



## COVERSHEET

<b>Minister</b>	Hon Ian Lees Galloway	<b>Portfolio</b>	Immigration
<b>Title of Cabinet paper</b>	A New Approach To Employer-Assisted Work Visas And Regional Workforce Planning: Paper One - Employer Gateway System And Related Changes  And  A New Approach To Employer-Assisted Work Visas And Regional Workforce Planning: Paper Two - The Job Gateway	<b>Date to be published</b>	9 October 2019

### List of documents that have been proactively released

<b>Date</b>	<b>Title</b>	<b>Author</b>
3/09/2019	A New Approach To Employer-Assisted Work Visas And Regional Workforce Planning: Paper One - Employer Gateway System And Related Changes	Office of the Minister of Immigration
3/09/2019	DEV-19-MIN-0228	Cabinet Office
3/09/2019	A New Approach To Employer-Assisted Work Visas And Regional Workforce Planning: Paper One - Employer Gateway System And Related Changes	Office of the Minister of Immigration
3/09/2019	DEV-19-MIN-0229	Cabinet Office

### Information redacted: YES

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Reasons for withholding information are:

- To enable MBIE to carry out, without prejudice or disadvantage, commercial activities or negotiations;
- To maintain constitutional conventions which protect the confidentiality of advice tendered by Ministers of the Crown and officials



# Cabinet Economic Development Committee

## Minute of Decision

*This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.*

### A New Approach to Employer-Assisted Work Visas and Regional Workforce Planning: The Job Gateway (Paper Two)

Portfolio                      Immigration

On 28 August 2019, the Cabinet Economic Development Committee:

#### Background

1        **noted** that:

- 1.1      on 10 December 2018, Cabinet agreed to the release of a consultation document on a package of proposed changes to employer-assisted temporary work visas and regional workforce planning [CAB-18-MIN-0608.01];
- 1.2      the paper under DEV-19-SUB-0229 is the second of a suite of two papers, which report back on the outcome of public consultation and seeking agreement to final proposals for the reform of employer-assisted work visas;

#### The highly-paid pathway

2        **agreed** that employer-assisted foreign workers with a job offer over 200 percent of the median household income would be exempt from labour market testing;

#### The Sector Agreements pathway

3        **agreed** that Sector Agreements will:

- 3.1      provide tailored immigration settings for specific occupations within a sector;
- 3.2      be compulsory for employers within a sector wishing to employ foreign workers to a role covered by an Agreement;

4        **agreed** that the objectives for Sector Agreements be to support employers to place more New Zealanders into jobs, and as a consequence reduce demand for lower-skilled foreign workers over time;

5        **agreed** that Sector Agreements be negotiated within specified parameters, and include the sector's 'starting point', the sector's workforce plan to deliver the agreed objectives, and how the government will support the sector (including access to foreign workers and other benefits);

- 6 **agreed** that the Minister of Immigration, in consultation with relevant portfolio Ministers, be responsible for:
- 6.1 selecting sectors that are suitable for a Sector Agreement;
  - 6.2 establishing a negotiation process with sectors, in accordance with the parameters agreed to by Cabinet;
  - 6.3 concluding and agreeing the terms of the Agreement;
- 7 **agreed** to the funding to support the negotiation, implementation and monitoring of Sector Agreements, as outlined in paragraphs 21-27 below;

### **The regionalised labour market test pathway**

- 8 **agreed** that the Job Gateway be tailored to take into account regional labour market dynamics and remuneration;
- 9 **noted** that job offers paid at least the median wage are considered to be higher-paid, and that those paid below the median wage are considered lower-paid;
- 10 **agreed** to the following immigration response for higher-paid job offers:
- 10.1 in Auckland, Wellington, Hamilton, Christchurch and Dunedin: work visas valid for up to three years with no stand-down period, and access to skills shortage lists;
  - 10.2 in areas other than Auckland, Wellington, Hamilton, Christchurch and Dunedin: no requirement to meet a labour market test, and the availability of work visas valid for up to three years;
- 11 **agreed** to the following immigration response for lower-paid job offers:
- 11.1 in Auckland, Wellington, Hamilton, Christchurch and Dunedin: a strengthened labour market test, and temporary work visas available up to 12 months;
  - 11.2 in regional areas where domestic labour supply is determined to be high: a strengthened labour market test, and temporary work visas available up to 12 months;
  - 11.3 in regional areas where domestic labour supply is determined to be low: a strengthened labour market test and temporary work visas available up to three years;
- 12 **agreed** that for all employer-assisted work visas, employers must ensure that:
- 12.1 the job pays the at least the current market rate;
  - 12.2 the job requirements are necessary to do the job being recruited for;
- 13 **agreed** to restrict Regional Skills Shortage Lists to Auckland, Hamilton, Wellington and Christchurch;
- 14 **agreed** to strengthen the labour market test by:
- 14.1 reinforcing that where an employer has identified that they require specific skills and/or experience and/or qualifications, the foreign worker applying must meet or exceed those requirements;

- 14.2 requiring that, for advertising to be considered relevant for labour market testing, an employer must include the salary offering;
  - 14.3 removing the ability of employers to reject an applicant for not having their own vehicle, or driver's licence, unless operating a vehicle is a requirement for doing the job that is being recruited for;
  - 14.4 requiring that, where a candidate is rejected only because they lack the training that the Ministry of Social Development is able to provide or facilitate within four weeks, the candidate is still considered suitable, available and trainable;
- 15 **agreed** to strengthen the labour market test by requiring that in order for Immigration New Zealand to determine that a labour market test is passed for lower-paid occupations, the employer must:
- 15.1 be accredited by Immigration New Zealand; and
  - 15.2 have met their obligations under any relevant Sector Agreement; and
  - 15.3 demonstrate that they have sufficiently advertised; and
  - 15.4 be paying the market rate for the occupation; and
  - 15.5 have obtained a report from the Ministry of Social Development that indicates that:
    - 15.5.1 there are no New Zealanders available; or
    - 15.5.2 the employer has adequately engaged with the Ministry of Social Development's broader programme of Active Labour Market Policies; or
    - 15.5.3 the employer has rejected the referral for a limited number of specified reasons;

### **The worker gateway**

- 16 **agreed** that foreign workers would only be able to apply for an employer-assisted temporary work visa after employers are approved or accredited, and checks have proven there are no New Zealanders available to do the job;
- 17 **agreed** that foreign workers would not be required to provide evidence of their skills and experience where:
- 17.1 a foreign worker is applying for a further visa for the same or similar position, and skill and experience have already been assessed;
  - 17.2 the position is lower skilled and does not require any qualifications or previous experience; or
  - 17.3 the foreign worker already holds occupational registration;

### **Implementation**

- 18 **noted** that officials will report back to the Minister of Immigration on the detailed implementation of the new gateway system;

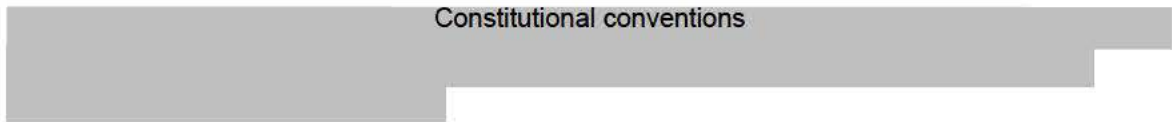
- 19 **invited** the Minister of Immigration to certify any Immigration Instructions required in order to implement the proposed changes;
- 20 **noted** that the Minister of Immigration will make announcements on the changes in due course, in consultation with the Prime Minister and the Ministers of Education, Social Development, and Employment;

**Financial implications**

- 21 **noted** that the Minister of Immigration proposes to establish a unit within the Ministry of Business Innovation and Employment that will:
  - 21.1 negotiate Sector Agreements and monitor their implementation;
  - 21.2 update and maintain Skills Shortage Lists, including analysis and consultation activities;
  - 21.3 carry out a range of governance, support, analysis, and monitoring functions necessary to deliver effective Regional Skills Leadership Groups;
- 22 **noted** that functions relating to Regional Skills Shortages Lists is expected to be funded from within existing baselines;
- 23 **noted** that funding for functions relating to Regional Skills Leadership Groups will be sought separately, through Budget 2020;
- 24 **approved** the following changes to appropriations to give effect to paragraph 7 above, with a corresponding impact on the operating balance and net core Crown debt:

Vote Labour Market	\$m – increase/(decrease)			
	2019/20	2020/21	2021/22	2022/23 and outyears
Multi-Category Expenses and Capital Expenditure				
Policy Advice and Related Outputs (MCA)	1.425	1.725	1.725	1.725
<i>Departmental Output Expense:</i>				
Policy Advice – Immigration (funded by revenue Crown)				
<b>Total</b>	<b>1.425</b>	<b>1.725</b>	<b>1.725</b>	<b>1.725</b>

- 25 **agreed** that the change to appropriations for 2019/20 above be included in the 2019/20 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply;
- 26 **agreed** that the expense incurred under paragraph 24 above be charged as a pre-commitment against Budget 2020;
- 27 **Constitutional conventions**



Janine Harvey  
Committee Secretary

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Hard-copy distribution: (see over)

**Present:**

Hon Grant Robertson (Chair)  
Hon Dr Megan Woods  
Hon Chris Hipkins  
Hon Carmel Sepuloni  
Hon David Parker  
Hon Iain Lees-Galloway  
Hon Jenny Salesa  
Hon Damien O'Connor  
Hon Willie Jackson  
Hon James Shaw  
Hon Julie Anne Genter  
Hon Eugenie Sage

**Hard-copy distribution:**

Minister of Immigration

**Officials present from:**

Office of the Prime Minister  
Officials Committee for DEV  
Department of the Prime Minister and Cabinet  
Ministry of Business, Innovation and Employment  
Ministry of Social Development

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