



BRIEFING

Options for managing oversubscription to the parent category visa

Date:	12 December 2024	Priority:	Medium
Security classification:	In Confidence	Tracking number:	REQ-0007390

Action sought		
	Action sought	Deadline
Hon Erica Stanford Minister of Immigration	<p>Note that Immigration New Zealand has granted in-principle approval of 331 additional parent category visas in excess of the yearly cap.</p> <p>Agree to temporarily increase the cap for this category to allow the visas to be granted to this cohort.</p>	16 December 2024

Contact for telephone discussion (if required)				
Name	Position	Telephone		1st contact
Andrew Craig	Policy Director, Employment, Skills & Immigration Policy	04 901 1245	s 9(2)(a)	✓
Antonia Azzato	Principal Policy Advisor	04 896 5968		

The following departments/agencies have been consulted
Immigration New Zealand, The Treasury

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 Withdrawn |

Comment

RELEASED UNDER THE OFFICIAL INFORMATION ACT



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Options for managing oversubscription to the parent category visa

Date:	12 December 2024	Priority:	Medium
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Purpose

1. This paper provides advice on options for managing the inadvertent oversubscription to the parent category resident visa and seeks your agreement to the recommended course of action, which is to temporarily increase the cap (for this year only) to enable the visas already approved in principle to be granted. This matter is scheduled for discussion at your regular meeting with officials on Monday 16 December 2024.

Recommended action

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

- a **Note** that a large number of applications for parent category resident visas have been “approved in principle”, in error, which if visa are granted would result in 331 parent category visas being granted in excess of the annual cap
Noted
- b **Agree** to one of the two options below for managing this situation:
EITHER
 - i) Retain the standard cap and defer granting parent category resident visas in excess of the cap until the next year (i.e. from 1 July 2025) and offer people a free visitor visas if they wish to travel to New Zealand before then
Agree/disagree
 - OR*
 - ii) Temporarily increase the cap for the parent category resident visa (for this year only) via an instructions change to enable the visas which have already been approved in principle to be granted (**recommended option**)
Agree/disagree
- c **Note** that, despite funding being provided to the Ministry of Social Development for potential benefit uptake, MBIE and Treasury consider that an increase can be treated as fiscally neutral as fewer visas were granted last year
Noted

d **Discuss** this matter at your regular officials meeting on Monday 16 December 2024.

Discuss



Andrew Craig
Policy Director
Employment, Skills & Immigration Policy
Labour, Science and Enterprise, MBIE

Hon Erica Stanford
Minister of Immigration

12 / 11 / 2024

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331 more people have been told they have been approved for a parent visa than can be approved before 1 July 2025

1. Immigration New Zealand (INZ) is able to grant resident visas to up to 2500 in the parent category each financial year, with 2000 to be granted to people who have made 'queue' applications and 500 who have made 'ballot' applications.
2. INZ have told 331 more people they have been approved in principle, for a Parent Resident Visa than the 2500 cap allows. These people have been asked to submit their passport (for final identity checks) and will be expecting to receive an approved visa shortly after.
3. Unless a temporary adjustment is made to standard settings to manage this situation, INZ will need to defer providing visas to this cohort until July.
4. We recommend agreeing to a one-off increase to the cap to accommodate this group. The alternative is to delay approval of the visas until 1 July, offering a free visitor visa in the interim. (A third option to have the 331 applicants individually considered and granted a visa by a Minister or an INZ Delegated Decision Maker has been discounted as less efficient and less certain in the outcome.)
5. Officials will be available to discuss this matter with you at the upcoming regular officials' meeting on Monday 16 December 2024.

Options

Option One: Retain the status quo/standard settings (not recommended)

6. Under this option, the cap will not be increased, and the 'excess' cohort (of around 300) will have their visas granted in July 2025 when the new financial year starts. If you select this option, this cohort will have their passports returned to them after they have been scanned and will not be required to resubmit them later. If they wish to travel to New Zealand before their resident visa is granted INZ will consider granting temporary visas, most likely a visitor visa (waiving the application fee).
7. While this option may be the easier of the two from an implementation perspective, it may not be well received by affected parties and could impact some migration plans. While the visitor visa will enable this cohort to travel to New Zealand, the additional benefits of residence status (such as access to public healthcare and ability to buy residential property without restrictions) will be delayed until the parent category visa is granted later in 2025.
8. There will also be additional costs associated with providing temporary visas (e.g. visitor visas) free of charge to this cohort, although the magnitude of this will depend on the uptake. While INZ have confirmed that neither approach would impact work programme delivery, this option is expected to be comparatively less demanding on INZ resources as further detailed in paragraph 12.

Option Two: Grant visas now (in excess of the cap) (recommended option)

9. Under this option, the cap for 'queue' applications will be temporarily increased for this year only to enable visas to be granted for all applications for parent category visas that have already received approval in principle to date. No further 'queue' applications in this category will be approved until the next financial year (i.e. from 1 July 2025).
10. This change needs to be made through immigration instructions. Applications must be assessed on the instructions in force at the time. As the instructions include the cap limit, and the legislation does not allow for retrospective changes to residence instructions, the visas can only be granted this financial year by effectively creating a new (temporary) parent category for this group (as was done for the Community Organisation Refugee Sponsorship

category volume increase). Applicants will also have to reapply, but INZ will make this as streamlined as possible and already paid fees will be recognised.

11. This option eliminates any actual or expectations-based impacts for applicants from an error made by MBIE. Both options will likely result in this error being likely public as an instructions change is notified. This option may raise a call for revisiting the Parent Category cap permanently, though this one-off action can be justified as addressing an error that affected expectations for some applicants.
12. Both options are expected to be broadly similar in terms of the overall impact on INZ's resources, in that they both create additional work (e.g. issuing additional visitor visas in the case of the latter option and preparing instructions and processes for this option) that is relatively minor and transient in nature.
13. INZ have confirmed that neither approach would impact work programme deliver. New costs are limited and can be absorbed.
14. We considered reducing a future year's cap by a corresponding amount, but do not recommend this. Last years cap was not met by approximately the same level. INZ have already started to invite applicants to apply for next year and current instructions with the 2500 limit apply to any applications (though this is a limit not a requirement).
15. When the cap was increased from 1,000 to 2,500 additional funding was provided to Ministry of Social Development (MSD) to cover potential costs of parents seeking hardship benefits (despite sponsorship). We do not consider that additional funding needs to be provided for a small increase. There was a smaller number (i.e. around 250 fewer than the cap) of parent visas granted in 2023/2024 approximately offsetting the additional volume this year. MSD is automatically funded for benefits so will not be short of funding if any higher demand did eventuate.
16. We have discussed this with the Treasury who advise that, based on the information they have been provided, the proposals do not warrant Cabinet approval from a fiscal perspective. Officials have not yet had the opportunity to discuss this with MSD but benefits are automatically funded so there would be no negative impact on MSD baselines.
17. MBIE officials are also of the view that a small one-off increase to the cap would not warrant Cabinet consideration from a policy perspective either.
18. Should you agree to this option, proposed amendments to immigration instructions will be provided to you for certification in January 2025.