

BRIEFING

New Parent Visitor Visa - draft Cabinet paper for consultation

Date:	12 M	arch 2025		Priority:	High					
Security classification:	In Co	nfidence		Tracking number:	REQ.	-0010961				
Action sought										
			Action sought			Deadline				
Hon Erica Stanford Minister of Immigration			Subject to any feedback, agree to send the draft Cabinet paper (attached at Annex One) for Ministerial and agency consultation			17 March 2025				
Contact for tele	phone	e discussio	n (if required)							
Name Position		Position		Telephone			1st contact			
Polly Vowles		Manager, Immigration (Skills and Residence) Policy		04 978 3106	Privacy of natural persons		✓			
Lee Gerrard		Principal Policy Advisor		04 830 7396						
The following d	epartr	ments/agen	cies have beer	n consulted						
N/A										
Minister's office to complete:		☐ Approved			☐ Declined					
			☐ Noted		L	☐ Needs change				
			Seen			Overtaken by Events				
		☐ See Minister's Notes			☐ Withdrawn					

Comments

BRIEFING



New Parent Visitor Visa - draft Cabinet paper for consultation

Date:	12 March 2025	Priority:	High
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Purpose

This briefing provides you with a draft Cabinet paper for consultation on a new long-term parent Visitor Visa (Parent Boost). It also provides you with initial advice on a lower income threshold for sponsors and making Parent Boost a limited visa as discussed with officials on 10 March 2025.

Executive summary

Following your initial decisions [0010049 refers] and discussions with officials, we have drafted a Cabinet paper for Ministerial and agency consultation (attached at **Annex One**). The draft Cabinet paper seeks Cabinet agreement to introduce a new Parent Boost Visa and to its key parameters, including requirements to:

- ensure applicants have access to sufficient financial support through sponsorship obligations and income or sufficient funds requirements (aligning with the existing Parent Category Resident Visa and New Zealand Superannuation);
- reduce risks to the health system, including an upfront health assessment (set at the higher residence bar) and mandatory health insurance to cover emergency medical care, repatriation and return of the body in the case of death; and
- requirements to signal the temporary nature of the visa and reduce "de-facto settlement" risks, including requiring a period offshore between visa grants, only allowing one subsequent Parent Boost Visa and requiring upfront declarations from the applicant.

While the Cabinet paper currently proposes the option to align the income requirement for sponsors with the threshold for the Parent Category (based on officials' recommendation), this briefing includes initial advice on options to lower the threshold following feedback from your Advisor Reference Group (ARG). While lower thresholds could be considered (e.g. 80% of the median wage or the median wage), we do not recommend these as they would increase the risk that:

- volumes of eligible sponsors and subsequent volumes under the visa significantly increase
 which in turn increases risks posed by a higher volume of older people needing to access
 the health system (particularly in the context of a lower health insurance requirement); and
- sponsors are less likely to be able to meet their obligations, and parents are not adequately supported while onshore.

If you wish to progress a lower income threshold while limiting the risk of higher volumes, you could consider adjusting other settings to mitigate this risk upfront, e.g. greater health insurance requirements, a cap and/or limitations to who could sponsor (e.g. only those who have been resident for three years). These are also options which could be considered further at the proposed review should volumes be significant.

Following feedback from your ARG that we should further consider making Parent Boost a limited visa, we have received legal advice Legal professional privilege

Confidential advice to Government

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Officials are available to provide

advice during consultation should you wish to consider this further.

We note further work is required on detailed design including monitoring and enforcing sponsorship requirements. The draft Cabinet paper seeks agreement to delegate further policy decisions on the design of the visa to you, in consultation with other Ministers as required.

Subject to any feedback, we recommend you circulate the attached draft Cabinet paper for Ministerial and agency consultation from 17-28 March 2025 in order to progress to Cabinet in April 2025.

Recommended actions

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

a **Subject to your feedback**, **agree** to circulate the draft Cabinet paper for Ministerial and agency consultation.

Agree / Disagree / Discuss

Polly Vowles

Polly Tombe.

Manager, Immigration (Skills and Residence)

Labour, Science and Enterprise, MBIE

12 / 03 / 25

Hon Erica Stanford

Minister of Immigration

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We have drafted a Cabinet paper seeking agreement to introduce a new parent visitor visa and its key design parameters

- 1. Following initial decisions and discussions with officials we have drafted a Cabinet paper seeking agreement to introduce a new long-term parent visitor visa and its key parameters [REQ-0010049 refers].
- 2. The Cabinet highlights the key benefits and risks of a new visa and seeks agreement to the following parameters:
 - The visa will enable multiple entries with a maximum stay onshore of up to five years at a time.
 - Parents can only access two Parent Boost visas and must apply offshore.
 - Applicants will be required to spend <u>three months</u> offshore prior to accessing a subsequent Parent Boost visa.
 - Parents will require an eligible sponsor (adult New Zealand citizen or resident) who
 needs to remain onshore while the parent visits and will be liable for any costs incurred
 by the government in relation to the visa holder during the visa duration.
 - Parents will be required to meet the Acceptable Standard of Health (ASH) for residence, meaning parents with named or costly pre-existing conditions will not be eligible.
 - Parents will be required to obtain and maintain health insurance which covers emergency medical cover (up to \$250,000), repatriation and return of remains.
 - O Health insurance will need to be paid for a year in advance for the visa to be granted with it being an ongoing visa condition to maintain health insurance while onshore. Those who received a Parent Boost will need to demonstrate they've met this condition in order to be eligible for a subsequent Parent Boost visa or residence under the Parent Category².
 - Applicants will be required to declare they:
 - understand the visa is temporary and unless they are granted residence, they will need to leave New Zealand; and
 - will inform INZ and make plans to leave New Zealand if their health no longer meets the ASH requirements.
 - Parents/sponsors would be required to meet an income or sufficient funds requirement (discussed below).

The income requirement for sponsors will impact the potential volumes under the visa and likelihood sponsors are able to meet their costs

3. As noted in initial advice, there is no precise methodology to determine the income requirement for sponsors that is appropriate given the amount of income required to adequately support a parent will vary based on family arrangements, sizes and fixed costs.

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¹ Initial advice noted a period of six or 12 months could be required but you noted you thought we should consider two or three months. We note that the longer the length of time, the greater chance the migrant will return home as opposed to going to Australia for a holiday. However, we consider three months to be relatively low risk.

² We note that requiring conditions on a temporary visa to have been met is not generally a requirement for eligibility for residence visas. However, given the intent in the Parent Category design to mitigate costs to the government, we consider this requirement to be in line with its intent.

- 4. It is, therefore, a blunt and somewhat arbitrary threshold but can be used in the context of your broader objectives. A lower threshold would support greater access (particularly for those on lower incomes) but would increase volumes (and subsequent risks for the health system) and also increase risks that sponsorship obligations are unable to be met, and parents are not adequately supported. A higher threshold would reduce access (and may raise concerns from migrant communities) and subsequently would help to manage volumes while also providing greater assurance sponsorship obligations could be met.
- We recommended aligning the threshold with the income requirement for sponsors for the existing Parent Category Resident Visa. This would help to manage volumes, target higher-skilled workers, increase financial means available (compared to a lower threshold) and would mean parents eligible for the Parent Boost Visa would be more likely to be eligible for residence under the Parent Category Resident Visa should they wish to remain in New Zealand [0010049 refers].
- 6. We subsequently received feedback from your Advisor Reference Group (ARG) that there was likely to be significant concern raised by migrant communities if the threshold was as high as the Parent Category (the lowest annual income to sponsor being 1.5x median currently \$98,623.20 per annum)³, even in the context of alternate options for the parent to meet the income/funds requirement instead of the sponsor.
- 7. You discussed with officials on 10 March 2025 that we should consider a lower income threshold for the sponsor. There are two alternate options we have considered:
 - 80% of the median wage aligning with the threshold to support dependent children this is currently \$55,844 per annum.
 - The median wage aligning with the general base threshold to receive residence (noting some exceptions notably RV21, Pacific and humanitarian pathways) – this is currently \$69,804.80 per annum.
- 8. While we have had limited time for analysis, we do not recommend aligning the income threshold with that to support dependent children at 80% of the median wage. This threshold for dependent children was chosen, in part, because it was set at a level comparable to base welfare rates for those with children but reduced system complexity. While we consider this threshold appropriate for an elementary family unit, in most cases, a parent would be an added cost which we do not think could be covered adequately at that level (particularly as sponsors are required to provide accommodation). It would also risk significantly increasing volumes eligible (and subsequently the health risk) especially considering the large numbers who received residence under RV21, as only one of the three eligibility pathways had an income threshold requirement.
- 9. The median wage would align with the general base threshold to receive residence meaning residents should generally meet this threshold (with some exceptions) and would provide for a slightly higher income threshold to provide a greater likelihood the sponsor is able to meet their obligations than 80%. If you wanted to progress an option lower than the current Parent Category requirements we'd recommend the median wage as a starting point, but that this be scaled based on the number of parents sponsored (akin to the Parent Category) e.g. up .5x median per parent, to ensure additional costs can be covered.
- 10. Should you wish to progress with a lower income threshold there would be increased risks that volumes could be higher than anticipated (i.e. greater than the pool of approximately 15,000 parents waiting for the Parent Category) which could increase pressure on the

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³ For the Parent Category, income requirements can be met by one or two sponsors and vary based on the numbers of parents sponsored. The amount a sponsor needs to earn to sponsor one parent is 1.5x the current New Zealand median wage for a single sponsor (currently \$98,623.20 per annum) and 2x the current New Zealand median wage for joint sponsors (currently \$131,497.60 per annum). The minimum income increases by half the New Zealand median wage for each additional parent, up to a maximum of six parents.

health system (even if costs are covered by the sponsor/parent). You could consider other options to mitigate the risks of higher volumes including:

- Having greater health insurance requirements (noting this would also decrease the financial accessibility of the visa).
- Capping the visa.
- Considering other ways to tighten the pool of eligible sponsors e.g. aligning with Parent Category and requiring a period of time as a resident before being eligible to sponsor.
- 11. These are also options that could be considered alongside the proposed review of the visa, once we have greater certainty about the volumes of parents who will access this visa.

We have received legal advice about making Parent Boost a limited visa

12. You indicated your interest in exploring the option to make Parent Boost a limited visa following this suggestion from the ARG as a way to reinforce its temporary nature. Officials have sought legal advice on this which is summarised below and copied in full at **Annex Two**.

[legally privileged]

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17. Officials are available to discuss this further and can reflect your decision in the Cabinet paper prior to lodging.

Next steps and further work

- 18. Subject to your feedback, the draft Cabinet paper is ready for circulation for Ministerial and agency consultation. The Cabinet paper currently includes a placeholder for the proposed fee and levy for the visa, we have included an estimate to support consultation but plan to undertake work on the appropriate fee and levy alongside consultation and will provide you with final advice to prior to lodging.
- 19. Further work is required on the detailed design of the visa. This will include (but is not limited to) consideration of the most appropriate approach to monitoring and enforcing sponsorship obligations and how the ASH requirements will interact with medical waivers.
- 20. We are currently working to the below timeframe:

What?	When?
Ministerial and agency consultation	17 March – 28 March
Final Cabinet paper provided to the Minister	1 April
Lodge	3 April
ECO	9 April
Cabinet	14 April
Detailed design work (see below)	April – May
Implementation	September

Annexes

Confidential advice to Government

Annex Two: [Legally privileged] – Legal professional privilege

Legal professional privilege

