



## COVERSHEET

|                               |  |                             |                 |
|-------------------------------|--|-----------------------------|-----------------|
| <b>Minister</b>               | Hon Andrew Little  | <b>Portfolio</b>            | Immigration     |
| <b>Title of Cabinet paper</b> | Short Term Support for Migrants on Migrant Exploitation Protection Visas | <b>Date to be published</b> | 1 November 2023 |

### List of documents that have been proactively released

| <b>Date</b>       | <b>Title</b>   | <b>Author</b>                         |
|-------------------|--|---------------------------------------|
| September 2023    | Short Term Support for Migrants on Migrant Exploitation Protection Visas                           | Office of the Minister of Immigration |
| 18 September 2023 | Short Term Support for Migrants on Migrant Exploitation Protection Visas<br>CAB-23-MIN-0443 Minute | Cabinet Office                        |

### Information redacted

**YES /  NO**

Any information redacted in this document is redacted in accordance with MBIE's policy on proactive release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

## In Confidence

Office of the Minister of Immigration

Cabinet

## Short term support for migrants on the MEPV

### Proposal

- 1 This paper seeks agreement to a short-term package of accommodation, living cost and welfare support for migrants who have been granted Migrant Exploitation Protection Visas (MEPV).

### Relation to government priorities

- 2 This proposal relates to the Government's priority to stamp out migrant worker exploitation as articulated in the 2020 Labour Manifesto (under Immigration: striking the right balance to support our recovery, fairness and opportunity).
- 3 It also supports the Government's priority of ensuring everyone has a warm, dry home and can live with dignity and contribute meaningfully to their communities (also in the Labour Manifesto 2020).

### Executive Summary

- 4 I am deeply concerned about a number of migrants who have arrived in New Zealand on Accredited Employer Work Visas (AEWV) and claim to have been the victim of non-genuine job offers or poor employment practices. Some of these migrants face significant hardship in meeting their living and accommodation costs without an income in New Zealand.
- 5 On 7 September, Joint Ministers who have the power to act during the General Election and Government Formation period, agreed to an interim package of accommodation, financial and welfare support, up to a cost of \$200,000 for this cohort of identified migrants.
- 6 However, I consider a systematic approach is needed to support all migrants who have made credible claims of exploitation and have been granted a Migrant Exploitation Protection Visa (MEPV). I am proposing to put in place a short-term support scheme to provide some basic financial support to current MEPV holders in New Zealand, so they can meet their basic needs for accommodation and living essentials for a limited time while searching for a AEWV compliant job that allows them to stay in New Zealand, otherwise they may be liable for voluntary repatriation or deportation. This short-term scheme will be in place until a more enduring solution, if needed, can be developed following the formation of the next government.
- 7 I seek Cabinet's agreement that the Ministry of Business, Innovation and Employment (MBIE) provide the holders of a MEPV with a financial contribution towards their

living and accommodation costs for a maximum period of six months, from 18 September 2023 until 18 March 2024 (to be pro-rated if they join after September 2023). This support will be benchmarked to current levels of social welfare support for New Zealand job seekers.

- 8 Existing community support, including the Ministry of Social Development's (MSD's) Community Connectors and E Tū Whānau services will complement the MBIE-led support. This paper seeks Cabinet's agreement to the immediate implementation of planned scope changes for Community Connectors so that they can support current MEPV holders (instead of taking effect from 1 October 2023 as previously agreed by Cabinet).
- 9 The proposed support package will cost a total of \$7.5 million, comprised of \$5.5 million for living and accommodation costs, \$1 million for a contracted third-party provider if necessary, and a further \$1 million ring fenced for MSD to draw on, if required, for the Community Connectors and E Tū Whānau services. This is in addition to the \$200,000 for the interim support package noted in paragraph 5. The cost of the packages will be met from within Immigration New Zealand's (INZ's) existing baselines, and no new funding is required.
- 10 I have proposed that Cabinet direct MBIE to prepare a report back to Cabinet by December 2023 on uptake of this support and on options for more enduring a long term approach for supporting current MEPV holders.
- 11 This paper also outlines work currently underway on wider immigration settings to strengthen the prevention of migrant exploitation. This includes work on the provision of a further 6-month MEPV in the event where a migrant has not found suitable employment during their initial MEPV.
- 12 I have directed that immigration settings will be strengthened for triangular employers in the construction sector, with a higher threshold. I have commissioned further advice from officials on options to increase the current AEWV required New Zealand workforce threshold from 15 per cent.
- 13 I am also considering asking officials for options on how to strengthen the messaging around the temporary nature of the AEWV.

## Background

- 14 I am deeply concerned about the recent reports of migrant workers who had been granted an AEWV, many of whom appear to have paid large sums to offshore agents for an AEWV, only to find that no job exists or the job offer is non-genuine.
- 15 I have ordered an independent assurance review into the operationalisation of the AEWV, which is currently underway. I understand that post-verification checks on employers have ramped up considerably, as have border checks on migrants who hold an AEWV and are intending to travel to New Zealand. Migrants who are likely to be exploited will be prevented from travelling here.
- 16 It is a condition of every temporary visa that migrants hold sufficient funds for accommodation, maintenance of their stay and repatriation at all times whilst they are

in New Zealand. However, there are some migrants in New Zealand who claim to have been exploited that face significant hardship and are unable to meet their basic needs in New Zealand without an income. Currently, there are approximately 140 migrants who claim to have been the victims of exploitation or non-genuine job offers. Most of the migrants are on AEWVs and some have recently been given notices to leave their accommodation.

- 17 Government agencies, non-government agencies and community organisations are working together to provide support to the affected migrants including accommodation, assistance in finding employment and the necessities of life. For example, as part of its overall Employment Service, MSD operates three Jobs and Skills Hubs out of the Auckland region. Jobs and Skills Hubs are a no-cost recruitment and training facilitation service to support Aotearoa’s construction and infrastructure sectors. MSD has initiated support for the impacted migrant group in Auckland that have been identified as “in need” of help. One hundred and forty-three migrants have been already seen by MSD Hubs staff to discuss skills and experience through 9 workshops and will continue over next week to further support job matching for this group.
- 18 Joint Ministers who have the power to act during the General Election and Government Formation period under delegated authority also agreed to an interim package of support for those migrants who have been served notices to leave their accommodation in Auckland due to overcrowding. Many of this group have been provided with temporary accommodation and living cost payments. To date, four people had transferred to an MEPV, which is the appropriate visa for exploited migrants.
- 19 While I am grateful for the support being provided to these migrants, I consider a more systematic approach is needed to support migrants who have been granted a MEPV, at least for the next six months until a more enduring solution can be developed.

**The MEPV is designed to support exploited migrants to find other work**

- 20 This government takes migrant exploitation seriously. This is why, as a result of the 2019 Review into Temporary Migrant Worker Exploitation (the Review), in 2021 we introduced the MEPV, which aims to:
  - 20.1 enable migrant workers who hold an employer supported work visa to leave an exploitative workplace situation quickly,
  - 20.2 increase the incentives on migrants to report exploitation, and
  - 20.3 maintain the integrity of the immigration system.
- 21 The MEPV was introduced alongside a package of legislative, operational and policy changes in 2021<sup>1</sup>. These changes were accompanied by \$50 million in funding over four years from 2020 to 2024 to help ensure that Employment New Zealand and INZ were better resourced to respond to reports of exploitation. At the time, a decision was

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<sup>1</sup> The first changes came into force on 1 July 2021. These were a new dedicated 0800 number and reporting web form to make it easier to report migrant worker exploitation, joint triaging, liaison services and the MEPV.

made that welfare support was out of scope for phase one but would be considered for phase two.

- 22 While it is not the usual role of the immigration system to provide such support, the immigration system has at times supported migrants in situations of hardship (for example, the comprehensive support package offered to Afghan evacuees in 2021).
- 23 The MEPV allows the holder to search for another job for six months or until the expiry date of the migrant's current visa (whichever is lesser). The MEPV provides the holder with open work rights for the duration of the visa, after which they must transfer to a new visa if they wish to remain in New Zealand.

*Existing non-financial support available for MEPV holders*

- 24 There is no provision of financial support for current MEPV holders. As it is a temporary visa, it is a condition of the visa that the holder has sufficient funds for accommodation, maintenance of their stay and repatriation while they are in New Zealand. However, INZ does not specifically check financial information and MBIE understands anecdotally that some MEPV holders experience hardship. As non-New Zealand residents or citizens, they are not eligible for support from MSD.
- 25 There is a two-stage process for MEPV applications:
  - 25.1 Stage one – the Employment Services triage team in MBIE assess whether the report is credible and meets the definition of migrant exploitation at the time the report of exploitation is received. They then issue a letter which enables the migrant to apply to INZ for the visa.
  - 25.2 Stage two – INZ processes the visa application. This is usually a relatively quick process due to the simple eligibility criteria.
- 26 Principal Liaison Advisors in MBIE connect migrant workers to appropriate support agencies; act as liaisons between migrant workers, investigating inspectors and visa operations; and engage with stakeholders critical to the support of vulnerable migrant workers and their immediate families. The most common types of support that liaison advisors connect migrants to are:
  - 26.1 Access to food banks, counselling, direction to Citizen Advice Bureau or Community Law and support navigating the visa or investigation process.
  - 26.2 Navigating the New Zealand job market. Often migrants have skills that are sought after in New Zealand, but lack confidence due to the exploitation they have experienced.
- 27 I am informed that as at 28 August 2023, 468 MEPVs had been granted since July 2021 and there were 223 people on MEPVs at that time. There were also 33 MEPV applications in the system awaiting decision. The majority of MEPV holders are in Auckland, with smaller numbers in the Bay of Plenty, Waikato, Wellington, Otago and Canterbury regions.
- 28 Migrants on work visas that are tied to their employer as a visa condition, such as the AEWV, can apply for an MEPV at any time (noting that if they are granted one, this

replaces the existing visa). AEWV holders that are not meeting the conditions of their visas (due to non-genuine job offers, for example), are technically in breach of their visa conditions, and this may amount to sufficient reason to make them liable for deportation. However, the immigration system offers them options to remain lawful, for example, by varying their visa conditions or applying for an MEPV.

*Wider consideration of measures supporting victims of migrant exploitation*

- 29 In August 2022, the Education Workforce Committee's (EWC) Inquiry into Migrant Exploitation made 11 recommendations to the Government, including to allocate more funding to organisations that support victims of migrant exploitation.
- 30 In the Government's 2022 response to EWC, the Government agreed to consider the recommendation of allocating more funding to organisations that support victims of migrant exploitation. The support package proposed in this Cabinet paper is separate to the work related to considering EWC's recommendations.<sup>2</sup>

**I propose the Government provide essential living support to MEPV holders**

- 31 I consider the Government has a moral duty to provide some basic financial support to MEPV holders in New Zealand (meaning those who hold a MEPV at the time of the scheme), so they can meet their basic needs for accommodation and living essentials for a limited time while searching for a AEWV compliant job that allows them to stay in New Zealand. There is some funding in INZ's baselines that can be repurposed to provide a short-term support scheme.
- 32 To not jeopardise the integrity of the immigration system, any support offered should be targeted and time limited. It would not replace the requirement for temporary visa holders to have sufficient funds for accommodation, repatriation and meeting their basic needs.
- 33 I propose that support should be targeted to migrants who have been granted and still hold a current MEPV (including those who have been granted an MEPV prior to the beginning of the scheme) to ensure that support is targeted to migrants who have credible claims of exploitation, and that other migrants who claim to have been exploited are processed through this visa pathway.
- 34 Subject to Cabinet agreement, the support package will be available from 18 September 2023 to 18 March 2024. To manage the costs associated with the initiative, I propose that the duration of the support for an MEPV holder be a maximum of six months or until the migrant finds AEWV-compliant employment (as this is likely to have been the visa they came in on). Support will be pro-rated for those who gain an MEPV after September (for example, if someone is granted an MEPV in December they could be eligible to receive up to three months of support rather than six).

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<sup>2</sup> These measures focused on prevention, protection, and enforcement. Some examples include duty on third-parties to take reasonable steps to prevent a breach in employment standards and establishing a dedicated migrant exploitation 0800 phone line.

### **The support will be benchmarked against current job seeker support**

- 35 Benchmarking the support against average support for New Zealand job seekers will ensure fairness and consistency with what New Zealanders get. I have been advised that six months' support would encompass a total of \$10,485 (rounded to nearest dollar) per MEPV holder, including:
- 35.1 Six months of support equivalent to a job seeker who is single and 25 years and over = \$8,105.76 (net)
- 35.2 Six months' equivalent of accommodation supplement = \$2,380<sup>3</sup> (net)
- 36 While there are approximately 350 migrants identified as needing support (based on the number of current MEPV holders and the cohort of previously identified exploited migrants in Auckland), this package may result in additional migrants reporting claims of exploitation. Therefore, I recommend Cabinet agree to a funding package of \$5.5 million, which would provide support for 525 people (1.5 times the current number of people who are likely to be eligible).
- 37 As INZ is not set up to distribute financial support, it is likely that this support will be delivered through a third-party provider. In order to ensure that the support can be targeted, I propose that the provider has some discretion to decide on the amount per migrant (up to a maximum of \$100 a day) based on factors such as where they live, financial and family situation. This will ensure equity and that people receive support relative to their circumstances.

### **Providing support puts the immigration system integrity at risk**

- 38 The integrity of the immigration system is based on there being a clear set of rules and consequences for not abiding by them, such as having to leave New Zealand when migrants do not meet the conditions of their visa.
- 39 There is a risk that providing this type of support sets a precedent and creates the expectation that New Zealand will support migrants who are exploited or the victims of non-genuine job offers, which may lead to further non-genuine employment offers or exploitative behaviour from employers and immigration agents.
- 40 However, I consider this risk will be largely mitigated by ensuring any support is targeted and time-limited. Public messaging will emphasise that this is limited to a group of migrants in a particular set of circumstances.
- 41 There is also a risk that the identified cohort of exploited AEWV holders does not move to the MEPV, and so could be unable to access the financial support. However, I am comfortable with this risk, noting community supports will continue to be available to them. I consider the MEPV to be the appropriate channel for exploited migrants and therefore the right vehicle for this support.

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<sup>3</sup> This is an average based on the assumption that approximately half of identified MEPV holders are in Auckland, and the remainder are dispersed across New Zealand; accommodation cost figures based on MSD area rates: <https://www.workandincome.govt.nz/map/deskfile/extra-help-information/accommodation-supplement-tables/definitions-of-areas.html>

**The main support can be complemented by support from Community Connectors and E Tū Whānau services**

42 While the main support for MEPV holders will be in the form of a stipend to help them meet daily needs, I consider that existing community supports, in the form of both Community Connectors and E Tū Whānau services, will complement the MBIE-led support.

*Community Connectors are an existing workforce that can provide wrap around support to migrants who are on the MEPV*

43 Community Connectors (Connectors) are an existing workforce employed by non-government organisations to walk alongside individuals, families and whānau, providing advice and support, and advocating for them until they are connected with relevant supports.

44 Connectors have been a crucial part of the Government response to people impacted by COVID-19, and by recent North Island weather events. For example, Connectors supported 218,916 households while self-isolating with COVID-19 between 3 December 2021 and 7 May 2023.

45 In June 2023, Cabinet agreed that from 1 October 2023, the scope for Connectors should be broadened to provide short-term support to individuals, families and whānau, to prevent and minimise the impacts of hardship [SWC-23-MIN-0060 refers].

46 I propose that Cabinet agree to bring this scope change forward to take effect immediately. This will allow Connectors to support a broader range of people, including those on the MEPV if required.

47 Connectors have the community links and local knowledge to provide holistic wrap-around support, including to people who may not want to, or be able to, look to the government for support. Given that many of the people on the MEPV are unlikely to be eligible for core government services, such as income supports, and may have low trust in government agencies, Connectors are an effective way to help people on the MEPV.

48 I am advised by MSD that Connectors and their providers have already been informed of these changes to their scope, following Cabinet's agreement in June 2023 [SWC-23-MIN-0060 refers]. Connectors are therefore prepared for this change. I am not proposing any other changes to the policy settings for Connectors, such as the number of people employed as Connectors, or the broad settings in which Connectors operate.

49 Discretionary funding of up to \$300 per household can currently be administered by Connectors to address immediate hardship and can be accessed where it is reasonably evident that the person or whānau has inadequate income to meet essential needs. Discretionary funding is available to be used, among other things, to:

49.1 address immediate hardship, especially where someone may not be entitled to receive MSD support, and to access wider services and resources that support their well being,



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- 49.2 access food and essential items,
  - 49.3 access health and safety programmes, including mental health, addiction services, anger management or family violence services, and
  - 49.4 assist families, through advocacy and information, with accessing their longer-term income entitlements and other wider services (e.g., housing, education, and employment), noting however the MEPV holders are not eligible for mainstream support.
- 50 Connectors have experience using this funding appropriately, and guidelines on what the discretionary funding can be used for will be updated for this particular circumstance. For example, Connectors may be able to provide some support in preparing a person for employment by making sure they have the right equipment. The discretionary funding will not be able to be used for international travel, or for other non-urgent needs, in line with existing guidelines.
- 51 I also note that there will be a significant drop in the number of Connectors from 500 to 165 from 1 October 2023. This is in line with Cabinet agreement to fund 100 Community Connector FTEs until the end of the 2024/2025 financial year through Budget 2023, and a further 65 Community Connector FTEs in regions impacted by January flooding and Cyclone Gabrielle until the end of the 2023/2024 financial year.

*Community providers, through E Tū Whānau services are also supporting this group*

- 52 I understand that some providers of the E Tū Whānau service, funded through MSD, are already supporting some people on the MEPV. E Tū Whānau has existing relationships with community-based organisations serving populations in Auckland, and community-based kaimahi in Auckland, who could provide effective community support. Given their existing relationships, and strong capability to support people to be strong, safe and prosperous in line with the vision statement of E Tū Whānau, I propose that the E Tū Whānau service continue to support this group of people.
- 53 Many E Tū Whānau providers, including in Auckland, are at or close to maximum capacity, due to existing need for the support following the COVID-19 pandemic and the severe North Island weather events.

*I am proposing up to \$1 million is ring fenced to allow for community support*

- 54 There is a risk that both Connectors and E Tū Whānau providers may be constrained in their ability to support migrants who have been granted a MEPV. I therefore propose \$1 million is ring fenced within MBIE for MSD to draw on, if the need arises, to:
- 54.1 allow Connectors to provide discretionary funding if required to households with an MEPV holder, in line with current discretionary funding settings.
  - 54.2 help E Tū Whānau providers to continue to provide support such as tailored translation and interpretation support, food support and counselling.

**Delivery of support and timelines**

- 55 MBIE is the lead agency for this support package.
- 56 The financial support is likely to be delivered through a third-party provider contracted through INZ. The procurement process could identify a third-party provider to administer the financial support, possibly assist with some initial assessment of need if required and connect with MSD’s Connectors so we can leverage off the Government’s existing support networks.
- 57 I propose that the support would be available as soon as possible following 18 September 2023 and would cease for an MEPV holder either when the migrant transitions to an AEWV job or by March 2024.
- 58 Subject to Cabinet agreement, this support package can be in place shortly after 18 September 2023.
- 59 I have directed MBIE to prepare to provide a report back to Cabinet by December 2023 on uptake of this support and options for the longer-term approach to supporting MEPV holders. Details on the use of this ring fenced funding will be included in the December 2023 report back to Cabinet, noted below.
- 60 The table below outlines next steps:

| Milestone/Activity                             | Timeframe           |
|--|---------------------|
| Support rolled out to eligible migrants        | From September 2023 |
| Report back to Cabinet on longer term response | December 2023       |
| End of short-term support                      | March 2024          |

**Funding of support**

- 61 Aside from the \$5.5 million for migrant financial support, approximately \$1 million will be needed for funding MSD’s Connectors and \$1 million for the potential third-party provider, bringing it to a total of approximately \$7.5 million over six months.
- 62 INZ is able to meet these costs for up to six months by reprioritising baseline funding but any extension of this support, including a more enduring solution of support for exploited migrants would need new funding. I have been advised that INZ is currently experiencing cost pressures across other parts of its business, including to process asylum claims, which have increased significantly since the borders reopened.
- 63 As this will be reprioritised from existing INZ baseline funding, this will not be available to address emerging pressures in other areas of INZ operations. For example, the Refugee Status Unit is currently experiencing asylum claims that are more than triple pre-Covid numbers cost pressures that are arising in the Refugee Status Unit. INZ are currently funded to determine approximately 500 claims per annum, while on current numbers there could be up to 2,000 claims on-hand by the end of the financial year (with a further 1,500 in a queue).

- 64 Not processing asylum claims in a timely manner creates significant risks to the integrity of the immigration system, and puts pressure on other parts of government, for example, health, education and welfare. Additional funding may be required in this financial year to manage the current inflow and the increasing backlog of on-hand claims.
- 65 Additionally, INZ has adequate existing funding available to pay for the costs of repatriation of MEPV holders who opt to leave New Zealand but would otherwise be unable to due to cost pressures, therefore these costs are not built into this package.

### **Other immigration matters**

#### *Providing for a further 6-month MEPV*

- 66 The MEPV was introduced in July 2021 to remove some of the barriers to, and encourage reporting of, exploitation and to help migrants leave exploitative situations quickly while remaining lawfully in New Zealand.
- 67 Currently, MEPVs are issued for the lesser of six months or until the expiry date of the migrant's current visa. On 4 September 2023, I raised concerns with you that the current duration was insufficient for some migrants to find suitable new employment and you authorised me to take decisions on the development and design of this work.
- 68 I have now received further advice from officials and am progressing the option to provide a further 6 month-MEPV, where a migrant has not found suitable employment during their initial MEPV. Concerns about the 6-month duration being insufficient may act as a barrier to reporting exploitation. Therefore, removing these concerns will help encourage more migrants to report exploitation.
- 69 This option will require migrants to demonstrate that they have made reasonable efforts to find suitable employment, and MBIE will confirm that the claim continues to meet the initial assessment of genuine, based on information held by MBIE. This will help mitigate impacts on the integrity of the immigration system.

#### *Managing the risks posed by triangular employers*

- 70 I have asked officials for advice on how to mitigate the now obvious risks associated with AEWV holders in triangular employment arrangements. This type of employment arrangement has been identified as having a higher risk of migrant exploitation in some sectors, due to the reduced control the employer has over the employee's day to day working conditions. Labour hire companies in the construction sector, as we now know, pose a significant risk to the integrity of the AEWV system.
- 71 Completely removing the ability to use AEWV holders in triangular employment arrangements could have significant negative effects for parts of the economy. However, a response to the current evident problems is needed sooner rather than later.
- 72 The settings for employers using triangular employment are currently being strengthened. A key change will be requiring all employers (rather than just new businesses) with triangular employment accreditation to provide evidence of financial viability upfront. In addition to this, tighter controls are needed for triangular

employers in the construction sector. Therefore, I have directed officials to strengthen immigration settings for triangular employers in the construction sector, increasing the level of New Zealand workforce required (from the current level of 15 per cent). This will create barriers for non-genuine employers and help reduce the risk of exploitative practices.

- 73 Following any changes to these requirements for the construction sector, I will ask officials to report back to the Minister of Immigration with insights from this change and advice on whether other sectors that use triangular employment arrangements should also be covered by the increased workforce requirements.
- 74 This more carefully calibrated approach will provide greater scrutiny of the construction sector (and possibly other) labour hire firms without imposing unnecessary burden on low-risk labour hire firms supplying other sectors in the economy.

*Clarifying messaging around AEWV*

- 75 I have indicated to MBIE officials that I am not satisfied that the current messaging around the AEWV emphasises enough its temporary nature. Therefore, I am considering asking officials for options on how to strengthen this messaging to ensure that successful AEWV applicants are under no assumptions that their visa allows them a pathway to residence merely by virtue of them holding an AEWV.
- 76 Changes to messaging may include amendments to marketing material, the INZ website, forms that immigration officers use, and letters to successful applicants.

**Update on interim support package**

- 77 On Thursday 7 September 2023, Joint Ministers who have the power to act during the General Election and Government Formation period agreed to interim funding of \$200,000 to be made available from exiting INZ time-limited Crown funding from Budget 23 in order to support the immediate needs of the cohort of 144 migrants who had been identified to have been exploited in Auckland.
- 78 The need for this interim support package was identified, as the cohort of identified migrants was living in substandard housing and were liable for eviction.
- 79 This interim funding went towards basic living costs in the form of a stipend of approximately \$220 per person, per week, and \$50 per person, per night for accommodation needs (organised by INZ).
- 80 As at Monday, 11 September, 110 of the cohort of identified migrants had accepted INZ's offer of the support package, and a further 30 migrants who were not a part of the identified cohort have come forward and requested support from INZ.
- 81 I am satisfied that the \$200,000, as agreed to by Joint Ministers, is sufficient to support the identified cohort of migrants, and others that may come forward, until the proposal in this Cabinet paper can be implemented, subject to Cabinet's agreement.
- 82 Costings for this interim package of support have been included in the financial recommendations of this Cabinet paper.

### **Cost-of-living Implications**

83 This proposal does not have cost-of-living implications for New Zealanders.

### **Financial Implications**

84 The total cost of providing this support is approximately \$7.7 million, of which \$1 million is to be ring fenced until the end of March 2024 for MSD to draw on for community support for MEPV holders, if required. The support package will be funded from existing INZ's existing baselines, and no new funding is required.

85 In Budget 23 MBIE received cost pressure funding of \$8.055 Million (revenue Crown) for visa assessment and processing services, but due to higher-than-expected visa applications and third-party revenue, a portion of this funding can be repurposed.

86 The combined visa and NZeTA fee memorandum account recorded a surplus of around \$52 million at the end of the 2022/23 Financial Year, and the current visa revenue projection shows there is sufficient revenue to support the fee funded visa assessment and processing operations.

87 Pre-approval from the Minister of Finance has been sought alongside formal ministerial consultation.

### **Legislative Implications**

88 There are no legislative impacts associated with this proposal.

### **Impact Analysis**

#### **Regulatory Impact Statement**

89 A regulatory impact statement is not required.

#### **Climate Implications of Policy Assessment**

90 A Climate Implications of Policy Assessment (CIPA) is not required.

### **Population Implications**

91 The support package is likely to positively affect migrants who are on the MEPV, providing them with a financial contribution to meet their basic needs for six months while they look for work, and support from the Community Connectors.

92 It may be perceived by other migrants and New Zealanders who do not receive government assistance as unfair but this can be partially mitigated with careful messaging which emphasises that people will only be receiving support for a limited time and subject to their circumstances.

### **Human Rights**

93 The proposal is consistent with the New Zealand Bill of Rights 1990 and the Human Rights Act 1993.

## Use of External Resources

- 94 No external resources were used in the drafting of this paper.
- 95 A third-party provider will likely be used for delivery of some of the support, which I consider appropriate given the nature of the work.

## Consultation

- 96 This Cabinet paper was prepared by MBIE. The Ministry for Ethnic Communities, the Ministry of Foreign Affairs and Trade, the Ministry of Housing and Urban Development, the Ministry of Social Development, and Treasury were consulted. Wider consultation was not possible due to timeframes.

## Communications

- 97 I intend to announce the decisions from this paper as part of a package of immigration announcements following this meeting.

## Proactive Release

- 98 This paper will be proactively released subject to redactions as appropriate under the Official Information Act 1982.

## Recommendations

The Minister of Immigration recommends that the Committee:

- 1 **Note** that with the implementation of the Accredited Employer Work Visa (AEWV), it has come to light that some migrants may have been subject to irregular employment practices.
- 2 **Note** that from Thursday 7 September, Immigration New Zealand is providing an interim package of support, as agreed to by Joint Ministers who have the power to act during the General Election and Government Formation period, prior to Cabinet decision on a short-term support package.
- 3 **Note** that this interim package includes the provision of short-term accommodation to the cohort of identified migrants at approximately \$50 per person, per day, organised by Immigration New Zealand, and a stipend of approximately \$220 per person, per week, and was funded at \$200,000 from within MBIE's existing baseline.
- 4 **Note** that the Minister of Immigration is proposing that MBIE put in place a time-limited support package for Migrant Exploitation Protection Visa (MEPV) holders, from September 2023 to March 2024.
- 5 **Agree** to a support package to provide financial and accommodation support to MEPV holders costing a total of \$7.7 Million, for up to 525 eligible persons comprising:
  - 5.1 \$5.5 Million for direct financial assistance to MEPV holders:

**IN CONFIDENCE**

- 5.1.1 \$8,105.76 (net) total per person in direct financial support.
  - 5.1.2 \$2,305 (net) total per person in accommodation supplement support
  - 5.2 \$1 Million for potential administration or delivery costs, subject to final design decisions.
  - 5.3 \$1 Million transferred to Integrity and Security of the Immigration System in Recommendation 7 above be ring fenced to reimburse Ministry of Social Development (MSD) on behalf of providers providing Community support services to MEPV holders if this funding is required.
  - 5.4 \$200,000 to support the interim package provided to the cohort of identified migrants (as per recommendation 3).
- 6 **Approve** the following fiscally neutral adjustment to provide for the policy initiative to provide support for exploited migrants in recommendations 3 through 5 above, with no impact on the operating balance and/or net debt:

| Vote Labour Market<br>Minister of Immigration   | \$m – increase/(decrease) |         |         |         |                    |
|---|---------------------------|---------|---------|---------|--------------------|
|   | 2023/24                   | 2024/25 | 2025/26 | 2026/27 | 2027/28 & Outyears |
| Multi-Category Expenses and Capital Expenditure:<br>Immigration Services MCA<br>Departmental Output Expense:<br>Assessment and processing services<br>(funded by revenue Crown) | (7.700)                   | -       | -       | -       | -                  |
| Departmental Output Expense:<br>Integrity and Security of the New Zealand Immigration System<br>(funded by revenue Crown)   | 7.700                     | -       | -       | -       | -                  |

- 7 **Agree** that the proposed changes to appropriations for 2023/24 above be included in the 2023/24 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply.
- 8 **Note** that in Budget 2023 MBIE received cost pressure funding of \$8.055 million (revenue Crown) for visa assessment and processing services but due to higher-than-expected visa applications and third-party revenue, a portion of this funding can be repurposed.
- 9 **Note** that there are further cost pressures facing Immigration New Zealand, including processing asylum seekers within required timeframes, which will also require a decision on Budget 2023 cost pressure funding.
- 10 **Note** that the proposed support package for MEPV holders would be considered in MBIE’s evaluation of the suite of legislative, policy and operational measures introduced in 2021 to address temporary migration exploitation.
- 11 **Note** that MEPV holders will also have access to the following MSD services over the six-month period (or until March 2024):

- 11.1 Community based support including through the Community Connectors and E Tū Whānau providers.
- 11.2 Assistance with finding employment, utilising the existing service provided by MSD.
- 12 **Note** that Community Connectors, are an existing workforce employed by non-government organisations to walk alongside individuals, families and whānau, providing advice and support, and advocating for them until they are connected with relevant supports.
- 13 **Note** that Community Connectors have a discretionary fund of \$300 per household, however, some providers' funding may already be exhausted and additional funding may be required to allow support for migrants that have been granted a MEPV.

***Bringing forward the change in scope of Community Connectors***

- 14 **Note** that, in June 2023, Cabinet agreed that the Community Connectors scope from 1 October 2023 be to provide short-term support to individuals, families and whānau, to prevent and minimise the impacts of hardship.
- 15 **Agree** that this planned scope (as described in recommendation 14) take immediate effect, so that Community Connectors are able to support a wide range of people, including those on the MEPV.
- 16 **Delegate** authority to the Minister of Immigration to make any adjustments to the proposed package within the agreed funding amount of \$7.5 million that are necessary to meet the intent of the policy to put in place a short-term package of support for MEPV holders.
- 17 **Direct** MBIE to prepare a report back to Cabinet by December 2023 on the longer-term model of support for MEPV.

***Providing for a further 6-month MEPV***

- 18 **Note** that Cabinet authorised the Minister of Immigration to take decisions on further work to extend the duration of the Migrant Exploitation Protection Visa, which currently allows for the grant of an open work visa of up to 6 months for migrants where MBIE has assessed their report of exploitation as credible.
- 19 **Note** that the Minister of Immigration is progressing work to provide a further 6 month-Migrant Exploitation Protection Visa, where a migrant has not found suitable employment during their initial MEPV.

***Managing the risks posed by triangular employers***

- 20 **Note** that triangular employment arrangements have been identified as having a higher risk of migrant exploitation in some sectors, due to the reduced control the employer has over the employee's day to day working conditions.



**I N C O N F I D E N C E**

- 21 **Note** that the Minister of Immigration has asked for further advice about increasing the level of New Zealand workforce required for triangular employers from the current level of 15 per cent.
- 22 **Agree** that the Minister of Immigration can take decisions on changes to the requirements for New Zealand workforce levels for triangular employers.

Authorised for lodgement.

Hon Andrew Little

Minister of Immigration