



## COVERSHEET

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

### List of documents that have been proactively released

<b>Date</b>	<b>Title</b>	<b>Author</b>
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.



# BRIEFING

## Skilled Migrant Category Review – Draft Cabinet Paper

<b>Date:</b>	11 August 2022	<b>Priority:</b>	Medium
<b>Security classification:</b>	In Confidence	<b>Tracking number:</b>	2223-0209

Action sought		
	Action sought	Deadline
Hon Michael Wood <b>Minister of Immigration</b>	<b>Agree</b> to consult on the draft Cabinet paper with your ministerial colleagues and provide feedback to officials	23 August 2022

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Andrew Craig	Manager, Immigration (Skills and Residence) Policy	Privacy of natural persons	✓
Ged Hiscoke	Senior Policy Advisor		

The following departments/agencies have been consulted
The Treasury, Ministry of Health, Ministry of Education, Ministry for Primary Industries, Ministry of Social Development, Ministry of Housing and Urban Development, Ministry for Ethnic Communities, Ministry for Pacific Peoples, Ministry for Women, and the New Zealand Qualifications Authority

**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

## Title

<b>Date:</b>	11 August 2022	<b>Priority:</b>	Medium
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## Purpose

This briefing provides you with a draft Cabinet paper for ministerial consultation. The Cabinet paper seeks agreement to:

- a proposed future direction for the Skilled Migrant Category (SMC),
- an interim reopening of the SMC under existing systems, and
- undertake targeted public consultation on a preferred model for the future SMC settings.

## Recommended action

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

a **Note** that this draft Cabinet incorporates discussions with you to date, including:

- i. proposing a simplified points system for the future SMC settings
- ii. an interim reopening of the SMC under old settings with an initial expression of interest draw at 160 points and any draws thereafter at 180 points
- iii. criteria for assessing whether any additional occupations should be added to the Green List 2-year pathway to residence that would not qualify for SMC under the simplified points system

*Noted*

b **Note** that relevant agencies were consulted prior to the initial briefing [2122-4410] but have not yet been consulted on the contents of this Cabinet paper. Feedback will be sought while your office undertakes ministerial consultation

*Noted*

c **Note** that officials anticipate additional funding will be necessary to fund an ICT build associated with a new SMC system, and approval will be sought as part of the report back to Cabinet

*Noted*

d **Indicate** your preferred approach to managing restricted occupations:

- i. Option 1: continue work to implement restricted occupations as part of temporary work visa settings, as well as part of residence settings
- ii. Option 2: pause work to implement restricted occupations as part of temporary work visa settings, and instead implement them only as part of residence settings (recommended option)

*Option 1 / Option 2*

e **Discuss** with officials if there are further occupations that you would like to be considered for addition to the Green List at this time

*Agree / Disagree*

f **Indicate** your preferred approach to increasing the eligibility threshold for SMC from 160 to 180 points under the interim reopening:

- i. Option 1: conduct the first draw at 160 points, and subsequent draws at 180 points without further modifications;
- ii. Option 2: conduct the first draw at 160 points, but require any EOIs submitted after the date of announcement to have claimed 180 points (recommended option); or
- iii. Option 3: conduct the first draw at 160 points but require any applications submitted on, or after the date of announcement to have a skilled job offer in order to be eligible to apply for residence. Conduct subsequent draws at 180 points.

*Option 1 / Option 2 / Option 3*

g **Agree** to circulate this draft Cabinet paper to your ministerial colleagues for consultation with feedback provided to officials before 2 September 2022, once officials have updated the paper to reflect your decisions in recommendations c, d and e above, and any other feedback you have.

*Agree / Disagree*

Privacy of natural persons

Andrew Craig  
**Manager, Immigration (Skills and Residence)**  
Labour, Science and Enterprise, MBIE

11/08/2022

Hon Michael Wood  
**Minister of Immigration**

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## Context

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1. In December 2021 Cabinet invited the Minister of Immigration to report back in June 2022 on future settings for the Skilled Migrant Category (SMC), within the context of the Immigration Rebalance.
2. Following portfolio changes, officials provided you with initial advice on settings for the SMC in early July [2122-4410 refers]. In subsequent discussions with officials, you indicated:
  - a. general agreement with officials' recommendation of a simplified points system, but requested that we give further consideration to pathways to residence for people that are eligible for temporary work visas, but either remain ineligible for residence under the suite of skilled residence policies or would become ineligible for residence as a result of the shift to a simplified points system
  - b. an intention to reopen the SMC in the short-term under existing settings, given the likely time to transition to a new model for the SMC. You also indicated agreement to increase the points threshold for SMC selection from 160 to 180 but directed officials to consider how existing Expressions of Interest (EOIs) could be provided an opportunity to submit their applications at 160 points, prior to increasing the threshold.
3. This briefing provides you with a draft Cabinet paper to support your report back to Cabinet, and takes into account your decisions to date, and the feedback that you have provided to officials. Our advice on both 2a. and 2b. is summarised below.
4. Separately, Immigration New Zealand (INZ) is providing you with a briefing on overall processing timeframes, implementation pressures and trade-offs that include discussion of the SMC and the parent category [2223-0485 refers]

## Additional pathways to residence

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***Officials recommend that the Green List is the most appropriate pathway to provide residence for occupations of concern***

5. On Wednesday 27 July, officials discussed potential approaches with you for:
  - a. narrowing the gap between eligibility for residence, and eligibility for temporary work visas;
  - b. ensuring a general principal of fairness is applied when providing pathways for skilled residence; and
  - c. considering situations where migrants would not be eligible for skilled residence under the proposed future system, but where there may be a genuine labour market need. This would include people in occupations that cannot meet at least one of the following conditions: holding formal qualifications at least at bachelors' level, working in skilled trades that do not have registration regimes, or earn at least 1.5 median wage.
6. You indicated you were comfortable with officials' recommendation that the Green List was the most appropriate tool for expanding access to skilled residence, particularly if there are a small number of clearly defined occupations that merit an exception to more general policy settings. You directed officials to consider the criteria for adding additional occupations, and further occupations that could be included.

### ***Criteria for adding occupations to the Green List***

7. The current Green List, which focusses on high skilled occupations, has three main criteria for considering additions:

- a. vital to support the health and wellbeing of New Zealanders; or
  - b. pivotal in a value chain; or
  - c. strategically important for Government objectives; or
  - d. is a nationally significant role, with global competition.
8. There is also a general principle that the number of visa applications in any given year is significant, and that no significant concerns about pay and conditions exist, or these concerns are being addressed through other sector strategy work and so the workforce is likely to be retained after getting residence.
9. We do not recommend changing these criteria. However, if considering expanding occupations, particularly if the occupations are being considered are in lower-skilled occupations, we propose additional criteria:
- a. the occupation is generally paid above the median wage and would therefore qualify for an Accredited Employer Work Visa (for those below the median wage, a sector agreement is a better targeted response); and
  - b. the occupation would not otherwise qualify for SMC (the occupation does not have a professional registration/standards regime; does not generally require a degree, and is unlikely to be paid at or above 1.5 times the median wage); and
  - c. residence is needed as a tool to attract workers (those occupations which had high temporary numbers, but low residence numbers are not included).
10. Officials have reviewed occupations that could warrant addition to the Green List, and a summary analysis is set out in **Annex 1**. Although officials do not recommend adding additional occupations at this time based on these criteria, or on administrative data, you may however, wish to consider adding occupations for alternate reasons:
- a. transport and infrastructure: bus and truck drivers. Bus drivers would more appropriately be a candidate for a sector agreement, as they generally earn below median wage at the moment. Truck drivers could be a candidate, although they are likely to be in smaller numbers than would generally warrant consideration.
  - b. sectors where migrants form a significant part of the workforce: dairy farm workers and chefs. Dairy farm workers tend to have lower pay, and there is not a significant qualification structure that could be used to identify highly skilled dairy farm works from less skilled dairy farm worker. Chefs do have level 4 qualifications available, so can be distinguished from cooks. However, highly skilled executive level chefs are more likely to be paid at or above 1.5 x median wage (\$27.76 per hour) so would qualify for residence under the proposed simplified points system anyway.
11. Officials recommend that any additions are restricted to a small number of occupations as extensive exceptions through adding large numbers of occupations to the Green List, particularly in lower skilled, or lower paid sectors:
- a. reduces the impact of the immigration rebalance, and undermines the overall intention to lift wages and conditions and reduce reliance on low skilled migrant labour
  - b. risks ongoing pressure for out of cycle additions to the Green List (rather than as part of the regular review cycle that is scheduled, including an initial review after 12 months)
  - c. risks creating a large and unwieldy exceptions list, which would be less effective than simply implementing a simple time in New Zealand model for the SMC overall.

12. Ministerial and public consultation may also result in occupations that could be considered for addition. However, officials recommend that you maintain a high bar when considering additions to the Green List in discussions with your ministerial colleagues, and with industry and migrant representative groups in order to maintain the intent and effectiveness of the Green List as an immigration tool.

## **Interim reopening**

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### ***You have directed officials to consider an interim reopening at 160 points and transitioning to 180***

13. The SMC is currently a two-stage process, where:
  - a. potential applicants pay a fee to submit an EOI into the EOI pool indicating the points they are claiming, and
  - b. INZ periodically draws all applications in the pool that have claimed sufficient points to meet the current threshold (160 points) and sends the submitter an invitation to submit a full application for residence under the SMC.
14. Since April 2020, INZ has paused drawing new EOIs for the SMC. This has effectively closed the SMC to new applications.
15. You have directed officials to:
  - a. include a proposal in the draft Cabinet paper to reopen the SMC under existing settings while new settings are being developed, consulted on, and implemented
  - b. investigate an initial draw at 160 points out of fairness to those who have already submitted an EOI with any subsequent draws at 180 points (a threshold that better aligns to the proposed future settings of the SMC).

### ***We recommend a well signalled announcement to give people time to update or withdraw their EOI***

16. As briefing [2223-0485] will note, once the 2021 Resident visa applications have been accounted for, there is currently an estimated 4,000 EOIs in the EOI pool (noting that each EOI can have more than one person associated with it, such as partners and children).
17. Officials expect that these EOIs have mainly been submitted by people offshore as anyone that qualified for SMC and was onshore would also have qualified for the 2021 Resident Visa.
18. There is also a small group of people that will be eligible for SMC and are onshore but would not have been eligible for the 2021 Resident Visa, for example, people that transitioned from work to further study during the eligibility period, or arrived onshore on a temporary work visa after the 2021 Resident Visa applications closed.
19. INZ has advised that it will take approximately one to two months from Cabinet decisions to reopen the SMC under existing settings. We recommend that an announcement is made three to four weeks prior to the first EOI draw taking place, which will allow:
  - a. people that have already submitted an EOI to withdraw their EOIs and receive a refund, or update their EOI with current information.
  - b. people that are onshore, were not eligible for the 2021 Resident Visa, but will be eligible for SMC to submit an EOI.
20. Not providing people with sufficient time to withdraw or update their EOI may lead to EOIs being drawn that are not eligible, but also are unable to be refunded because INZ has taken

steps to process them. In this situation, we consider that three to four weeks will be sufficient notice.

***The number of potential SMC applications is highly uncertain***

21. In our initial advice [2122-4410 refers] we advised that an interim reopening would cater to a small number of SMC applicants, as:
  - a. only around 6 percent of SMC applications were from offshore pre-COVID-19
  - b. the 2021 Resident Visa has granted residence to most people that were onshore
  - c. many people in the EOI pool will not have retained their job offer over the course of border closures.
22. However, INZ has noted that a publicly signalled increase to 180 points may generate additional demand as it may be seen as a last opportunity for people outside New Zealand without a job offer to gain residence in New Zealand. In addition, heavy marketing by immigration advisers with a presence in large offshore markets creates the risk of a large influx of EOIs (and associated applications) from people that do not have a job.
23. Actual applications are highly uncertain, however, if this eventuates, many of these applications are likely to be of poor-quality evidence and may not actually meet the points requirements. They would, therefore, also be more labour intensive to process.
24. Briefing [2223-0485] will consider this in more detail. In light of this uncertainty, applications for the SMC could range from very few, up to as many as 3,000, depending on how many EOIs result in applications. If high levels of applications eventuate, this will mean that the SMC reopens with large queues and may take up to 9-12 months to clear.

***We recommend requiring a job offer for applications submitted on or after the date of announcement***

25. Because there is a high degree of uncertainty as to the number of applications we are likely to see, the risk of large numbers of applications is only a potential outcome, and the factors discussed in paragraph 21 may mean that a large spike does not eventuate. However, we consider it prudent to take steps to manage that potential risk as much as possible, while maintaining a principle of fairness towards people that have already submitted EOIs.
26. Officials advise that there are three main approaches you could take, given your preference to provide EOIs that have already been submitted an opportunity to apply under the criteria that they submitted under, and the importance of providing people with an opportunity to withdraw or update their EOIs:
  - a. Option 1: conduct the first draw at 160 points, and subsequent draws at 180 points without further modifications
  - b. Option 2: conduct the first draw at 160 points, but require any EOIs submitted after the date of announcement to have claimed 180 points to be eligible to apply for residence (recommended option).
  - c. Option 3: conduct the first draw at 160 points but require any applications submitted on, or after the date of announcement to have a skilled job offer in order to be eligible to apply for residence under the SMC. Conduct subsequent draws at 180 points.
27. Option 1 would be the simplest approach to implement and provides the most generous application window to people. However, it also presents the lowest mitigation of risk and relies on the use of a time-limited window for updating and submitting EOIs to prevent significant numbers of poor-quality applications.



28. Option 2 is recommended by officials as it would:
- a. ensure that the main cohort of interest would be eligible to apply - people with a submission already in the EOI pool on the date of announcement, most of whom would be offshore;
  - b. be simple to communicate and administer; and
  - c. prevent a spike in low quality applications, that are inefficient to process.
29. However, anyone onshore in skilled employment and waiting for the SMC to reopen before submitting an application, but not able to meet the 180-point threshold would not be eligible.
30. While small, this group has publicly discussed their perception that they 'missed out' on 2021 Resident Visa (for example, moving from a work visa to a student visa in order to upskill). If this group is also made ineligible for the SMC, they may equally feel that immigration policy settings have once again caused them to 'miss out' on residence.
31. Option 3 maintains the widest eligibility for intended SMC applicants, but prevents a key risk:
- a. anyone already in the EOI pool either onshore or offshore, waiting for the SMC to reopen is able to submit an application.
  - b. anyone onshore in skilled employment, and waiting for the SMC to reopen before submitting an application
  - c. poor quality, difficult to process applications from people that are offshore without a job offer and likely to submit an application claiming as many as possible regardless of eligibility will be prevented from applying.
32. Option 3 does represent a departure from existing settings, as currently if an applicant meets the points SMC threshold without having a skilled job or job offer, and meets generic requirements (health, character, English language) they can defer their SMC application and be granted a Job Search Visa. This provides them with up to 12 months to search for a skilled job in New Zealand to satisfy SMC requirements.
33. This approach would be consistent with the broader direction of the Immigration Rebalance, and the Green List settings, which require a job offer. The Job Search Visa is also largely redundant moving forward because:
- a. very few Job Search Visas were issued under existing settings (160-200 applications per year<sup>1</sup>);
  - b. the proposed simplified points system will require most applicants to spend time on an Accredited Employer Work Visa to qualify for SMC; and
  - c. where necessary, most applicants will be able to enter New Zealand on a Visitor Visa in order to apply for jobs and interview.

## **Other additions to the Cabinet paper**

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### ***Additional funding will be needed to implement ICT changes***

34. Officials note that while reopening the SMC is covered by existing ICT budgets, implementing new SMC systems will fall outside of the already approved budgeted and agreed ICT spend.

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<sup>1</sup> Excluding the 50 points available for a skilled job offer, there are only 185 points available to claim. Reaching 160 points without a job offer is very difficult and reaching 180 is virtually impossible.

35. Given this, it will be necessary to seek authorisation for an INZ appropriation for additional spending as part of the report back to Cabinet following consultation.

36. Negotiations

### ***Managing high risk occupations through a higher income threshold***

37. In our initial advice, you agreed to progress work to impose a higher income threshold on occupations deemed to be of high immigration and labour market risk [2122-4410 refers].

38. Separately, Cabinet has commissioned officials to consider applying these restrictions as part of the AEWV settings, as part of Cabinet of discussions on the development of the Green List and Sector Agreements.

39. While implementing restrictions on these occupations for both residence and temporary visas is consistent with the policy intent of the immigration rebalance, officials note that there would be benefits to pausing implementation of restrictions on temporary work visas, and focussing on skilled residence in the first instance. This is because:

- a. these occupations are primarily in the retail and hospitality sectors, which have a high proportion of migrant staff, are facing short-term labour market pressures, and were significantly impacted by COVID-19 border closures;
- b. imposing restrictions at the point of residence allows employers to meet short term labour market needs from offshore, while preventing the risks associated with these occupations from translating through to residence.

40. Officials recommend pausing work to implement these restrictions on temporary visas in the short term. If you agree, the draft Cabinet paper will be updated to reflect this.

### **Updated timeframes**

41. INZ advises that new SMC settings will take 6 months to implement after final Cabinet decisions on the settings, depending on the complexity of those settings. Should agreement be sought to consult publicly on a preferred option in September 2022, we expect to be in a position to brief you in December 2022, with a likely report back to Cabinet in December/January 2023, with implementation of the new settings around mid-2023.

Timeframe	Milestone/Activity	
	Interim Reopening	Transition to new SMC
September 2022	Announcement of reopening of SMC and people invited to update or withdraw their Expressions of Interest	Public consultation
October 2022	Category reopens under existing settings; EOIs drawn and processed; Invitations to apply sent.	
November 2022		Analysis of submissions and preparation of final advice.
December 2022 / January 2023	First applications likely to be received	Report back to Cabinet

July 2023	Last selection of EOIs under existing SMC settings	New SMC begins operations
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42. Timelines will be impacted by the timeliness of Cabinet decisions in September, and December/January.

## Next steps

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43. You have agreed to concurrent ministerial and agency consultation, and your office has advised officials that you would prefer to announce the reopening of SMC and public consultation on long-term direction in a scene setting speech on 23 September 2022. In order to achieve this, we recommend:

- a. you provide officials with feedback from ministerial consultation by Friday 2 September; and
- b. officials provide you a final Cabinet paper early in the week beginning 5 September, for lodgement on Thursday 8 September and consideration at Cabinet Economic Development committee on 14 September, for Cabinet agreement on 19 September.

44. Officials note that these timeframes are very tight and should decisions at Cabinet committee take more than one meeting, announcements and implementation will also be delayed.

## Annexes

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Annex One: Green List analysis

Annex Two: Draft Cabinet paper

Annex Three: Slide pack for Ministerial consultation

Annex Four: Cover Letters for Ministerial Consultation

**Annex One: Green List analysis**

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**MINISTRY OF BUSINESS,  
INNOVATION & EMPLOYMENT**  
HĪKINA WHAKATUTUKI

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# GREENLIST OCCUPATIONS

Further consideration of occupations that could be included in the short term

4 August 2022



## Context

As part of the review into the Skilled migrant Category the Minister of Immigration has requested further advice on:

- Whether there are occupations not included on the green list that should be, given the preferred option under SMC (a simplified points system)

### Current Green list Criteria

The green list is intended to facilitate access to migrants in highly-skilled and globally in-demand occupations, and a competitive offer is required to attract the highly skilled migrant workers we need i.e. those that are at least one of the following:

- vital to support the health and wellbeing of New Zealanders
- pivotal in a value chain
- strategically important for Government objectives.
- No significant concerns about pay and conditions, or these are addressed through other sector strategy work, and the workforce is likely to be retained after getting residence.

The original review of the Green list considered these factors, and evaluated likely occupations. Further occupations that could be considered are those in lower skilled (ANZSCO 4-5 occupations). If these occupations are considered, we recommend that the additional criteria include:

- Residence is needed as a tool to attract workers (so those occupations which had high temporary numbers, but low residence numbers are not included)
- Would qualify for temporary work visas (i.e. is generally paid above the median wage anyway)
- Would not otherwise qualify for SMC (occupation does not have a professional registration/standards regime; does not generally require a degree, and is unlikely to be paid at or above 1.5 times the median wage).

The table on the following page provides a summary of potential occupations. Those with the strongest case would be:

- Motor Mechanics, and Telecommunications technicians
- Chefs and Bakers
- Scaffolders
- Metal fabricators

How ever we do not consider that there is sufficient evidence to support adding any of these as additional occupations at this time.

## Potential other occupations

Cluster of occupations	Occupations	Essential skills approvals 2019	Residence Approvals - 2017 – 2021 (Including work to residence)					Comments
			2017	2018	2019	2020	2021	
Technicians and mechanics	Motor Mechanic (General)	439	69	39	63	57	36	<ul style="list-style-type: none"> <li>There is no clear reason to grant residence to one of these occupations over the others.</li> <li>Other than Motor Mechanic (General) and Telecommunications Technician, very few gained residence. Neither would currently qualify under SMC proposal unless paid above 1.5 x median wage.</li> </ul>
	Telecommunications Technician	538	108	57	9	54	84	
	Airconditioning and Refrigeration Mechanic	182	24	18	15	21	24	
	Vehicle Painter	181	9	0	0	0	0	
Food and food processing	Chef	2269	615	297	225	270	243	<ul style="list-style-type: none"> <li>May be a case to add chefs and bakers, large numbers gained residence, and won't under proposed settings.</li> <li>Very few gained residence each year, and we still large numbers of temporary work visa holders, indicating that residence is not needed as an attraction tool.</li> </ul>
	Baker	372	138	33	18	42	33	
	Pastrycook	71	36	12	0	0	0	
	Butcher	68	0	0	0	0	0	
	Slaughterer (Some will be halal)	231	0	0	3	0	0	
Primary Sector	Dairy Cattle Farm Worker	3732	0	0	0	21	18	<ul style="list-style-type: none"> <li>Few, if any got residence, indicating that residence is not needed as an attraction tool. New mid-skilled herd manager occupation.</li> </ul>
Transport	Truck Driver (General)	578	30	42	87	87	0	<ul style="list-style-type: none"> <li>In the case of bus drivers, unlikely to qualify for AEWV, so would be a potential candidate for a sector agreement, rather than a green list.</li> </ul>
	Bus Driver	139	0					
Construction	Scaffolders	464	12	36	66	48	6	<ul style="list-style-type: none"> <li>Carpenters (when combined with joiners) is by far the largest group. Carpenters will qualify under SMC where they are registered, other than that they are likely to be hammer hands.</li> <li>No clear reason to offer residence under the green list to one of the other occupations over the others.</li> <li>Very few gained residence each year, and we still large numbers of temporary work visa holders, indicating that residence is not needed as an attraction tool.</li> </ul>
	Excavator Operator	124	0	0	0	21	18	
	Fibrous Plasterer	297	15	0	0	0	0	
	Solid Plasterer	154	30	0	0	0	0	
	Carpenter	2094	153	24	45	45	30	
	Carpenter and Joiner	174	39	9	9	21	9	
	joiner	251	18	0	0	9	9	
	Wall and floor tiler	110	15	0	9	0	0	
	Roof tiler	166	0					
	Bricklayer	103	12	0	0	0	0	
	Stonemason	96	0					
Manufacturing	Steel Fixer	446	0	0	27	25	0	<ul style="list-style-type: none"> <li>No clear reason to offer residence under the green list to one of these occupations over another.</li> <li>Very few gained residence each year, and we still large numbers of temporary work visa holders, indicating that residence is not needed as an attraction tool.</li> </ul>
	Metal Fabricator	556	51	15	24	24	24	
	Sheetmetal Trades Worker	181	21	0	0	9	0	
	Welder (NZ)	265	33	15	15	21	15	
	Fitter-Welder	212	30	9	15	18	12	
	Fitter (General)	181	24	9	12	12	15	
	Panelbeater	199	9	0	0	0	0	
	Wood Machinist	140	30	9	0	12	21	
Metal Machinist (First Class)	128	30	12	15	12	15		

## Current Green list: Straight to Residence

Occupational Group	Occupation	
Construction	Construction Project Manager (133111)	
	Project Builder (including Building Project Manager and Site Foreman) (133112)	
	Quantity Surveyor (233213)	
	Surveyor (232212)	
Engineering	Chemical Engineer (233111), Materials Engineer (233112), Civil Engineer (233211), Geotechnical Engineer (233212), Structural Engineer (233214), Electrical Engineer (233311), Electronics Engineer (233411), Environmental Engineer (233915), Industrial Engineer (233511), Mechanical Engineer (233512), Production or Plant Engineer (233513), Engineering Professionals nec (233999)	
	Civil Engineering Technician (312212)	
	Electrical Engineering Technician (312312)	
	Electronic Engineering Technician (312412)	
	Telecommunications Engineer (263311), Telecommunications Network Engineer (263312)	
	ICT, Electronics and Telecommunications	Chief Information Officer (135111), ICT Project Manager (135112), ICT Managers nec (135199), Software Engineer (261313), ICT Security Specialist (262112)
		Multimedia Specialist (261211)
Other: (Primary Industries, Science)	Other Spatial Scientist (232214)	
	Environmental Research Scientist (234313)	

Occupational Group	Occupation
Health and Social Services	General Practitioner (253111)
	Anaesthetist (253211)
	Psychiatrist (253411)
	Specialist Physicians nec (253399)
	Surgeon (General) (253511), Cardiothoracic Surgeon (253512), Neurosurgeon (253513), Orthopaedic Surgeon (253514), Vascular Surgeon (253521)
	Urologist (253518)
	Otorhinolaryngologist (253515)
	Dermatologist (253911)
	Obstetrician and Gynaecologist (253913)
	Ophthalmologist (253914)
	Diagnostic and Interventional Radiologist (253917)
	Radiation Oncologist (253918)
	Resident Medical Officer (253112)
	Medical Laboratory Scientist (234611)
	Clinical Psychologist (272311)
	Educational Psychologist (272312), Organisational Psychologist (272313), Psychotherapist (272314), Psychologists nec (272399)
	Physicist (Medical) (234914)
	Orthoptist (251412)
	Veterinarian (234711)



## Current Green list: Work to Residence

Occupational Group	Occupation
Health and Social Services	Anaesthetic Technician (311211)
	Medical Diagnostic (Medical Imaging Technologist) (251211)
	Medical Laboratory Technician (311213)
	Medical Radiation Therapist (251212)
	Occupational Therapist (252411)
	Sonographer (251214)
	Podiatrist (252611)
	Audiologist (252711)
	Registered Nurse (Aged Care) (254412), Registered Nurse (Child and Family Health) (254413), Registered Nurse (Community Health) (254414), Registered Nurse (Critical Care and Emergency) (254415), Registered Nurse (Developmental Disability) (254416), Registered Nurse (Disability and Rehabilitation) (254417), Registered Nurse (Medical) (254418), Registered Nurse (Medical Practice) (254421), Registered Nurse (Mental Health) (254422), Registered Nurse (Perioperative) (254423), Registered Nurse (Surgical) (254424), Registered Nurse (Paediatrics) (254425), Registered Nurses nec (254499)
	Midwife (254111)
	Secondary School Teacher (241411)
Early Childhood (Pre-primary School) Teacher – registered (241111)	
Trades	Automotive Electrician (321111)
	Diesel Motor Mechanic (including Heavy Vehicle Inspector) (321212)
	Electrician (General) (341111)
	Plumber (General) (334111)
Agriculture	Dairy Cattle Farmer (Dairy Cattle Farm Manager) (121313) including Dairy Farm Manager, Assistant Dairy Farm Manager and Dairy Herd Manager

**Annex Two: Draft Cabinet paper**

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**Annex Three: Slide pack for Ministerial consultation**

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**MINISTRY OF BUSINESS,  
INNOVATION & EMPLOYMENT**  
HĪKINA WHAKATUTUKI

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# ANNEX 1: SUPPORTING INFORMATION FOR REPORT BACK TO CABINET ON THE 2022 REVIEW OF THE SKILLED MIGRANT CATEGORY

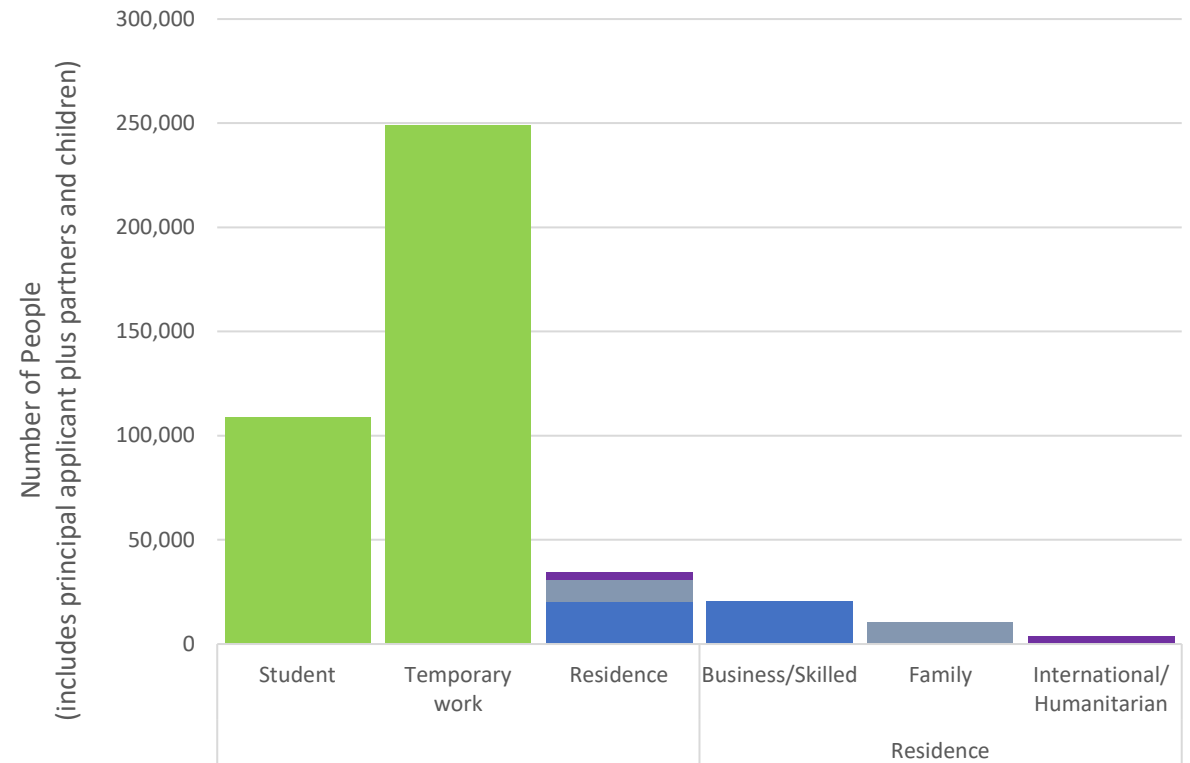
August 2022



# Temporary and Residence Visas serve different purposes

1. The two main visa classes in the New Zealand immigration system are temporary entry and residence class visas:
  - a) A temporary class visa allows a holder to be in New Zealand for the purpose and length of the visa (Work, study, or visiting for example)
  - b) A residence class visa provides the holder the right to live and work in New Zealand indefinitely, as well as the rights to vote, buy a house, access welfare, and subsidised tertiary education for their children.
2. Immigration New Zealand processes many more temporary work visas than residence visas in any given year.
3. Skilled residence visas and temporary work visas also serve different purposes in the immigration system:
  - a) Temporary work visas respond to short-term labour market needs, such as labour shortages, fluctuations in unemployment, and high demand for workers.
  - b) Skilled residence visas respond to long-term skill shortages, need to look beyond immediate labour market pressures, and be sustainable should the labour market context change.

Visa approvals (2019)



Skilled/Business					Family			International/Humanitarian		
SMC		Residence from Work		Other	Partners	Dependent Children	Other	International	Humanitarian	Other
Principal	Secondary	Principal	Secondary							
6,534	8,097	2,451	3,429	1,608	8,229	2,832	321	1,371	1,788	966

# Managing immigration numbers involves key trade-offs

There is a fundamental question as to where immigration numbers are best managed:

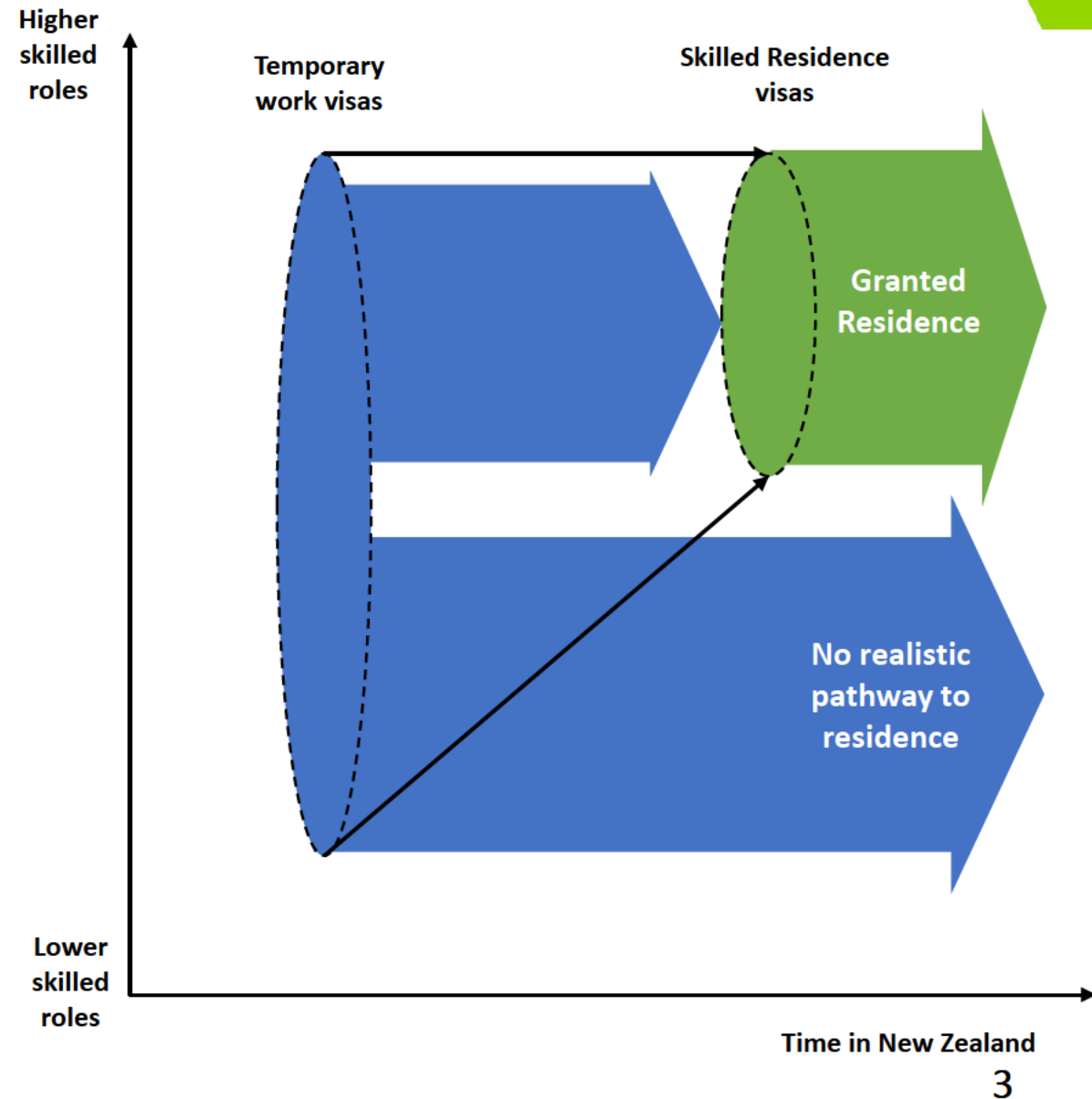
## At Residence

- This could mean having relatively open work visa settings and set a higher bar for residence.
- Implementing a higher skill threshold for skilled residence results in more people that are onshore, working in New Zealand without a pathway to residence.
- This leads to poor outcomes in the long-term if there is no mechanism like a stand-down period for those with no viable pathway to residence.

## At temporary

- This could mean setting a lower bar for residence but may require lifting the bar for work visa settings.
- Implementing a lower skill threshold for residence means that fewer people are onshore, working in New Zealand without a pathway to residence. However, this increases the number of people eligible for residence overall which can lead to labour market pressures during economic downturns.

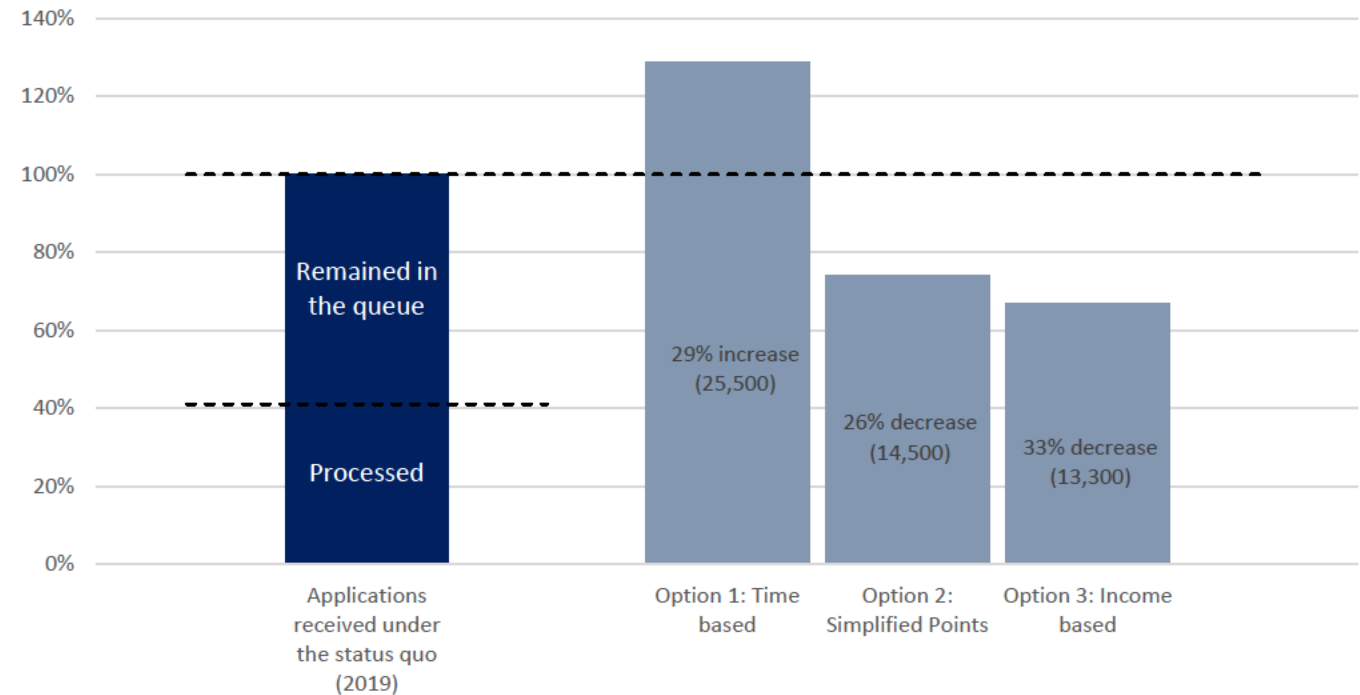
Lifting the skills threshold for temporary work visas can reduce the number of people without a pathway to residence, but may constrain employers ability to meet genuine skill and labour shortages in the short-term.



# How would different approaches likely affect application numbers?

1. Officials considered several approaches to setting a skills threshold under the SMC, and then applied these approaches to 2019 applications and approvals:
  - a) A time-based option, where anyone in an ANZSCO 1-3 role is eligible for residence after 5 years would eventually result in very high levels of residence.
  - b) The proposed option of a simplified points system would result in fewer applications than 2019.
  - c) An income-based option where people were required to be paid over 1.5 x the median wage (current median is \$27.76 per hour) would result in the fewest applications.
2. All proposed options would result in more people applying than were approved in 2019, as the planning range constrained the number of approvals well below the number of applications.

**Preliminary Option Analysis: How different Skilled Residence models would impact on residence numbers relative to the status Quo (Based on 2019)**

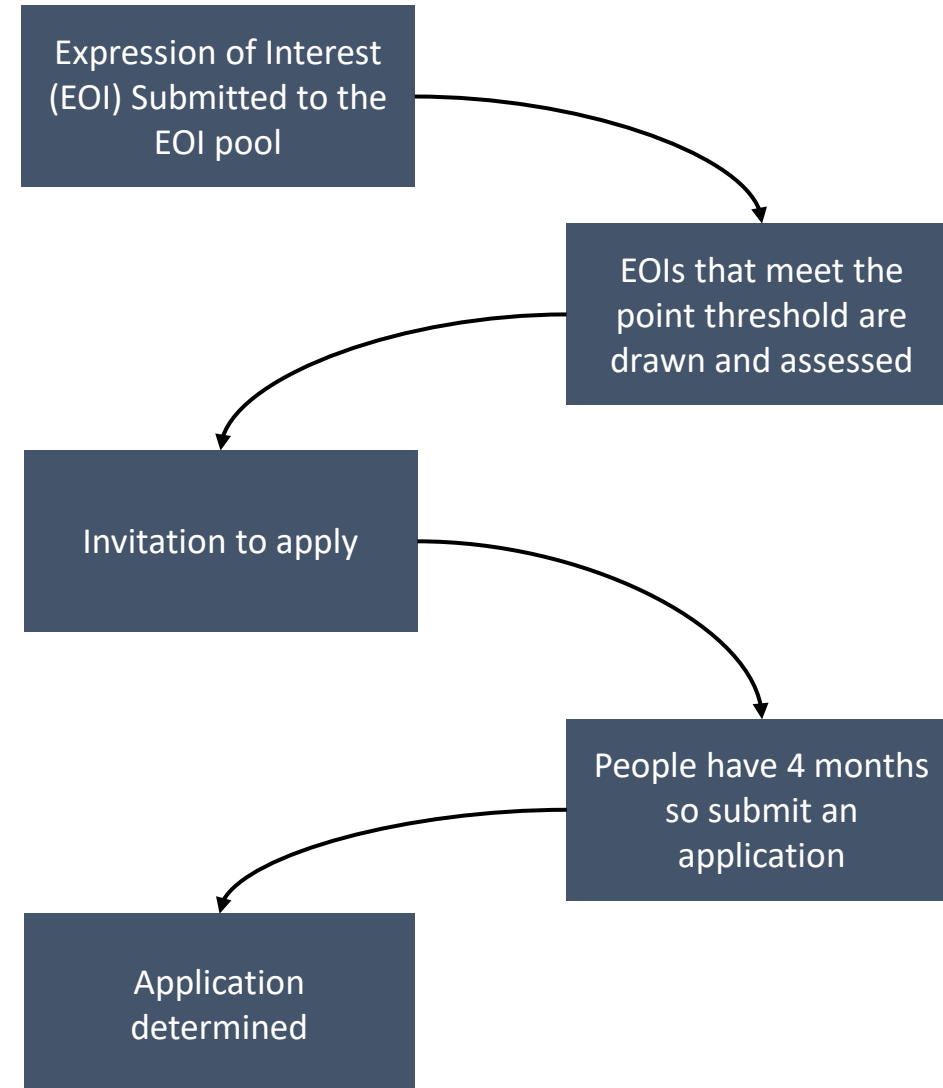


-Includes the suite of policies across Skilled Residence (Green List occupations, 2 x median wage, SMC, and the historic Residence from Work policy)  
-Based on applications not people (There are an average of 2.2 people per application)  
-Based on how many principal applicants would have been eligible from the 2019 stock of visas and applications approved.  
We expect actual numbers to be significantly lower, particularly in the first few years following reopening of the border.



# How the current SMC works

1. Under current settings the Skilled Migrant Category is a multi-stage process:
  - a) Potential applicants submit an expression of interest (EOI) into the EOI pool, showing the points they can claim, and paying the submission fee (\$590 - \$710).
  - b) INZ will periodically draw all EOIs that meet the points threshold applicable at the time, and conduct a light assessment of the EOI for credibility.
  - c) EOIs deemed credible are then issued an invitation to apply.
  - d) Potential applicants then have 4 months to submit an application and pay the application fee (\$4020-\$4890). The application then enters the SMC queue and generally processed in date order.
  - e) Once drawn, the application is assessed and decided by an Immigration Officer.



# The status quo points framework for SMC

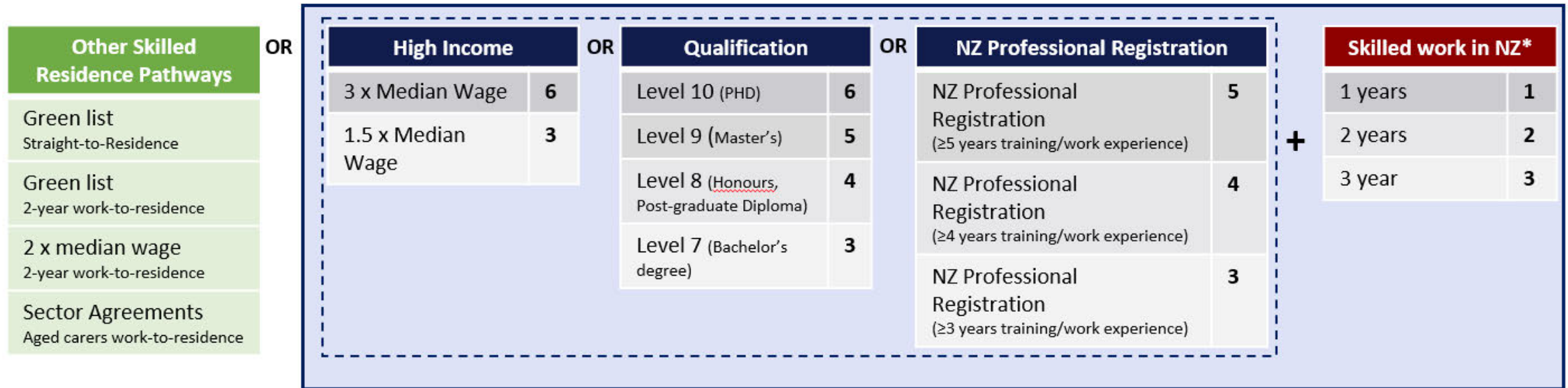
Factors	Sub-factor	Points
<b>Age (20 to 55 years)</b>	20-39	30
	40-44	20
	45-49	10
	50-55	5
<b>Skilled employment</b>	Current skilled employment in New Zealand or an offer of skilled employment in New Zealand	50
<b>Bonus points for skilled employment</b>	Current skilled employment in New Zealand or an offer of skilled employment in New Zealand in an area of absolute skills shortage	10
	Current skilled employment or an offer of skilled employment outside the Auckland region	30
	Current skilled employment or an offer of skilled employment with remuneration of least \$54.00 per hour, or the equivalent annual salary	20
<b>Skilled work experience</b>	2 years	10
	4 years	20
	6 years	30
	8 years	40
	10 years	50
<b>Additional bonus points if skilled work experience is in New Zealand</b>	1 year or more	10

Factors	Sub-factor	Points
<b>Additional bonus points for experience in area of absolute skills shortage</b>	2 to 5 years	10
	6 years or more	15
<b>Qualifications</b>	Recognised level 3 qualification if included on the List of Qualifications Exempt from Assessment (LQEA)	40
	Recognised level 4-6 qualification (e.g. trade qualification, diploma)	40
	Recognised level 7 or 8 qualification (e.g. bachelor's degree, bachelor's degree with Honours)	50
	Recognised level 9 or 10 post-graduate qualification (Master's degree, Doctorate)	70
<b>Bonus points for qualifications gained in New Zealand</b>	2 years of full-time study in New Zealand completing a recognised bachelor degree (level 7) New Zealand qualification; or	10
	1 year of full-time study in New Zealand completing a recognised post-graduate New Zealand qualification; or	10
	2 years of full-time study in New Zealand completing a recognised post-graduate New Zealand qualification	15
<b>Bonus points for partner's qualification (either)</b>	Recognised qualification at level 7 or 8; or	10
	Recognised qualification at level 9 or above	20
<b>Bonus points for partner's skilled employment</b>	Partner's current skilled employment in New Zealand or offer of skilled employment in New Zealand.	20

# How the proposed simplified points system works

Points: **6 points** (Claim from one skill category + skilled work in NZ)

Green = existing pathways



\* Skilled work = ANZSCO 1-3 at 1 x Median Wage or ANZSCO 4-5 1.5 x Median Wage.

# Impact of proposed settings on occupations at each ANZSCO skill level

Skill level	1	2	3	4	5
<b>Commensurate qualification level</b>	Bachelor's degree (level 7) or higher qualification	NZQF Diploma (level 5-6)	NZQF level 4 qualification	NZQF level 2 or 3 qualification	NZQF level 1 qualification
<b>Current SMC criteria includes:</b>	ANZSCO 1-3 must be paid at least median wage Could be awarded points for qualifications at or above NZQF level 4 (and some level 3 treated as an exception)			ANZSCO 4-5 must be paid at least 1.5 x median wage Could still be awarded in points for qualification as per left column but unlikely to hold	
<b>Proposed simplified points model includes:</b>	ANZSCO 1-3 must be paid at least median wage Must: <ul style="list-style-type: none"> <li>Hold a degree qualification or higher; OR</li> <li>Earn at least 1.5 x median wage; OR</li> <li>Hold professional registration</li> </ul>			Must be paid at least 1.5 x median wage	
<b>Top temporary work visa occupations by ANZSCO level</b>	<del>Dairy Cattle Farmer*</del> <del>Registered Nurse (Aged Care)*</del> <del>Engineering Professionals nec*</del> <del>Software Engineer*</del> Developer Programmer <del>Resident Medical Officer*</del> Sales and Marketing Manager ICT Business Analyst Marketing Specialist University Lecturer Musician (Instrumental) <del>Construction Project Manager*</del> Multimedia Specialist Actors, Dancers and Other Entertainers nec Accountant (General)	Chef Cafe or Restaurant Manager Retail Manager (General) Building and Engineering Technicians nec Program or Project Administrator Massage Therapist Office Manager Customer Service Manager ICT Customer Support Officer ICT Support Technicians nec Mechanical Engineering Technician Hospitality, Retail and Service Managers nec Building Associate Hotel or Motel Manager <del>Residential Care Officer**</del>	Carpenter (those who become registered builders will qualify) Metal Fabricator Technicians and Trades Workers nec Motor Mechanic (General) <del>Diesel Motor Mechanic*</del> <del>Electrician (General)*</del> Telecommunications Technician Fibrous Plasterer Baker Painting Trades Worker Welder Hairdresser Snowsport Instructor Hotel Service Manager Panelbeater	Retail Supervisor Deck Hand Cook Truck Driver (General) <del>Aged or Disabled Carer**</del> <del>Personal Care Assistant**</del> Waiter Steel Fixer Fishing Hand Earthmoving Plant Operator Tour Guide Meat Boner and Slicer Agricultural and Horticultural Mobile Plant Operator Forestry Worker	Dairy Cattle Farm Worker Builder's Labourer Commercial Housekeeper Winery Cellar Hand Sales Assistant (General) Commercial Cleaner Concreter Meat Process Worker Kitchenhand Seafood Process Worker Farm, Forestry and Garden Workers nec Hospitality Workers nec Labourers nec Fast Food Cook Food Trades Assistants nec
<div style="border: 1px dashed black; padding: 5px;"> <p><b>*Already provided a pathway to residence via Green List</b></p> <p><b>**Pathway to residence provided for those at Level 4 on the pay framework via sector agreement</b></p> </div>					
<b>Likelihood of qualifying under current SMC settings</b>	Most could qualify	Most could qualify	Most could qualify	Most would not qualify	Most would not qualify
<b>Likelihood of qualifying under the simplified points model</b>	Most will qualify	Some will qualify	Most will not qualify	Most will not qualify	Most will not qualify

**Annex Four: Cover Letters for Ministerial Consultation**

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