



COVERSHEET

Minister	Hon Andrew Little	Portfolio	Immigration
Title of briefing	Future of the Skilled Migrant Category	Date to be published	15 January 2024

List of documents that have been proactively released

Date	Title	Author
September 2022	Future of the Skilled Migrant Category	Office of the Minister of Immigration
27 September 2022	Future of the Skilled Migrant Category CAB-22-MIN-0411 Minute	Cabinet Office
7 July 2022	Skilled Migrant Category Review	MBIE
11 August 2022	Skilled Migrant Category Review – Draft Cabinet Paper	MBIE
9 September 2022	Future of the Skilled Migrant Category – Updated Cabinet paper	MBIE
14 September 2022	Future of the Skilled Migrant Category: Final Cabinet Paper and Talking Points	MBIE

Information redacted

YES

Any information redacted in this document is redacted in accordance with MBIE's and MFAT'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.

Some information has been withheld for reasons of protection of privacy of natural persons, free and frank opinions, and confidential advice to Government.



Cabinet

Minute of Decision

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Future of the Skilled Migrant Category

Portfolio **Immigration**

On 27 September 2022, following reference from the Cabinet Economic Development Committee (DEV), Cabinet:

Consult on a simplified points system

- 1 **noted** that temporary work visas are an appropriate response to immediate labour market needs, and that residence more appropriately responds to medium to long-term labour market needs;
- 2 **noted** that the Skilled Migrant Category (SMC) has the objective of supporting New Zealand's economic growth by granting residence to people who have skills to fill identified long-term needs, and who can deploy those skills in New Zealand;
- 3 **noted** that following the Immigration Rebalance, the SMC caters to a smaller group of people than it did in previous years:
 - 3.1 the Green List provides a straight-to-residence and two-year work-to-residence prioritised residence pathway for migrants in specific highly skilled, hard-to-fill occupations of high national importance;
 - 3.2 the Highly Paid residence pathway, which provides a two-year work-to-residence pathway for migrants paid at least twice the median wage;
- 4 **noted** that existing SMC settings were resulting in sub-optimal outcomes for migrants and the immigration system;
- 5 **agreed** that the objectives of the SMC should remain unchanged;
- 6 **agreed** that the SMC should focus on people with skills that would be hard, or take time, to fill domestically;
- 7 **authorised** the Minister of Immigration to undertake targeted public consultation on the proposed future direction for the SMC;

- 8 **agreed** to consult on a simplified points system with a clear skill threshold as the preferred option, where applicants must claim at least six points, equivalent to six years, based on:
- 8.1 points for high pay, or formal tertiary qualifications at Bachelor's level or above, or have a skilled occupation with a registration regime; and
 - 8.2 for people who meet the skill threshold, one-point available per annum worked in New Zealand in a skilled job, up to a maximum of 3 points;
- 9 **noted** that under the proposed system, there will continue to be a gap between the threshold for temporary and residence visas;
- 10 **authorised** the Minister of Immigration to finalise and publicly release the consultation material;
- 11 **invited** the Minister of Immigration to report back to DEV in early 2023 on:
- 11.1 the outcome of public consultation;
 - 11.2 final proposals for the future design of the SMC;
 - 11.3 proposals for potential additions to the Green List to address any critical gaps;

Establish a monitoring framework for occupations where there is high immigration risk

- 12 **agreed in principle**, subject to the report back referred to in paragraph 11 above, that eligibility for residence should include additional requirements for occupations where:
- 12.1 there is clear evidence of immigration risk;
 - 12.2 roles should be able to be filled from the domestic labour force with limited training;
 - 12.3 there are either a large number of applications, or a significant increase in application numbers without a clear labour market rationale for these roles to be filled from offshore;
- 13 **agreed** that additional requirements will be applied to residence visas rather than to temporary work visas in the near term;
- 14 **noted** that further work is being done to robustly identify areas of immigration risk, but that the preliminary assessment indicates these occupations are likely to include:
- 14.1 Café or Restaurant Manager;
 - 14.2 Cook, Hospitality, Retail and Service Managers not elsewhere classified;
 - 14.3 Retail Manager (General) and Retail Supervisor;

Establish a stand-down period for temporary work visas

- 15 **noted** that a stand-down period is based on the policy intent that:
- 15.1 the number of people eligible for temporary work visas, but not eligible for residence should be as small as possible while meeting wider economic and social objectives;
 - 15.2 where people are eligible for a temporary work visa but have no realistic pathway to residence, they should not be allowed to remain in New Zealand indefinitely;
- 16 **agreed** that the stand-down period should be extended to include people above the median wage threshold, to prevent the creation of a future cohort of people that are well settled with no realistic pathway to residence;
- 17 **agreed** that public consultation on the future settings of the SMC include consideration of a stand-down period for temporary work visa holders;
- 18 **invited** the Minister of Immigration to report back to DEV on an approach to include a stand-down period as part of future SMC settings;

Reopen the Skilled Migrant Category in the interim

- 19 **noted** that the SMC is a two-stage process involving:
- 19.1 migrants submitting an Expression of Interest (EOI) into the EOI pool; and
 - 19.2 Immigration New Zealand periodically drawing applications from the EOI pool that meet the point threshold and inviting them to apply for residence under the SMC;
- 20 **noted** that the issuing of new invitations to apply has been paused since April 2020;
- 21 **noted** that the implementation of a new system is expected to take at least six months following Cabinet agreement to the final design;
- 22 **noted** that officials expect fewer applications in the first few years of the SMC reopening than in previous years as:
- 22.1 in previous years most SMC applications were from people that were already living, and working or studying, in New Zealand on a temporary visa;
 - 22.2 the 2021 Resident Visa has granted residence to most people onshore that would otherwise have applied for residence under the SMC;
- 23 **noted** that there are currently an estimated 4,000 applications remaining in the EOI pool, but that it is unclear how many of these will result in applications;
- 24 **agreed** that the SMC should reopen under existing policy settings, with:
- 24.1 the first draw at a threshold of 160 points, for both existing and new EOIs;
 - 24.2 subsequent draws at a threshold of 180 points, to bring the interim settings more closely in line with the proposed longer-term direction;
- 25 **agreed** that announcements regarding the interim reopening will be made in October 2022;
- 26 **agreed** that people will be allowed a window of time following announcements to update their EOI, or withdraw them and request a refund, prior to the first draw from the pool;

Shift away from a planning range

- 27 **noted** that before the COVID-19 border closure, overall residence numbers were managed through a Cabinet approved planning range;
- 28 **noted** that in recent years, the planning range was set lower than the number of applications submitted for residence, which led to large queues and uncertainty for migrants;
- 29 **noted** that restricting residence numbers through a planning range does not directly manage net migration levels;
- 30 **agreed** that Immigration New Zealand transition away from a pre-set planning range, and instead:
- 30.1 rely on an appropriately set skill threshold to manage demand from migrants;
 - 30.2 allocate resourcing based on forecasting to ensure timely processing of applications;
 - 30.3 actively monitor key metrics and investigate the underlying cause and appropriate response when metrics fall outside pre-set tolerance thresholds;
- 31 **noted** that this approach means more people will be approved for residence under the SMC than previously, even if fewer people are eligible;
- 32 **authorised** the Minister of Immigration to agree the detailed monitoring framework that would trigger a response to changes in SMC applications.

Rachel Hayward
Acting Secretary of the Cabinet