost of \$85 to submit an initial EOI and \$50 for subsequent EOIs. Alternatively, you may choose to pursue funding for a Crown-funded ballot that is free to enter, but the costs are recovered at the ITA stage, similar to the Samoa Quota.
71. If you progress this change, once changes are announced, EOIs will continue to be collected in the pool (separate from the existing EOIs) and will be selected by ballot once the queue has been cleared. We expect that number of EOIs in the first few ballots will be quite large due to pent up demand, however, we also expect that this will reduce as the Parent Category continues to operate business as usual. The choice between queues and ballots can be tested with migrant representative groups during consultation.

72. We will undertake further detailed analysis on the design of the ballot system if you wish to consider this option in any configuration. This would include the time taken to reset EOI fees if needed.

You could choose to maintain the status quo and continue to process chronologically

73. You could instead choose to continue processing EOIs chronologically. The advantage of this approach is that the expectations of those currently in the pool of EOIs and those who are waiting to submit EOIs will be met through being assigned a place in the queue. The key disadvantage to this approach is that there is expected to be a significant surge in EOI submissions once it is announced that the Parent Category is reopened, which will be compounded by the increased access to the category facilitated by the changes you and your colleagues choose to make (assuming lower income threshold and other adjustments).
74. Consequently, it is likely that significant wait times of four to five years will be the norm for EOIs submitted even after the queue is cleared. As noted above, for some people this may mean that by the time the EOI is selected, the parent can no longer meet health requirements to be eligible for the visa category. However, if you consider this to be an appropriate length of time to wait before the EOI is selected, and the certainty of a place in the queue to be the preferred option for applicants, then you may prefer this option.

It is also possible to resume EOI selections with a portion of the annual cap set aside for new EOIs

75. If you prefer to prioritise processing new applications for the Parent Category as quickly as possible, setting aside part of the annual cap for new EOIs is one way of achieving that objective. This would make the Parent Category available to a small number of applicants who would otherwise be unable to access it for at least another three to four years.
76. However, there are some very clear challenges to selecting this option. Firstly, it would be considered unfair to those who have waited many years for their EOI to be selected, as the small number of new EOIs would be seen as 'jumping the queue'. Secondly, it would be very challenging to communicate and implement. We recommend that if you pursue this option, the cap will need to be split, and part of it assigned to a ballot which would be available to new submitters and those in the existing queue. This would ensure fairness that the people in the queue would not be compromised in terms of when their EOI is selected, but it would also have a chance of being selected in the ballot pool.
77. Given the complexity and issues with fairness, we do not recommend this option. However, if you prefer it, we recommend selecting the new EOIs using the random ballot approach already outlined. Selecting EOIs chronologically will only support any arguments about the new EOIs 'jumping the queue', and a random ballot will be fairer. Following this period of a split cap to process the queue, the entire cap could then be balloted, as in Option One.

Public consultation on changes to the Parent Category

78. We recommend undertaking public consultation on any changes to the Parent Category. Due to the history of the Parent Category changes and the length of time EOI selections have been paused, we consider that it is important to consult these changes with affected communities.
79. You receive extensive public correspondence about the Parent Category, as does INZ, so there is a clear public interest in the settings for this visa. The Productivity Commission report on immigration noted that decisions around immigration policy have forgone public consultation for the sake of getting decisions made quickly.
80. We recommend completing a short round (approximately four weeks) of targeted consultation with key migrant groups and immigration advisors in October. If you would like to consult more widely, we can also open for public submissions, though this may extend timeframes in order to process the submissions.

81. However, there are some aspects of the proposals you may not wish to include in consultation. For example, the cap, as indicated previously, is not likely to ever be able to completely meet demand and is a decision for you and your colleagues to take in light of competing resource priorities within the immigration system and risk of cumulative cost to the Crown. Consultation is unlikely to yield additional information to support your decisions on this aspect, though you may wish to consult on it, for completeness.
82. If you would like to consult publicly on the Parent Category changes, we will provide you with a draft Cabinet paper and consultation document in early September for you to take to Cabinet in October for the first round of decisions to progress. An indicative timeline for this is:

Development of Cabinet paper and consultation document	August
Ministerial consultation	6 – 20 September
Cabinet Economic Development Committee	28 September
Cabinet – agreement to consult	3 October
Consultation	October
Final Cabinet Decisions	Mid November or December (depending on how widely consulted)

You have the option to progress to final Cabinet decisions without public consultation

83. If you would prefer decisions about the Parent Category to be made and announced quickly, we can provide you with a draft Cabinet paper by 18 August (this will be faster as we will not need to develop a consultation document), which can go to DEV and Cabinet on 14 and 19 September, respectively.

Implementation

84. Precise timeframes for implementation will vary depending which changes to the Parent Category you and your colleagues choose, and we will provide you with further advice on this as you progress decisions on this and other significant delivery priorities, such as the SMC. However, indicatively, it would normally take about six months from final Cabinet decisions to implement changes to the Parent Category and resume EOI selections for the existing queue of EOIs. A faster implementation timeline will require short-term trade-offs with resourcing and implementation of other workstreams. In light of the priority you have placed on reopening the SMC in 2022, INZ will provide you with further advice about the implementation timeframes and short-term trade-offs around the Parent Category and SMC and other visa products.
85. We expect that there will be processing challenges and delays with the early applications because of the age of the EOIs (some were submitted up to ten years ago) which may mean that annual caps of individual visas are not met in the first year or so. There are also likely to be initial resourcing constraints given the length of time since Parent Category Visas have been processed.
86. There is a risk that public consultation may drive a surge of new EOIs before settings are in place. We consider this is a low risk as this review has been public knowledge for some time now. There is an option to suspend EOI submissions, but this requires a regulation change,

which will increase the time for Cabinet legislative processes to complete before consultation can start.

87. If you choose to progress the option to move to a ballot system for future processing of Parent Category EOIs, there will be financial (including fees) and regulatory considerations to consider, which we will provide you with further advice on and the impacts this will have in timeframes.

Evidence requirements for self-employed sponsors' income

88. The changes made to the Parent Category in 2019/20 strengthened the evidentiary requirements to prove sponsors' income. Sponsors are now required to prove that their income meets the required amount by providing an Inland Revenue tax statement (Summary of Income) from the most recent month. This change was made to prevent people inflating their income by borrowing funds from someone else, showing a bank statement, and then returning the funds.
89. However, these evidentiary requirements exclude self-employed people from sponsoring parents. Due to the nature of the self-employed tax system, a Summary of Income for self-employed people only reflects provisional income. Taking a snapshot of declared self-employed income based on the previous month could show a high income but the person would not actually be earning much in net income or paying any tax.
90. This presents potential inequities, with self-employed people unable to sponsor parents simply because they cannot provide appropriate evidence. We recommend that self-employed people are permitted to sponsor parents.
91. The evidentiary requirements needed to enable this can be determined when developing immigration instructions. One option is to require self-employed people to provide their final tax summary at the end of the most recent financial year.

Options for a temporary or interim visitor visa for parents of New Zealand residents or citizens

92. There is always expected to be a wait time and/or unmet demand for Parent Category visas. Considering the skilled migrant retention and family reunification objectives of the Parent Category, you may wish to explore the option of a temporary or interim visitor visa for parents of New Zealand residents and citizens as an alternative or transitional measure while the existing queue of EOIs is addressed. However, our advice is that current settings are suitably supportive and do not create the risks that a longer temporary visa would.
93. Parents of New Zealand residents and citizens can apply for the Parent and Grandparent Visitor Visa, which is a three-year multiple entry visa that allows for a stay of up to six months per visit. This allows for relatively short stays in New Zealand and does not allow the visa holder to settle in New Zealand ahead of being granted residence through the Parent Category.
94. The option of a visitor or work visa that allows for longer stays in New Zealand was explored in detail during the 2014-16 review of the Parent Category. A briefing was provided to the then Minister of Immigration outlining the risks and benefits of a three-year temporary visa for parents [briefing 2879 13-14]. The briefing proposed a temporary visa with the same sponsorship and health requirements as the Parent Category Resident Visa. In our view, the factors identified in that review remain relevant. These are:
 - a. The benefits are the promotion of family reunification objectives and minimal cost to the taxpayer, as visa holders will not have access to publicly funded health care. On the other hand, there are risks that arise due to the average age of the visa holders, notably the risk of visa holders accruing debt to Health NZ, and of visa holders being medically unfit to travel by the time their temporary visa expires.

- b. In addition to the risks to the health system, we have identified a risk to migrant welfare. A temporary visitor visa that ties the visa holder to their adult child sponsor carries the risk of elder abuse. The visa holder's future in New Zealand is entirely reliant on maintaining the relationship with the sponsor, as they are not eligible for government support (ie public health care or other taxpayer funded support), and there is a risk of this power imbalance being exploited. This is not the case with the Parent Category Resident Visa: because the visa holder is granted residence straight away, if there is an abusive relationship then the visa holder is more capable of leaving that situation.
 - c. Further, the length of the temporary visitor visa means parents are likely to settle in New Zealand, however ultimately their residence eligibility has not been tested through the visitor visa process and is not guaranteed. This creates a risk that an eventual declined residence application would split up family units that have already taken steps to settle in New Zealand, which is not a desirable outcome.
95. In light of these risks, we consider that the current Parent and Grandparent Visitor Visa is appropriate to allow for short visits to family in New Zealand without settling here and creating an expectation of residence. You may wish to change this visa to allow for longer stays (for example nine months) that still prevent settlement while on a visitor visa. We can provide you with advice on options to change the Grandparent and Parent Visitor Visa if you would like to look into this.

Next steps

96. Next steps to progress changes to the Parent Category are:
- a. advise officials of your preferred options for reducing barriers to access to the Parent Category
 - b. indicate whether officials should undertake a short period of public consultation
 - c. approve the drafting of a Cabinet Paper to this effect.