

OC240959

20 September 2024

Tēnā koe [REDACTED]

Thank you for your email of 9 August 2024, requesting the following under the Official Information Act 1982 (the Act):

*“Please can I request under the official information act any emails or other material that relate to the Ministry of Transport’s involvement in the preparation of advice and announcement of decisions on visa fee increases this year.”*

A decision on your request was originally due on 6 September 2024. Please accept my apologies for the delay in our response.

Three sets of emails fall within the scope of your request and are detailed in the document schedule attached as **Annex One**. The schedule outlines how the documents you requested have been treated under the Act.

Certain information is withheld under the following sections of the Act:

- 9(2)(a) to protect the privacy of natural persons
- 9(2)(f)(iv) to maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials
- 9(2)(g)(i) to maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to Ministers of the Crown or members of an organisation or officers and employees of any public service agency or organisation in the course of their duty

With regard to the information that has been withheld under section 9 of the Act, I am satisfied that the reasons for withholding the information at this time are not outweighed by public interest considerations that would make it desirable to make the information available.

Some information is excluded from the documents enclosed as it is out of scope of your request.

You have the right to seek an investigation and review of this response by the Ombudsman, in accordance with section 28(3) of the Act. The relevant details can be found on the Ombudsman’s website [www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz)

The Ministry publishes our Official Information Act responses and the information contained in our reply to you may be published on the Ministry website. Before publishing we will remove any personal or identifiable information.

Nāku noa, nā

A handwritten signature in black ink, appearing to read 'Tim Herbert', with a stylized, cursive script.

Tim Herbert

**Acting Manager - Crown Entity Monitoring**

## Annex One - Document Schedule

#	Date	Document	Decision on release
1	25 March 2024	Email titled Draft Cabinet paper for feedback: Immigration fee and levy review	Certain information is withheld under section 9(2)(a) Out of scope information removed.
2	7 June 2024	Email titled Draft Cabinet paper – Immigration fee and levy review: final proposed rates	Certain information is withheld under sections 9(2)(a), 9(2)(f)(iv) and 9(2)(g)(i). Out of scope information removed.
3	19 July 2024	Email titled Draft LEG paper on Immigration fee and levy rates and IVL amount	Certain information is withheld under section 9(2)(a). Out of scope information removed.

**From:** [Emma Petrenas](#)  
**To:** [Stacey O'Dowd](#)  
**Subject:** RE: Draft Cabinet paper for feedback: Immigration fee and levy review - COP 18 March 2024  
**Date:** Monday, 25 March 2024 9:36:00 pm

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Hi Stacey

Apologies for the very late response – I was away sick for the latter part of last week. I'm glad my feedback was of some assistance and I have now received your final version of the Cabinet Paper

Kind regards

Em

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**From:** Stacey O'Dowd <[Stacey.O'Dowd2@mbie.govt.nz](mailto:Stacey.O'Dowd2@mbie.govt.nz)>  
**Sent:** Wednesday, March 20, 2024 8:27 AM  
**To:** Emma Petrenas <[E.Petrenas@transport.govt.nz](mailto:E.Petrenas@transport.govt.nz)>; Chris Jones <[C.Jones@transport.govt.nz](mailto:C.Jones@transport.govt.nz)>  
**Subject:** RE: Draft Cabinet paper for feedback: Immigration fee and levy review - COP 18 March 2024

Thanks Em, hope you slept in today!!

The table is a great idea. I will see if the Minister is OK to include it or Annex it. I have included a version in our cover briefing.

We have been advised the Minister is looking to lodge the paper tomorrow for ECO on 27 March. The final version will include some changes to proposed rates in response to feedback (reducing the partnership resident rate by approx. \$2,000, and to do so increasing the student visa rate by \$25 and visitor visa by \$31 (applying a levy rate). The Minister is also considering a split recommendation in relation to the Pacific rates (either proceeding to consultation or continuing to subsidise the rates).

I will provide a final version of the paper.

Thanks again,  
Stacey

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**From:** Emma Petrenas <[E.Petrenas@transport.govt.nz](mailto:E.Petrenas@transport.govt.nz)>  
**Sent:** Tuesday, March 19, 2024 10:36 PM  
**To:** Stacey O'Dowd <[Stacey.O'Dowd2@mbie.govt.nz](mailto:Stacey.O'Dowd2@mbie.govt.nz)>; Chris Jones <[C.Jones@transport.govt.nz](mailto:C.Jones@transport.govt.nz)>  
**Subject:** RE: Draft Cabinet paper for feedback: Immigration fee and levy review - COP 18 March 2024

Hi Stacey

Having now reviewed your draft Cabinet paper, probably the only suggestion I have is that I think a combined table outlining both the fiscally sustainable and cost pressures proposals for the period 2022/23-2026/27 showing how total Crown savings of \$133.6 million are to be achieved

would be very helpful for the reader.

Other than that, the paper was very clear and easy to follow. Once again, apologies for the late response.

Kind regards

Em

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**From:** Stacey O'Dowd <Stacey.O'Dowd2@mbie.govt.nz>

**Sent:** Tuesday, March 19, 2024 9:41 AM

**To:** Emma Petrenas <[E.Petrenas@transport.govt.nz](mailto:E.Petrenas@transport.govt.nz)>; Chris Jones <[C.Jones@transport.govt.nz](mailto:C.Jones@transport.govt.nz)>

**Subject:** RE: Draft Cabinet paper for feedback: Immigration fee and levy review - COP 18 March 2024

Hi Em,

Yes that's OK, thank you.

Stacey

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**From:** Emma Petrenas <[E.Petrenas@transport.govt.nz](mailto:E.Petrenas@transport.govt.nz)>

**Sent:** Tuesday, March 19, 2024 9:36 AM

**To:** Stacey O'Dowd <Stacey.O'Dowd2@mbie.govt.nz>; Chris Jones <[C.Jones@transport.govt.nz](mailto:C.Jones@transport.govt.nz)>

**Subject:** RE: Draft Cabinet paper for feedback: Immigration fee and levy review - COP 18 March 2024

Hi Stacey

I had intended to look at this one yesterday, but time got away on me. I have a briefing to write today, so is it possible to have a response through to you later today?

Kind regards

Em

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**From:** Stacey O'Dowd <Stacey.O'Dowd2@mbie.govt.nz>

**Sent:** Tuesday, March 19, 2024 9:33 AM

**To:** Emma Petrenas <[E.Petrenas@transport.govt.nz](mailto:E.Petrenas@transport.govt.nz)>; Chris Jones <[C.Jones@transport.govt.nz](mailto:C.Jones@transport.govt.nz)>

**Subject:** FW: Draft Cabinet paper for feedback: Immigration fee and levy review - COP 18 March 2024

Kia ora,

Just checking if MOT has any feedback on the attached Cabinet paper please?

Many thanks,

Stacey

**From:** Stacey O'Dowd

**Sent:** Tuesday, March 12, 2024 12:09 PM

**To:** Emma Petrenas <[E.Petrenas@transport.govt.nz](mailto:E.Petrenas@transport.govt.nz)>; Chris Jones <[C.Jones@transport.govt.nz](mailto:C.Jones@transport.govt.nz)>;

Out of Scope

**Cc:** Libby Gerard <[Libby.Gerard2@mbie.govt.nz](mailto:Libby.Gerard2@mbie.govt.nz)>; Lesley Parker <[Lesley.Parker@mbie.govt.nz](mailto:Lesley.Parker@mbie.govt.nz)>; Richard Baird <[Richard.Baird2@mbie.govt.nz](mailto:Richard.Baird2@mbie.govt.nz)>; Melissa Buckle <[Melissa.Buckle@mbie.govt.nz](mailto:Melissa.Buckle@mbie.govt.nz)>; Nita Sullivan <[Nita.Sullivan@mbie.govt.nz](mailto:Nita.Sullivan@mbie.govt.nz)>; Cassandra Liu <[Cassandra.Liu@mbie.govt.nz](mailto:Cassandra.Liu@mbie.govt.nz)>

**Subject:** Draft Cabinet paper for feedback: Immigration fee and levy review - COP 18 March 2024

Kia ora,

Thanks for your patience regarding agency consultation on the fee and levy review. The draft Cabinet paper on the immigration fee and levy review is attached for your feedback by **COP 18 March**.

We have been advised that Ministerial consultation with National Party Ministers is underway. Once complete, consultation with Coalition Ministers will commence. At this stage, the Cabinet Committee timeframes are TBC (we were aiming for ECO 27 March). The timing will likely be informed by feedback from Ministerial consultation. Initial feedback has been that the proposed rate for the Partnership Resident visa and we are providing alternative options to our Minister, this may mean changes to the proposed rates. I will keep you updated on timing and any changes to proposed rates once we hear from our Minister's office.

I have set out a summary of the proposals and the approach we have taken to setting fee and levy rates below.

Thank you in advance, happy to discuss.

Stacey

PRINCIPAL POLICY ADVISOR | KAITOHUTOHU TINO

Immigration Policy – Labour, Science and Enterprise Group | Te Wāhanga Kaupapa-ā-Manene – Te Pūnaha Hīringa Whakaea

Ministry of Business, Innovation & Employment | Te Manatū Pakihi, Auahatanga me Ngā Kaupapa ā-Mahi

**Email - Īmēra:** [Stacey.O'Dowd2@mbie.govt.nz](mailto:Stacey.O'Dowd2@mbie.govt.nz) | **Mobile – Waea Pūkoro:** s 9(2)(a)

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The proposals in the Cabinet paper are:

- to reduce Crown funding for immigration system and ESOL programmes in schools (a total of \$133.6 million per annum excluding cost pressures)
- that users of the immigration system more fully meet costs for services they receive by adjusting fee and levy rates
- commence targeted consultation with key immigration system stakeholders to inform final proposals to Cabinet in mid-2024 (Any changes to rates would take effect in late September 2024).

Rates have been set in order to:

- achieve sustainable funding
- fully recover costs
- address costs pressures
- provision for uncertain visa volumes (using a 90% visa volume scenario) and
- balance immigration accounts over a four-year period.

The approach we have taken to set the rates is:

- **Fee** - based on the estimated cost for visa assessment and processing (“cost-to-serve” or CTS) – this includes addressing artificially low visa charges as a result of historic subsidies (Visitor and Pacific-related visas).
- **Levy** - to reflect benefits received or risk created (meaning residence charges are set to recover a higher portion of levy costs).

The reduction in Crown funding that will be more fully met through the immigration levy is a key contributor to the significant overall increases. The last fee and levy review also purposefully kept some prices below the actual cost, due to the concerns around low visa volumes following the COVID-19 pandemic and remaining competitive. To ensure total charges remain reasonable, we have capped some rates at the CTS and not charged a levy (where authorised).

The proposed rates remain competitive with Australia’s charges while fully recovering the direct and indirect costs of visa assessment and processing as well as levy funded activities that migrants benefit from.

Note that the Accredited Employer Work Visa fees have a marginal increase because there is related policy work underway that may result in changes to the fee. Any changes to the fee will be included in the final proposals to be considered by Cabinet in mid-2024.

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## MINISTRY OF TRANSPORT

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**From:** [Emma Petrenas](#)  
**To:** [Lesley Parker](#)  
**Cc:** [Chris Jones](#)  
**Subject:** RE: Draft Cabinet paper - Immigration fee and levy review: final proposed rates - for feedback by midday Thursday 6 June [IN-CONFIDENCE]  
**Date:** Friday, 7 June 2024 5:18:00 pm

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Thanks Lesley that makes perfect sense!

The only thing I might possibly suggest then would be inclusion of a column for April rates within the table in Annex Five just to help illustrate the decrease. Other than that, no other suggestions.

Hope you have a lovely weekend.

Kind regards

Em

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**From:** Lesley Parker <Lesley.Parker@mbie.govt.nz>  
**Sent:** Friday, June 7, 2024 4:46 PM  
**To:** Emma Petrenas <E.Petrenas@transport.govt.nz>  
**Cc:** Chris Jones <C.Jones@transport.govt.nz>  
**Subject:** RE: Draft Cabinet paper - Immigration fee and levy review: final proposed rates - for feedback by midday Thursday 6 June [IN-CONFIDENCE]

Kia ora Emma,

Many thanks for coming back to me on the paper

You're right that Post-Study is proposed to increase from \$700 (current rate) to \$1,670 (a 139% increase). The reference to a decrease is in comparison to the rate that was proposed in the April fee and levy Cabinet paper (\$1,890). So the final rate we're now proposing to Cabinet is \$220 less than what we proposed in April before we consulted, but overall still an increase.

Does that make sense? It's a tricky story that we've struggled to articulate simply, so very reasonable to be confused by it!

Thanks  
Lesley

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**From:** Emma Petrenas <[E.Petrenas@transport.govt.nz](mailto:E.Petrenas@transport.govt.nz)>  
**Sent:** Friday, June 7, 2024 2:43 PM  
**To:** Lesley Parker <[Lesley.Parker@mbie.govt.nz](mailto:Lesley.Parker@mbie.govt.nz)>  
**Cc:** Chris Jones <[C.Jones@transport.govt.nz](mailto:C.Jones@transport.govt.nz)>  
**Subject:** RE: Draft Cabinet paper - Immigration fee and levy review: final proposed rates - for feedback by midday Thursday 6 June



Hi Lesley

Apologies that I'm responding a day late to your draft Cabinet Paper. I think it reads well. The only thing I wanted to mention was that when reviewing the figures in Annex Five – an example here is Post-Study work where the current rate is \$700 and this is proposed to increase to \$1,670 (an increase of 139%) but this is listed as a decrease of 220 against April rates. I was just a bit confused as to why this was listed as a decrease? There's probably an obvious answer here, but I couldn't see the reason why.

Other than that, no further comments from me.

Kind regards

Emma

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**From:** Lesley Parker <[Lesley.Parker@mbie.govt.nz](mailto:Lesley.Parker@mbie.govt.nz)>

**Sent:** Friday, May 31, 2024 4:07 PM

**To:** Emma Petrenas <[E.Petrenas@transport.govt.nz](mailto:E.Petrenas@transport.govt.nz)>; Chris Jones <[C.Jones@transport.govt.nz](mailto:C.Jones@transport.govt.nz)>;

Out of Scope

**Cc:** Stacey O'Dowd <[Stacey.O'Dowd2@mbie.govt.nz](mailto:Stacey.O'Dowd2@mbie.govt.nz)>; Melini Navunisaravi

<[Melini.Navunisaravi@mbie.govt.nz](mailto:Melini.Navunisaravi@mbie.govt.nz)>; Richard Baird <[Richard.Baird2@mbie.govt.nz](mailto:Richard.Baird2@mbie.govt.nz)>

**Subject:** Draft Cabinet paper - Immigration fee and levy review: final proposed rates - for feedback by midday Thursday 6 June

Kia ora

Please find attached the draft Cabinet paper on the immigration fee and levy review: final proposed rates. We're intending to start Ministerial consultation next Friday 7 June, so I'd appreciate any comments/feedback by **midday Thursday 6 June (or earlier)** if possible.

I've set out a summary of the proposals below, as well as an overview of the key adjustments to fee and levy rates from what was presented to Cabinet in April.

The timeframes we are working to are:

- Ministerial consultation: 7 – 16 June
- Lodging: 20 June
- ECO consideration: 26 June
- Cabinet consideration: 1 July.

Thank you in advance. Hope you have a great long weekend.

Ngā mihi,  
Lesley

**Lesley Parker** ([she/her](#))

Principal Policy Advisor | Immigration Policy  
Hikina Whakatutuki | Ministry of Business, Innovation & Employment  
Email: [lesley.parker@mbie.govt.nz](mailto:lesley.parker@mbie.govt.nz)

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### **The key proposals in the Cabinet paper are to:**

- confirm the April in principle decision to reduce Crown funding for the immigration system and ESOL programmes in schools, and recover costs more fully from users [ECO-24-MIN-0040]
- address fee, levy and New Zealand Electronic Travel Authority (NZETA) funded cost pressures for 2024/25 and outyears
- increase fee and levy rates
  - provide two options for a Crown subsidy to reduce visa fees for Pacific applicants.

### **Summary of targeted consultation themes**

- We consulted with key immigration system stakeholders to seek feedback on the potential demand impacts of the proposed rates increases. These stakeholders included groups representing the tourism sector, immigration professionals, international education providers, workers, business and employers.
- The majority of stakeholders understood the rationale for the proposal to reduce Crown funding and agreed with the principle that users of the system should more fully meet the costs of the service for which they receive a benefit. Stakeholders expressed concerns about the significant increases, particularly when accounting for the cumulative impact of cost increases (for migrants and businesses) in the context of the current economic climate. Stakeholders also emphasised concerns with visa processing timeliness and raised expectations for improvements as a result of increased visa charges.
- Overall, no concrete evidence from stakeholders was provided that visa price increases alone would impact demand, although feedback has further informed our advice. A number of stakeholders commented on the significant increase to the Partner/Parent (resident) visa, which is for family of New Zealand citizens and residents (this feedback was provided during the previous Ministerial consultation as well).

### **Overview of adjustments to fee and levy rates**

- Overall, there have been some marginal decreases in total charges compared to the rates presented to Cabinet in April 2024. The changes are because of factors such as an increase in forecast skilled migrant visa volumes (enabling levy funded costs to be spread across more users of the system), reduced ESOL cost pressures and feedback from targeted consultation.
- The Minister directed us to look at Group Visitor and Partner/parent (resident) visas in response to consistent feedback. We have reduced the levy rate for Group Visitor so that it is more comparable to the Visitor visa charge. And the Partner/Parent (resident) visa price has

reduced in recognition that this visa is for family of New Zealand citizens/residents.

- Some stakeholder expressed concern about the significant increase in the Post-Study Work and Active Investor Plus visa categories. We have been able to make reductions to both of these products.
- The April Cabinet paper noted that Accredited Employer Work Visa (AEWV) rates were subject to change because of the review being undertaken in parallel. The rates for accreditation and job check have increased to reflect the increased processing effort required under new accreditation and job check requirements following recent policy changes.

s 9(2)(f)(iv) and s9(2)(g)(i)

**From:** Lesley Parker

**Sent:** Thursday, May 16, 2024 4:43 PM

**To:** Emma Petrenas <[E.Petrenas@transport.govt.nz](mailto:E.Petrenas@transport.govt.nz)>; Chris Jones <[C.Jones@transport.govt.nz](mailto:C.Jones@transport.govt.nz)>;

Out of Scope

**Cc:** Stacey O'Dowd <[Stacey.O'Dowd2@mbie.govt.nz](mailto:Stacey.O'Dowd2@mbie.govt.nz)>

**Subject:** RE: Update on immigration fee and levy Cabinet paper timing

Kia ora koutou,

Just a quick update to let you know that our timeframes have been delayed slightly. We're now aiming to share the draft Cabinet paper on final proposed rates with you on Wednesday 29 May, for comment by Tuesday 4 June.

Many thanks for your patience!

Lesley

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**From:** Lesley Parker

**Sent:** Friday, May 10, 2024 4:57 PM

**To:** Emma Petrenas <[E.Petrenas@transport.govt.nz](mailto:E.Petrenas@transport.govt.nz)>; Chris Jones <[C.Jones@transport.govt.nz](mailto:C.Jones@transport.govt.nz)>;

Out of Scope

**Cc:** Stacey O'Dowd <[Stacey.O'Dowd2@mbie.govt.nz](mailto:Stacey.O'Dowd2@mbie.govt.nz)>

**Subject:** Heads up: Cabinet paper on immigration fee and levy final proposed rates for agency consultation early next week

Kia ora koutou,

I wanted to give you a heads up that we're currently pulling together the final Cabinet paper on the immigration fee and levy review. This paper will report back to Cabinet on the outcome of targeted consultation and seek agreement to final proposed rates.

We're just working through some last adjustments and hope to have a draft to share with you early next week, with any comments due Friday afternoon. We don't anticipate significant changes from what was presented to Cabinet in April.

Thanks, and have a great weekend!

Lesley

**Lesley Parker** ([she/her](#))

Principal Policy Advisor

Immigration Policy

Hikina Whakatutuki | Ministry of Business, Innovation & Employment

Email: [lesley.parker@mbie.govt.nz](mailto:lesley.parker@mbie.govt.nz)

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**From:** Stacey O'Dowd <[Stacey.O'Dowd2@mbie.govt.nz](mailto:Stacey.O'Dowd2@mbie.govt.nz)>

**Sent:** Thursday, April 4, 2024 1:06 PM

**To:** Emma Petrenas <[E.Petrenas@transport.govt.nz](mailto:E.Petrenas@transport.govt.nz)>; Chris Jones <[C.Jones@transport.govt.nz](mailto:C.Jones@transport.govt.nz)>;

Out of Scope

**Cc:** Libby Gerard <[Libby.Gerard2@mbie.govt.nz](mailto:Libby.Gerard2@mbie.govt.nz)>; Lesley Parker <[Lesley.Parker@mbie.govt.nz](mailto:Lesley.Parker@mbie.govt.nz)>;  
Richard Baird <[Richard.Baird2@mbie.govt.nz](mailto:Richard.Baird2@mbie.govt.nz)>; Melissa Buckle <[Melissa.Buckle@mbie.govt.nz](mailto:Melissa.Buckle@mbie.govt.nz)>;

Nita Sullivan <[Nita.Sullivan@mbie.govt.nz](mailto:Nita.Sullivan@mbie.govt.nz)>; Cassandra Liu <[Cassandra.Liu@mbie.govt.nz](mailto:Cassandra.Liu@mbie.govt.nz)>

**Subject:** RE: Final Cabinet paper: Immigration fee and levy review

Kia ora,

This email provides an update on the immigration fee and levy review following consideration by Cabinet Economic Policy Committee and Cabinet over the past week. A copy of the minutes are attached for your information.

Cabinet agreed to:

- MBIE commencing targeted consultation with stakeholders on the proposed rates (We have started reaching out to stakeholders and meetings will be held from next week).
- Continue to subsidise three Pacific related visas (Recognised Seasonal Employer, Pacific Access Category and Samoan Quota). This means the rates will remain at the current level for applicants.

The timeframes we are working to for final advice is set out below:

- Report back to the Minister of Immigration following targeted consultation: early May
- Agency consultation on draft Cabinet paper: mid-May
- Draft Cabinet paper to the Minister by 23 May
- Ministerial consultation: 1 – 10 June
- ECO consideration: 26 June.

Ngā mihi,  
Stacey

### Stacey O'Dowd

PRINCIPAL POLICY ADVISOR | KAITOHUTOHU TINO

Immigration Policy – Labour, Science and Enterprise Group | Te Wāhanga Kaupapa-ā-Manene – Te Pūnaha Hīringa Whakaea

Ministry of Business, Innovation & Employment | Te Manatū Pakihi, Auahatanga me Ngā Kaupapa ā-Mahi

**Email - Īmera:** [Stacey.O'Dowd2@mbie.govt.nz](mailto:Stacey.O'Dowd2@mbie.govt.nz) | **Mobile – Waea Pūkoro:** s 9(2)(a)

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**From:** Stacey O'Dowd

**Sent:** Thursday, March 21, 2024 10:57 AM

**To:** Emma Petrenas <[E.Petrenas@transport.govt.nz](mailto:E.Petrenas@transport.govt.nz)>; Chris Jones <[C.Jones@transport.govt.nz](mailto:C.Jones@transport.govt.nz)>;

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**Cc:** Libby Gerard <[Libby.Gerard2@mbie.govt.nz](mailto:Libby.Gerard2@mbie.govt.nz)>; Lesley Parker <[Lesley.Parker@mbie.govt.nz](mailto:Lesley.Parker@mbie.govt.nz)>; Richard Baird <[Richard.Baird2@mbie.govt.nz](mailto:Richard.Baird2@mbie.govt.nz)>; Melissa Buckle <[Melissa.Buckle@mbie.govt.nz](mailto:Melissa.Buckle@mbie.govt.nz)>; Nita Sullivan <[Nita.Sullivan@mbie.govt.nz](mailto:Nita.Sullivan@mbie.govt.nz)>; Cassandra Liu <[Cassandra.Liu@mbie.govt.nz](mailto:Cassandra.Liu@mbie.govt.nz)>

**Subject:** RE: Final Cabinet paper: Immigration fee and levy review

Hi all,

Thanks for your review of immigration fee and levy paper.

Please see attached the final Cabinet paper that has been lodged for consideration by ECO next week. I have summarised the main changes to the paper below.

The Partnership resident visa levy rate has been reduced. Comments included that the proposed rate could disproportionately affect New Zealand citizens and residents seeking to bring their family to New Zealand. To reduce the Partnership resident levy rate, the student visa levy rate has increased by \$25 and a levy charge has been applied to visitor visas, increasing the total charge by \$31.

There are two choices for Ministers to make in relation to the rates for Pacific related visas (Recognised Seasonal Employer, Pacific Access Category and Samoan Quota). This is in response to feedback from the Ministry of Foreign Affairs and Trade and the Ministry for Pacific Peoples. They advised that the scale of the increase, particularly for the Samoan Quota, would have a high impact on these applicants and more broadly on diplomatic relationships and the Government's strategic prioritisation of relationships in the Pacific. The choices are:

- consult on the proposed rates with MBIE working closely with MFAT on Pacific approach and consider feedback when making decision in June OR
- agree that Crown should continue subsidising these three Pacific visas to support wider strategic and diplomatic interests (\$1.167 million per annum).

Maintaining a subsidy means that Crown funding for the immigration system would reduce by a total of \$132.6 million, rather than \$133.8 million (excluding cost pressures). We have informed the Treasury as the proposals related to reducing Crown funding are relevant to Budget 2024.

The section on *Improving the efficiency and effectiveness of the Immigration system* has been updated to include information on factors that have affected visa processing productivity.

I will keep in contact as the work progresses.

Ngā mihi,  
Stacey

**Stacey O'Dowd**

PRINCIPAL POLICY ADVISOR | KAITOHUTOHU TINO

Immigration Policy – Labour, Science and Enterprise Group | Te Wāhanga Kaupapa-ā-Manene – Te Pūnaha Hīringa Whakaea

Ministry of Business, Innovation & Employment | Te Manatū Pakihi, Auahatanga me Ngā Kaupapa ā-Mahi

Email - Īmera: [Stacey.O'Dowd2@mbie.govt.nz](mailto:Stacey.O'Dowd2@mbie.govt.nz) | Mobile – Waea Pūkoro: s 9(2)(a)

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**From:** Stacey O'Dowd

**Sent:** Tuesday, March 12, 2024 12:09 PM

**To:** Emma Petrenas <[E.Petrenas@transport.govt.nz](mailto:E.Petrenas@transport.govt.nz)>; Chris Jones <[C.Jones@transport.govt.nz](mailto:C.Jones@transport.govt.nz)>;

Out of Scope

**Cc:** Libby Gerard <[Libby.Gerard2@mbie.govt.nz](mailto:Libby.Gerard2@mbie.govt.nz)>; Lesley Parker <[Lesley.Parker@mbie.govt.nz](mailto:Lesley.Parker@mbie.govt.nz)>; Richard Baird <[Richard.Baird2@mbie.govt.nz](mailto:Richard.Baird2@mbie.govt.nz)>; Melissa Buckle <[Melissa.Buckle@mbie.govt.nz](mailto:Melissa.Buckle@mbie.govt.nz)>; Nita Sullivan <[Nita.Sullivan@mbie.govt.nz](mailto:Nita.Sullivan@mbie.govt.nz)>; Cassandra Liu <[Cassandra.Liu@mbie.govt.nz](mailto:Cassandra.Liu@mbie.govt.nz)>

**Subject:** Draft Cabinet paper for feedback: Immigration fee and levy review - COP 18 March 2024

Kia ora,

Thanks for your patience regarding agency consultation on the fee and levy review. The draft Cabinet paper on the immigration fee and levy review is attached for your feedback by **COP 18 March**.

We have been advised that Ministerial consultation with National Party Ministers is underway. Once complete, consultation with Coalition Ministers will commence. At this stage, the Cabinet Committee timeframes are TBC (we were aiming for ECO 27 March). The timing will likely be informed by feedback from Ministerial consultation. Initial feedback has been that the proposed rate for the Partnership Resident visa and we are providing alternative options to our Minister, this may mean changes to the proposed rates. I will keep you updated on timing and any changes to proposed rates once we hear from our Minister's office.

I have set out a summary of the proposals and the approach we have taken to setting fee and levy rates below.

Thank you in advance, happy to discuss.

Stacey

PRINCIPAL POLICY ADVISOR | KAITIHI HUTOHU TINO  
Immigration Policy – Labour, Science and Enterprise Group | Te Wāhanga Kaupapa-ā-Manene – Te Pūnaha Hīringa Whakaea  
Ministry of Business, Innovation & Employment | Te Manatū Pakihi, Auahatanga me Ngā Kaupapa ā-Mahi

**Email - Īmera:** [Stacey.O'Dowd2@mbie.govt.nz](mailto:Stacey.O'Dowd2@mbie.govt.nz) | **Mobile – Waea Pūkoro** s 9(2)(a)

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The proposals in the Cabinet paper are:

- to reduce Crown funding for immigration system and ESOL programmes in schools (a total of \$133.6 million per annum excluding cost pressures)
- that users of the immigration system more fully meet costs for services they receive by adjusting fee and levy rates
- commence targeted consultation with key immigration system stakeholders to inform final proposals to Cabinet in mid-2024 (Any changes to rates would take effect in late September 2024).

Rates have been set in order to:

- achieve sustainable funding
- fully recover costs
- address costs pressures
- provision for uncertain visa volumes (using a 90% visa volume scenario) and
- balance immigration accounts over a four-year period.

The approach we have taken to set the rates is:

- **Fee** - based on the estimated cost for visa assessment and processing (“cost-to-serve” or CTS) – this includes addressing artificially low visa charges as a result of historic subsidies (Visitor and Pacific-related visas).
- **Levy** - to reflect benefits received or risk created (meaning residence charges are set to recover a higher portion of levy costs).

The reduction in Crown funding that will be more fully met through the immigration levy is a key contributor to the significant overall increases. The last fee and levy review also purposefully kept some prices below the actual cost, due to the concerns around low visa volumes following the COVID-19 pandemic and remaining competitive. To ensure total charges remain reasonable, we have capped some rates at the CTS and not charged a levy (where authorised).

The proposed rates remain competitive with Australia’s charges while fully recovering the direct and indirect costs of visa assessment and processing as well as levy funded activities that migrants benefit from.

Note that the Accredited Employer Work Visa fees have a marginal increase because there is related policy work underway that may result in changes to the fee. Any changes to the fee will be included in the final proposals to be considered by Cabinet in mid-2024.

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OFFICIAL INFORMATION ACT 1982



**From:** [Emma Petrenas](#)  
**To:** [Clare Morrell](#)  
**Cc:** [Stacey O'Dowd](#); [Danielle McKenzie](#); [Sofia Morrell](#); [Adele Lonergan](#)  
**Subject:** RE: Draft LEG paper on Immigration fee and levy rates and IVL amount [IN-CONFIDENCE]  
**Date:** Friday, 19 July 2024 1:49:00 pm

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Thanks Clare – appreciate the response.

With respect to the template, I believe you are using the most recent version as I don't think there was an update for LEG papers so please disregard that earlier comment.

Kind regards

Em

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**From:** Clare Morrell <Clare.Morrell@mbie.govt.nz>  
**Sent:** Friday, July 19, 2024 12:34 PM  
**To:** Emma Petrenas <E.Petrenas@transport.govt.nz>  
**Cc:** Stacey O'Dowd <Stacey.O'Dowd2@mbie.govt.nz>; Danielle McKenzie <Danielle.McKenzie@mbie.govt.nz>; Sofia Morrell <Sofia.Morrell@mbie.govt.nz>; Adele Lonergan <Adele.Lonergan@mbie.govt.nz>  
**Subject:** RE: Draft LEG paper on Immigration fee and levy rates and IVL amount [IN-CONFIDENCE]

Kind thanks for this, Emma.

We're certainly conscious of the concerns about the cumulative impact of increases at the border, and are working to reflect this as we develop a comms plan. I'll see if we can reflect this within the LEG paper template too.

On the template, as far as I can tell, I'm using the most recent LEG paper template for authorisation to submit secondary legislation to EC ([here](#)), which is why it's fairly form and doesn't include the more recent additions to Cab policy paper templates. If you're aware of a more recent template, I'd be super grateful if you could flick to me as I can't track one down on the DPMC website.

FYI – we are aiming to have our Cab policy papers proactively released at time of announcement, which will provide visibility of advice and rationale for increases, along with the stakeholder feedback we received in targeted consultation.

Ngā mihi  
Clare

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**From:** Emma Petrenas <[E.Petrenas@transport.govt.nz](mailto:E.Petrenas@transport.govt.nz)>  
**Sent:** Friday, July 19, 2024 12:12 PM  
**To:** Clare Morrell <[Clare.Morrell@mbie.govt.nz](mailto:Clare.Morrell@mbie.govt.nz)>  
**Subject:** RE: Draft LEG paper on Immigration fee and levy rates and IVL amount [IN-CONFIDENCE]

CONFIDENCE]

Hi Clare

Apologies this response is a little later than COP yesterday, but just wanted to advise you of the Ministry's feedback in relation to the attached:

Although we don't have the opportunity to comment on the policy, there was commentary that there could be some acknowledgement of the cumulative impacts of all the fees and levy increases at the border at the moment (Security Levy, Customs border processing levy, Biosecurity border processing levy, Immigration fees, Visa processing times/costs etc) and the impact this new levy, which is strictly cost recovery, would have. Airlines are certainly concerned about the impact on passenger numbers as from their point of view it is significantly more expensive to arrive and depart from New Zealand than other states.

Also, just a reminder about the most recent template and to ensure this is being used.

Please just advise if you have any concerns regarding the above.

Kind regards

Emma

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**From:** Clare Morrell <[Clare.Morrell@mbie.govt.nz](mailto:Clare.Morrell@mbie.govt.nz)>

**Sent:** Friday, July 12, 2024 9:45 AM

Out of Scope

[Redacted]

Out of Scope

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<[Danielle.McKenzie@mbie.govt.nz](mailto:Danielle.McKenzie@mbie.govt.nz)>; Adele Lonergan <[Adele.Lonergan@mbie.govt.nz](mailto:Adele.Lonergan@mbie.govt.nz)>

**Subject:** Draft LEG paper on Immigration fee and levy rates and IVL amount [IN-CONFIDENCE]

Kia ora koutou

As you know, Cabinet has recently agreed to increase immigration fee and levy rates in order to reduce Crown funding and recover costs more fully from users of the immigration system. The new rates require amendments to the fee and levy schedules in the Immigration (Visa, Entry Permission, and Related Matter) Regulations 2010, and Minister Stanford will be taking the attached paper to LEG on 26 August, seeking agreement to submit the necessary amendment

regulations to Exec Council.

Additionally, Minister Doocey is currently consulting his colleagues on an increase to the International Visitor Conservation and Tourism Levy (IVL) , and will be taking final recommendations to Cabinet later this month. **Subject to Cabinet's approval** of the new IVL amount, an amendment will be required to the same immigration regulations to give effect to the new IVL amount. We are therefore progressing both the immigration fee and levy changes and IVL changes through the same amendment regulations – coming into effect on 1 October 2024.

It's a fairly short and straightforward paper, but please sing out if you have any questions or feedback on the attached by **COP Thursday 18 July**.

Ngā mihi,  
Clare

**Clare Morrell** ([she/her](#))  
SENIOR POLICY ADVISOR

Immigration Policy  
Ministry of Business, Innovation & Employment

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s 9(2)(a)

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