



AIDE MEMOIRE

Information on the Parent Category Review

Date:	24 February 2017	Priority:	Medium
Security Classification:	In Confidence	Tracker number:	2501 16-17

Information for Minister	
Hon Michael Woodhouse Minister of Immigration	

Contact for telephone discussion (if required)				
Name	Position	Telephone		1st contact
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The following departments/agencies have been consulted					
<input type="checkbox"/> Treasury	<input type="checkbox"/> MoJ	<input type="checkbox"/> NZTE	<input type="checkbox"/> MSD	<input type="checkbox"/> TEC	<input type="checkbox"/> MoE
<input type="checkbox"/> MFAT	<input type="checkbox"/> MPI	<input type="checkbox"/> MfE	<input type="checkbox"/> DIA	<input type="checkbox"/> TPK	<input type="checkbox"/> MoH
<input type="checkbox"/> Other:		N/A			

- 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 Withdrawn |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

The purpose of the paper is to provide information on initial thinking on the Parent Category Review, ahead of a policy discussion with you. This discussion is an opportunity for officials to seek your feedback on the proposed objectives, scope and criteria for the Parent Category Review. In particular, a key matter to consider is how to manage fiscal costs while ensuring that New Zealand continues to attract and retain skilled migrants.

Andy Jackson

Manager, Immigration Policy

T: 9(2)(a)

Ministry of Business, Innovation and Employment

24/2/17

Parent Category Review

Recent changes to the NZRP included a review of the Parent Category

1. Cabinet has invited you to report back on the outcome of the Parent Category Review by the end of July 2017, following the temporary closure of the category in November 2016. Ministry of Business, Innovation and Employment (MBIE) officials are reviewing the Parent Category to consider the relationships between fiscal costs, numbers and the benefits of family reunification.
2. In order to meet the planning range for the New Zealand Residence Programme (NZRP) and maintain the approximate stream proportions within the NZRP, the capped categories within the Family Stream have been reduced to 4,000 over two years (a reduction of 7,000 places). As of September 2016, there were around 4,000 people in pipeline, i.e. their applications had already been processed, or their Expressions of Interests (EOIs) had already been selected. The Parent Category was therefore closed to new applications.

The Review will look at ways to manage the fiscal costs while ensuring that New Zealand continues to attract and retain skilled migrants

3. The 2017 Review of the Parent Category could consider the following four objectives:
 - a. Reducing the **fiscal cost of the Parent Category** on the welfare and the health systems;
 - b. Options for addressing the **uptake of the superannuation**, as parents are less likely to work and have fewer working years until they are eligible to access NZ Super;

- c. Ensuring that Parent Category residence visa holders are **aware of the conditions** placed on their visas and options for ensuring that the Parent Category conditions are enforced, including between Immigration New Zealand (INZ) and the Ministry of Social Development (MSD); and
 - d. Ensuring that the likely number of people eligible under the Parent Category is **consistent with the cap** on the Parent Category.
4. While these objectives are focused on managing the fiscal costs associated with the Parent Category, the ability for migrants to sponsor parents is considered to be an important part of settlement for migrants in New Zealand¹.

The Parent Category was previously reviewed in 2014

5. The 2014 Review was responding to concerns that the Parent Category had disproportionate fiscal costs in relation to other migrant categories and sponsored parents were further contributing to issues associated with an aging population. The objective of the 2014 Review was to look at whether the Parent Category was effectively targeting applicants who were able to support themselves, or whose sponsors are skilled migrants.
6. MBIE and MSD carried out a data-match pilot as part of the 2014 Review to look at sponsored migrant uptake of benefits during the sponsorship period. The Review found that some migrants who sponsor their parents for residence were not meeting all of their obligations.
7. MBIE and MSD identified a number of issues in policy settings for recent migrants. Cabinet papers were prepared but their consideration was deferred. The findings of the 2014 Review confirmed that parents were imposing higher costs relative to other migrants. The advice included :
 - a. Consideration of options to tighten access to benefits for recent migrants (SSW paper REP/16/11/1507 refers)
 - b. Tightening immigration settings for sponsored migrants through options such as the introduction of a Parent Category temporary visa.

A wide range of options could be considered in the current Review of the Parent Category

8. The current 2017 Review could consider a range of options to balance New Zealand's interest in attracting and retaining skilled migrants while managing the fiscal costs associated with these migrants.
9. The Review could consider options to change the Parent Category in the table (on the following page) against the criteria such as:
 - a. Consistency with original policy intent;
 - b. Managing fiscal costs;
 - c. Numbers likely to be eligible consistent with the cap on the category;
 - d. Retaining skilled migrants in New Zealand;
 - e. Implications for international relationships; and
 - f. Ability to be effectively enforced.

¹ In the Migrant Survey 2014, migrants were asked the question "When you decided to migrate to New Zealand, how important was being able to sponsor and bring family members to New Zealand permanently in the future?" About a quarter of respondents (or one third of Skilled Principal applicants) said it was very important.

10. Work is already underway between MBIE and MSD on a compliance-based datamatch to enable better enforcement of sponsorship conditions. This work will identify non-compliant sponsors and enable MBIE to notify them of their obligations. It will also enable INZ to lift the sponsorship conditions and grant permanent residence visas only to applicants where sponsorship conditions have been met.
11. MBIE has also contracted an analysis of the Integrated Data Infrastructure (IDI) to provide up to date costings on the benefit, NZ Super and health costs associated with Parent Category visa holders. The analysis will also look at whether sponsored parents are working and what they earn.

Annexes

Annex 1: International comparisons

Annex 2: Approved Parent Category residence visas since 2010

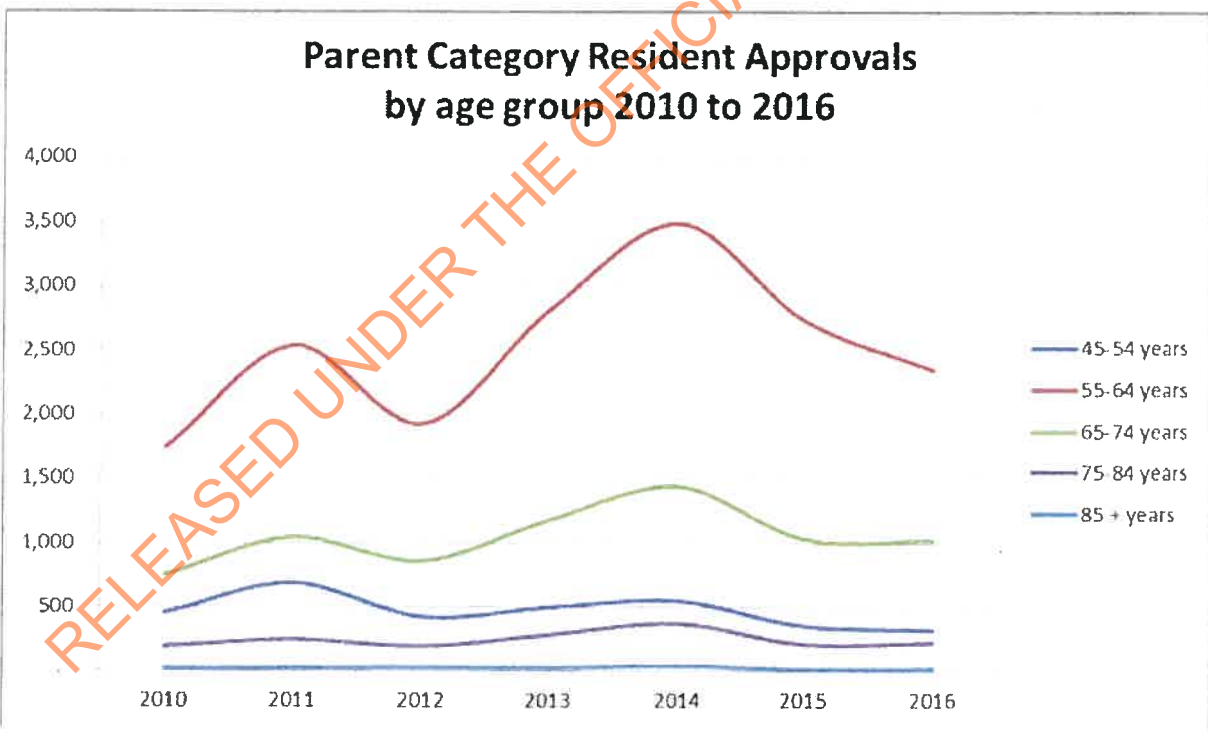
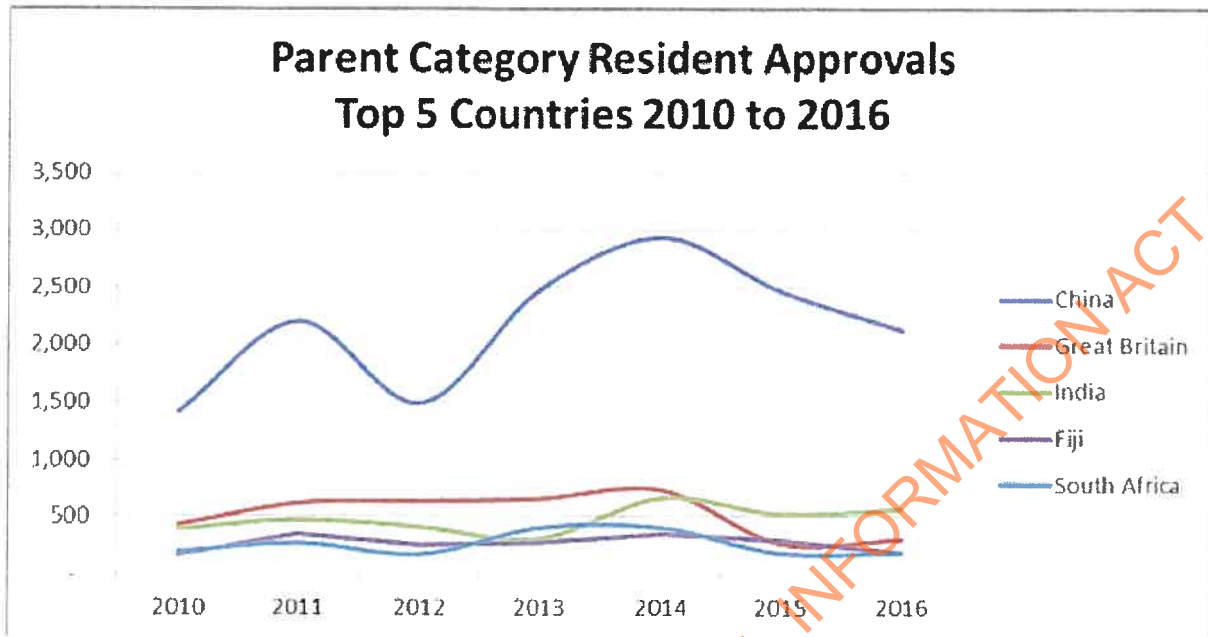
Annex 3: Summary of Parent Category visa conditions

Annex one: International comparisons

	Sponsorship period	Access to main benefit	Income requirement for the sponsoring children	Notes
Canada	20 years	Sponsor responsible for repaying the funds following a parent accessing a benefit. Sponsor will not be allowed to sponsor any other relatives until repayment is made.	Sponsor required to provide \$46 437 (Canadian) for one person being sponsored	Income requirement must be met for each of the three years immediately preceding date of application.
UK	5 years	Sponsor responsible for maintenance, accommodation and care without access to public funds.	None (must provide evidence of ability to support)	Parent must require long-term personal care, and be unable to obtain this in the country where they are living.
Australia	10 years	Sponsor who signed the assurance of support are responsible for repaying funds, when a parent has accessed a benefit.	No income required but sponsor signs assurance of support	Contributory parent visa requires sponsor to pay \$43,600 per sponsored parent.
USA	Permanent residents can only petition /sponsor their nuclear family not parents. However once they become US citizens they are eligible to sponsor their parents.			

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Annex two: Approved Parent Category residence visas since 2010



Annex three: Summary of Parent Category visa conditions

October 2016	<p>The Parent Category was closed in October 2016.</p> <p>4,914 EOI's have been received by INZ for to the Parent Category and are being held in a queue. These EOI's have not been considered, as INZ has sufficient applications to meet the cap under the current residence programme. The remaining EOIs will remain in the queue until the review is completed.</p> <p>As at 21 February 2017, there are still 32 pre-2012 parent applications (representing 58 people) waiting processing. These applications will be processed within the 2016/17 – 2017/18 residence programme as allowed under the cap (set at 4,000 people).</p>	
Criteria	<p>Tier One</p> <p>Guaranteed minimum income of \$NZ27,203 per annum (single person) OR \$NZ39,890 (couple) OR at least \$NZ500,000 in settlement funds OR sponsor has annual income of at least \$NZ90,000 (joint)</p>	<p>Tier Two</p> <p>Sponsor has annual income of at least \$33,365 per annum</p>
Centre of gravity	No requirements regarding which countries other children live in	Any other children must live outside the home country
English language	At least IELTS ² level 4 (minimum two competencies) if unable to demonstrate through other means OR prepay English language tuition	At least IELTS level 4 (minimum two competencies) is unable to demonstrate through other means OR prepay English language tuition
Dependent Children	Must not have any	Must not have any

² International English Language Testing System

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