

Income Threshold 'vs Income and visa category

Cabinet intent is to focus on the Economic objectives of the parent category.

Thresholds on sponsorship can reflect this by:

- Aiding the attraction and retention of skills NZ wants (by allowing parents to come)
- Minimising the risk of burden on the taxpayer from parents

The income threshold for sponsorship achieves these goals.

In the temporary work changes income is used as a proxy for higher skills and value (even replacing the ANZSCO occupation list) and therefore contribution to New Zealand.

Cabinet has indicated a policy that sets the sponsorship threshold at 2 or 3 time the median wage. This will mean only well paid residents likely to be in roles valuable to the NZ economy are able to sponsor parents.

The thresholds will be set high, especially for sponsoring more than one parent:

Table: Examples of occupations in income ranges:

Essential Skills visas approved in the 12 months ending May 2019 (inclusive) – (from total of 42,000 ES visas approved in the data base)		
Over 200% of the median wage (1192 Total)	Resident Medical Officer	238
	General Practitioner	139
	Construction Project Manager	31
	Psychiatrist	28
	Software Engineer	26
	Emergency Medicine Specialist	25
	Anaesthetist	24
	ICT Business Analyst	23
	Specialist Physicians nec	20
	Developer Programmer	20
	ICT Project Manager	19
	Sales and Marketing Manager	16
	Paediatrician	15
	Diagnostic and Interventional Radiologist	15
	Surgeon (General)	14
	Civil Engineer	14
	Corporate General Manager	13
	Quantity Surveyor	13
	Veterinarian	12
	Sonographer	11
Shearer	11	
Specialist Physician (General Medicine)	11	
Dentist	11	
Mechanical Engineer	11	
Dairy Cattle Farm Worker	11	
Total (number)	1190	

of visas approved)	
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150	Resident Medical Officer	133
% to	Secondary School Teacher	56
200	Developer Programmer	44
%	Construction Project Manager	43
	Software Engineer	40
	Dairy Cattle Farmer	37
	University Lecturer	28
	Truck Driver (General)	25
	ICT Business Analyst	21
	Carpenter	20
	Sales and Marketing Manager	18
	Production Manager (Manufacturing)	18
	Primary School Teacher	17
	ICT Project Manager	17
	Marketing Specialist	15
	Program or Project Administrator	14
	Mechanical Engineer	13
	Dentist	13
	Web Developer	13
	Technicians and Trades Workers nec	12
	Accountant (General)	12
	Veterinarian	12
	Civil Engineer	12
	Computer Network and Systems Engineer	12
	Medical Diagnostic Radiographer	12
	Building Associate	11
	Diesel Motor Mechanic	11
	Quantity Surveyor	11
Total	1390	

Adding an Skilled Migrant visa requirement drives at, and duplicates, the same tests, but adds some additional restrictions on who can sponsor

Additionally restricting to SMC or business and skills visas also ensures people have valuable skills, targeting similar occupations to the income threshold.

If designed as a requirement that the primary sponsor (person whose parents are coming) be a skilled migrant, this will restrict some situations where people coming in on partner categories cannot have their parents sponsored through joint sponsorship.

But, will also exclude some citizens and residents who meet the income threshold and are contributing important skills to NZ from sponsoring their parents (eg long term citizens, refugees who have successfully settled and found skilled jobs).

Table examples of inclusions/exclusions by threshold type

Just income threshold	Income threshold and business and skilled migrant stream
Examples in: <ul style="list-style-type: none"> • Well paid citizens and residents • Parents of partner category migrant joint sponsored by resident/citizen partner 	Examples in: <ul style="list-style-type: none"> • SMC, entrepreneur migrants
Examples out: <ul style="list-style-type: none"> • Refugee, Pacific and Family migrants not meeting income threshold 	Examples out: <ul style="list-style-type: none"> • Citizens from childhood who meet the income threshold • Refugees who have settled well and got good employment

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