



BRIEFING

Border Exception Ministers – meeting 7

Date:	28 May 2021	Priority:	High
Security classification:	In Confidence	Tracking number:	2021-3654

Action sought		
	Action sought	Deadline
Hon Kris Faafoi Minister of Immigration	<p>Agree to recommend the following border class exceptions to Cabinet:</p> <ul style="list-style-type: none"> teachers in ECE services and State and State-integrated schools Dairy farm workers Veterinarians Australians transiting New Zealand (to be reciprocal) An increase to the cap on replacement cargo crew servicing the Pacific <p>Agree to an increase to the cap on replacement crew for foreign-flagged fishing vessels</p> <p>Discuss the draft proposal for a border exception for deep sea fishing crew.</p> <p>Refer this briefing to the Minister of Foreign Affairs, Minister of Education, Minister for Primary Industries, and Minister for Oceans and Fisheries.</p>	1 June 2021
Hon Chris Hipkins Minister for COVID-19 Response		
Hon Megan Woods Minister of Research, Science and Innovation		
Hon Carmel Sepuloni Minister of Social Development and Employment		
Hon Stuart Nash Minister of Economic and Regional Development		
Hon Willie Jackson Minister for Māori Development		

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Ruth Isaac	General Manager, Employment, Skills and Immigration Policy	Privacy of natural persons	✓
Kara Isaac	General Manager, MIQ Policy		✓

The following departments/agencies have been consulted
MPI, MSD, Treasury, DPMC (AOG), DPMC (PAG), MFAT, MBIE (ED), MoH, MoE

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 Withdrawn |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



BRIEFING

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Purpose

This briefing provides advice and supporting documentation for decisions on border class exceptions at your meeting scheduled for 1 June 2021.

Recommended actions

Border Exception Senior Officials recommend that Border Exception Ministers:

Border exceptions for decision to recommend to Cabinet

- a **Note** that the individuals and their families who are eligible for the border exceptions being considered at this meeting will be required to book space in managed isolation through MIAS.

Noted

- b **Note** that there is increasing demand for class exceptions in areas of mid-skilled/early career shortages and that there is an argument to consider reducing the salary threshold for other critical workers as a general response instead of addressing this one occupation at a time.

Noted

Early childhood, primary and secondary teachers

- c **Note** that ECE and primary and secondary teachers do not meet the criteria for the “other critical worker” exception as salaries are below twice the median wage.

Noted

- d **Agree** to a class exception for up to 300 teachers (plus their partners and dependent children) over the next 12 months, including certificated early learning teachers and qualified teachers in State and State-integrated schools with the following eligibility criteria:

i. Employed in a Decile 1, Decile 2, or Decile 3 New Zealand State or State-integrated school/kura OR

ii. Employed in any “hard to staff” State or State-integrated school/kura OR

iii. The position being filled is a science, technology, engineering, and mathematics role OR

iv. Teachers that were already employed in New Zealand but who left the country and are now unable to return to their positions due to the border closure OR

v. Certificated ECE teacher employed in a low decile service (as measured by the health deprivation index 8-10).

Agree / Disagree

- e **Agree** that the Ministry of Education will manage and prioritise the allocation to schools and ECE services; nominate the teachers to Immigration New Zealand by 30 June 2022; and report further to the Minister of Education about its prioritisation criteria and implementation approach.

Agree / Disagree

Dairy farm workers

- f **Note** that highly skilled dairy farm managers who earn more than twice the median wage are eligible for entry to New Zealand under the 'other critical worker' border exception, but that there have not been any successful applications to date.

Noted

- g **Agree** to

EITHER (MPI preferred)

- i. a class exception for up to 150 dairy farm workers (plus their partners and dependent children) in management roles earning above \$79,500 per annum for Dairy Herd Manager roles and above \$92,000 per annum for Assistant Dairy Farm Manager or 2IC managerial roles, and up to 50 dairy farm assistants (plus their partners and dependent children) earning at or above the median wage at time of application in regions with acute shortages (e.g. Southland and Otago), up until April 2022.

Agree / Disagree

OR (MBIE / MSD preferred)

- ii. a class exception for up to 150 dairy farm workers (plus their partners and dependent children) in management roles earning above \$79,500 per annum for Dairy Herd Manager roles and above \$92,000 per annum for Assistant Dairy Farm Manager or 2IC managerial roles, up until April 2022.

Agree / Disagree

Veterinarians

- h **Note** that highly skilled and specialised veterinarians (who earn more than twice the median wage) are eligible for entry to New Zealand under the 'other critical worker' border exception, but there is a workforce gap for early career veterinarians, and the shortage is having animal welfare impacts.

Noted

- i **Agree** to a class exception for up to 50 general practice veterinarians (plus partners and dependent children) earning at or above \$85,000 per annum, over 12 months.

Agree / Disagree

Deep sea fishing crew draft request

- j **Note** that a draft request for a border exception seeking 615 deep sea fishing crew for 2021/2022 was discussed by Senior Officials on 26 May.

Noted

- k **Note** that the five fishing companies' party to the 2020 border exception developed a Fisheries Workforce Transition plan (the Plan) to increase the employment of New Zealanders; and that a February report on the plan demonstrated modest progress; and that MPI expects to see further progress over the next 12 months.

Noted

- l **Note** that the draft request indicates that a MIQ group allocation would also be needed over September – October, but no provision for this has been made in the group allocation for June – October 2021 agreed by Border Exception Ministers on 19 April.

Noted

- m **Note** that MIQ does not have capacity to manage the entry of deep sea fishers in September and October in addition to the groups that have already been allocated space and that deep sea fishers could only be allocated if another high need group such as RSE workers was displaced.

Noted

- n **Note** MPI is investigating whether arrivals can be phased to remove or reduce the need for MIQ space in September and October and is working to understand how this might impact the sector.

Noted

Confidential information entrusted to the Government

Noted

- p **Agree**, subject to confirmation of the reciprocal approach, to create a new border exception to allow for up to 30 travellers per month (until the end of 2021) nominated by Australian DFAT to enter New Zealand and complete MIQ here, on the basis of reciprocity on the Australian side for New Zealand travellers.

Agree / Disagree

Replacement cargo crew servicing the Pacific

- q **Agree** to increase the cap to allow up to 550 replacement cargo crew servicing the Pacific to complete 14 days MIQ in New Zealand until 31 January 2022 and that these additional replacement crew will book space in managed isolation through MIAS.

Agree / Disagree

Replacement crew for foreign-flagged fishing vessels

- r **Agree** to increase the cap on replacement international fishing crew for foreign-flagged fishing vessels operating in international waters (as identified by MFAT) to the Government-approved programmes list from up to 50 persons to up to 160 persons every six months.

Agree / Disagree

- s **Note** that replacement fishing crew will be required to transfer to the vessel as soon as is reasonably practical, as per other replacement cargo crew.

Agree / Disagree

Family reunification for onshore temporary visa holders working in teaching

- t **Note** that the proposed class exceptions for teachers, veterinarians and dairy farm workers enable offshore workers to bring their families to New Zealand, which creates an inconsistency relative to onshore temporary visa holders working in these roles who are subject to the border restrictions.

Noted

u **Note** that there are approximately 812 temporary work visa holders in New Zealand who work as teachers in schools and ECE services, of which 402 do not have family applications associated with their visas.

Noted

v **Note** that teachers are unlikely to qualify for the family reunification border exception for highly skilled migrants with 12 months or more on their visas because most teachers do not meet the salary threshold of twice the median wage (\$106,080).

Noted

w **Agree** to establish a border exception for the partners and dependent children of temporary visa holders who are working as teachers in ECE services or schools.

Agree / Disagree

x **Note** that this will address the anomaly for teachers but still leaves other onshore migrant workers unable to reunite with their families in New Zealand.

Noted

y **Note** that if the emerging underutilisation of capacity in MIQ is sustained, the government should consider making more expansive border exceptions, particularly for individuals / family travellers who are flexible about their travel dates and can queue for space in MIQ, as doing so would reduce the anomalies created by highly targeted exceptions and the administrative costs of administering narrow exceptions.

Noted

z **Note** that a simpler, fairer and more efficient approach would be to allow all (or a wider set of) temporary visa holders to bring in their partners and dependent children, and that advice is being prepared for the Minister of Immigration on such options.

Noted

Next steps

aa **Note** that all the decisions above except recommendation r require Cabinet approval and that minutes of this meeting will be provided to Cabinet for this purpose.

Noted

bb **Note** that any new class exceptions require implementation by the Minister of Immigration through certifying changes to Immigration Instructions, which may require further work on detailed eligibility requirements for applying the exception and changes to online forms, ICT systems and business processes.

Noted

cc **Refer** this briefing to relevant Ministers for the Education, Foreign Affairs, Primary Industries and Oceans and Fisheries portfolios.

Agree / Disagree



Ruth Isaac
General Manager, Employment, Skills and Immigration Policy
Labour, Science and Enterprise, MBIE

..... / /



Kara Isaac
General Manager, MIQ Policy

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Hon Kris Faafoi
Minister of Immigration

..... / /

Hon Chris Hipkins
Minister of COVID-19 Response

..... / /

Hon Megan Woods
Minister of Research, Science and Innovation

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Hon Carmel Sepuloni
Minister of Social Development and Employment

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Hon Willie Jackson
Minister for Māori Development

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Hon Stuart Nash
Minister for Economic and Regional Development

..... / /

Background

1. Border Exception Ministers met for the sixth time on 19 April 2021 and took decisions on a number of border exceptions and the managed isolation and quarantine (MIQ) group allocation package for June – October 2021 [Briefing 2021-3123 refers].
2. At this meeting, Ministers were also provided with an indicative pipeline of border exception requests, a number of which have now been developed for consideration at meeting 7.
3. An updated pipeline of border exception requests is attached (refer Annex 1). We note that the pipeline has limitations in terms of reach in respect of some workforces, in particular in relation to professions and occupational/industry groups which are not closely associated with any lead agency and where it is likely, in many cases, that labour market displacement risks are low due to high skills/qualifications requirements and low unemployment of New Zealanders with the required qualifications.

MIQ capacity and border settings going forward

4. At present, there are places available on the MIAS online booking system until the end of October. The time-sensitive travel allocation pathway went live on 10 May but demand has so far been limited, likely because of good availability of MIAS vouchers.
5. Availability of MIQ places in MIAS is a significant change from late 2020 and early 2021 when demand for MIQ places exceeded supply. During this period Ministers faced difficult choices in prioritising groups for border exceptions and travellers faced delays.
6. There are indications that MIQ supply will continue to exceed demand e.g. the rate at which MIQ places are being booked on MIAS has slowed. Quarantine-free travel with Australia has been a key driver of this decrease in demand, with around 5,000 vouchers for Australian travellers cancelled over the current booking period. The suspension of travel from very high risk countries is also reducing some demand for MIQ places, although officials anticipate much of this demand will return when the suspension of travel is lifted.
7. While there is space for individuals and families in MIQ through MIAS, the group allocation of MIQ is fully utilised until the end of October and there is no capacity to accommodate additional groups in this timeframe. Options for group allocations for the November 2021 – March 2022 period will be provided to Ministers in July. The border class exception requests presented for Ministers consideration in this briefing will be able to book space in managed isolation via MIAS.
8. A scenario of sustained underutilisation of MIQ provides an opportunity to explore wider changes to immigration settings, rather than targeted, sector-specific border class exceptions. This could include moving progressively away from highly targeted exceptions towards more expansive border exemptions, particularly for those travellers who are flexible around timing and can queue for MIQ. Tight exceptions create points of inconsistent treatment between different groups of travellers in similar situations (this is particularly problematic for family reunification), and complicated rules that are difficult for people to understand and costly to administer.
9. Examples of more expansive border settings that are under discussion with the Minister of Immigration include:
 - a. Broadening the recent family reunification decisions
 - b. Enabling anyone offshore with a resident visa (who hasn't yet been to New Zealand) to come to New Zealand

- c. Expanding access to the 'other critical worker' border exception e.g. to 1.5 times the median wage (approximately \$84,000 per annum based on the new median), potentially alongside simplification of the criteria
 - d. Allowing a wider group of people on temporary visas to depart and re-enter New Zealand.
10. MBIE has commenced work on policy options to expand border exceptions and will report back to the Minister of Immigration in June.

Border class exceptions for decision to recommend to Cabinet

11. Officials recommend Ministers refer the following proposals for border class exceptions to Cabinet:
- a. Teachers in ECE services and State and State-integrated schools
 - b. Dairy farm workers
 - c. Veterinarians
 - d. Australians transiting through New Zealand and undertaking MIQ here to return to Australia (up to 30 per month)
 - e. An increase to the cap on replacement cargo crew servicing the Pacific from 200 to 550 for the balance of its 12-month duration, expires on 1 February 2022
 - f. An increase to the cap on replacement crew for foreign-flagged fishing vessels from 50 to 160 for the 6-month period commencing on 1 June 2020.
12. This briefing includes preliminary advice on a draft request for a border class exception for up to 615 deep-sea fishing crew. We understand that Minister Parker may wish to discuss this proposal at the meeting.
13. We are starting to see requests for a number of class exceptions for early to mid-career groups earning below twice the median wage e.g. veterinarians, dairy workers, and teachers. We are also hearing that this is a wider problem in the economy (e.g. accountants).
14. Class exceptions offer a high degree of control over border entry and enable Ministers to place conditions on sectors to improve pay and conditions. However, agreement to an expanding number of targeted exceptions sets a precedent for similar requests from other sectors, and is an inefficient and inequitable way to resolve workforce shortages across the economy (one at a time). Class exceptions are also costly to administer and tend to favour particular sectors/occupations. As noted above, officials will shortly provide advice to the Minister of Immigration on options for more expansive border settings.

Workforce class exception for teachers

15. The Ministry of Education has identified a workforce shortage for qualified teachers in early childhood education, and teachers working in State and State-integrated schools, particularly for teachers working in "hard to staff" and low decile schools and in STEM subjects. This gap is unable to be filled by current numbers graduating from teacher training or by teachers returning from offshore.
16. To address this workforce gap, the Ministry of Education is seeking a border class exception for up to 300 certified early learning teachers and qualified school teachers in State and State-integrated schools (plus their partners and dependent children). Certificated ECE teachers employed in a low decile service (health deprivation index 8-10) and school

teachers who meet at least one of the following criteria will be prioritised and eligible to be included in the workforce class exception:

- a. Employed in a Decile 1, Decile 2, or Decile 3 New Zealand State or State-integrated school/kura OR
- b. Employed in any “hard to staff” State or State-integrated school/kura OR
- c. The position being filled is a science, technology, engineering, and mathematics role OR
- d. Teachers that were already working in NZ and left the country but are now unable to return due to the border closure will also be able to apply (if they are able to return to the role they had been working in).

17. The Ministry of Education will manage and prioritise allocation of these 300 exceptions to schools and ECE services, and will report further to the Minister of Education about its prioritisation criteria and implementation approach.

18. The Senior Officials group considered the proposal on 22 April and recommended it be referred to Border Exception Ministers. The table below assesses the proposal against the mandatory criteria for workforce class exception requests [refer CAB-20-MIN-0453].

Proposal: Workforce class exception for migrant teachers		
Numbers	Timing considerations	Any other relevant information
Up to 300 qualified teachers (plus partners and dependents)	Teachers and their families will enter New Zealand individually as offers of employment are made by each individual employer.	Early childhood services and schools have current vacancies. Teacher nominations to be made by the Ministry of Education to Immigration New Zealand by 30 June 2022.
Assessment		
Mandatory criteria	Critical workforce gap	Overseas teachers make up a small but critical part of the teaching workforce. They fill specific skill shortages that have not been able to be met from domestic supply, even when overall workforce numbers are healthy. The reasons skill shortages arise include: <ul style="list-style-type: none"> o the lag between teachers entering initial teacher education and completing their teaching qualifications ready to enter the workforce o an imperfect match between employers’ skill needs and intakes into initial teacher education providers o The availability of a wide range of alternative career options for people with high demand teaching subject skills.
	Minimal labour market displacement	These teachers will fill ongoing vacancies in specific hard to staff subjects and in hard to staff locations in State and State-integrated schools, as well as ongoing vacancies in early learning services
	Doesn’t undermine workforce improvement	Recent Collective Agreement settlements have raised pay rates. Last year, The Ministry of Education added incentives for initial teacher education (ITE) providers to increase their enrolments into secondary ITE programmes. The Ministry of Education is using existing teacher supply funds, while the border is closed, to support domestic recruitment in target areas such as secondary STEM subjects, hard to staff and low decile schools and early learning services. Current domestic support initiatives include:

Proposal: Workforce class exception for migrant teachers		
Numbers	Timing considerations	Any other relevant information
		<ul style="list-style-type: none"> • Subsidised domestic recruitment • Domestic Relocation Grant (DRG) • Domestic Finder's Fee (DFF) • Recruitment, Retention and Responsibility National Fund (3RNF) • National Beginning teacher (NBT) grants • Voluntary Bonding Scheme Expansion (VBSE) • Education Refresh programme
	MIQ manageable	Yes. This is a relatively small group that can book in MIAS.
Further strength of case	State which factors: - <i>Supply industry critical services</i> - <i>Long run economic and social benefits (upskilling future workforce)</i>	Strong case – shortages in this sector have big impacts A skilled teaching workforce is crucial to raising the effectiveness of the education system. The potential growth impact of lifting student achievement (or avoiding decline in achievement) is significant, and teachers in the targeted areas can make a big difference.
Other	Legal risks	None identified
	Precedent risk or comparison issue	A number of other sectors also have demand for workers who earn less than twice the median wage. Could argue that improvements in pay and conditions, and/or other innovations, could go further to solve recruitment/retention issues in specific areas in the longer run, but shortages from time to time likely to remain a feature of the system.
Other agency views/concerns? N/A		
Overall recommendation Strong case, low numbers. Approve , for up to 300 qualified teachers in early learning services and State and State-integrated schools		

Class exception for dairy farm workers

19. The Ministry of Primary Industries (MPI) has identified a workforce shortage of dairy farm workers for the upcoming 2021/2022 season. This reflects ongoing workforce challenges in the industry. Current estimates from the sector identify between 1,500-2,000 dairy production roles vacancies, across a range of roles.
20. To address this workforce gap, MPI supports a border class exception for up to 200 migrant dairy farm workers to supplement the domestic workforce and provide critical support for the upcoming calving season. This includes up to 150 more highly-skilled workers in management roles on farms who are unable to meet the salary threshold for an 'other critical worker' border exception, and up to 50 workers in dairy farm assistant roles.
21. New Zealanders from outside the sector or in lower-skilled roles (dairy farm assistants) cannot reach the level of competence required for management roles by the upcoming 2021/22 season. Without experienced operators working on farms there is also limited capacity to train or mentor new entrants to the industry.
22. The request for up to 50 dairy farm assistants would support entrance to a number of lower-skilled farm workers, who would be used as emergency relief for the most in-need employers

in the most acutely affected areas (e.g. Southland and Otago) that have not been able to recruit New Zealanders into these roles.

23. MPI will work with DairyNZ and Federated Farmers to establish a process for prioritising workers entering New Zealand under this class exception, based on the following high-level eligibility criteria:
- a. a written employment offer for full-time work
 - b. a DairyNZ job description
 - c. a pay rate of:
 - i. at least 1.75x the previous median wage for Assistant Dairy Farm Manager / 2IC managerial roles (\$92,000 per year).
 - ii. at least 1.5 x the previous median wage for Dairy Herd Manager roles (\$79,500 per year)
 - iii. at least the previous median wage for Dairy Assistant roles;¹
 - d. evidence of the applicant’s relevance experience, either within New Zealand or internationally;
 - e. employer commitment to paying workers 2-weeks’ salary while in Managed Isolation and Quarantine (MIQ); and
 - f. sector commitment to include concrete measures in its Workforce Transition Plan (currently under development), in particular relating to:
 - i. pay and working conditions (including offering flexible working arrangements/smart rostering where appropriate)
 - ii. transport and accommodation options for staff.
24. MPI expects tight competition for spaces, given the large number of vacancies and the relatively small number of spaces available under the class exception. MPI will agree discretionary prioritisation criteria with industry.
25. The Senior Officials group considered the proposal on 26 May and recommended it be referred to the Border Exception Ministers. Officials, with the exception of MPI, did not support a border exception for the lower skilled dairy assistant roles. The table below assesses the proposal against the mandatory criteria for workforce class exception requests.

Proposal: Dairy farm workers		
Numbers	Timing considerations	Any other relevant information
Up to 200 dairy farm workers, plus partners and dependent children.	From June 2021 through to April 2022.	150 Assistant Dairy Farm Managers and 2ICs, and Herd Managers with 2-4 years’ experience and expertise, who are essential to farming operations and management. 50 lower-skilled Dairy Farm Assistants, who would be used as emergency relief for the most in-need employers that

¹ The median wage has increased to \$27/hour from \$25.50/hr, but the rates proposed for this border exception are based on \$25.50/hour. The new median wage equates to \$56,160 per annum, and 1.5 times the median is \$84,240 and 1.75 times the median is \$98,280. The new median wage is yet to be applied in immigration settings, but the Minister of Immigration recently agreed that it will apply from July (still to be announced).

Proposal: Dairy farm workers		
		have not been able to recruit New Zealanders into these roles in regions with acute shortage.
Assessment		
Mandatory criteria	Critical workforce gap	Gap in skilled farm management roles that require several years' experience. Dairy farm assistant roles, are more able to be filled by New Zealanders with limited experience. These roles do not meet the 'other critical worker' salary threshold. This is an area where there is a recognised labour shortage.
	Minimal labour market displacement	There are ongoing issues filling these roles with New Zealand workers due to a variety of factors, including supply of labour, but also issues related to working conditions.
	Doesn't undermine workforce improvement	Since the 2020 COVID-19 lockdown, the dairy sector has initiated a variety of attempts to retain staff and attract New Zealanders into roles on-farm (e.g. 'Go Dairy' campaign, 'Good Boss' programme, and Rural Employee Support Hub). All willing graduates and participants from training and upskilling programmes have been placed into jobs. In a DairyNZ and Federated Farmers survey, 65% of respondents said they had increased worker salaries and wages to better attract and retain staff. This survey indicated there was room for a greater proportion of the sector to make employment conditions more attractive. There is more to do here.
	MIQ manageable	Yes, individuals and families will be booking spaces in MIQ through MIAS.
Further strength of case	State which factors: - <i>Support significant jobs</i> - <i>Supply industry critical services</i>	Dairy farm workers manage a range of risks, including those relating to animal welfare and food safety and play a key role in safeguarding New Zealand's international reputation as a producer of safe and sustainable food. Needed for milk production (critical to NZ economy) The dairy sector employs over 49,000 staff (total) on and off-farm. This includes 33,000 people working on-farm and around 16,000 processing and commercialisation roles downstream of dairy farms,
Other	Legal risks	None identified
	Precedent risk or comparison issue	A number of other sectors also have demand for workers who earn less than twice the median wage, who are less readily trainable (longer training pathways/higher qualifications requirements).
Other agency views/concerns?		
MSD comment: While "dairy farm assistants" feature on MSD's undersupply list for the majority of regions in New Zealand, in principle MSD does not support the exception including the 50 lower skilled dairy farm assistant positions (earning median wage) as this reduces pressure on the sector to improve pay, workforce planning and conditions for New Zealanders in this sector. There are Jobseekers in some of the key regions with experience and/or a preference for dairy farm work. It is difficult, however, to place a majority of these people in roles because of other factors, such as hours, working conditions, location and more which affects willingness and ability to take up the roles.		
Overall recommendation		
Moderate case made by industry who have experienced one season without readily available migrant labour. Small number sought relative to the size and significance of the sector and overall employment. Note that pegging to previous median wage rates could be problematic, but MPI is concerned that the new rates may be too high. Approve request for farm/herd management roles (150), decline request for dairy farm assistants (50).		

Class exception for veterinarians

26. MPI has identified a workforce shortage for veterinarians. In September 2020, Ministers approved a class border exception for 30 veterinarians working in large and mixed animal practices to meet the urgent needs of production animals. There are three spaces remaining under that exception, but these will be filled shortly.
27. Despite the previous border class exception, the veterinarian skill shortage remains acute. In addition to those working in private clinical practices, there are a number of shortages across the food safety and export certification system. There are insufficient numbers of qualified New Zealanders to fill the gaps and no evidence to suggest there are any untapped pools of unemployed veterinarians in New Zealand seeking work. A number of retired veterinarians and recently returned New Zealand veterinarians have been absorbed back into the workforce.
28. To address the workforce gap, MPI supports a class border exception for up to 50 general practice veterinarians with 3-5 years' experience earning at or above \$85,000 per annum. The 'other critical worker' pathway remains available for the highest-skilled, most specialised veterinarians (i.e. those who earn more than \$106,080 per year).
29. The Senior Officials group considered the proposal on 26 May and recommended it be referred to Border Exception Ministers. The table below assesses the proposal against the mandatory criteria for workforce class exception requests.

Proposal: Veterinarians		
Numbers	Timing considerations	Any other relevant information
50 (plus their partners and dependents where applicable)	As soon as possible. Needed all year round.	General practice veterinarians of 3-5 years' experience earning at or above \$85,000 per annum.
Assessment		
Mandatory criteria	Critical workforce gap	For general practice veterinarians with 3- 5 years of experience across key roles in both urban and rural veterinary settings.
	Minimal labour market displacement	High skilled and on the long term skill shortage list.
	Doesn't undermine workforce improvement	Generally not an issue as there is a known and long-term shortage of New Zealanders with veterinary skills, and it takes at least 5 years for people to acquire these skills. The vet sector, with input and support from MPI, is working hard to address the long-term systemic shortage. This includes the development of a workforce strategy to shape a sustainable future for the delivery of New Zealand's veterinary services.
	MIQ manageable	Yes, individuals and families booking MIQ space through MIAS.
Further strength of case	State which factors: - <i>Support significant jobs</i> - <i>Supply industry critical services</i>	Relatively strong case Supports animal welfare and food safety.
Other	Legal risks	None identified

Proposal: Veterinarians		
	Precedent risk or comparison issue	Similar to health professionals on list. A number of other sectors also have demand for skilled workers who earn less than twice the median wage.
Other agency views/concerns?		
MSD and MBIE do not consider there to be any significant labour market impact or displacement risk for New Zealanders associated with this exception request.		
Overall recommendation		
Strong case, low numbers.		
Approve – relatively small number of roles (around 50 workers) who do not meet the twice median wage threshold for the other critical worker border exception but are highly qualified.		

Draft request deep sea fishers

30. Officials have received and discussed a draft request for a class border exception for 615 deep sea fishing crew. MPI supports a class border exception for migrant deep-sea fishing crew due to the:
- magnitude of the economic impact if crew are unable to enter (estimated to be around \$380 million in export earnings per annum)
 - implications for Maori as a result of reduced revenue through Moana NZ Ltd combined with a potential reduction in the value of their quota assets
 - impact to New Zealand's broader marine engineering capacity
 - number of New Zealand jobs supported by the migrant crew
 - the concern that impacts would disproportionately affect port towns and regional communities.
31. Other Senior Officials were keen to see continued pressure on the sector to improve pay and conditions to attract New Zealanders to the roles and were interested in progress made by the sector against their workforce transition plan.
32. The draft request stated that it would need group allocation for some of the cohort in September and October. Group allocations for this period were decided by Ministers at the last meeting and there is no capacity to accommodate deep sea fishers unless another high needs group that has been allocated space in MIQ is displaced.
33. The number of people, diversity of skills and occupations, and level of coordination needed to undertake deep-sea fishing activities is the primary reason a class border exception is required. Some deep-sea crew will meet the technical skills and/or income criteria for the 'other critical worker' exception category (e.g. skippers, first mates and chief engineers). This request excludes those workers who are likely to meet the criteria for 'other critical worker' and is only for those lower paid, lower skilled workers who do not currently have a pathway into New Zealand.
34. The Senior Officials group considered the proposal on 26 May. The table below assesses the draft proposal against the mandatory criteria for workforce class exception requests.

Draft proposal: deep sea fishers		
Numbers	Timing considerations	Any other relevant information
615	Small groups arriving on a rolling basis. Large groups arriving on charter flights in September and October	In addition to fishing crew entering under the border exception some highly skilled (such as skippers, first mates and chief engineers) will enter under the 'Other critical worker' border exception.
Assessment		
Mandatory criteria	Critical workforce gap	Historically high levels of offshore recruitment. A number of roles require experience and specialised skills.
	Minimal labour market displacement	Seeking 5% fewer crew than 2020/2021 season. Industry has employed at least 145 New Zealanders into fishing roles since exception granted in 2020. There are ongoing issues in undersupply and a shortage of New Zealanders to fill these roles.
	Doesn't undermine workforce improvement	Longstanding issues with attractiveness of roles – some of which is inherent, some can be addressed. Sector has delivered on commitments relating to training and has made some improvements to benefit packages. The sector has committed to doing more through a revised workforce transition plan that takes a longer-term view to reducing reliance on migrant labour.
	MIQ manageable	The deep sea fishers were not included in the June to October group allocation decisions. Group allocation September and October under immense pressure with large groups including Antarctic programme, returning Olympians and RSE workers. MPI is exploring whether alternative phasing of arrivals through MIQ would be feasible.
Further strength of case	State which factors: - <i>Support significant jobs</i> - <i>Supply industry critical services</i>	Limited prospect of alternative crews being found and limited ability to reallocate catch to other boats crewed by New Zealanders.
Other	Legal risks	Under Maritime Law, the vessels are required to have a minimum number of crew on board. If there are inadequate numbers of crew or experienced crew on board, this would be an offence under the Maritime Transport Act. The vessels are also not covered by insurance if they do not meet these requirements Fisheries provide an important source of revenue for iwi. Failure to take in to account any adverse effects on Māori rights and interests could expose the Crown to a contemporary Treaty claim.
	Precedent risk or comparison issue	Judgement required on level of commitment industry has demonstrated to improve conditions and attractiveness of roles to increase employment of New Zealanders.
Other agency views/concerns?		
Agencies are keen to see more progress against commitments made when the 2020 Border exception was granted.		

Draft proposal: deep sea fishers

Overall recommendation

No overall recommendation until request finalised.

Australians needing to travel through New Zealand and undertake MIQ here to return to Australia

35. The start of quarantine-free travel with Australia, and associated operational decisions by airlines, has meant that there are currently no “red” connecting flights available between New Zealand and Australia. There are a number of New Zealanders stranded in countries, such as Papua New Guinea and the Solomon Islands, from where the only viable or feasible route home to New Zealand passes through Australia. We require support from Australia to assist these travellers, [redacted] Confidential information entrusted to the Government [redacted]
36. A reciprocal solution with Australia is crucial for supporting the operation of New Zealand’s affected posts and on our respective citizens and family members who need to travel through one country to return to their home in the other would have significant well-being benefits to the New Zealanders affected. A reliable pathway would support the delivery of development programmes in countries such as the Solomon Islands by allowing for continued travel by development workers (contracted by but not employed by the New Zealand Government).
37. Prime Minister Arden is meeting with Prime Minister Morrison on 30 May. The Ministry of Foreign Affairs and Trade (MFAT) [redacted] Confidential information entrusted to the Government [redacted]
38. MBIE and MFAT recommend that Border Exception Ministers agree to create a border exception, capped at 30 per month (on the basis that Australia also allow for up to 30 travellers per month), for travellers nominated by Australia’s Department of Foreign Affairs and Trade. This recommendation is subject to confirmation from MFAT that Australian officials have confirmed the reciprocal arrangement. These travellers would be Australian citizens, and (only on the basis that Australia provide similar flexibility) their accompanying family members with the right to enter Australia.

Increase to cap on replacement cargo crew servicing the Pacific

39. In setting New Zealand’s border strategy, Cabinet agreed that the strategy must mitigate the risk of COVID-19 transmission into the Pacific [CAB-MIN-20-0821 refers]. Shipping accounts for most freight in and around the Pacific. Supporting the safe flow of goods on cargo vessels is essential to support Pacific Island economies already under severe pressure due to COVID-19.
40. On 9 December 2020, Border Exception Ministers approved the creation of the border exception category to enable replacement cargo crew to undergo 14 days in a New Zealand Managed Isolation and Quarantine (MIQ) facility, before joining a ship that operates exclusively in the Pacific region [briefing 2021-1626 refers]. This category commenced on 1 February 2021 and is capped at 200 persons over a 12-month period.
41. The current 200 cap is insufficient to meet industry needs, which have changed since the creation of this category. Maritime New Zealand forecast that 461 people are needed to conduct crew changes to the end of the border exception period. This puts the total figure at 513 over a 12-month period.

42. Under the International Maritime Organisation's Maritime Labour Convention (MLC) New Zealand is obligated to facilitate the replacement and repatriation of seafarers, such as for replacement crew changes.
43. Officials recommend approving an increase to the cap from 200 to 550 on this border exception, this includes a small contingency and sets the total increase at 350. MIQ Maritime have currently allocated 16 of its 60 short-stay rooms per month to facilitate long-stays (14 days) for seafarers entering through this border exception. This totals 192 over the duration of this border exception. Any other arrivals are expected to obtain their vouchers via the MIAS system.
44. There is no need to revisit MIQ Maritime Allocation arrangements at this time. Those who are approved visas under this category above the 192 already allocated through MIQ Maritime will need to book space in MIQ through the Managed Isolation Allocation System (MIAS). Officials will continue to monitor how industry is faring with access to MIQ through MIAS.

Increase to cap on replacement international fishing crew for foreign-flagged fishing vessels

45. In December 2020, Border Exception Ministers added replacement fishing crew for foreign flagged fishing vessels operating in international waters to the Government-approved programmes list (50 crew every six months with a review prior to June 2021) [briefing 2021-1626 refers].
46. Following review of the cap, MFAT and MPI have advised that the current cap of 50 is insufficient to meet demand over the coming six months. Officials recommend increasing the cap to 160 people over six months, with a review prior to November.
47. This exception aligns with Government priorities as New Zealand's approach to border settings for COVID-19 should respect and protect international rules and obligations. This need cannot be met by workers already in New Zealand. Under international law, foreign vessels are subject to the exclusive jurisdiction of their flag state. They cannot be required to use New Zealand workers on the vessel when operating outside of New Zealand.
48. There are significant indirect economic benefits for New Zealand. Cooperation in international fisheries is essential to maintaining access to these fisheries for the New Zealand fishing industry. For example, participation in the Convention for the Conservation of Antarctic Marine Living Resources (CCAMLR) is worth \$15 million annually to the New Zealand industry. In addition, local jobs are supported in New Zealand ports, such as Auckland and Lyttleton, where the repair and re-provisioning occur.
49. The exception will continue to be limited to a small numbers of vessels identified by MFAT. A further limitation is that the fishing vessels must be in international waters within the framework of a regional or international agreement of which New Zealand is a member, and where we have international legal obligations and interests – for example, the CCAMLR.
50. Replacement fishing crew are not required to quarantine in New Zealand, but there are health and MIQ resource implications in arranging their transport from incoming flights to vessels. Replacement fishing crew will continue to be required to transfer directly to the vessel on arrival as soon as is reasonably practical. As part of contingency planning, the crew will be held in MIQ in the 60 rooms reserved for replacement cargo crew in the event of a delay.

Family reunification for onshore temporary visa holders

51. The creation of a border class exception for teachers will enable teachers to travel to New Zealand with their partners and dependents. This is likely to create an anomaly between those entering under the proposed exception and teachers already living and working in New

Zealand on temporary work visas. Those temporary work visa holders are currently unable to have their families join them onshore due to the border restrictions.

52. MBIE recommends that Border Exception Ministers agree to create a border exception for the partners and dependent children of temporary visa holders employed as teachers. This will ensure there is no discrepancy between teachers who enter under the proposed class exception and teachers already onshore and is in line with the Cabinet decisions to reunite families of temporary visa holders delivering critical health services and working in highly-skilled roles [CAB-21-MIN-0105 refers]. We recommend that the family of temporary visa holders granted a border exception be invited to apply for a substantive relationship-based visa.
53. There are 812 temporary work visa holders employed in teaching roles at early childhood education services or primary or secondary schools. 402 of these teachers did not previously support family as part of their visa application. Some of these may have family offshore that they wish to support to travel to New Zealand.
54. Given the size of this group, this border exception is unlikely to have significant impact on MIQ capacity relative to other recent decisions around family reunification border exceptions. Individuals will be expected to arrange their own MIQ places by booking through MIAS. At this stage, there is good availability on MIAS, though we expect demand to increase towards the end of the year in the lead up to Christmas.
55. The border class exception proposals for veterinarians and dairy farm workers are more targeted than the wider occupational proposal for teachers. We recommend that, in the first instance, family reunification for onshore temporary visa holder be established for teachers, and that any additional widening of family reunification settings be considered as part of advice to the Minister of Immigration on expanding border settings in June.

Out of cycle MIQ group allocation requests

56. The Minister for COVID-19 Response has received advice on updating MIQ group allocation criteria and approval process (attached at Annex Two). Advice on options for November 2021 – March 2022 MIQ group allocation will be provided to Border Exception Ministers in July. Ahead of this there have been some requests made by agencies for out of cycle consideration of group allocation.
57. For example, officials are aware of the following group allocation proposals that agencies are seeking an early decision on:
 - a. the Antarctic programmes over the remainder of the summer season which ends in March 2022
 - b. Expo 2020 for the duration of the event, which ends in March 2022, with particular concern raised for Te Aratini delegation returning to New Zealand in November.
58. The Minister of Foreign Affairs has indicated that she will speak at the Border Exception Ministers meeting on the significant risks to New Zealand's interests; repercussions for our Antarctic activities; and economic impact for Christchurch if MIQ allocation for remaining groups is not confirmed.
59. MIQ officials advise against out-of-cycle decisions as they undermine the packages process that has recently been established. There is a risk that making decisions now for the summer period will exhaust group allocation capacity at a time where likely high demand from New Zealanders mean the group allocation cannot be increased, limiting future choices for Border Exception Ministers.

Next steps

60. A Cabinet paper will be prepared for those border exception changes requiring a Cabinet decision, based on minutes from the meeting on 1 June.
61. The next meeting of Border Exception Ministers is likely to be scheduled for July 2021.

Annexes

Annex One: Overarching Pipeline of Border Exception Requests

Annex Two: Update to the Group Allocation criteria and timeline for the next group allocation package

Annex One: Overarching Pipeline of Border Exception Requests

Pipeline of Requests for Border Class Exceptions

Note numbers sought have been evenly allocated over months where timeframes have not been indicated

27-May-21	Agency	Group	May	June	July	Aug	Sept	Oct	Nov	Dec '21	Jan '22	Feb	Mar	April	May	June	Total	
For decision	MFAT	Amendment to increase cap on border exception for replacement cargo crew servicing the Pacific		68	68	68	68	68	68	68	68							544
		Amendment to increase cap on border exception for replacement international fishing crew for foreign flagged vessels(TBC at SOG)		18	18	18	18	18	18	18								108
	MoE	Australians transiting New Zealand (to be reciprocal)		30	30	30	30	30	30	30	30	30	30	30	30	30	30	
	MPI	Early childhood, primary & secondary teachers (300 for 12 months)				30	30	30	30	30	30	30	30	30	30	30		300
		Dairy farm manager / workers up to 150 manager level and 50 farm assistants requested																150
		Veterinarians 50 requested																50
		Deepwater Fishing Crews - DRAFT for Discussion																
In development	MPI	Meat and seafood processing workers																
	MoE	New & returning international students							300	300	300	300	300					1500
		Pathways to degree, economic contributions or sector viability							400	400	400							1200
		International pilot training																
		New (not returning) ODA-funded Manaaki New Zealand Scholars under a range of scholarship types and durations																
	MFAT	Toyota Racing Series 2022									120							120
	Sport NZ - some of these groups have already been allocated group MIQ and need to be added to the Government-approved events	Multiple cricket teams (already included in summer of cricket event on list)									40	40		40				120
	Sail GP round Christchurch										200						200	
	ASB Tennis Classic																	
Previous decisions and expected MIQ impact	MPI	Taini Jamieson Cup (English Roses)				30												30
		Agriculture and Horticulture Mobile Plant Shearers						125										125
		Further K&E workers (group)				300	300	300	150	300	300	300	300					2550
	MFAT	Niue, Samoa, Tokelau, Tonga from 3 May 2021	14	14	14	14	14	14	14									100
		Replacement International Fishing Crews for Foreign Flagged Vessels, from 22 June 2021			8	8	8	8	8	8	8							50
		Essential Travel from Cook Island, Niue, Samoa, Tokelau, Tonga until 2 May 2021	17															17
		Replacement Cargo Crew Operating in the Pacific, valid until February 2022		17	17	17	17	17	17	17	17							117
		Antarctic Programmes 21/22 season confirmed			204		364	269										837
		Replacement International Fishing Crews for Foreign Flagged Vessels, up to 50 every six months to 21 June 2021	8	8														17
	MoE	PhD and postgraduate students	50															50
		1,000 returning degree level and above international students - group allocation for up to 400 in July, remainder to book through				400												1000
	MBIE	NZTE Investment Attraction Programme			8	8	8	8	8	8	8	8	8	8	8	8	8	100
		Innovative Partnerships Programme			10	10	10	10	10	10	10	10	10	10	10	10	10	120
	Investor migrants (seeking Cabinet approval)			8	8	8	8	8	8	8	8	8	8	8	8	8	100	
Sport NZ	Fijian Rugby - added to list		60														60	
	Subtotal		89	39	970	366	855	525	366	352	327	327	327				4542	

Key:
These are border exceptions that also require a group allocation.

Annex Two: Update to the Group Allocation criteria and timeline for the next group allocation package

Already published @MBIE Document library: <https://www.mbie.govt.nz/dmsdocument/22413-update-to-the-group-allocation-criteria-and-timeline-for-the-next-group-allocation-package>