

The below is an extract from a letter I drafted in 2019 but never sent at the request of the person I drafted the letter for. However, it does encapsulate my main point, which is that the current very blunt criteria, while easy to administer, encourages immigrants to reside in Auckland, when in actuality the skills migrants bring are required across NZ.

“Firstly, I fully support the Government’s move to ensure the Sponsor is able to support their parent. However, the use of national income figure of \$106,080 is a very blunt instrument that doesn’t truly measure a sponsor’s ability to support their parent and results in unintended consequences. My argument will fall under the following three headings.

- *Income*
- *Cost of living*
- *Personal circumstances*

Income

The use of a national income figure favours high income regions and penalises low income regions. Using the MBIE Regional Economic Activity App as the source of my information, the average household income in Auckland is \$117,500, the national average is \$104,400 and \$92,400 for Marlborough. ██████ salary at ██████ is \$\$\$\$\$ and in addition she has secondary job. Using a blunt national figure means two things:

- *Additional migration will focus on Auckland as it’s easier to meet the threshold. Auckland is already struggling to cope with its growth and using a national threshold will exacerbate this. Regions such as Marlborough are looking for growth and Government is investing heavily in Regional Growth. A 2017 report entitled “Attraction and Retention of Marlborough Immigrant Workforce” funded by MBIE identified “Marlborough faces demographic challenges that will result in increasingly acute labour supply shortages with negative economic impacts for individual businesses and the Region”. Compounding this is the increasing demand for labour as grape production is forecast to increase from 25,000 hectares to 30,000 hectares. Marlborough already has one of the lowest unemployment rates in NZ; and*
- *It increases the potential for highly qualified staff to move to Auckland where they can relatively easily obtain a salary in excess of \$106,080. Regions cannot afford to lose good quality highly trained staff.*

Cost of Living

In assessing relative ability to support a relative, the first thing is to remove the impact of Taxation, Rent and Transport Costs.

	<i>Auckland</i>	<i>National Average</i>	<i>Marlborough</i>
<i>Gross Household Income</i>	<i>117,500</i>	<i>104,400</i>	<i>92,400</i>
<i>Less Tax</i>	<i>-29,695</i>	<i>-25,372</i>	<i>-21,412</i>
<i>Income after tax</i>	<i>87,805</i>	<i>79,028</i>	<i>70,988</i>
<i>Rent*</i>	<i>-29,276</i>	<i>-24,388</i>	<i>-19,448</i>
<i>Transport*</i>	<i>-11,611</i>	<i>-10,150</i>	<i>-9,396</i>
<i>Disposable Income</i>	<i>46,918</i>	<i>44,490</i>	<i>42,144</i>

As can be seen despite the \$25,000 of additional income, by the time Income Tax, Rent and Transport are removed, there is only \$4,000 difference in disposable income between Auckland and Blenheim”