



## BRIEFING

### Draft Cabinet Paper for consultation – Immigration Rebalance – determining lists and sector agreements

<b>Date:</b>	03 March 2022	<b>Priority:</b>	High
<b>Security classification:</b>	In Confidence	<b>Tracking number:</b>	2122-2858

Action sought		
	Action sought	Deadline
Hon Kris Faafoi <b>Minister of Immigration</b>	<b>Agree</b> to circulate the draft Cabinet paper for Ministerial consultation	07 March 2022

Contact for telephone discussion (if required)				
Name	Position	Telephone		1st contact
Andrew Craig	Manager, Immigration Policy (Skills and Residence)	Privacy of natural persons	[REDACTED]	✓
Emily Kay	Senior Policy Advisor	Privacy of natural persons		
Clare Devine	Policy Advisor	Privacy of natural persons		

The following departments/agencies have been consulted on the Cabinet paper:
Treasury, Ministry of Education, Ministry of Foreign Affairs and Trade, Ministry of Health, Ministry of Housing and Urban Development, Ministry for Pacific Peoples, Ministry for Primary Industries, Ministry of Social Development, Ministry of Transport, and Te Puni Kōkiri. MBIE policy teams were also consulted.

**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 Withdrawn           |

**Comments**



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### Purpose

To provide you with a draft Cabinet paper progressing Immigration Rebalance list and sector agreement proposals. This paper is planned to go to the Cabinet Economic Development Committee on 24 March 2022, for consideration by the Committee on 30 March. We propose that Ministerial consultation take place between 8 – 22 March.

Officials will shortly provide you with materials to support Ministerial consultation on the paper.

### Recommendations

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

- a **Note** that in the briefing 2122-2354 *Immigration Rebalance- advice on lists and sector agreements*, you have agreed to take Rebalance occupation list and sector agreement proposals to Cabinet *Noted*
- b **Note** that we have incorporated your feedback, as well as further agency feedback, in the draft Cabinet paper (Annex One) *Noted*
- c **Agree** to progress the draft Cabinet paper to Ministerial consultation from 8 – 22 March *Agree / Disagree*
- d **Note** that we will provide you with materials to support Ministerial consultation, including letters to your colleagues, and that officials can be available to support any meetings. *Noted*

Privacy of natural persons

Andrew Craig  
**Manager, Immigration Policy – Skills and Residence**  
Labour, Science and Enterprise, MBIE  
03/03/2022

Hon Kris Faafoi  
**Minister of Immigration**

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## Background

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1. You have agreed to progress the Immigration Rebalance policy proposals concerning occupation lists and sector agreements to Cabinet Economic Development Committee [2122-2354 refers]. In brief, these proposals are:
  - A green list of occupations (mainly professionals in medicine, construction, infrastructure and engineering, and ICT) containing two paths to residence, the 'straight to residence' path and the two-year work to residence path
  - Develop sector agreements that allow capped recruitment below the median wage with construction, the care workforce (including aged care), meat processing and seafood, and the potential for a Pacific programme in each of these sectors
  - Confidential advice to Government  
[Redacted]
2. This briefing provides you with a draft Cabinet paper containing those proposals, for consideration by the Cabinet Economic Development Committee on 30 March 2022.
3. As indicated previously, we have also included the key Rebalance implementation decisions you have taken [2122-2326 refers] for Cabinet's awareness. These implementation decisions mean more favourable transitional rules for affected migrants.

## Your feedback

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4. We have incorporated the feedback you have provided on the briefing into the Cabinet paper. This includes:
  - Including a recommendation that Cabinet direct relevant Ministers to support work on sector agreements  
[Redacted]  
Confidential advice to Government  
[Redacted]
  - Moving Resident Medical Officer to the fast track to residence path of the green list.  
[Redacted]
6. We have not moved Registered Nurses to the fast track to residence pathway at this time, and our advice remains that they are provided a work to residence path. There are higher turnover rates for Internationally Qualified Nurses (IQNs) than domestically qualified nurses, alongside the other concerns outline in the previous briefing [2122-2326 refers]. We sought feedback from the Ministry of Health, and they indicated that work to residence was their preference to address some concerns about retention of migrant nurses. We also discussed ensuring the growing use of IQNs in New Zealand is not perpetuated more than necessary by permissive immigration levers. We will consider any further feedback on this point through Ministerial consultation.
7. We also considered the potential impact of the residence age requirement of 55 or under on medical practitioners, particularly specialists. Approved work visa applications show only a small number of specialist medical practitioners who have previously obtained work visas

that would not be able to access residence based on age (approximately 2.5% of approved work visa applications for migrant health workers). Our view remains that an exception is not justified for this group. Having consistent rules for residence that apply to everyone ensures that we maintain the integrity of the immigration system. The Ministry of Health have not indicated a strong view on this at this time, but noted that even very small numbers of specialist practitioners not being eligible could make a difference to their sector.

8. We have also noted your comments about how the caps will function under the sector agreements. Further refinement is underway on the sector agreements to specify more precisely the immigration settings that would operate for different sectors (e.g. what rate to cap migrant workers at, or any training or salary requirements). We propose to include this information in Appendix Two of the Cabinet paper. A draft will be shared with you in the coming days, in time for Ministerial consultation.

## Further agency feedback

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9. General feedback on the Cabinet paper has centred around the narrative and how this is framed. Much of this content has already been traversed in the July and December 2021 Cabinet papers. Treasury and the Ministry of Housing and Development have asked to see the impacts section of the paper which has not been finalised yet. We will be working through this with them while Ministerial consultation progresses.

10. Confidential advice to Government

11. As expected, the most substantive sector-specific feedback on the proposals has been from the Ministry of Health. They continue to raise that they would like to see Dentists included in the 'straight to residence' green list path. We have indicated that our analysis does not support this, but that this topic will be part of Ministerial discussions. We will provide you with specific points and data on this for your meeting with the Minister and Associate Minister of Health.
12. The Minister for Oceans and Fisheries has expressed particular interest in how the Rebalance proposals might align with the recommendations of the Seafood Inquiry Panel, and will be seeking a meeting to discuss this with you. The Ministry for Primary Industries is providing material to their Minister to support this meeting. We will also be providing you with MBIE's advice, in the context of the sector agreement proposals. At this stage, we consider the Rebalance with a sector agreement, to be a good way to meet the Government's objectives for the seafood workforce in a consistent manner with the broader immigration system.

## Consultation materials

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13. We understand that you will be meeting with your colleagues (either in an individual or joint meeting) over the next two weeks:
  - Minister Robertson – Finance and Infrastructure
  - Minister Nash – Economic and Regional Development, Tourism, Forestry and Small Business
  - Minister O'Connor – Agriculture, Trade and Export Growth
  - Ministers Little and Verrall – Health

- Minister Parker – Oceans and Fisheries
- Minister Wood – Transport
- Minister Woods – Housing
- Minister Clark – Digital Economy and Communications
- Minister Mahuta – Foreign Affairs
- Minister Sio – Pacific Peoples
- Minister Sepuloni – Social Development and Employment
- Minister Hipkins – Education
- Minister Radhakrishnan – Ethnic Communities
- Minister Tinetti – Women
- Minister Jackson – Māori Development

14. To support your discussions with your colleagues on this paper, we are preparing Immigration Rebalance materials which will be shared with your office shortly. These include:

- Draft letters to your Ministerial colleagues
- Portfolio/sector overviews of the Rebalance
- General talking points
- A3 summary of the Rebalance implementation.

## Next steps

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15. To enable consideration of the Cabinet paper on 30 March, we recommend you circulate the draft Cabinet paper to your colleagues by 8 March, for a two-week period of consultation ending 22 March. We will continue to work with your office on the development of any consultation materials as required. Officials will be available to attend meetings to cover off technical questions that might arise.
16. Following Ministerial consultation, officials will provide a final paper to you for lodgement on 24 March.

<b>Ministerial consultation</b>	8 March – 22 March
<b>Lodge for DEV / CBC</b>	24 March
<b>Consider at DEV</b>	30 March
<b>Consider at Cabinet</b>	4 April

## Annexes

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Annex One: draft Cabinet paper

**Appendix Two: Proposed Sector Agreement details**

[To Come]

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