



COVERSHEET

Minister	Hon Andrew Little	Portfolio	Immigration
Title of Cabinet paper	Cyclone Response: Immigration options	Date to be published	10 November 2023

List of documents that have been proactively released		
Date	Title	Author
August 2023	Cyclone Response: Immigration options	Office of the Minister of Immigration
16 August 2023	Cyclone Response: Immigration options DEV-23-MIN-0171 Minute	Cabinet Office
17 February 2023	Cyclone Response Workforce Demands and Potential Immigration Responses	Ministry for Business, Innovation and Employment
17 February 2023	Immigration response to Cyclone Gabrielle – supporting A3	Ministry for Business, Innovation and Employment
21 February 2023	Immigration options to support the response to the early 2023 extreme weather events	Ministry for Business, Innovation and Employment
24 March 2023	Aide Memoire - Recovery Visa	Ministry for Business, Innovation and Employment
20 April 2023	Next steps for the Recovery Visa	Ministry for Business, Innovation and Employment
5 May 2023	Update on Cyclone Response Immigration Options	Ministry for Business, Innovation and Employment
31 May 2023	Draft Cabinet paper: Cyclone Response – Immigration options	Ministry for Business, Innovation and Employment
9 August 2023	Material to support your item at Economic Development Committee on 16 August: Cyclone response – Immigration options	Ministry for Business, Innovation and Employment

Information redacted

YES / NO (please select)

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Some information has been withheld to maintain the privacy of natural persons and to protect the free and frank expression of opinions.

Cyclone Response Workforce Demands and Potential Immigration Responses

17/02/23

You have asked for an overview of the expected workforce demands for the Cyclone Gabrielle recovery, and the immigration and other levers that could be used to reduce any workforce barriers.

This note provides an overview of what is currently known about the potential workforce need, the immigration levers that exist to facilitate this flow, and the actions underway or options that can be further considered to improve mechanisms. An A3 to support a Cabinet discussion is also attached which can be updated after discussion with officials.

In summary:

- Damage assessment and decisions about the support for the scale and pace of rebuild and recovery are needed to understand the medium to longer-term workforce needs.
- In the short, term the workforce focus is likely to be onshore, with arrivals of experts for short-term inspections, assessments and critical repairs.
- The Specific Purpose Visa is an existing product to allow people to come for specific short-term jobs. It is quick to process, but we are looking at further streamlining measures and setting up a dedicated communication and facilitation channel;
- In the short-term we are also clarifying migrants flexibility to work outside locations specified on their visa for short periods to support the recovery;
- In the longer term, the AEWV is the appropriate channel to recruit a larger workforce, for example in construction – as demonstrated in the last 6 months;
- Further medium-term options can be explored such as removing advertising requirements, ongoing flexibility to work across employers, and/or job hubs to match New Zealanders or migrants to employers.

Potential Workforce Demands

While the full picture of labour demand is still emerging, we have identified sectors and roles with likely need based on early intel and experiences with Christchurch and Kaikoura

MBIE is working with agencies with sector responsibilities such as the Ministry of Transport and the Construction Accord to compile intelligence about potential labour market demands, to understand impacts, and potential responses to address issues that emerge.

The response and recovery from the flooding and cyclone events in the north Island is likely to fall into three rough phases with different focuses, workforce needs and workforce demands (as illustrated in the attached A3 for Cabinet discussion).

Both the scale of the work in these phases, and the pace it proceeds at, will be determined by decisions from Government about investment into rebuilding, action by councils and insurers to approve rebuilds, and the plant, materials and workforce availability to undertake rebuild.

The three phases and key consideration we see for each are:

1. *Immediate response, focusing on public safety, core services and damage assessment*
 - Addressing public safety concerns like water, returning critical services like power and clearing key roads, and clean up.
 - Skill need is likely to be focused on shorter term experts such as engineers, technicians and insurance assessors to support the New Zealand experts, as well as some emergency service and infrastructure workforces (which is likely to be mainly onshore).

2. *Repair or core infrastructure like roads*
 - In key affected regions, properly repairing core roads and infrastructure will precede broader repair and recovery operations.
 - Government decisions about investment levels will have a direct effect on the pace of the repairs and therefore the size of the workforce need. Equipment and materials constraints may also be a limiting factor.
 - Transport have indicated the scale of the work is significant, suggesting an increased workforce demand in construction that may need further offshore recruitment.

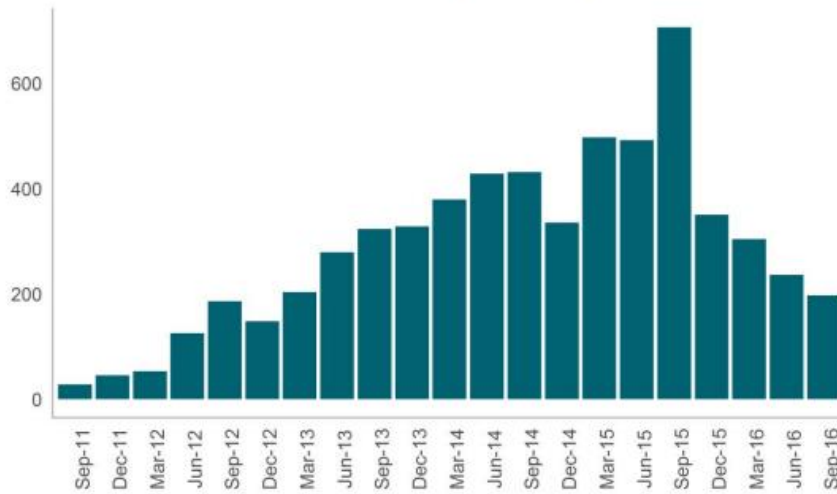
3. *Repair and rebuild of residential and commercial assets*
 - Insurance payouts and councils' capacity to assess and approve plans may be a limiting factor on the pace of residential and commercial assets repairs
 - There may be impacts on other planned construction and other investment that may reduce workforce demand in other areas.
 - Likely to be demand for an increased medium-term workforce, above the longer run average construction workforce need.

(There will also be economic and wellbeing recovery considerations for impacted businesses and workers.)

A better picture of the scale of the damage and plans for the pace of the recovery will inform labor and skill needs in the medium to longer term.

Looking at the rebuild timeline and impacts of the 2011 Canterbury earthquake provides insights in the likely impacts of the cyclone rebuild efforts. Analysis of the overall labour market impacts of the Canterbury earthquake by motu, found significant negative effects on employment in the short term (probability of employment falls by 2.6 percentage points), however, after five months employment had recovered to pre-quake levels, as the rebuild began. The demand for migrant workers was also not immediate, as it was at least a year before rebuild-related work visas began to grow (see graph below).

Figure 18: Rebuild-related work visa arrivals to Canterbury



Source: MBIE, Immigration New Zealand

The type of roles that were on the Canterbury skill shortage list were:

- Managerial, professional and technician roles: Building Inspector and Surveyor, Construction Project Manager, Project Builder, Quantity Surveyor, Surveying Technician & Surveyor, Engineer, Draughtsperson, Civil Engineering Technician, Electrical Engineering Technician, and Telecommunications Engineer
- Trades roles: Bricklayer, Carpenter & Joiners, Drainlayer, Electrician, Electric Line Mechanic, Plasterer, Floor Finisher, Glazier, Metal Fabricator, Painting Trades Worker, Roof Tiler, Scaffolder, Stonemason, Upholsterer, Wall and Floor Tiler, Welder, Fitter-Welder, and Truck Driver

MBIE will continue to work with other agencies to develop a joined up view of what workforce demands may be. For example, planning for a roading response will need to include identifying the workforce need. As above, decisions on the pace of recovery will affect the workforce need and timeframes for improving the estimates. Having good systems to facilitate the supply and matching of both onshore and offshore workers will help deal with this uncertainty. As part of any Government agreement to fund infrastructure repairs, you will need to consider the workforce needs for that programme. Any plan to address the workforce needs will need to consider appropriate immigration levers at that time.

Immigration levers will facilitate the supply of offshore workers, with some improvements being made to support the immediate response

In the shorter-term the focus will be on:

1. Ensuring skilled assessors and workers can get in for specified time limited projects;
2. Enabling onshore workers to be redeployed on a short-term basis where needed.

1. The Specific Purpose Visa is a proven channel for short-duration arrivals.

The Specific Purpose Visa is well-suited to this situation – it allows employers to sponsor migrants to come to New Zealand for a specific event or purpose, including working on an emergency response. The visa duration is aligned to the purpose, usually under 12 months, but can be for up to three years. Information is provided about the job and duration. Medical checks may trigger for longer-term roles, usually over 12 months. There is no labour market test.

The SPV has been used for this initial facilitation for responses such as the Christchurch and Kaikoura earthquakes. For Kaikoura SPV was used to help identify approximately 50 applicants in a timely manner. Insurance assessors have been applying for this visa after the first Auckland flooding event.

Immigration New Zealand is currently standing up some changes to SPV processing to improve the responsiveness for workers coming to support the recovery including:

- Improving the processing turnaround to approximately 3 days by streamlining the assessment;
- A website update with targeted information on using the SPV for short-term workforce needs;
- Emailing accredited employers to notify them of the pathway and identifying a dedicated contact channel to facilitate fast-tracked cyclone response applications.

These changes are intended to be in place by Tuesday.

The SPV is intended to facilitate arrivals for a specific purpose, rather than for ongoing employment. Employers wanting to bring in building laborers or other roles for two to three year contracts would still be expected to use the construction sector agreement (see below).

2. Shorter term - using the onshore migrant workforce

Skilled workers in New Zealand generally have a visa that allows them to work in a specified role for a specific employer, often in a specific region (reflecting where labour market testing was done). Employees wanting to change their visa conditions can apply for a variation of conditions to move to a new job checked role.

We are continuing to consider options to facilitate easier movement of workers if required. This includes:

- Confirming and clarifying when employees can continue working for the same employer in a different location for a short period to support the response without any changes to visas. (Eg Transpower could send a Christchurch based technician to the affected regions)

- A broader exception to allow anyone to work as part of the cyclone response for a limited period of time.

There may also be migrants who have had their employment temporarily or permanently affected, or lost accommodation or other supports. Appropriate responses can be considered as the size of any issue emerges. Arrangements are already underway for impacted RSE workers.

Longer-term workforce demands should use the AEWV, but could be supplemented with adjustments or attraction activities if needed

The AEWV is the primary mechanism for longer term employment that are expected to stay longer than 6 months – e.g. an ongoing construction workforce. Employers can access this after advertising to New Zealanders and meeting market rates, with very little labour market testing beyond the wage threshold. For example, construction roles are some of the top occupations coming through AEWV currently.

Many highly skilled roles and construction roles are on the Green List to improve attraction.

There are options Ministers could consider to make adjustments to any of these settings, or supplement them with further attraction and facilitation functions:

- Removing the advertising requirement for construction roles
- Reducing or freezing the wage threshold (currently \$25 per hour for construction) - though recruitment is occurring at this level now
- Adding additional roles to the construction sector agreement (or other)
- Extending existing unfilled job checks
- Providing more open work rights allowing workers on AEWV to work for any employer in construction

Any changes will need to consider the system build requirements and any potential impact on AEWV processing timeliness.