



## 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

<b>List of documents that have been proactively released</b>		
<b>Date</b>	<b>Title</b>	<b>Author</b>
April 2023	Future of the Skilled Migrant Category – Final Proposals	Office of the Minister of Immigration
5 April 2023	Future of the Skilled Migrant Category – Final Proposals DEV-23-MIN-0049 Minute	Cabinet Office
7 October 2022	Future of the Skilled Migrant Category: Consultation document	MBIE
10 February 2023	Future of the Skilled Migrant Category – Public consultation outcomes and next steps	MBIE
1 March 2023	Future of the Skilled Migrant Category – Final Decisions: Draft Cabinet paper	MBIE
10 March 2023	Future of the Skilled Migrant Category – Final decisions: Cabinet Paper for Ministerial Consultation	MBIE
29 March 2023	Skilled Migrant Category and the Green List: Final Cabinet papers for lodging	MBIE
19 April 2023	Decisions on future use of the LQEA	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

### Future of the Skilled Migrant Category – Public consultation outcomes and next steps

<b>Date:</b>	10 February 2023	<b>Priority:</b>	Medium
<b>Security classification:</b>	In Confidence	<b>Tracking number:</b>	2223-1771

Action sought		
	Action sought	Deadline
Hon Michael Wood <b>Minister of Immigration</b>	Provide feedback on the key recommendations in this paper. This is an agenda item at the Immigration Official meeting on 13 February.  Direct officials to develop a Cabinet paper for discussion at DEV on 5 April	13 February 2023
Hon Ginny Andersen <b>Associate Minister of Immigration</b>	<b>Copy</b> attached for your information	N/A

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

The following departments/agencies have been consulted

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

## Future of the Skilled Migrant Category – Public consultation outcomes and next steps

<b>Date:</b>	10 February 2023	<b>Priority:</b>	High
<b>Security classification:</b>	In Confidence	<b>Tracking number:</b>	2223-1771

### Purpose

To:

- provide a summary of the Skilled Migrant Category (SMC) public consultation feedback
- seek your agreement to updated policy recommendations; and
- seek your agreement to develop a Cabinet paper for consideration by the Cabinet Economic Development Committee in early April.

### Executive summary

We undertook consultation on the Future of the Skilled Migrant Category from October to November 2022. Feedback on the key policy proposals was mixed, but there were cross-cutting calls to:

- **Introduce a “long residence” model**, where people who have worked legally in New Zealand for a certain period, e.g. five years, would automatically become eligible for residence (similar to the Time-based model we previously advised on).
- **Recognise a broader range of skills**, with some criticism of what was perceived as a narrow definition of “skilled”, particularly where skills are primarily gained on-the-job and where there is no associated professional registration scheme.

The key decisions for Ministers, and our recommendations are:

#### I. **Confirming a skill level for residence above the Accredited Employer Work Visa (AEWV)**

On balance, we continue to recommend retaining a gap between eligibility for temporary work and residence, over a long residence model. Open residence settings facilitate employers’ ability to recruit and retain people in New Zealand. We do not have enough evidence to categorically determine the impact of open residence settings on the labour market or the skilled economy. However, maintaining a gap enables greater flexibility to manage impacts on productivity and working conditions, absorptive capacity, and the risks of displacement, particularly in the case of an economic downturn **Free and frank opinions**

If residence settings prove to be too tight, it is easier to widen eligibility than to take things away – particularly given immigration settings tend to have a long lag time.

The new SMC settings, combined with the Green List and Sector agreements, are expected to see more people move from temporary work visas to residence than ever before.

## **II. Confirming the skill threshold for the SMC and how to deal with exceptions**

We acknowledge that the proposed points framework has a bias towards professional roles. We have explored options to recognise a broader range of skills, e.g. skilled trades and vocational roles, where training is primarily developed on-the-job and/or formal training is shorter than the threshold set.

We recommend retaining the proposed points framework, with one change to allow two-year registrations to qualify. This change would bring in a small number of trades that would not otherwise qualify for the SMC, including, for example, Line Mechanics, Drainlayers, External Plasterers and Cable Jointers.

We considered a range of other options, including recognising Level 4-6 (non-degree) qualifications and lowering the income threshold to e.g. 1.25 times median wage. Other changes to the simplified points system would all result in a significant widening of eligibility and/or introducing significant complexity – and may not even capture the skilled trades that have been raised.

We therefore recommend using the Green List and/or Sector Agreements to capture any other high-value occupations, where a residence pathway is important to attract people. Using these levers enables tailoring the relevant skill threshold to the occupation, e.g. using a combination of qualifications and/or income, without compromising the overall skill threshold.

Specific roles we recommend exploring further are:

- Chefs, which we identified in early analysis as an occupation that has previously been highly represented under the SMC, but now very few people would be eligible under the proposed settings. We have opened a discussion with the industry (Hospitality New Zealand and the Restaurant Association) on how we might distinguish highly skilled Chefs for further consideration.
- Manufacturing and related roles: a cluster of roles relating to metal manufacturing and related roles are relatively highly represented in the top AEWV occupations, where few people are expected to make the new SMC threshold. We intend to explore further with the Employers and Manufacturing Association if a residence pathway might be appropriate.

## **III. Determining if there will be a Maximum Continuous Stay (stand-down), and for how long**

In September, Cabinet agreed that the current stand-down period for people on an AEWV in below median wage jobs should be extended to everyone on an AEWV, to avoid creating a future cohort of people that are well settled in New Zealand with no realistic pathway to residence.

Two thirds of submitters in the consultation opposed having a maximum continuous stay, especially businesses and unions, and those that did so did so strenuously. Despite this, we continue to recommend that implementing a maximum continuous stay is appropriate to avoid the risks to migrants and their families of staying long term without the rights and protections of residence (“second-class citizens”).

We recommend, however, extending the period of the maximum continuous stay to e.g. five or six years. This provides a balance between improving clarity and reducing risks to migrants, while allowing more time for people to work in New Zealand. This could be implemented through an extension of the AEWV to five years. We plan to report back further on this option.

### **Next Steps**

We are seeking your direction to prepare a Cabinet paper for consideration at the Cabinet Economic Development Committee on 5 April. INZ has advised that it needs at least six months following final Cabinet decisions to implement the new policy.

## Recommended actions

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

- a **Note** that MBIE will publish the summary report of the submissions feedback from public consultation on the Future of the Skilled Migrant Category (SMC), attached at **Annex 1**, on MBIE's website

*Agree / Disagree*

### Simplified points system

- b **Agree** to progress the proposed simplified points system, which focuses on granting residence to people who can fill medium- to long-term skill needs that would be hard, or take time, to fill from the domestic labour market, even under the right conditions

*Agree / Disagree*

- c **Agree** that the skill proxy points are awarded as follows (including minor changes post-consultation):

- i. **professional registration:** regulated registrations requiring at least two years formal training and experience (lowered from three years in the consultation proposal to bring in more trades roles)

*Agree / Disagree*

- ii. **qualifications:** equivalent to New Zealand Bachelor's degree at Level 7 or above on the New Zealand Qualifications Framework

*Agree / Disagree*

- iii. **income:** at least 1.5 times the median wage, which must be maintained for the full period of skilled work experience

*Agree / Disagree*

- d **Agree** to bring the two-year Highly Paid (twice median wage) residence pathway into the SMC

*Agree / Disagree*

- e **Agree** that, if there are high value skills that are not captured under the simplified points system, the Green List and/or sector agreements are the most appropriate mechanisms (if limited to a small number of occupations)

*Agree / Disagree*

- f **Note** that alternative options considered were to lower the qualification threshold to include qualifications at Levels 4-7 on the New Zealand Qualifications Framework or to lower the income threshold to 1.25 times median wage, but these options are not recommended

*Noted*

- g **Agree** that a skilled job or job offer is defined as employment in a genuine job which is:

- i. in a role which is either ANZSCO Level 1-3 paid at or above median wage, or ANZSCO Level 4-5 paid at or above 1.5 times median wage
- ii. full-time (guaranteed minimum 30 hours per week for every week worked); and
- iii. ongoing and sustainable (contract which is permanent or fixed-term for at least 12 months, or a demonstrated history of contract work)

*Agree / Disagree*

h **Agree** that skilled work experience:

i. is also defined as employment in a genuine job which is:

- in a role which is either ANZSCO Level 1-3 paid at or above median wage, or ANZSCO L4-5 paid at or above 1.5 times median wage
- full-time (guaranteed minimum 30 hours per week for every week worked); and

*Agree / Disagree*

ii. can be on any work visa where people meet the relevant income and full-time requirements

*Agree / Disagree*

iii. must be undertaken within a maximum of five years before application, with at least 12 months undertaken immediately before application

*Agree / Disagree*

i **Agree** that the main skilled resident visas, i.e. the SMC, Green List and Sector Agreements, will be presented together under a streamlined banner of skilled residence for customer-facing communications

*Agree / Disagree*

j **Agree** to manage the potential visa gap for applicants on a three-year AEWV requiring three years of skilled work experience by both:

i. implementing a “linking” visa on application for the SMC, to ensure people can stay legally while their SMC application is processed

*Agree / Disagree*

AND

ii. extending all AEWVs to three years and six months, to allow for a cross over period while people apply (subject to no changes to the standard length of AEWVs)

*Agree / Disagree*

### **Specified occupations**

k **Agree** to not progress the proposal to implement a specified occupations list, but to continue monitoring AEWV and SMC application trends and to reconsider this proposal if risks emerge

*Agree / Disagree*

### **Maximum Continuous Stay (“stand-down”)**

l **Agree** to implement a maximum continuous stay (previously called “stand-down”), after which people on an AEWV must leave New Zealand for at least 12 months before being eligible for another AEWV, to manage the risks to people of becoming well-settled in New Zealand without a realistic pathway to residence

*Agree / Disagree*

m **Agree** to either:

i. a three-year maximum continuous stay, which was previously proposed and aligned with the previous stand-down agreed for people earning below median wage

OR

*Agree / Disagree*

ii. (recommended) a longer maximum continuous stay, e.g. five or six years, in which case officials would provide further advice on the best way to implement this

*Agree / Disagree*

- n **Agree** that, despite the maximum continuous stay, people who can demonstrate they are on a recognised pathway to residence (i.e. have at least three skill proxy points) can get a further AEWV, without leaving New Zealand, to enable them to complete the required skilled work experience to meet the SMC threshold

*Agree / Disagree*

### Processing to demand

- o **Agree** that there will be no caps on numbers eligible for residence under the SMC

*Agree / Disagree*

- p **Agree** that officials will continue to progress work on a Skilled Migration Performance Framework

*Agree / Disagree*

### Other policy decisions

- q **Agree** to the removal of the Job Search Visa, as its application would be limited under the proposed simplified points system and other options are available to search for jobs in New Zealand

*Agree / Disagree*

- r **Note** that officials have explored that the potential to allow limited exceptions to the SMC age limit of 55 years for a limited number of highly specialised health roles and do not recommend progressing it at this stage, but may provide further advice if there are strong cases for exceptions in limited roles

*Noted*

### Implementation

- s **Note** that at least six months following Cabinet decisions is needed to implement the new SMC, meaning if final decisions are made in early April the earliest go-live date would be early October

*Noted*

- t **Note** that INZ will report back to you on service standards/target processing times for the new SMC category, as part of work underway to develop a skilled residence processing plan

*Noted*

- u **Note** that as part of advice for Cabinet, we will report back on the timing for closing applications under the current SMC policy

*Noted*

### Next steps

- v **Agree** that officials will prepare a draft Cabinet paper in line with your decisions above, for consideration by the Cabinet Economic Development Committee on 5 April.

*Agree / Disagree*

Privacy of natural persons

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

Hon Michael Wood  
**Minister of Immigration**

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## Background

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1. The Skilled Migrant Category (SMC) is New Zealand's main resident visa category based on skills and employment. It supports economic growth by granting residence to people who have skills to fill identified long-term needs and opportunities and who can deploy those skills in New Zealand. Temporary labour market needs are best met through migrants on work visas, such as the Accredited Employer Work Visa (AEWV).
2. The Immigration Rebalance, introduced in May 2022, aims to support the Government's plan to transition to a more productive and sustainable economy by creating the new normal for access to migrant labour and skills now that New Zealand's border has been reopened. Rebalance changes have significantly changed the policy landscape that the SMC operates in:
  - The **2021 Resident Visa** has created an almost-blank slate for the reopening of the SMC, by granting residence to most people onshore who had applied or who would be likely to apply for SMC, as well as many other onshore workers (total of over 200,000 people).
  - The **introduction of the Green List and the Highly Paid** (twice median wage) skilled residence pathways, which will cover a large proportion of roles that previously gained residence through the SMC.<sup>1</sup> Further Green List additions were announced in December 2022 and will take effect from March 2023. This means that the Green List will be carrying a significant proportion of the roles which would have previously come under the SMC. The new **Care Sector Agreement**, and **Transport Sector Agreement** announced in December will provide new residence pathway for many people who would not have been eligible previously<sup>2</sup>.
  - A **higher threshold for most temporary work visas** (median wage) and strengthened employer and labour market checks are mitigating some immigration and labour market risks which we were seeing pre-COVID.
3. In the context of the Government's Immigration Rebalance, Cabinet invited the Minister of Immigration to undertake a review of SMC settings [CAB-21-MIN-0554]. The objectives of the SMC review are to:
  - Align with the Immigration Rebalance: a higher-productivity, higher-wage economy with a focus on training and employing New Zealanders in the first instance but also making it easier for employers to attract and retain highly skilled migrants
  - Give more certainty for migrant workers and employers: clearer pathways to attract migrants to New Zealand and treating them well
  - Improve processing times with faster decisions and increased certainty
  - Reduce immigration and labour market risks, by reducing the drivers of exploitation and poor working conditions
4. In September 2022, Cabinet agreed to public consultation on a new SMC framework [CAB-22-MIN-0411]. A summary of the consultation process is provided in the next section.
5. Cabinet also agreed to the reopening of the current SMC, which had been effectively closed since April 2020 due to COVID. It reopened under existing settings in October 2022, and the first draw from the Expression of Interest (EOI) pool at 160 points was made on

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<sup>1</sup> Not including the additions to the Green List announced in December, Green List roles comprise around 46 per cent of 2019 SMC approvals. This reflects the prioritisation that was happening in 2019 and is much higher than the proportion across the total pool of applicants.

<sup>2</sup> Between 4 July 2022 and 19 January 2023, AEWVs were issued for 846 truck drivers and 196 bus drivers. In 2017-19 only a few drivers came through the SMC, and around 50 a year through Residence from Work. No bus drivers gained residence through these streams. (The number of truck drivers reached 1,001 by 7 February.)

11 November. In this first draw, 6,515 EOIs (covering 14,709 people) claimed 160 or more points and were selected. The second draw, at 180 points, was made on 18 January 2023 and 423 EOIs (covering 1004 people) were selected. Many of these were in occupations which are on or in the process of being added to the Green List, e.g. the highest occupation was Early Childhood Teachers, which is on the Work to Residence Green List.

6. This briefing provides you with a high-level summary of the SMC public consultation feedback and sets out each of the key policy decision areas and recommendations. We also provide information on the implications of the proposed changes for implementation, and a summary of next steps to seek Cabinet decisions in early April.

## Public consultation on SMC settings

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7. On 12 October 2022, as part of a range of broader immigration announcements, you announced the commencement of a five-week public consultation process to enable feedback on the proposed changes for the future settings of the SMC.

### Our approach to consultation involved different methods of engagement to reach a range of audiences and representative groups

8. Targeted external engagement was undertaken through several online discussions with a range of peak bodies, employer groups, unions, and migrant representative groups during the first two weeks of the consultation period. Smaller scale follow-up meetings also took place, where needed. Broader public engagement was enabled through an online survey and submission form that could be completed by submitters and emailed to the public inbox.
9. Submitters were invited to comment on four key policy proposals (for which our responses are discussed below):

**1. Introduce a simplified points system** to set a clear threshold for residence and increase certainty for migrants. Points can be made up from one of three skill categories, i.e. professional registration, qualifications, or high income, and up to three years of skilled work in New Zealand.

**2. Special requirements for people in specified occupations**, including some roles in retail and hospitality, to manage immigration and labour market risks while granting residence to highly skilled people in these occupations.

**3. Apply the stand-down period requirement** to all migrants who do not meet the eligibility criteria for residence. The stand-down would mean that after a maximum period of three years on an Accredited Employer Work Visa, people must spend at least 12 months outside New Zealand. This is to avoid the risks to migrants of becoming well-settled in New Zealand without the rights and protections that come with residence.

**4. Process all applications that meet the eligibility criteria**, i.e. no caps, meaning a higher proportion of migrants will gain residence every year.

10. There were 19 discussion questions related to these topics in the online survey and submission template provided by MBIE. While most used these templates to complete their submissions, a smaller portion of submitters (primarily union, sector and peak bodies) chose to provide freeform responses instead.

### General feedback on the proposed changes was mixed

11. MBIE received 309 submissions (57 longform, 242 surveys, 10 workshop notes) over the consultation period.
12. Overall sentiment to the proposed changes and the supporting rationale was mixed, but there was generally more support for change than not. Several submitters disagreed with the

fundamental principles behind the Rebalance (shifting to a higher-skilled and productive economy), or rather the evidence of the impact of immigration on these goals, and many preferred alternative ways to reduce immigration risks to the proposed stand-down policy.

13. Commentary from submitters also touched on several other issues not directly related to the proposed changes to the SMC, including the interim reopening of the SMC, Accredited Employer Work Visas, and other temporary work visas. Where appropriate, submitters were directed to existing information (e.g. Immigration New Zealand’s website information on SMC applications), and other comments will inform the appropriate workstreams.
14. The consultation summary report and a table of responses to key feedback are included in **Annexes 1 and 2**. We intend to publish this report on the MBIE website.
15. The following section sets each of the four key policy proposals, the main consultation feedback on the proposals, and our recommended approach. The key decisions for Ministers are around:
  - confirming a skill level for residence above the Accredited Employer Work Visa (AEWV)
  - confirming the skill threshold for the SMC and how to deal with exceptions
  - determining if there will be a maximum continuous stay (stand-down), and if so for how long.

## 1. Simplified Points System

16. The key proposal we consulted on was to introduce a new, simplified points system that sets a clear, fair, and transparent eligibility threshold for skilled residence.
17. The focus of the simplified points system is on granting residence to people who can fill medium- to long-term skill needs that would be hard, or take time, to fill from the domestic labour market, even under the right conditions. The eligibility threshold is set at equivalent to six years of “human capital”, meaning it would take at least six years for someone in the domestic workforce to gain that level of education, training and/or work experience.

**Table 1: Consultation version of Simplified Points System**

Points: **6 points = eligible for SMC**

Skilled Migrant Category (Choose from one column)				
NZ Registration	Qualification	Income	Points	Skilled work in NZ (1 year = 1 point)
Registration ≥6 years	Doctorate	3 x Median Wage	6 points	<b>Straight to Residence</b>
Registration ≥5 years	Master’s		5 points	<b>+ 1 year</b>
Registration ≥4 years	Honours, PGDip	Highly Paid	4 points	<b>+ 2 years</b>
Registration ≥3 years	Bachelor’s	1.5 x Median Wage	3 points	<b>+ 3 years</b>

### How it works

18. Consistent with the baseline requirements for the current SMC and other residence class visas, applicants must have:
  - a skilled job or job offer paid at least the median wage
  - minimum English language ability equivalent to IELTS 6.5

- standard health, character, and national security requirements.
19. Applicants must have at least 6 points to be eligible for the SMC. This can be made up from:
- 3 to 6 points based on professional registration, qualifications, or income. This offers several ways for people to demonstrate their skill level. People who meet the threshold in multiple ways can choose the skill category that offers them most points; and
  - 1 point per year of skilled work experience in New Zealand, up to a maximum of 3 points.
20. For example:
- **Registration:** A chartered accountant could claim 6 points for their registration, so would be eligible for residence if they had a job or job offer. A licensed building practitioner could claim 3 points (points level to be confirmed) for their professional registration, so would be eligible for residence after three years of skilled work in New Zealand.
  - **Qualification:** A scientist with a PhD could claim 6 points for their qualification, so would be eligible for residence straight away if they had a job or job offer in New Zealand. Someone with a Bachelor of Science would be eligible for residence after three years of skilled work in New Zealand.
  - **Income:** A CEO earning three times median wage would be eligible for residence straight away. A welder earning 1.5 times the median wage could claim 3 points for their income, so would be eligible for residence after three years of skilled work in New Zealand.
21. More detail on how points work under each of the is set out in **Annex 3**.

### **Consultation feedback advocated for broader recognition of skills and access to residence pathways**

22. Consultation feedback showed broad support for simplification of the system and the goals of providing certainty and clarity. The key changes suggested were to:
- **Introduce a “long residence” model**, either as well as or instead of a points system, where people who had been able to work legally in New Zealand for a certain period, e.g. five years, would become eligible for residence. Business NZ’s submission heavily promoted this option, with individual employer submissions expressing support for it.
  - **Recognise a broader range of skills.** There was some criticism of what was perceived as a narrow definition of “skilled”, particularly where skills are primarily gained on-the-job and where there is no associated professional registration scheme. Specific proposals to address this focused on recognising overseas work experience; recognising Level 4-6 (below degree-level) qualifications and lowering the income threshold.

### **On balance we do not recommend a long residence pathway**

23. Before consultation, we provided advice on a time-based option (equivalent to a long residence pathway), which would grant residence to people that have worked on a relevant visa in New Zealand for a period, on the basis that the length of time worked demonstrates a medium-term skill need. This option would effectively rely on the median wage as the key skill threshold (with the potential for a higher wage bar for ANZSCO 4-5 roles) and on the labour market to self-regulate beyond that.
24. There is mixed evidence on the risks, benefits and effectiveness as levers of either a market-based time served threshold for residence, or a higher bar skill threshold for residence (such as the current or proposed SMC points or Green List occupation-based thresholds). The labour market long residence path is generally better for employers and migrants and is

supported by a general argument that it is efficient to retain workers in the economy that have maintained employment over the medium term, rather than replace them with new temporary migrants where there is an ongoing domestic workforce gap. Maintaining a higher threshold for skilled residence arguably keeps a higher 'replacement' cost tension on the use of migrants for some roles, aligns with lifting the aggregate skill level of the permanent workforce, and provides more flexibility to respond to economic cycles and shifts, infrastructure pressures, or a changing domestic workforce flow. There is a judgement to be made between the two based on weighting of different objectives, assumptions about how the labour market will operate, and risk tolerance given uncertain future developments and mixed evidence of some impacts.

25. Many of the potential impacts that feature in arguments for either approach, such as infrastructure pressures, attraction or potential wage suppression, apply to the combined impact of both temporary visa settings and residence settings and populations. For example, workers need houses whether they are temporary workers (who may be replaced in future years) or permanent additions to the New Zealand workforce. The question is what difference granting residence makes to these pressures or benefits.
26. Some of the key considerations used in arguments for and against a lower threshold for residence include:
  - **Alignment with lifting productivity and a skilled workforce:** New Zealand's productivity is relatively low.<sup>3</sup> This is a multi-faceted issue covering many portfolios and potential levers such as skill development, capital markets and industry investment. The Immigration Rebalance median wage threshold aims to support the transition to a higher-productivity, higher-wage economy and workforce through lifting the overall skill level of migrants and reducing the numbers of lower skilled migrants. There are very few barriers to recruitment above the median wage, so skills in this range can come to New Zealand freely. In this situation, skill levels will fluctuate with market need based on temporary access, while shifting people to residence adds them to New Zealand's permanent workforce composition. For the many roles just over the median wage, this will include migrants able to get jobs, but potentially some with limited formal training or skill development (at the point of application) that are not the main target for attracting high skills.
  - **Managing absorptive capacity:** The levers available to manage absorptive capacity are to restrict migration to non-New Zealanders, or to manage policies to align with expected population growth over the medium to long term, e.g. increased investment in housing, infrastructure, social services and environmental protection. New Zealand's population has grown comparatively rapidly over last 30 years (around 2.5% per year, compared to the average OECD average growth of 1.55% per year). The "migration boom" between 2014 and 2020 contributed two-thirds of population growth, peaking at 70,000 net migration in 2019 (compared to a long-run historical average net migration of around 20,000 people annually). The perception was that net migration volumes were unsustainably high and that investment was not keeping up.

Turning a temporary worker into a resident does not increase infrastructure pressures if that resident is not then replaced by another temporary worker (i.e. the total workforce size does not change). There may be potential pressures on services (such as welfare and education, though likely offset by economic value) and potential population pressures as residents are more likely to bring family, or if there is an increase in the total workforce.

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<sup>3</sup> According to the Productivity Commission's report *Productivity by the Numbers* (May 2021), New Zealanders work longer hours: 34.2 hours per week compared with 31.9 hours per week in other OECD countries. And New Zealanders produce less: \$68 of output per hour, compared with \$85 of output per hour in other OECD countries.

- **Managing economic impacts and individual outcomes:** Some stakeholder feedback focused on the evidence for the economic and labour market benefits or risks of migration. There is some evidence for impacts at the aggregate (generally net positive for the economy), sector and individual level. Relevant evidence includes:
  - The positive economic impact of migration is greater for high-skilled, high-productivity sectors, both through the direct impact on productivity and contribution to tax, and indirect impact on knowledge, skills and innovation.<sup>4</sup>
  - There is evidence that migrants with a student visa as their first visa in New Zealand earn less over the long term than those starting on work visas, resident visas or New Zealanders, even when controlling for factors like age.
  - The Productivity Commission report on Immigration<sup>5</sup> did not find systematic job displacement, but it notes that concerns about displacement of local labour in the event of a future economic “shock” or cyclical down-turn in the economy are real. MBIE research shows that migrant workers, ethnic minorities, disabled people, Māori and Pacific people are particularly vulnerable to poor labour market outcomes in a recession.

The Rebalance and other policies put weight on the argument that limiting labour supply will incentivise employers to invest in New Zealand workers or new business models. Where temporary workers are available, but access to residence is limited, there is a theoretical incentive to invest in a slightly under-skilled or higher reservation wage New Zealander that can be retained in the sector, rather than having to replace a temporary migrant worker after a medium-term period. This may be counter-productive where there is no supply of domestic workforce despite employer efforts. There is limited New Zealand evidence of impacts either way.

- **Managing the supply of migrants:** A pathway to residence is often cited as a requirement to attract workers willing to move themselves and their family across the world. This is anecdotally true for skills in global demand and settings have been tailored to provide assurance for the highly skilled. There is evidence that supply of some occupations, including those that fall between the median wage and SMC thresholds, are not significantly restricted by only a temporary pathway, with roles like carpenters coming in with relatively few transferring to residence.

Residence pathways also act as a pull factor, augmenting the attraction of New Zealand to many migrants compared to their home situation. There was a growth in migrant numbers in lower paid roles that were often less attractive to New Zealanders in the last decade. While there is a job requirement for residence, it does not follow that increased attractiveness will directly result in higher residence levels if the labour market does not need them. However, there may be additional incentive for some employers to seek a migrant over a New Zealander where they are willing to work for a lower rate **Free and frank opinions**. As above evidence on this impact is mixed and anecdotally more sector specific.

We do not know the impact of changes to immigration settings since the borders closed will have on migrant flows. Despite the new median wage threshold, the temporary work visa approvals (AEWVs) since reopening in July are higher than pre-COVID levels. It is unclear whether this is the result of pent-up demand or if it will continue. September to December 2022 arrivals of non-New Zealander on work visas were the second highest for the same period in the last decade.

- **Responding to economic cycles and shifts:** A key difference between temporary and resident visas is the ability to reduce the number of temporary migrants in the workforce if labour market demand falls. In practice, in most cases of economic

<sup>4</sup> Productivity Commission: *Immigration by the Numbers* (April 2022)

<sup>5</sup> Productivity Commission: *Immigration – Fit for the Future* (April 2022)

downturn the immediate response will be to reduce the inflow of new workers and this may address the workforce pressures. Releasing temporary migrants from roles where a domestic workforce is now available will naturally lag as they can stay in roles until their current visa expires. A resident visa further locks in workers into the economy, reducing flexibility for a shorter-term response. People at higher skill levels are more likely to be able to transfer their skills if the labour market changes including if there is an economic downturn.

27. Given the range of unknowns, a key choice is whether to start conservatively and loosen settings later if they prove too tight; or to start with more open settings and tighten later if needed. We recommend retaining the higher skill threshold for skilled residence:
- The higher threshold is aligned with the higher skilled workforce and economic goals.
  - The threshold still provides residence for high skilled migrants who are likely to add value to New Zealand long-term.
  - Employers retain access to the workers they need through a high trust, low labour market testing temporary work visa (above the median); while retaining some tension to look for New Zealanders at mid skill levels.
  - It minimises additional risk of driving the uptake of migrants willing to work for lower reservation wages or into non-genuine jobs, particularly from countries with strong “push” factors.
  - We are already in unprecedented territory in terms of managing demand for skilled residence visas, i.e. no caps and processing to demand. A further significant change to the potential volumes coming through residence could be considered in the context of interagency work on the relative impact of immigration and the investments required to align with absorptive capacity (e.g. Government Policy Statement/population work).
  - If residence settings prove to be too tight, it is easier to widen eligibility than to take things away. There is also a long lag on immigration settings; the general principle of grandparenting means the “tail” of people eligible for residence would be long.
28. Changes under the Immigration Rebalance, particularly the new AEWV median wage threshold, and proposed skilled residence settings aim to narrow the gap between eligibility for temporary work visas and residence, while meeting wider social and economic objectives. As previously advised, we expect the removal of the planning range for skilled residence, and no caps on Green List volumes, will mean larger volumes of people moving to residence each year than pre-COVID. However, we continue to recommend apply a higher bar for residence from temporary work settings.

### **We have explored a range of options to improve eligibility for skilled trades and vocational roles**

29. Our earlier advice acknowledged that, while the SMC focuses on individual skills, it will be more difficult for migrants in some occupations to meet the points threshold, especially where training is primarily on-the-job and there is no associated registration scheme, e.g. some skilled trades and vocational roles.
30. We undertook to provide advice on critical roles that do not meet the proposed criteria for the SMC and options to address them. At that time, we advised that to keep the points system simple, the Green List would likely provide the best avenue for any occupation-based exceptions.
31. We have explored a range of options to improve recognition of on-the-job skills under the points framework. Consistent with objectives of the simplified points system, the focus for any expansion is on capturing:

- people with skills that are not readily trainable; who can deploy their skills in the economy now (rather than training into a role); and who are likely to be able to transfer their skills if the labour market changes
- occupations where there is an expectation of an ongoing workforce gap; where people are likely to stay on their career paths once they gain residence (i.e. not using residence to address retention issues); and that are not generally filled by vulnerable New Zealanders (displacement impact).

32. To support our analysis, we have looked at information on:

- the top 100 occupations of people who were granted AEWVs from 4 July 2022 (opening) to 19 January 2023 (see **Annex 5**); and
- the top 25 occupations represented in SMC applications drawn in November 2022 (the first draw after reopening and the final draw at 160 points (see **Annex 6**).

33. Specific roles were raised in consultation included:

- **Automotive industry:** Automotive Technicians, Mechanics, Collision Repairers, Truck Drivers, Bus Drivers
- **Agricultural sector:** Wine Makers; Agricultural Technicians, Crop Farm Managers, Agricultural consultants
- **Construction sector:** General Builders, Carpenters/Joiners, Tilers, Roofers
- **Engineering:** BIM Technicians: GIS Analysts, Engineering Technicians (Level 6 Diploma), Engineering Technologists (Level 7 Degree), Building Information Modelling and other 3D design roles: Building Inspectors
- **Hospitality, retail, and services:** Cooks/Chefs, Artisanal Bakers, Butchers, Retail managers, Hairdressers and Barbers, Beauty Spa Managers, Tourism Workers (especially hotel and restaurant workers)
- **Healthcare:** Pacific Health Workers, Aged Care Workers, Enrolled Nurses, Pharmacy technicians, Dental Technicians, Radiologists/Sonographers
- **Manufacturing:** Fitters/welders, Metal Machinists (including CNC machinists), Wood machinists, Upholsterers, Jewellers, Hosiery technicians, Air Conditioning Technicians, Electronics Trades Workers, Mechanical Engineering Technicians, Science Technicians
- **Other:** Teachers; Audio-visual Technicians, Corrections Officers, Marine Diesel Technicians, airline staff, e.g., Pilots, Cabin Crew, Ground Staff, Catering Workers, and Cleaning Staff.

34. Some of these roles would already be eligible under the proposed SMC, e.g. carpenters and joiners, where we are likely to see more people eligible via registrations (licensed building associate) than under the current system<sup>6</sup>, builders and pilots, where we would expect people to be able to rely on the income proxy. Other roles like teachers would have been eligible for the SMC but have already been picked up under the Green List. The Healthcare roles are all being considered separately under the Green List also, and the new Transport Sector Agreement has a new residence pathway for Truck and Bus drivers. Some other roles raised require lower levels of training and speak more to labour market gaps rather than skill gaps, e.g. hotel and restaurant works and airline ground staff and cleaning staff.

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<sup>6</sup> Around 98 Carpenters and Joiners came through the SMC in the three years 2017-19, which represented 11 per cent of the people on temporary work visas at the time. Carpenters has 221 people come through, compared to 6,382 on temporary work visas.



**We recommend minor changes to the points system and use of the Green List and/or Sector Agreements to facilitate exceptions**

- 35. The key challenge is to identify skill proxies that can capture a broader range of high-value skills, without opening significantly more widely.
- 36. We recommend retaining the proposed points system, with one change to allow two-year registrations to qualify. Regulated registrations provide a relatively high degree of confidence of people’s ability to deploy skills in New Zealand. This change would bring in a small number of trades that would not otherwise qualify for the SMC.
- 37. Other options to amend the simplified points system do not sufficiently or easily distinguish between intuitively skilled and low skilled roles. It’s also difficult to distinguish between highly skilled people among some occupation, e.g. Chefs, outside of a wage proxy. The other options we considered would result in a significant widening of eligibility and/or introducing significant complexity – and may not even capture the skilled trades we are targeting.
- 38. We recommend using the Green List and/or Sector Agreements to capture any other high-value occupations, where a residence pathway is important to attract people. Using these levers enables tailoring the relevant skill threshold to the occupation, e.g. using a combination of qualifications and/or income, without compromising the overall skill threshold.
- 39. We also continue to recommend that the Green List – and Sector Agreements – remain tightly focused on occupations of critical importance to the New Zealand economy or where there is a significant public good. All occupations are eligible for the SMC, provided they meet the 1.5 times median wage threshold.
- 40. If, however, exceptions to the SMC resulted in many occupations being added, it may be preferable to look at other options such as lowering the income threshold or recognising additional qualifications (noting as above the challenge in distinguishing these) or reverting to a time-based model with an exceptions list (noting this is not generally recommended).
- 41. The options we considered are set out below in more depth.

**Table 2: Options considered to expand eligibility under the Simplified Points System**

Points: **6 points = eligible for SMC**

<b>Skilled Migrant Category</b> (Choose from one column)				
<b>NZ Registration</b>	<b>Qualification</b>	<b>Income</b>	<b>Points</b>	<b>Skilled work in NZ</b> (1 year = 1 point)
Registration ≥6 years	Doctorate	3 x Median Wage	6 points	<b>Straight to Residence</b>
Registration ≥5 years	Master’s		5 points	<b>+ 1 year</b>
Registration ≥4 years	Honours, PGDip	Highly Paid	4 points	<b>+ 2 years</b>
Registration ≥3 years	Bachelor’s	1.5 x Median Wage	3 points	<b>+ 3 years</b>
Registration ≥2 years	Level 4-6 qualifications	1.25 x Median Wage		

**i) Expanding eligibility of New Zealand registrations**

- 42. Registration as a skill proxy draws on the independent skills assessment that registering bodies provide. It offers a way of recognising on-the-job skills and overseas experience as recognised by registering bodies, offering a pathway for some occupations that would not meet the other skill proxies, and a faster pathway for some others.

43. We propose to limit eligibility to regulated registrations, because of the level of robustness regulation provides. Applications for registration under regulated registration schemes are scrutinised against legislative requirements and registration bodies are responsible for monitoring and enforcing professional and ethical standards of practice. All these registration schemes are administered by government departments and usually supported by a body of senior industry professionals. This covers up a range of in-demand trades, including e.g. Licensed Building Practitioners (Carpenters) and other building and construction roles, as well as professional roles such as Chartered Accountants, Architects, Engineering Associates and Licenced Immigration Advisers. The list of proposed eligible registrations and associated points is provided at **Annex 4**.
44. Across all the proposed skill levels there is a strong overlap with the Green List, meaning that many occupations are already covered, including specialist health roles and in-demand trades roles such as Plumbers, Electricians, and Engineers. Additions to the Green List announced in December 2022, including the addition of all Registered Teachers and many Allied Health roles, means the registration skill proxy will play a smaller role under the SMC than previously anticipated (but is future-proofed if roles are removed from the Green List).
45. We do not recommend including self-regulated registrations/memberships at this stage, as they do not have the same level of robust assessment or oversight. For many of the memberships identified, those eligible for membership would already be eligible for residence through the regulated registration, qualification, or Green List pathways e.g. health roles such as Audiologists and Counsellors, IT professionals, Quantity Surveyors, Surveyors, Master Builders, and Master Plumbers. For some other self-regulated registrations, such as for hairdressers and civil trades, we are not satisfied that they meet the intended skill threshold of the SMC, i.e. they are based on short-duration qualifications and/or that are not clearly linked to skill progression. If a relevant self-regulated registration emerged, further consideration may be given in the future as to how to include them.
46. We consulted on recognising professional registrations that would take at least three years of formal training and experience to gain as a skill proxy. We recommend expanding the registration skill proxy to award two-year registrations 3 points. This recognises the robust assessment that regulated registrations offer and would mitigate some of the bias against trades and vocational roles by bringing in a narrow set of trade roles. This would pick up e.g. Line Mechanics (which had approximately 70 applicants per year under the current SMC), Drainlayers, External Plasterers and Cable Jointers.
47. We do not recommend lowering the entry threshold below two years, as this would increase inconsistency across skill thresholds. For many roles below two years, progression opportunities are available through additional training or experience, e.g. progression from an Enrolled Nurse to a Registered Nurse, or from electrical appliance servicing to other electrical/electrician roles.

#### ii) Including below degree-level qualifications

48. We consulted on recognising qualifications at Bachelor's degree and above as a skill proxy. International qualifications can be used, if assessed by the New Zealand Qualification Authority (NZQA) to meet the relevant threshold, with points awarded based on the standard length of time to achieve the qualification in New Zealand. More detail of how recognition of qualifications will work is provided at **Annex 3**.
49. The removal of direct recognition of non-degree qualifications is one of the most significant changes affecting eligibility from the current SMC, which awards points for Certificate or Diploma qualifications at Levels 3-7 of the New Zealand Qualifications Framework (NZQF). The proposal was based on:
  - consistency with a skill threshold equivalent to 6 years (i.e. at least three years' formal qualifications). Many non-degree level qualifications are short in duration, or undertaken on an apprenticeship basis alongside work under supervision; and

- lower-level qualifications have often been used as part of an “easy” route to residence. Under the current SMC, sub-degree qualifications are awarded a relatively high number of points. We have seen patterns of behaviour suggesting international students were entering New Zealand to study sub-degree courses with the intention of seeking a pathway to residence, rather than for the educational value. This in turn is assessed to have driven perverse behaviours in the New Zealand international education sector. Examples of qualifications that were disproportionately highly represented in SMC applications included e.g. Diploma of Business and Diploma of Hospitality Management.

50. As expected, several submissions pointed out that qualifications below degree level can often be important, especially in sectors where degree level qualifications are neither appropriate nor available. Fundamentally, we agree. However, there is a large variation in nature of sub-degree qualifications and no obvious way of distinguishing those that would be considered higher value, including those leading to skilled trades and technician roles.

51. We do not recommend including non-degree qualifications because of the difficulty in expanding eligibility, without replicating the risks we have previously seen. This does not mean that below degree level qualifications are not recognised as part of skilled residence settings. Under the proposed SMC, non-degree qualifications are the core requirement for some regulated registrations and can be recognised more indirectly through the income stream; and a range of Green List occupations include non-degree qualifications as a core requirement.

52. We also explored:

- allocating points for specific trade/other relevant qualifications. However, this would in effect create an occupation list within the SMC. If taking an occupation-based approach, we recommend using existing occupation-based levers, i.e. the Green List and Sector Agreements
- adding a skill proxy that includes a combination of qualification and income (e.g. 1.25 times median wage, as discussed below). Requiring a combination would mitigate some of the risks of these proxies on their own, but comes with the limitations of both (i.e. people taking qualification for residence/many trades still not qualifying for residence).

### **iii) Lowering the income threshold**

53. We consulted on recognising income of at least 1.5 times median wage as a skill proxy. Income as a stand-alone proxy for skill is a new proposal under the simplified points system. It aims to provide a residence pathway for people in highly skilled occupations where neither eligible registrations nor degree-level qualifications are relevant, including skilled trades and vocational roles.

54. In earlier advice, we recommended against having income as the primary/only proxy for skilled residence, because people in highly skilled but comparatively not well-paid occupations would miss out; and because income may reflect or embed structural pay issues (e.g. pay parity/discrepancies across gender and ethnicity lines). However, although a blunt tool, we consider it plays a useful role as part of a balanced points system.

55. Feedback from consultation generally dismissed income as “out of reach” and instead focussed on the lack of a residence pathway for people in occupations without relevant registrations or qualifications.

56. We have considered dropping the wage threshold to e.g. 1.25 times median wage to improve eligibility for people in skilled trades and vocational roles. As part of this, we examined data on the income level of people approved new AEWVs since reopening, as well as the November SMC draw, looking at those who earned 1.5 times median wage; 1.35 times

median wage, which is 90 per cent of 1.5 times median wage and considered a level from which people could reach 1.5 times median wage within three years in New Zealand; and 1.25 times median wage.

57. The data shows a strong correlation between high income and roles that are elsewhere recognised as highly skilled, i.e. through the Green List and registration streams. Some occupations could benefit from the new wage threshold with more people likely to be eligible based on income, e.g. Welders, Air Conditioning and Refrigeration Mechanics, some Technicians and Trade workers (not elsewhere classified).
58. Lowering the wage threshold would provide a more “achievable” level for some workers. Overall, we do not recommend lowering the wage threshold, because:
  - as a stand-alone skill proxy it would represent a relatively low threshold
  - it is unlikely to have a significant effect in improving eligibility for people in skilled trades and vocational roles, where there is a strong clustering of wages at or just above the median wage. There is evidence of lifting of wages to median wage to meet the AEWV criteria, but not strong evidence that employers would respond to an even higher level; and
  - a lower wage threshold may introduce a higher level of risk of wage inflation/non-genuine wage payment.

#### **iv) Recognising overseas skilled work experience**

59. As we have previously advised, we do not recommend including recognition of overseas work experience under the simplified points system. This is a skill proxy under the current points system and we recognise it as an important measure of human capital. However, evidence of overseas work experience is easy to fraudulently obtain and difficult, time-consuming, and costly to verify. It is hard to be satisfied that the claims made are genuine and that work experience is comparable to work experience gained in New Zealand.
60. Although we do not recommend recognising it as a stand-alone skill proxy, overseas work experience can be recognised indirectly:
  - where a professional body has assessed it as part of a professional registration. Registering bodies already determine the relevance of experience gained in other jurisdictions and comparability to a New Zealand trained applicant; or
  - as part of meeting the income threshold, i.e. an employer’s assessment of the relative value of overseas experience.

#### **We have identified a small number of roles to explore for potential inclusion on the Green List/Sector Agreements**

61. Decisions in December expanded the number of roles eligible for residence under the Green List, including adding most skilled health and other roles raised in Ministerial consultation on the SMC, e.g. all Registered Teachers, Telecommunications Technicians, Halal Slaughterers and specific construction roles. We recommend that any further additions to the Green List are made as part of the planned Green List review to commence mid-year.
62. In general, we recommend that a high bar should be set for exceptions to be made. We have focused on potential gaps where:
  - even those at the highest skill levels are unlikely to meet the income threshold, because of structural sector/labour market issues

- large numbers of people previously had a residence pathway under the SMC, particularly where the number of SMC approvals represented more than 10 per cent of the number of temporary visa holders in those occupations.<sup>7</sup>

63. The key occupations we have identified as potential candidates for consideration include:

- **Chefs:** We identified Chefs in our early analysis as an occupation that has previously been highly represented under the SMC (763 in 2017-19, representing about 12 per cent of the number of people in that occupation on temporary work visas at that time), but where very few people would be eligible under the proposed settings<sup>8</sup>. It's also an occupation that has historically been prone to "job inflation" (Cooks claiming to be Chefs for residence purposes) and migrant exploitation. We have opened a discussion with the industry (Hospitality New Zealand and the Restaurant Association) on how we might distinguish highly skilled chefs for further consideration. **Bakers** might also be considered alongside this. Although numbers were smaller (213 in 2017-19), this represented 24 per cent of the number people on temporary work visas.
- **Manufacturing and related roles:** A cluster of roles, particularly relating to metal manufacturing and related roles are relatively highly represented in the top AEWV occupations, where few people are expected to make the new SMC threshold, e.g. **Metal fabricators, Metal Machinists, Steel Fixers** and other related occupations. Some of these roles had modest numbers previously eligible for the SMC, e.g. 10-30 people per year. **Fitters** and **Welders** might also be relevant, but AEWV data shows some would be eligible on income (and proportionally more Welders would likely get through on the income proxy than previously). We intend to explore further with the Employers and Manufacturing Association if a residence pathway might be appropriate.
- As set out above, some other trade roles we identified will be picked up if two-year registrations are recognised.

64. Other roles generally have relatively low training requirements and we do not recommend providing an exceptional pathway. These include those that

- had large numbers come through the SMC, but were considered roles with higher immigration or labour market risks, e.g. Café or Restaurant Manager; Retail Manager (see next section on specified occupations);
- have previously had a relatively high proportion come through the SMC (representing at least 10 per cent of the number of people on temporary work visas at the time), e.g. Painting Trades Workers, Nurserypersons;
- had some people come through the SMC, e.g. Cooks, Meat Boner, Slicers. These roles include Hairdressers and Massage Therapists, which are relatively more highly skilled roles among them, but we do not see a particular economic rationale for creating an exceptional pathway to support recruitment from offshore.
- where no one has previously come through the SMC, e.g. Builders Labourers, Scaffolders, Dairy Farm Workers, Electrical or Telecommunications Trades Assistants, Waiters, Winery Cellar Hands.

65. Of the top 25 SMC occupations in applications that were drawn in November, we do not consider there to be any compelling gaps, except for Chefs as covered above. The roles that would be less likely to get residence tend to require lower levels of training, e.g. Café or Restaurant Manager, Retail Manager (General), Bookkeeper, Program or Project

<sup>7</sup> This does not directly represent how many people transfer from one visa type to another: SMC applications include people who were on post study work rights and other visa types.

<sup>8</sup> Based on the July-January AEWV data, only one chef in 820 was earning >1.5 times median wage, and five chefs earning 90 per cent of that. 1,769 Cooks were also granted AEWVs, some of which may be working in Chef roles but wanted to avoid the additional qualification requirement that applied for a short period. Two of these Cooks earned >1.5 times median wage, and four earned 90 per cent of that.

Administrator, Hotel or Motel Manager, ICT Customer Support Officer, Hotel Service Manager, Personal Assistant, ICT Support Technicians and Office Manager. People in these roles can still apply if they meet the qualification income threshold.

### We recommend bringing the Highly Paid resident visa into the SMC

66. We recommend moving the Highly Paid residence visa into the SMC for simplicity and consistency. This pathway requires two years of work at the twice median wage and is equivalent to 4 points in the simplified points system. The current advantages for those on the Highly Paid visa pathway, i.e. open work rights for partners and no requirement for employers to advertise) apply at the AEWV stage, so can be retained without any impact on the SMC. Effectively this means that the advantages would apply at the AEWV stage to anyone earning at least twice median wage. Further consideration will be given to whether it will continue to be prioritised against other skill proxies.

### We recommend streamlining skilled residence visas

67. Some submitters noted that having the revised SMC alongside the Green List, Sector Agreements and Highly Paid pathways could be confusing for applicants and employers.
68. We recommend presenting the main skilled resident visas together for customer-facing communications. This will support migrants and employers to understand the options available to them and to choose the best visa for their situation. We will continue to work with INZ on how this might best work, including potentially renaming the Skilled Migrant Category as part of bringing it into one system.

**Table 3: Skilled Resident Visas - Streamlined**

Points: **6 points = eligible for residence visa**

Occupation		Skilled Migrant Category (Choose from one column)			Points	Skilled work in NZ (1 year = 1 point)
Green List	Sector Agreements	NZ Registration	Qualification	Income		
Straight to Residence		Registration ≥6 years	Doctorate	3 x Median Wage	6 points	Straight to Residence
		Registration ≥5 years	Master's		5 points	+ 1 year
Work to Residence	Work to Residence	Registration ≥4 years	Honours, PGDip	2 x Median Wage	4 points	+ 2 years
		Registration ≥2 years	Bachelor's	1.5 x Median Wage	3 points	+ 3 years

### We are seeking a range of decisions in relation to how skilled work experience is defined and applied

69. Applicants who meet the minimum skill threshold (3 points) can claim 1 point per year of skilled work experience in New Zealand, up to a maximum of 3 points. Skilled work experience in New Zealand is an important way of demonstrating commitment to New Zealand and the ability to deploy skills in the New Zealand labour market. Unlike offshore work experience, INZ can more readily verify an applicant's record of employment in New Zealand (especially if the employer is accredited).

#### Skilled job or job offer

70. We recommend that the skilled job or job offer is defined as employment in a genuine job in a role that is either:
- ANZSCO Level 1-3 paying median wage
  - ANZSCO Level 4-5 paying 1.5 times median wage

71. As previously advised, ANZSCO will continue to play an important role in the new points framework in showing that people can deploy their skills in a skilled role. However, the tighter skill threshold in the new SMC offers the opportunity to reduce the number of applications that require an ANZSCO assessment. We are continuing to work with INZ on how ANZSCO assessments will be applied under the new SMC framework. Free and frank opinions

72. There is no requirement for the job or job offer, or skilled work experience, to be relevant to the skill points the person is claiming (registration or qualification). This is a less restrictive option that is consistent with setting a skill threshold where we expect people to have transferrable skills.

73. We also recommend that the skilled job or job offer must be:

- full-time (guaranteed minimum 30 hours per week for every week worked)
- in a role that is ongoing and sustainable (contract which is permanent or fixed-term for at least 12 months, or a demonstrated history of contract work).

#### *Definition of skilled work experience*

74. We also recommend that skilled work experience in New Zealand is:

- defined as employment in a genuine job in a role that is either:
  - ANZSCO Level 1-3 paying median wage
  - ANZSCO Level 4-5 paying 1.5 times median wage
- full-time (guaranteed minimum 30 hours per week for every week worked).

75. Note that when the SMC proposals were announced in September, they were criticised for tying people to one employer. That is incorrect. Work that meets the definition of skilled work experience can be undertaken with any employer. Changes have recently been made to make it easier for people to get a Variation of Conditions to change employer on an AEWV.

#### *Visa type*

76. We recommend that applicants can apply for SMC from any visa type (not just an AEWV), if they meet the relevant income and the full-time requirement. This is different from the Green List and Highly Paid two-year pathways, where applicants must hold an AEWV while meeting their work requirements. This was designed to incentivise people to shift onto the AEWV, as the employer accredited pathway where there is a labour market test. However, we consider the benefits of allowing people to count work on other visas, which may have additional benefits for them (e.g. open work rights) are more important, as is avoiding creating unnecessarily long pathways. It is most likely to apply to people on Post Study Work Visas, for which the criteria have been tightened, and is balanced by people needing to meet at least the median wage threshold as for the AEWV.

77. A key impact of moving the Highly Paid visa into the SMC, as recommended in paragraph 68, is that this requirement would be removed for these people.

#### *Work for an accredited employer*

78. We therefore recommend that people must be working for an accredited employer at the time they apply for SMC. This provides a hook for compliance actions if employers do not meet requirements. Working for an accredited employer provides an extra element of risk control for Immigration Officers when assessing the genuineness of a role.

79. We recommend, however, that skilled work experience can be for any employer, so as not to unnecessarily restrict people who might already be on other visas. Cabinet has agreed that will work will be undertaken to require all employers hiring migrants to be accredited. This

work has been deferred, but when it goes ahead, we recommend transitioning this requirement to all SMC applicants' skilled work experience, with appropriate lead-in times.

### *Timing and duration of skilled work experience*

80. We recommend that skilled work experience can be undertaken before meeting the relevant skill proxy, if it meets the definition of skilled work, e.g. if someone gains a relevant qualification or registration during their time in New Zealand. This is because the applicant has already proven they are able to perform in skilled work in New Zealand and will now have additional skills to deploy. We are working through some of the implementation details, including whether time worked towards a registration can count towards skilled work experience, e.g. if registration as a Certified Gasfitter requires two years' experience (total 5 points including a two-year qualification), can that also be used to claim skilled work experience.
81. The exception is income. As a stand-alone skill proxy, we recommend the full period must be served at the relevant income threshold. This is consistent with the current requirements for the Highly Paid resident visa. It also addresses risks raised, including in consultation, that an income threshold could be easily "gamed", e.g. income raised to 1.5 times the median wage just before applying for residence and reduced immediately afterward (and/or the employer requiring the migrant to repay the employer the difference).
82. The current Green List and Highly Paid two-year pathways require 24 months of work experience to be completed within the last 30 months. There is therefore a strong rationale for allowing longer than the minimum time for applicants to meet the skilled work experience requirements – people often take time out of employment to upskill, or for family commitments and life events; and skilled work experience does not have to be continuous or undertaken immediately prior to application to be relevant. However, our preference is that skilled work experience is relatively recent, to demonstration that someone can effectively deploy relevant skills in the New Zealand labour market.
83. On balance, we recommend allowing skilled work experience to be completed within the last five years, with at least the 12 months undertaken immediately before application.
84. Leave consistent with the definition in section 16 of the Holidays Act 2003 (e.g. parental leave and ACC leave) would be counted as part of time spent in employment for the purposes of calculating skilled work experience. However, as income also reduces while on parental or ACC leave, we recommend excluding this time on leave from the income threshold calculations (so that the income threshold would only be assessed for time the applicant was being paid by the employer)<sup>9</sup>. Although this adds some complexity, these provisions would mean that immigration concerns are not a disincentive to take leave entitlements, reduce potential gender imbalances, and mean that we do not miss out on skilled people who would otherwise meet the threshold (or make them wait longer).

## **2. Special requirements for people in specified occupations**

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85. In September, Cabinet agreed in principle that, subject to the outcome of public consultation, eligibility for residence should include additional requirements for occupations with higher immigration or labour market risks [CAB-22-MIN-0411 refers].
86. We consulted on applying a higher income threshold of 1.5 times the median wage to three occupations: Café or Restaurant Manager; Hospitality, Retail and Service Managers not

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<sup>9</sup> For example, someone earning median wage over three years takes nine months of parental leave during this time. The 9 months is *included* when calculating the skilled work experience duration (so the three-year requirement is met) but *excluded* from income calculations (so the average income does not fall below the income threshold).



elsewhere classified; and Retail Manager (General). The basis for identifying these roles was they should be part of career progression for the New Zealand workforces and they:

- are prone to “job/title inflation” and require little to no training
- have historically had the lowest average incomes across previous Skilled Migrant Category applicants
- are at higher risk of poor working conditions and migrant exploitation.

87. There was some support for this proposal, with 52 per cent of respondents supporting the proposal and 28 per cent against. Those who disagreed did so strongly and disputed the evidence presented. Many suggested that these immigration risks were better addressed using existing processes, e.g. the Labour Inspectorate.

#### **The proposed SMC threshold mitigates some of the risk**

88. The tighter skill threshold under the SMC mitigates many of the risks we were looking to address, particularly large cohorts of lower skilled people becoming eligible for SMC. People at higher skill levels are also considered to be less vulnerable to exploitation. In addition, the AEWV median wage threshold, job check, and post-decision checks help to mitigate some immigration and labour market risks for AEWV holders. Although anecdotally these roles carry a higher risk profile, it is difficult to develop a sufficiently robust evidence base to support this model based on risk.

#### **We therefore do not recommend implementing now**

89. We do not recommend implementing the specified occupation list now. We do, however, recommend monitoring AEWV and SMC trends and consider implementation of a specified occupation list later, if immigration and labour market risks become apparent. We also recommend reconsidering applying special requirements if the proposed SMC points framework is changed, e.g. to include qualifications below a Level 7 Bachelor’s degree.

### **3. Maximum Continuous Stay**

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90. In September, Cabinet agreed that the current stand-down period for people on an AEWV in below median wage jobs should be extended to everyone on an AEWV, to prevent the creation of a future cohort of people that are well settled in New Zealand with no realistic pathway to residence [CAB-22-MIN-0411 refers]. This would mean that after three years on an AEWV these people would be required to leave New Zealand for at least 12 months before they would be eligible to apply for another AEWV.

#### **The stand-down received some of the strongest consultation feedback**

91. The stand-down proposal was opposed by two-thirds of submitters, especially businesses and unions. Individuals were more likely to support this proposal than industry or sector bodies and representatives, on the basis that it would increase certainty for migrants and the available immigration pathways available to them from the beginning.

92. Many of the submitters who opposed the stand-down did so strenuously. Submitters felt that there would be a significant negative impact on businesses and labour supply, making it harder to attract workers to New Zealand and reducing incentives for businesses to invest in their migrant workforce. One industry organisation noted that “the disruption to businesses with large numbers of such staff will be enormous”.

93. Some also felt that the stand-down would not achieve the policy intent. A union submitter noted their concern that “the stand-down will structurally reinforce the precarious nature of migrant work”. Others did not feel that the stand-down would prevent people from feeling well-settled within the three-year period, and could have serious negative impacts on

families. Most of these submitters did not comment on the potential vulnerabilities of people being able to stay indefinitely as a temporary worker.

94. Those who agreed with the proposal agreed with the policy intent that it would prevent migrants without a pathway to residence from becoming well-settled and reduce potential vulnerabilities. Some felt that a longer period outside New Zealand, or an even shorter stay, would further this intent. Most also noted that requirements would need to be very clear and well communicated.

### **We recommend changing the name to “Maximum Continuous Stay”**

95. This proposal is currently known as the “stand-down”, consistent with previous language. We recommend changing the name to “Maximum Continuous Stay (on an AEWV)”, as “stand-down” can imply a penalty or punishment (e.g. an employer/student/sport stand-down).

### **We continue to that consider a maximum continuous stay is important to avoid being become well-settled without a pathway to residence**

96. The policy intent underpinning a maximum continuous stay is that 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. The counter is that, if eligibility for residence is clear and people are informed, people can make their own choices.
97. Despite consultation feedback, we consider that a maximum continuous stay is an important part of limiting exposure to risks for the migrant and their families, including:
- limited or no access to the same benefits and support as New Zealanders, such as the right to vote, own a home, or access most social security benefits
  - having to leave New Zealand if they lose their job, or are injured or ill and no longer able to meet the requirements of their work visa
  - dependants not having access to subsidised tertiary education or the right to work once they age out of the compulsory education sector (intergenerational impacts).
98. The section on long residence (paragraphs 23-28) sets out the risks of providing an open residence pathway, unless the threshold for temporary work visas is increased. If there is a gap between eligibility for temporary work and residence, there is no way for a migrant to stay indefinitely on a temporary visa (e.g. into retirement), as the temporary visa depends on a job. The key question is about when it is fairest for people to have to depart, and to be clear about it so people can make informed decisions from the outset.

### **We recommend extending the Maximum Continuous Stay**

99. We consulted on a three-year stand-down policy. This was based on the policy approach to the stand-down for low-skilled people (i.e. below median wage) that was introduced in 2017, and the length of a standard AEWV visa. We consider that there is a case for reconsidering the length of the proposed maximum continuous stay, as the risk profile for people earning above median wage is different. Consultation feedback also highlighted that three years is a relatively short time for skilled people, meaning we may miss out on some skilled migrants.
100. We have considered three main options, as set out in Table 4: three years; a longer period; and no maximum continuous stay. When considering options, we sought to balance the general expectation that people applying for the SMC will have existing skills before working in New Zealand, with allowing enough time for people to contribute and develop their skills in the New Zealand labour market.

**Table 4: Options for the duration of the maximum continuous stay**

Option	Pros	Cons
<b>Option 1:</b> 3-year maximum continuous stay	<ul style="list-style-type: none"> <li>• Clear – supports people to make informed choices</li> <li>• Avoids people becoming well-settled without rights and benefits of residence</li> <li>• Maintains pressure on employers to improve productivity and draw from domestic labour market first</li> </ul>	<ul style="list-style-type: none"> <li>• Relatively short period – may be disincentive even for those genuinely seeking a temporary stay</li> <li>• Increased risk of people staying unlawfully</li> <li>• No advantage for those on median wage as compared to those earning below (both have 3-year maximum continuous stay)</li> <li>• Does not respond to consultation feedback</li> </ul>
<b>Option 2:</b> Longer maximum continuous stay (e.g. two AEWVs totalling 6 years, or one longer AEWV (5 years)) <b>Recommended option</b>	<ul style="list-style-type: none"> <li>• Clear – supports people to make informed choices</li> <li>• Gives more time for training pipeline to catch up with labour market demands</li> <li>• Advantages those earning above median wage compared to below (and may incentivise employers to pay higher wages)</li> <li>• Provides a long-term option for those who would be eligible but do not want to apply for residence</li> <li>• Responds to consultation feedback</li> </ul>	<ul style="list-style-type: none"> <li>• Long time for people to become settled (equivalent to a child’s full primary or secondary school period)</li> <li>• Further increased risk of people staying unlawfully</li> </ul>
<b>Option 3:</b> no maximum continuous stay	<ul style="list-style-type: none"> <li>• Business preference</li> <li>• Operationally most simple</li> </ul>	<ul style="list-style-type: none"> <li>• Poor signalling</li> <li>• Does not meet policy objectives: would create a large cohort of vulnerable people without the rights and benefits of residence</li> <li>• Likely lead to future pressure for another mass residency programme like RV21</li> </ul>

101. On balance, we recommend a longer maximum continuous stay (e.g. 5-6 years). This provides a balance between clarity and reducing risks to migrants, while allowing more time for people to work in New Zealand. This could be achieved by either:

- allowing people to get a second three-year AEWV in a row (but not a third); or
- extending the length of a standard AEWV to five years, which may have significant operational efficiencies, but reduces some flexibility to respond to an economic downturn in which temporary migrants were occupying roles that New Zealander may want.

102. If you agree to consider a longer maximum continuous stay, we will provide more detailed advice on implementation alongside the draft Cabinet paper.

103. A 3-year maximum continuous stay remains a valid option and fits best with the policy driver of reducing vulnerability. However, it is likely to be strongly opposed, especially by businesses and unions, and would create additional complexities in the visa system. A shorter maximum continuous stay may deter some people who genuinely want to work temporarily in New Zealand – although the current strong demand for labour and high

reservation wages compared to key source countries may reduce downward pressure on AEWV applications. (The 2017 announcement of a stand-down for people earning below median wage had little effect on the numbers entering New Zealand on Essential Skills Visas in the following years, with numbers rising. However, the stand-down was not implemented due to COVID, so it's unclear whether that would have an effect.)

104. We do not recommend no maximum continuous stay. This would mean that employers effectively choose who can stay here indefinitely, but people would not have the rights and protections of residence (“second class citizens”). No maximum continuous stay would only be appropriate if everyone had a residence pathway (which we have covered above).

#### **We recommend allowing people “on a pathway to residence” to extend their time**

105. If there is a maximum continuous stay, some people who are “on a pathway to residence” will time out. This is most likely to apply to people who, within three years of the end of the maximum continuous stay:
- have an eligible registration or qualification, but have been working in an ANZSCO 4-5 role and move into an ANZSCO Level 1-3 role (i.e. meeting the definition of “skilled work”);
  - start earning 1.5 times median wage (again meeting the definition of “skilled work”).
106. If there is a three-year maximum continuous stay, we recommend that people on a pathway to residence be allowed to extend their time on an AEWV to meet the skilled work experience. If people will gain residence with more time, the rationale for making people leave New Zealand does not apply and is likely to be heavily criticised. The ability to extend supports the original policy intent by reducing potential vulnerabilities and risks, but also addresses consultation feedback around the possible negative impacts on businesses and supports retention of migrants who have almost met the SMC threshold.
107. If there is a five- or six-year maximum continuous stay, people have more time to demonstrate their skills and the case for allowing an extension is weaker – in general we expect migrants will come to New Zealand with some level of human capital, so a “hard” stop might be more appropriate. However, the challenge of making someone leave if they would be eligible for residence with a little more time remain the same. On balance, therefore, we recommend that they be able to extend their time on an AEWV.
108. Implementing this would mean allowing those who met the criteria to apply for a second or third AEWV (depending on whether there is a three-year or six-year maximum continuous stay, and a three-year or longer AEWV). The assessment for the extension visa would be the same as the AEWV (without the labour market check), but with additional checks as to whether the person is deemed to be on a pathway to residence, i.e. meeting the registration, qualification or income criteria, and working in a role that meets the definition of skilled work experience. This will add some complexity to the visa system, but it will not need to be implemented for a few years until the maximum continuous stay takes effect.

## **4. Processing all applications that meet the eligibility criteria**

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109. Before 2020, the number of SMC applications approved was managed within a “planning range” that set a range which INZ would not process over. (Australia and other countries have similar residence approval limits). In practice, this system had a significant impact on lengthening wait times when application volumes exceeded the planning range (and no decisions were taken to raise either the SMC points threshold or the planning range).
110. Cabinet has agreed in principle not to reinstate the planning range, and instead develop a monitoring framework across both temporary and skilled resident applications that would help identify trends of concern for further investigation [CAB-MIN-22-0411 refers]. Investigation could lead to advice to tighten or loosen either temporary or residence settings,

and/or consideration of non-immigration policy or planning settings, e.g. infrastructure investment. We refer to this below as the Skilled Migrant Performance Framework.

111. Submitters were generally supportive about the proposal to remove the cap and process to demand, with 47 per cent agreeing, 33 per cent disagreeing, and the remainder neutral. Those who agreed were particularly supportive of removing the Expression of Interest (EOI) step which exists in the current system. However, some felt there was a risk that monitoring flows and indicators would lead to a de facto targeting of a threshold anyway.

### **We are working with other agencies to develop a Skilled Migrant Performance Framework**

112. Work on the performance framework is still underway. The intention is to have a product that looks at headline indicators, such as migration numbers and composition, alongside economic and labour market cycles and against infrastructure and other economic and social Government plans and objectives. An indicator trigger, such as higher than normal migration levels in an economic downturn, would lead to further investigation of what was going on and whether there was a case to adjust an immigration or other policy lever. This is not a tool to generate rapid responses to short-term issues, due to the lag in both information and level impact and the desire for more certainty in settings. The work will prompt opportunities to affirm the general immigration trends that Government would be comfortable with, aligned with its Rebalance and economic goals and choices on who to target with skilled migration policies.
113. We will continue to further develop and refine the Skilled Migrant Performance Framework alongside the MBIE's work on absorptive capacity considerations in response to the Productivity Commission's review of the immigration system. We are working with other agencies to confirm headline and diagnostic indicators, including data sources and thresholds for triggers, outline a possible prioritisation of interventions for different scenarios, and prepare for implementation in line with the SMC in mid-2023.

## **Other policy decisions**

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### **Transitional arrangements for SMC applicants**

114. A large cohort of SMC applicants are expected to require three years on an AEWV to gain 3 points towards skilled work experience. We want to avoid creating a situation where potentially large numbers of people must apply for an additional work visa covering a very short period, just so they can stay lawful and be granted a resident visa. Note this will not be an issue if any changes are made to the length of an AEWV to accommodate an extended maximum continuous stay, which is discussed as a potential option in paragraph 101.
115. We recommend a two-pronged approach to this issue:
- creating an automatic "linking" visa for SMC applicants; and
  - extending the maximum length of an AEWV to three years and six months.
116. This is also an issue with Sector Agreements (Care and Transport), where the length of the AEWV and work-to-residence are both two years, so we will be looking to adjust these settings.

### *Extending the maximum length of an AEWV to provide a sufficient cross over period*

117. Extending the maximum length of an AEWV allows people time to meet the three-year requirement and then prepare and submit their SMC application, before their current visa expires. This also reduces the operational impact of requiring people to apply for a further AEWV, then shortly after apply for the SMC. The proposed additional six months is in line with the cross over period (time between becoming eligible for the next visa and the current visa expiring) in other areas, such as the previous Work to Residence visa.

118. We also considered reducing the length of time required to gain three skilled work experience points to 2.5 years, which would also provide a six-month cross over period. However, this risks undermining the six-point SMC threshold by providing a discount on the time requirement for the lowest skilled eligible applicants (as residence will be granted relatively earlier/quicker). It is also harder to communicate and would likely “catch out” some people, who would not apply for residence in time before their AEWV ran out (as generally one year of skilled work experience is equivalent to 1 point).
119. If the maximum length of the AEWV is extended, we would work through appropriate options to address the issue for people who already hold a three-year AEWV.

#### *Creating a linking visa to allow for processing times*

120. Extending the length of the AEWV is unlikely to be enough on its own. A linking visa would mean people who applied for an SMC could stay lawfully employed while their SMC application was processed, without needing to apply for another AEWV. We propose that any linking visa allow for variations of conditions and for people to travel.
121. Both of these transitional arrangements would also apply to family members included in the application i.e. with the same visa conditions, e.g. student visas for dependants. We are working through legal and operational considerations to make this visa application as easy as possible.

#### **Removing the Job Search Visa**

122. The Job Search Visa (with open work rights for 12 months) is currently available to people who meet the SMC points threshold, but do not have a job or job offer of skilled employment in New Zealand. Recent immigration data indicates that approximately 250 Job Search Visas are issued per year, with about two thirds converting to residence.
123. We recommend removing the Job Search Visa, because:
- it would have limited application under the proposed new SMC framework, effectively applying mostly to people with Doctorates (the income stream requires a job or job offer; people with registration are usually already engaged in the New Zealand system; and people with qualifications below Doctorate level would require skilled work experience in New Zealand to be eligible;
  - technology and changing recruitment practices have improved the ability for people to job hunt from offshore, and highly skilled people should have limited challenges in securing employment remotely;
  - there are other visa options available for those who want or need to come in person: looking for work and attending an interview are both lawful purposes to come to New Zealand on a general visitor visa (subject to bona fides); and
  - traditionally it has taken considerable additional time to process Job Search Visas (with significant double-handling).

124. During consultation, some Licensed Immigration Advisers raised concerns about highly skilled people being unable to travel to New Zealand to job search on a visitor visa, due to processing/border officer concerns about the applicant’s bona fides. We consider these concerns can largely be addressed by clearer public/website information and better guidance for Immigration Officers.

#### **Age limits for SMC**

125. We had initially considered lowering the age limit of applicants, potentially to 45 years (like Australia’s current residence settings), because the passing of the New Zealand Superannuation and Retirement Income (Fair Residency) Amendment Act 2021 means that the minimum period of residency prior to becoming eligible for New Zealand superannuation will increase to 20 years for those born on or after 1 July 1977. In August, you agreed that an

overall skilled residence age limit of 55 years should be retained, but that implications of changes to New Zealand Superannuation will need to be clear so individuals can make informed decisions. This means that, in most cases, the migrant will be employed and contributing to New Zealand for at least 10 years prior to retirement.

126. We also advised that, in consultation with the Ministry of Health, we intended to explore if limited exceptions would be appropriate. This followed an approach by the Association of Salaried Medical Specialists requesting a higher limit for highly specialised medical roles which require 12-15 years of formal training. At the time, we advised that we anticipated that this would apply to a limited number of very highly specialised roles (if any).
127. We have been working with the Ministry of Health on possible options for a very limited number of exceptions. To date, we have been unable to narrow this beyond the Ministry of Health's preference for all roles on the Straight to Residence Green List. We are uncomfortable with the risks that would come with such a broad exception for medical roles. The age limit is in place for good reasons, i.e. applicants' ability to contribute to the New Zealand workforce post residence and pre-retirement, the relative health burden that older applicants place on the New Zealand system, and the financial risks if applicants are not eligible for superannuation but do not have the financial means to support themselves. A broad exception would also have a strong precedential effect, and we anticipate it would encourage lobbying from other sectors for equivalent exceptions. We do not recommend taking this forward at this stage, but will report back if a strong evidential case for an appropriate number of medical roles is able to be made.

## Implementation

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128. The proposed new SMC represents a significant change to current policy. Successful implementation requires coordinated people, process and system changes across INZ. A customer-centred service design approach is being applied to the operational and technical design. This includes identifying customer pain points and options for mitigating or managing them to improve the customer experience.

## Timing

129. A six-month implementation timeframe is required to successfully deploy the system changes required and to ensure a positive change experience for INZ's customers. Assuming final Cabinet decisions in early April, the go-live date could therefore be early October.
130. Planning is well underway across a range of implementation activities including change management, communications and engagement, business process changes, ICT system capability, training and operational readiness. Following assessment of the changes required, six months is considered the minimum viable implementation period. While work is actively underway, key critical path deliverables are dependent on the final policy design confirmed by Cabinet. Detailed ICT business requirements, for example, cannot be signed off and validated with vendors until the Immigration Instructions are finalised which, in turn, depend on final Cabinet decisions.
131. Any reduction to a six-month implementation period introduces the risk of poor delivery. Failure to allow sufficient time to confirm ICT requirements introduces the risk that the system functionality is not fit for purpose and results in applications that are not decision ready, with subsequent impacts on processing times. The risk of downstream remedial work is also introduced. Likewise, compressing the timeframes for development and testing introduce risks of system failure and disruption across the network. Six months also allows sufficient time to ensure INZ is adequately resourced and operationally ready.
132. We will report back to you on timing for closing the current SMC policy as part of advice for Cabinet. The date of the final Expression of Interest draw under current policy will need to be

communicated well in advance, taking into account the four-month Invitation to Apply (ITA) period.

## IT system

133. System changes include a new online form and new visa application type. The form is complex and requires collection of a range of data to enable an application to be assessed. High level system requirements have been developed and work is underway to determine the appropriate platform for hosting the new form. The preferred approach is to re-use existing functionality wherever possible, to reduce timeframes and risk. However, comprehensive testing will be required to ensure MBIE security standards are met.

## Forecasting

134. The proposed processing to demand approach is a significant business shift from processing under the previous planning range. It will rely on forecasts and the ability to adjust resources up and down. Work is underway to forecast expected volumes based on existing data and information. This information, combined with activity timing for new SMC processing steps, will enable processing times and resource requirements to be modelled.
135. INZ will confirm service standards/ target processing times for the new SMC category as part of work underway to develop a skilled residence processing plan. This work is being informed by a range of factors including forecast volumes, estimated activity timings, processing capacity across the network, and the need to meet customer expectations.

## Next steps

136. Subject to your views, we propose to develop a Cabinet paper for consideration by the Cabinet Economic Development Committee in early April. These timeframes aim to get to Cabinet before the Easter recess, but they will be tight. We will aim to provide you with a draft Cabinet paper by Monday 1 March, after a compressed interagency consultation.

**Table 5: SMC timeframes for Cabinet decisions**

Date	Milestones
Friday 10 February	<b>Briefing to Minister</b> (summary of consultation feedback and revised policy recommendations)
Monday 13 February	<b>Initial feedback received from Minister</b> Officials draft Cabinet paper
Monday 20 February	Interagency consultation begins (1 week only)
Wednesday 1 March	<b>Draft Cabinet paper provided to Minister</b>
Monday 6 March	<b>Feedback from Minister on draft Cabinet paper</b> Officials update Cabinet paper
Thursday 9 March	Ministerial consultation begins (2 weeks)
Thursday 23 March	Feedback from Ministerial consultation due
Tuesday 28 March	<b>Revised Cabinet paper provided to Minister</b>
Thursday 30 March	<b>Cabinet paper lodged</b>
Wednesday 5 April	<b>Cabinet Economic Development Committee</b>
Tuesday 11 April	<b>Cabinet</b> (Final Cabinet before recess)



## List of Annexes

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Annex 1: Submissions analysis Report: Skilled Migrant Category submissions analysis

Annex 2: Summary of key consultation feedback and responses

Annex 3: Simplified points system: Skill proxies in depth

Annex 4: Full list of registrations and recommended points

Annex 5: Residence pathways for top AEWV occupations (July 2022-Jan 2023)

Annex 6: Residence pathways for top 25 SMC occupations (November 2022 draw)

Annex 7: International comparisons

**Annex 1: Submissions analysis report: Skilled Migrant Category  
Submissions analysis**

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# **Submissions analysis report: Skilled Migrant Category submissions analysis**

Ministry of Business, Innovation and  
Employment

December 2022

**FrankAdvice**  
*better decisions*

[frankadvice.co.nz](https://frankadvice.co.nz)

## Purpose

The Skilled Migrant Category (SMC) is New Zealand's main residence visa category based on skills and employment. It supports economic growth by granting residence to people who have skills to fill identified long-term needs. The Minister of Immigration has undertaken to review the SMC in the context of the Government's immigration rebalance.

The Ministry of Business, Innovation and Employment (MBIE) has run a public consultation on proposals for the future of the SMC, including a simplified points system. The proposals are intended to align with the immigration rebalance; give more certainty to migrant workers and their families through clearer, fairer, and more transparent settings; improve processing times through simplifying processes; and reduce immigration and labour market risks and drivers of exploitation.

This document analyses the submissions received as part of the consultation on the future of the SMC. The feedback received in response to this consultation will help inform policy decisions on the SMC.

## How the submissions have been analysed

Submitters were invited to comment on the consultation document, which was structured around the four key proposed changes to the SMC:

- a simplified points system
- processing all applications that meet the eligibility criteria
- special requirements for people in specified occupations
- a stand-down period.

There were 19 discussion questions related to these topics in the submission template provided by MBIE. Submitters could answer an online survey on these questions, complete a long-form submission template provided by MBIE, or provide a written submission. MBIE officials also conducted 10 stakeholder engagement meetings with relevant peak bodies, employer groups, unions, and migrant representative groups during the first two weeks of the consultation period. There were smaller follow-up meetings with these groups, where needed. Some of the groups MBIE officials met with provided written submissions, and in other cases the notes from the stakeholder meeting were used in the analysis.

Question-by-question analysis was undertaken across both the online survey and the long-form submissions that used the submission template provided by MBIE. Quantitative findings and the key themes for each topic were then drawn from the submissions and are set out in the sections below. The key themes from the long-form submissions which did not use the submission template, and those submissions gathered via stakeholder meetings, were then integrated with the findings from the question-by-question analysis. Illustrative quotes in each section have been selected from all forms of submissions.

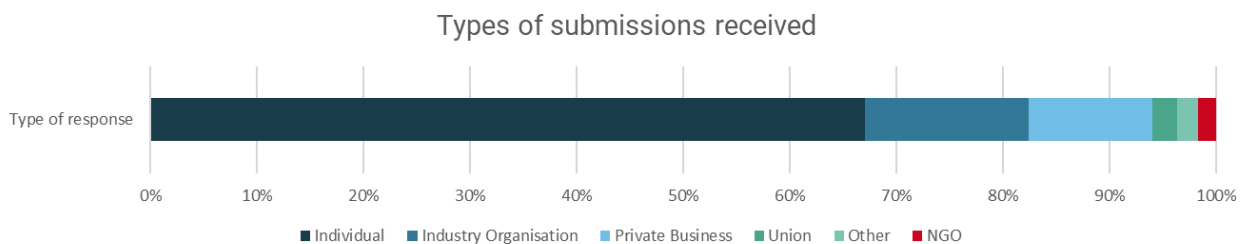
# The overall response to consultation

## Summary statistics of the submissions received

The consultation process resulted in a total of 308 submissions:

- 57 long-form submissions from a variety of stakeholders<sup>1</sup>
- 9 unique submissions via stakeholder engagement meetings (not followed up with a written submission)
- 242 responses to an online survey.

Most of the submissions received (68%) were from individuals.<sup>2</sup> 15% were from industry organisations (such as industry councils, peak bodies, and associations) and 11% were from private businesses.<sup>3</sup> 7 submissions (2%) were received from unions, although this did include the New Zealand Council of Trade Unions which covers approximately 320,000 union members in 28 affiliated unions. The remainder of the submissions were received from NGOs and other organisations such as community groups and advisory groups.



16 submissions were received from immigration professionals; licensed immigration advisers, immigration lawyers, or industry bodies related to the immigration profession.<sup>4</sup> The substantive submissions from this group have been outlined in the “Responses from key stakeholder and representative groups” section below and have been called out where relevant in later sections.

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<sup>1</sup>Listed in Appendix 1.

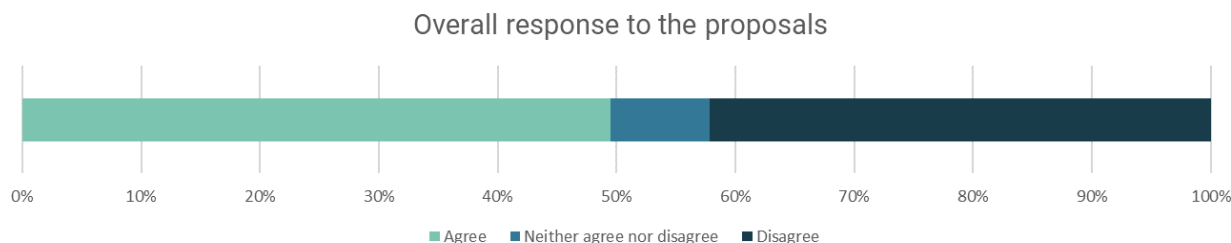
<sup>2</sup>It was assumed that the response was from an individual if the field was left blank in the online survey.

<sup>3</sup> Private business includes business service organisations such as the South Canterbury Chamber of Commerce.

<sup>4</sup> These are distributed in the figure above among the categories ‘Individual’, ‘Industry Organisation’ and ‘Private Business’.

## Summary of the responses to the consultation

Overall, responses to the proposals were mixed, with submissions being generally split on most questions. Submissions (on average) agreed<sup>5</sup> with proposals 49% of the time, disagreed<sup>6</sup> 42% of the time, and neither agreed nor disagreed 9% of the time.

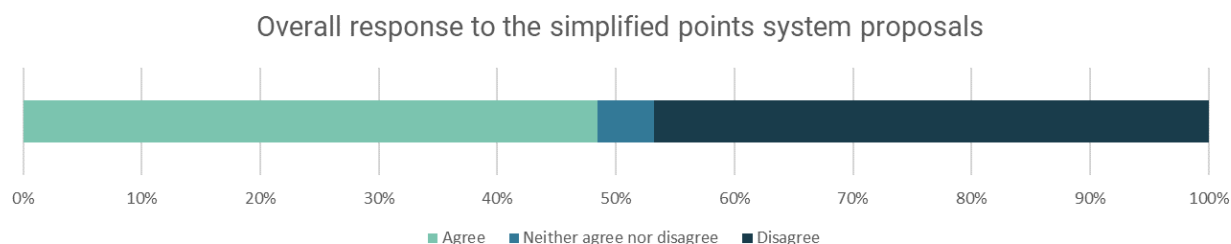


Of the proposals, submissions were the most positive about the simplified points system being easy to understand (75% agreed) and leading to decreased processing times (63% agreed). Submissions were also mostly positive about the proposals providing certainty to migrants and employers (58% agreed, however most who disagreed with this were individuals).

Submissions were the most negative about the proposed stand-down period (only 35% agreed) - the submissions that disagreed most strongly with the stand-down period were industry organisations, unions, and immigration professionals. Submissions were also mostly negative about the number of points allocated for high income (only 41% agreed) - the submissions that disagreed the most strongly were private businesses, industry organisations, and immigration professionals, as well as many individuals.

The sections below outline the overall responses to each of four key proposals.

### Overall response to the simplified points system proposals



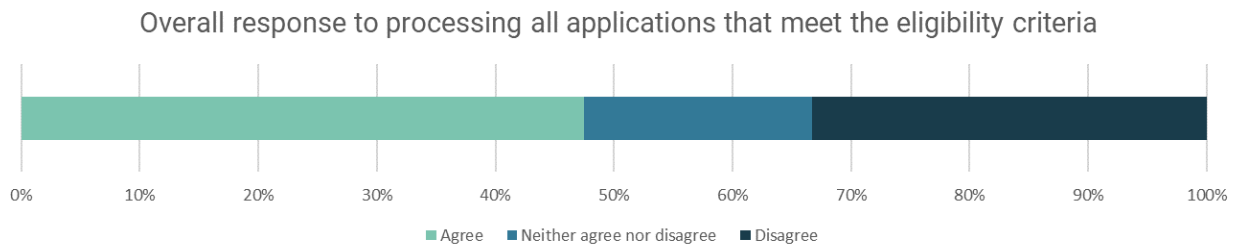
Submissions (on average) agreed with the simplified points system proposals<sup>7</sup> 49% of the time, disagreed 47% of the time, and neither agreed nor disagreed 4% of the time.

<sup>5</sup> All instances of “agreed” include as “strongly agreed”, “agreed”, or “yes” responses, unless stated otherwise.

<sup>6</sup> All instances of “disagreed” include “strongly disagreed”, “disagreed”, or “no” responses, unless stated otherwise

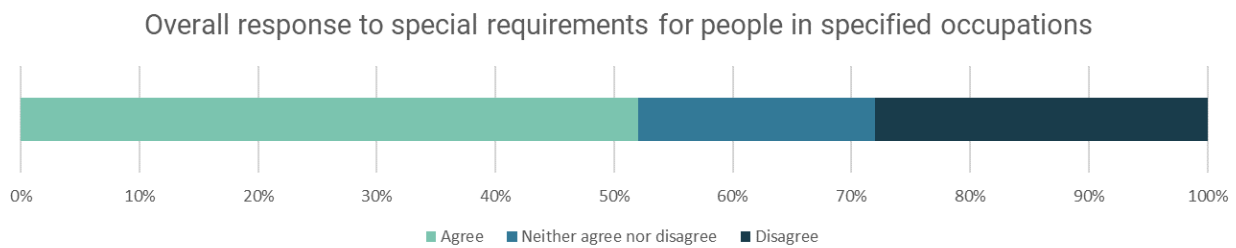
<sup>7</sup> Includes responses to both the “Simplified points system” questions and the “Simplified points system in depth” questions

### Overall responses to processing all applications that meet the eligibility criteria



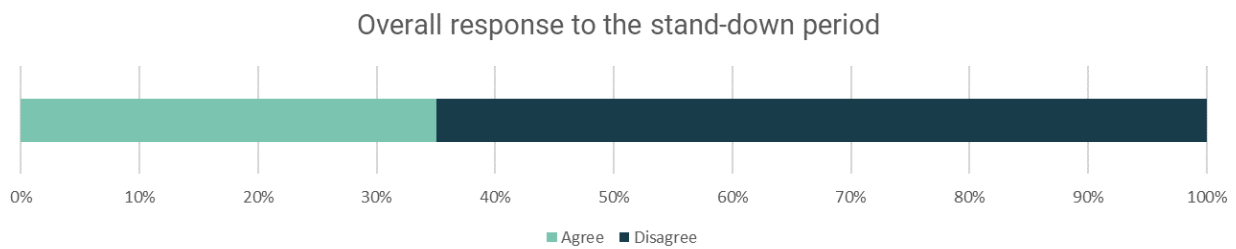
Submissions (on average) agreed with processing all applications that meet eligibility criteria 47% of the time, disagreed 33% of the time, and neither agreed nor disagreed 19% of the time.

### Overall responses to the special requirements for people in specified occupations



Submissions (on average) agreed with proposals around special requirements for people in specific occupations 52% of the time, disagreed 28% of the time, and neither agreed nor disagreed 28% of the time.

### Overall responses to the stand-down period



Submissions (on average) agreed with proposals around the stand-down period 35% of the time and disagreed 65% of the time.

## Cross-cutting themes

While the sections below go into more detail around the key proposals, there were several common themes that emerged across the totality of the submissions.

Theme	Summary
There should be a pathway to residence for workers of all skill levels where a New Zealand workforce is not available	Many submissions were concerned that proposed changes could decrease access to in-demand skills at a time of critical skill shortages. These submissions noted that the demonstrable long-term skill shortages in critical industries (e.g., trades, construction, and healthcare) are unlikely to be addressed by mechanisms other than immigration due to the absence of a sufficient skills pipeline within New Zealand. They felt that it was therefore unsustainable for migrants with these skills not to be included in the SMC.
The proposed changes could reduce the number of migrants choosing to come to New Zealand	<p><i>“[There is] a growing concern from within the advisor community and broader business communities that New Zealand is falling behind other countries in our ability to offer an attractive migration product”</i></p> <p>Many submissions were concerned that the proposed changes would reduce New Zealand’s ability to attract migrants; these submissions were specifically concerned about migrants choosing to move to Australia and Canada over New Zealand due to more permissive immigration settings and more certainty. Some submissions noted that the proposed changes to the SMC (and other proposed settings in the immigration rebalance) assume a constant and steady demand for residence that they do not believe will be sustained in the future.</p>
Immigration settings should be flexible and able to respond to labour market changes	<p>Several submissions suggested that the proposed changes were “one-size-fits-all” and would be unable to respond to changes in the labour market. Some suggested that settings could initially be more permissive (e.g., include a wider range of qualifications and skills), and that these settings be reviewed when triggered by labour market and economic data.</p> <p>Some submissions also requested transparency around the data informing immigration policy decisions, so they can understand the supporting evidence and the context for setting changes.</p>
The connection between the SMC and other immigration pathways (such as the Green List residence pathway and Accredited Employer Work Visa and its use in achieving eligibility for residency) should be made clear	Many submissions expressed confusion around how the SMC fits in with both new and existing visa categories, such as the Green List and the Highly Paid Visa. Multiple submissions mentioned the connection between the Accredited Employer Work Visa and its use in achieving eligibility for residence needing to be made explicit.



## Responses from key stakeholder and representative groups

The following substantial submissions of key stakeholders and representatives across sectors of interest have been individually summarised, available in Appendix 2:

- Business New Zealand (and associated submissions)
- New Zealand Council of Trade Unions
- New Zealand Association of Immigration Professionals
- Hospitality NZ
- New Zealand Aged Care Association
- The Association of Salaried medical Specialists
- Horticulture New Zealand
- Foodstuffs NZ
- The New Zealand Construction Industry Council
- The New Zealand Bus and Coach Association

## Responses by proposal

The sections below outline the key themes from the submissions on the overall rationale for making changes to the SMC and the four proposed changes to the SMC:

- a simplified points system
- processing all applications that meet the eligibility criteria
- special requirements for people in specified occupations
- a stand-down period.

If a particular industry, sector, or type of submission was prevalent in the analysis, these have been called out where relevant. Themes and key points raised by submissions which are outside of the scope of the SMC have also been summarised.

Where appropriate (e.g., to show a particularly wide spread of responses), the analysis has been illustrated by graphs.

## Rationale for making changes to the SMC

### What was proposed

This part of the consultation document (pp.10-12) asked people for their views on the rationale for the proposed future of the SMC. It explained the process for administering the current points system as follows:

- Potential applicants submit an expression of interest (EOI)
- Immigration New Zealand pulls out the EOIs that meet a certain threshold (160 points), assesses them, then invites the people to apply.

It then set out the categories for which applicants can claim points under the following system:

- Formal skills, assessed using skilled work experience and qualifications as proxies
- A job or job offer at median wage or above that meets the definition of 'skilled'
- Bonus points for a range of factors in relation to the ability to settle well or contribute to other policy objectives, e.g., points for working outside Auckland, studying in New Zealand, or having a skilled partner
- Age, with fewer points able to be claimed the older the applicant is, and an upper limit of 55 years.

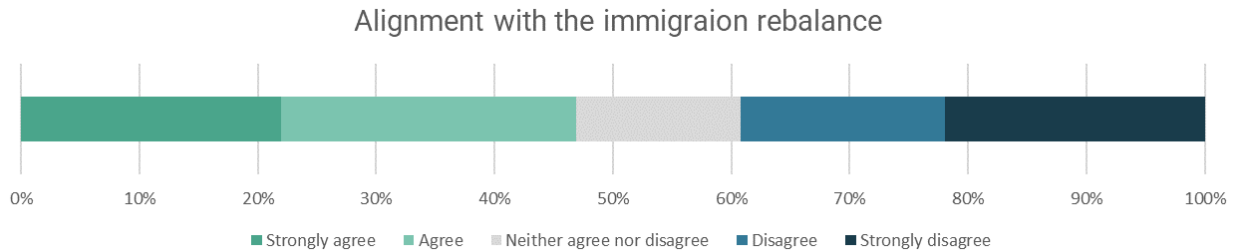
Limitations with the current approach were described, namely that it has allowed large numbers of migrants with limited training or skills to become eligible for the SMC, it created a backlog and long wait times for applicants, and it enabled a population of migrants to become well-settled in New Zealand without having a realistic pathway to residence.

The proposal for the future of the SMC is intended to address these limitations of the current approach. The rationale for the proposals were described as being to:

- align with the immigration rebalance, which aims to support a higher-productivity, higher-wage economy, while making it easier for employers to attract and hire skilled migrants
- give more certainty to migrant workers and their families, through clearer, fairer, and more transparent settings, so migrants can make informed decisions about their immigration options from the beginning
- improve processing times through simplifying processes where possible – the goal is shorter wait times for migrants and no long queues
- reduce immigration and labour market risks and drivers of exploitation, by putting in place special conditions where appropriate to address identified risks.

### Alignment with the immigration rebalance

Submissions were split on whether the proposed changes align with the immigration rebalance; 47% of submissions agreed<sup>8</sup> that the proposed changes aligned with the immigration rebalance, 39% disagreed<sup>9</sup> (22% strongly disagreed, which was the largest group across all proposals, indicating a particularly negative sentiment), and 14% neither agreed nor disagreed.

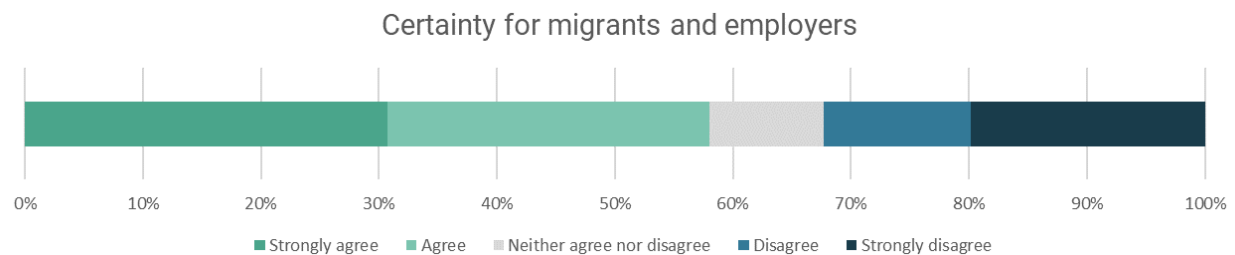


Those who agreed felt that the proposals would make progress towards achieving the aims of the immigration rebalance, specifically attracting higher-paid workers and driving up productivity.

Most of the submissions that disagreed were fundamentally opposed to the underlying principles of the immigration rebalance. Specifically, these submissions pointed to research (e.g., the Productivity Commission’s inquiry into immigration) that they believe refutes the assumption that the immigration of lower-skilled labour into New Zealand has suppressed productivity growth.

### Certainty for migrant workers and employers

Submissions were moderately positive on whether the proposed changes would give more certainty to migrants and employers; 58% of submissions agreed, while 32% disagreed (however, 20% strongly disagreed, indicating strong opinions), and 10% neither agreed nor disagreed.



Many submissions (both positive and negative) noted that the proposed changes will give certainty to those migrants who clearly meet – or clearly do not meet - the criteria, but reduce the certainty for others who would need to gain New Zealand work experience before applying for residence. These submissions noted that the requirement for New

<sup>8</sup> Defined as “strongly agreed” or “agreed”.

<sup>9</sup> Defined as “strongly disagreed” or “disagreed”.

Zealand work experience for those migrants who cannot earn enough points in the other categories creates a period where immigration settings, market conditions, or their own circumstances may change while they are earning their experience; a particular concern raised by submissions was the precarious position of a migrant relying on 1.5 times the median wage and three years of work experience, as they are not in control of whether they get paid the prerequisite wage (this is discussed further in the “High income” section below).

Some submitters noted that the ongoing changes to the work and residence visa settings are causing uncertainty for both migrants and employers.

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*“Constantly changing the rules in a short time is affecting businesses”*  
*Submission from a private business*

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### Improve processing times

63% of submissions agreed that improving processing times was an appropriate objective of the proposed changes, 34% disagreed, and 15% neither agreed nor disagreed.<sup>10</sup> Those submissions in favour mostly noted the simplification of the points system as being the major driving factor behind any potential improvements in processing times.

Those submissions that disagreed pointed to the retention of ANZSCO assessments and organisational capacity as the biggest barriers for improving processing times. These submissions noted that ANZSCO assessments were one of the time-consuming aspects of the previous SMC, and if they remain, they will continue to delay applications. Other

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*“We would like to see the ADEPT system operating effectively”*

*Submission from an industry organisation for immigration professionals*

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submissions noted any improvement is still dependent on Immigration New Zealand being adequately resourced (including with adequate processing infrastructure and technology) to process the number of applications, regardless of the proposed changes. Some submissions pointed out that

the Residence Visa 2021 was designed to follow a similar, simplified process, but volumes were still too high for Immigration New Zealand to process without unreasonable delays.

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<sup>10</sup> While the question asked whether processing times were an appropriate objective for the proposed changes, many of the qualitative responses (especially those disagreeing) commented on whether they thought the proposed changes would actually reduce processing times. We therefore recommend some caution when interpreting the responses to this question.

### Reduce immigration and labour market risks

There were mixed views on whether the proposed changes will reduce immigration and labour market risks; 48% of submissions agreed, 34% of submissions disagreed, and 17% neither agreed nor disagreed.

Submissions that disagreed made three key points:

1. There is the potential for employers to inflate wages (in comparison to the rest of their sector) for an employee to meet the 1.5 x median wage threshold, which would create further wage pressure in certain industries.
2. The feature of the immigration system that creates the most risk for worker exploitation is tying visas to employers.
3. The labour inspectorate is a key mechanism for reducing immigration and labour market risks which some submissions believe is not being used to its full potential.

## Simplified points system

### What was proposed

The parts of the consultation document that addressed the simplified points system outlined the proposed simplified points system in detail and sought feedback on its workability.

The baseline requirements for the future of the SMC were set out:

- The wage threshold would remain the same as under the current points system (i.e., at least median wage for skilled occupations, and at least 1.5 times median wage for other occupations).
- Applicants must have a job or job offer.
- Applicants must continue to meet a minimum standard of English language skills.
- Applicants (and accompanying family) must continue to meet age, health, character, and national security requirements.

Points: **6 points**

NZ Professional Registration		OR	Qualification		OR	High Income		+ Skilled work in NZ*	
NZ Professional Registration (≥6 years training/work experience)	6		Level 10 (PhD)	6		3 x Median Wage	6	3 years	3
NZ Professional Registration (≥5 years training/work experience)	5		Level 9 (Master's)	5		Migrants earning 2 x Median Wage already have a two year pathway to residence under the Highly Paid Residence Visa		2 years	2
NZ Professional Registration (≥4 years training/work experience)	4		Level 8 (Honours, Post-grad Diploma)	4			1 year	1	
NZ Professional Registration (≥3 years training/work experience)	3		Level 7 Degree (Bachelor's degree)	3		1.5 x Median Wage	3		

\*Skilled work means ANZSCO 1-3 occupations at 1 x median wage or ANZSCO 4-5 occupations at 1.5 x median wage

The simplified points system would effectively set eligibility at six years of 'human capital' – i.e., education, training and/or work experience – consistent with a focus on people who can meet medium- to long-term skills needs that are hard to meet from the domestic labour market. Applicants would need to have 6 points made up from:

- 3 to 6 points based on professional registration, qualifications, or income.
- 1 point per year of work in New Zealand in a skilled job, up to a maximum of 3 points.

This means people entering New Zealand on an Accredited Employer Work Visa will need to be able to claim at least 3 skill points (roughly equivalent to three years of education, training, or recognisable work experience) to be eligible for residence in the future.

Applicants would be able to claim points from the skill category that offers them the most points. The more skill points a person can claim, the shorter the period before they can apply for residence.

### New Zealand professional registration

In the proposal, awarding points for New Zealand professional registration acknowledges that the registering body is well-placed to judge whether people have the required skills for

a sector and avoids Immigration New Zealand duplicating this assessment. MBIE will work with agencies and industries to define:

- Eligible registrations (starting with occupational registrations – those occupations with a legislated requirement to be registered). The baseline threshold will be that it takes a minimum of three years formal training and work experience to gain registration (3 points). This work will also consider the criteria for recognising new registrations.
- The points each registration will earn. In general, 1 point will be equivalent to every year of minimum formal training and work experience required.

### *Qualification*

Qualifications are a key skill proxy, and will continue to be recognised under the proposed points system. One of the biggest changes proposed is to remove points for qualifications below Bachelor's degree level – consistent with targeting people with at least six years formal training and skilled experience, and with only three years of that able to be made up of skilled work experience in New Zealand.

The consultation document noted that people in jobs where skills are developed on the job, including trades, are mostly likely to be affected by this proposal. This is balanced by the introduction of income as a stand-alone proxy for skill (discussed below). Qualifications can be gained in New Zealand or overseas,<sup>11</sup> and do not need to be directly relevant to a person's role.

### *High income*

Income would be a stand-alone proxy for skills under a simplified points system, as it can be a useful measure of skill. This means highly skilled people in occupations where skills are primarily developed on the job or there are limited opportunities for registration including many trades, can become eligible for residence.

Introducing this skill category would mean some people could gain residence without having to meet any other measures of skill. Applicants in ANZCO level 4-5 would still need to earn 1.5 times median wage, as in the current system.

### *Skilled work in New Zealand*

Under the simplified points system, if people met the minimum skill threshold, they could claim points for up to three years of skilled work experience in New Zealand. The focus on skilled work in New Zealand means migrants can demonstrate a record of employment that Immigration New Zealand can verify (as overseas work experience is challenging and time-consuming to verify).

To 'keep it simple', the proposal would no longer offer bonus points for non-skill factors, such as location, study in New Zealand and partner credentials (which can currently be used to 'discount' the skill level an applicant must show).

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<sup>11</sup> Subject to NZQA recognition

The consultation document noted that it is not possible to say definitively which occupations might miss out under the proposal, because the SMC focuses on individual skills and characteristics (not their occupations, unlike the Green List residence pathways for migrants in highly-skilled, hard to fill occupations). It noted an undertaking to provide further advice on critical roles that do not meet the SMC.

### Proposed skill threshold

While support for the proposed skill threshold was mixed - with 46% of submissions supporting the proposed skill threshold, 43% of submissions disagreeing, and 11% neither agreeing nor disagreeing - there was general support for a simplification of the points system.

The submissions that agreed with the proposed skill threshold felt that it was a fair and appropriate threshold to demonstrate “highly-skilled” work, although some noted that the threshold for “highly-skilled” work would likely differ by industry. However, most of the submissions that disagreed felt that the requirements were too high, especially in the context of current skill shortages. Some also felt that the system would lead to disproportionate weighting towards occupations or qualification levels that are not aligned with labour market requirements, which could lead to a mismatch between migrants’ skills and demand, or migrants being over-qualified for the work available.

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*“In all three of the proposed skill categories, weighting is given to **volume**, e.g., length of time trained, level of degree, or total remuneration. This acts a proxy for skill but not necessarily for value in terms of current economic need or demand”*  
*Submission from an immigration professional*

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### Points system using a range of skill proxies

53% of submissions agreed with using a range of skill proxies, while 34% disagreed, and 13% neither agreed nor disagreed.

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*“It allows people different options for a clear residency route”*

*Submission from an individual*

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The submissions that agreed appreciated the range of options available to achieve the prerequisite number of points. These submissions also appreciated the clarity that the proxies offered, which is reflected by 75% of submissions finding the simplified points system easy to understand.

The submissions that disagreed with the skill proxies were concerned that the proposed proxies exclude highly skilled workers who do not meet any of the three criteria, particularly in the construction sector (discussed further in the NZ professional registration, Qualifications, and High income sections below). To mitigate this, some submissions recommended introducing a fourth skill proxy that allocated points based on being skilled in an area of critical demand.



Another particular concern noted in submissions from immigration professionals was that there was no mechanism to recognise offshore skilled work experience, which they believed would disincentivise migrants from choosing New Zealand.

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*“[The previous system allowed] people from varied industries and with mixed qualifications/work experience history to achieve the required points”*

*Submission from an immigration professional*

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Another key theme raised by submissions in this section was the fact that the proposed points system only awards points for skill proxies and work experience. Many submissions felt that removing the additional point incentives present in the old SMC (e.g., the regional and partner bonuses) would likely cluster migrants around population centres with lower ‘absorptive capacity’ for migrants and reduce the ability for New Zealand to attract the international skills and talent. A few of these submissions suggested that the points system recognise skills shortages by adding ‘bonus points’ to qualifications, registrations, or work experience in relevant sectors and/or regions.

### NZ professional registration

Submissions were split on whether the number of points allocated to NZ professional registrations is fair, with 50% agreeing and 50% disagreeing. Submissions from individuals, business, and industry bodies in sectors that had registration bodies (e.g., engineering, accountancy, healthcare) were more supportive than other sectors like agriculture, manufacturing, and retail. Those that agreed:

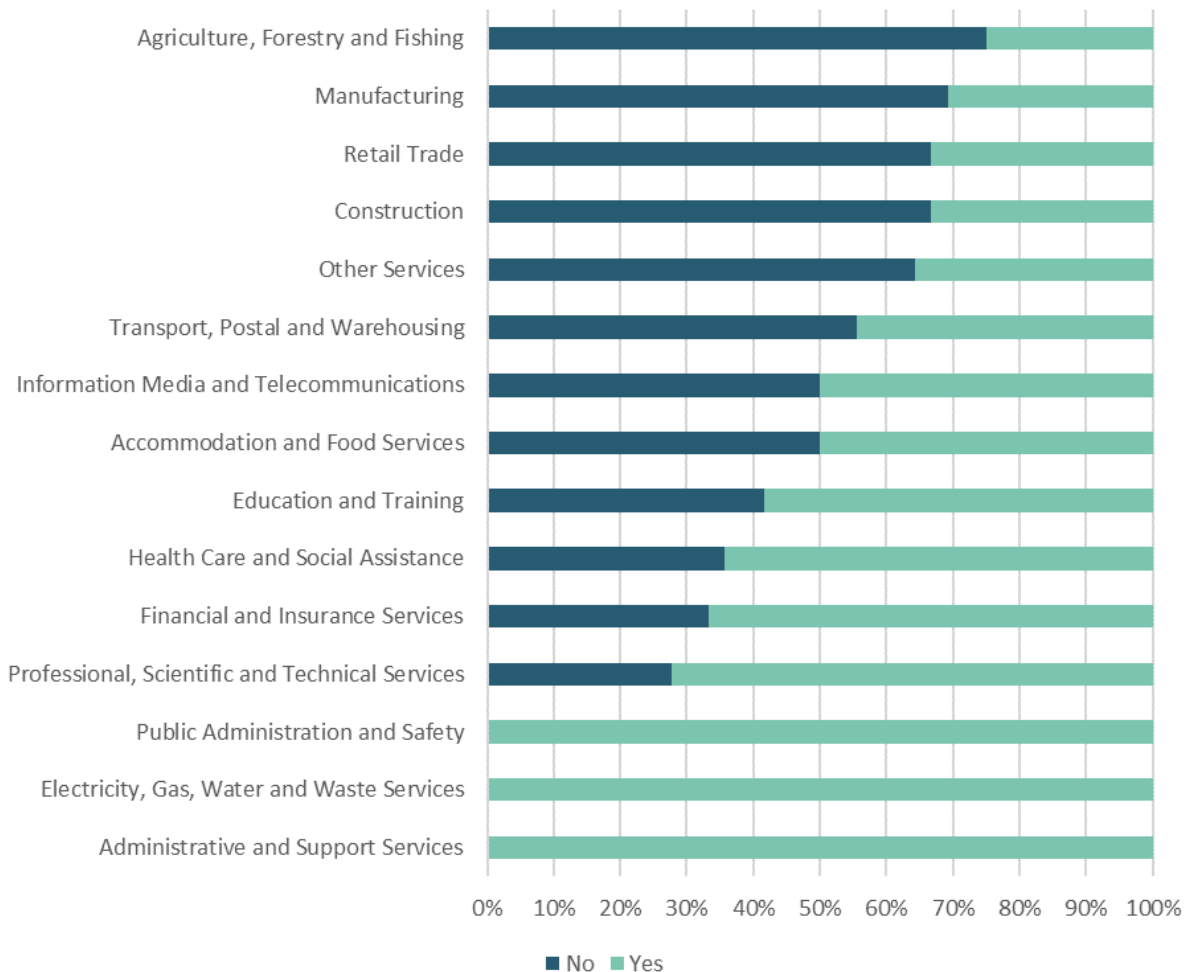
- felt the proposed changes would give them more influence over the workforce supply in their industries
- agreed that leaving the judgement of what skills would be useful to those in the industry.

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*“...the proposed changes will effectively give the Council (and other registration body) a more formal/prominent function within the immigration system”*  
*Submission from a healthcare industry organisation*

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### Response to registration criteria, by sector



One concern raised by positive submissions in the healthcare sector was around how some roles they consider to be highly skilled and regulated (such as enrolled nurses), would not be eligible for residence because they do not formally reach the minimum level in the

registration category because of the years of training and work experience targets that are part of the registration criteria.

Another question that was raised by several submissions was around how potential inconsistency between different registration bodies would be addressed (e.g., some bodies recognising overseas experience, but others not).

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*“The New Zealand professional registrations will directly exclude highly specialised niche industries that don’t have the scale to form a registering body”*

*Submission from a construction industry organisation*

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Those submissions that disagreed with the number of points allocated to New Zealand professional registrations primarily raised the point that many industries with skills shortages do not have NZ professional registration bodies. It was also noted that the roles that do not have New Zealand professional registration bodies also generally do not rely on qualifications, but are still considered highly skilled in the industry (e.g., agriculture, construction, or hospitality).

Many of the submissions that disagreed nonetheless recommended that registration points options be retained, but other options be provided for industries that do not have registration bodies. Some submissions (especially those from industry organisations and unions, and particularly those in the construction and manufacturing sectors) suggested that the government actively support industry associations to set up equitable professional registration pathways which will encompass qualification and experience assessments as part of the registration process. They did note that this would require additional resources to provide adequate oversight of these new pathways to remove the likelihood of exploitation.

## Qualifications

56% of submissions agreed that the number of points allocated for qualifications is fair, and 44% disagreed. Those submissions that agreed felt that the points adequately represented the difficulty in acquiring those qualifications and noted that ‘automatic’ qualification of migrants with PhDs would be a good incentive to attract highly skilled migrants to New Zealand.

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*“The reward/difficult ratio appears reasonable”*

*Submission from an individual*

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Those submissions that disagreed raised the following key points:

- qualifications below degree level that can often be important for sectors where skilled migrants are needed, but degree level qualifications are neither appropriate, nor available. For example, skilled trades staff with specialised work experience but non-bachelor’s degree qualifications will not meet the qualification requirements. Many submissions recommended including level 4-6 qualifications in the points system (at the same level as a bachelor’s degree), with some suggesting that level 4-6 qualifications could earn points in specific industries that have skill shortages<sup>12</sup>
- as noted in the consultation document, industries that rely on hands-on training are disadvantaged
- qualifications unrelated to the field of work still count towards immigration points –

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*“The exclusion of level 4 qualifications in our view is a mistake”*

*Submission from a trade industry organisation*

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submissions were concerned that the new settings will allow many applicants with degrees in areas not sought after in New Zealand to meet requirements

- dependence on qualifications makes it easier for the system to be exploited with fake qualifications.

Some submissions recommended that New Zealand qualifications be worth more points than overseas qualifications, both to mitigate the risk of exploitation, and to offer a pathway for international students to stay in New Zealand after their study.

## High income

Most submissions did not think the number of points allocated for income was fair, with 59% of submissions disagreeing and 41% agreeing. The majority of the submissions that agreed thought that previous tests based on the median wage had been successful, and so felt that it was reasonable for the practice to continue.

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*“Basing it on the median wage has traditionally worked”*

*Submission from an individual*

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Many submissions also noted the overlap in requirements with the Highly Paid Residence Visa (requiring 2 times the median wage) and questioned whether allocating points for 3 times the median wage was relevant.

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<sup>12</sup> ‘Levels’ refers to the New Zealand Qualifications Framework.

Of the submissions that disagreed, there were three groups:

- those who thought the proposed settings are too high (the largest group, approximately 70%)
- those who thought the proposed settings are too low (approximately 10%)
- those who thought that the median wage should not be included (approximately 20%).

### *Proposed settings are too high*

The primary theme that emerged from the submissions that disagreed, particularly in submissions from industry bodies, private businesses, and immigration professionals, was that 1.5 times the median wage would be out of reach for highly skilled workers in many industries with skills shortages. Many submissions noted that placing the threshold at 1.5

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*“Very arbitrary and not based on the nuances between professions”*

*Submission from an individual*

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times the median wage effectively discriminates against particular professions based on current wage rates, not skill. Many of these submissions also noted that this is compounded by the fact that many of those industries (e.g., agriculture, trades, construction, and hospitality) also do not rely

on professional registrations or qualifications, meaning that they are effectively shut out of the SMC as proposed (see Appendix 3 for worked examples provided in submissions). Another key point raised was that setting a policy based on the median wage could potentially discriminate against workers in female-dominated roles and industries (e.g., aged care where there is a high migrant workforce who are mainly women), since their wages are generally lower.

A common recommendation raised in submissions to mitigate these consequences was to base points allocation on median wage of the industry, rather than the 1.5 times the median wage. Another alternative suggested was to expand the Green List to cover those roles unlikely to meet the wage requirements.

Some submissions argued that the proposals do not take account of other allowances or benefits that make up a total remuneration package and do not allow for regional variation based on cost-of-living differences.

### *Proposed settings are too low*

Some of the submissions that disagreed argued that the proposed thresholds were too low, and that they should be increased (a common suggestion was 2 times the median wage for 3 points and 4 times the median wage for 6 points). These submissions felt that the current proposals would perpetuate a low-wage economy and drive down productivity, rather than incentivise to drive a higher-wage economy.

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*“1.5 x the median wage is still not particularly high income”*

*Submission from an individual*

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### *Median wage should not be included*

A small number of submissions fundamentally disagreed with the median wage being used as a criterion, as they do not believe wages are a useful way of judging skills, and the median wage is variable. These submissions, particularly those from immigration professionals and unions, also noted that if high income was the primary way a migrant is earning points, they may be placed in the precarious situation of having to maintain 1.5

times the median wage over three years to apply for residence which may be difficult, especially if linked to an employer as part of their visa requirements. Submissions felt that this may deter migrants from coming to New Zealand or open them up for exploitation.

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*“Income is not a litmus test for skill or competence”*

*Submission from an individual*

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### **Balance between the skill categories**

Submissions were split on whether the points are balanced between the three skills categories, with 53% of submissions disagreeing and 47% agreeing. Most of the submissions that agreed appreciated the consistency between the categories (e.g., how no one category can earn more points than the other), and the clarity this provided.

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*“It is easy to understand”*

*Submission from an individual*

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Those submissions that disagreed primarily reiterated issues expressed in previous sections. A few submissions noted that the consequence of the proposal focusing on

individual skills and characteristics means that it does not assess a migrant’s potential value to New Zealand, and so rewards certain skills over others. These submissions note that the Green List could potentially bridge this gap, but significant work would be required.

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*“This proposal measures value separately to existing and future labour market needs”*

*Submission from an immigration professional*

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## **Managing the flow of migrants into New Zealand**

### **What was proposed**

The consultation document provided some analysis of numbers of migrants who would gain residence under the proposed future SMC, noting the benefits of keeping population growth within New Zealand’s absorptive capacity, and maintaining labour market tension to lift wages and shift to more productive business models, rather than relying on large numbers of migrants.

Pre-COVID, the number of SMCs approved was managed within a ‘planning range’, which acted to limit annual migrant numbers and helped Immigration New Zealand plan its resourcing. This approach meant many more applications were received than approved, creating a backlog and long wait times for decisions. Under the proposal, there would be no cap on the number of eligible applications that can be processed, and Immigration New Zealand would adjust its resourcing to demand.

The approach would be managed by removing the step in the process where applicants provide an EOI; i.e., people would go straight to the applicant stage, with all applications being processed. Assuming a return to pre-COVID migrant levels, more people would be expected to gain residence each year, even with a tighter skills threshold than at present. However, this would not mean higher migrant flows overall because, combined with the introduction of the median wage threshold for Accredited Employer Work Visas (which is anticipated to lower migration flows), a greater proportion of temporary work visas would be moving to residence.

Under the proposal, instead of using a planning range, MBIE would develop a monitoring framework to monitor numbers and adjust settings, processes or resourcing as needed.

### Feedback on managing the flow of migrants into New Zealand

Submissions were moderately positive about proposals to manage the flow of migrants into New Zealand, with 47% agreeing, 33% disagreeing, and 19% neither agreeing nor disagreeing.

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*“There’s a shortage of workers and I support the decision of removing the cap temporarily to mitigate the effect”*

*Submission from a private business owner*

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Most submissions agreed with the proposal to remove the ‘planning range’ and agreed that processing all eligible applications would be a positive step to giving migrants more opportunities and reducing wait times (if Immigration New Zealand can process these applications in a timely manner). However,

some submissions noted that monitoring and adjusting settings depending on whether approvals are “higher or lower than expected” creates a de facto target for number of migrants being granted residence. Most submissions also agreed with removing the EOI from the process.

Those submissions that disagreed, or neither agreed nor disagreed, raised the following key points:

- the higher thresholds are likely to reduce the number of people eligible for residence, which will decrease the flow of migrants (regardless of removing the cap)
- there should be a limit on the number of migrants entering New Zealand annually, which this does not provide
- changing the points level to respond to labour market demand will be more difficult if the number of points is so low, in comparison to the old system
- better labour market monitoring mechanisms will be required for this system to work effectively (e.g., make changes to the points allocations or the number of expected approvals), which are not currently in place.

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*“It’s not managing, it is discriminating”*

*Submission from a potential migrant*

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## Special conditions for people in specific occupations

The consultation document proposed to introduce special requirements for people in specified occupations, including some roles in retail and hospitality, to manage immigration and labour market risks while granting residence to highly skilled people in these occupations.

### Use of ANZSCO

ANZSCO (Australian and New Zealand Standard Classification of Occupations), which classifies occupations into five skill levels, is used to distinguish skill levels under the current points system.<sup>13</sup> Under the simplified points system, it is proposed that ANZSCO would be used to distinguish skill levels as follows:

- applicants with a job or job offer in an ANZSCO level 4-5 role will need to meet a higher wage threshold (1.5 times the median wage) to be eligible
- applicants will only be able to claim 'skilled work experience' in ANZSCO level 4-5 roles if they earn at least 1.5 times the median wage.

The consultation document discusses whether there should be special conditions for people in specified occupations, noting that some occupations are associated with higher immigration or labour market risks. These are occupations which:

- are prone to 'job inflation', i.e., job titles and ANZSCO skills levels do not match the skill level of tasks undertaken
- require little or no training, and are in sectors with a risk that migrant workers will displace or prevent New Zealand workers advancing into more highly skilled roles
- have amongst the lowest average incomes across previous SMC applicants, and/or
- carry risks of gaming and/or immigration fraud, which are drivers of exploitation and poor conditions for both migrants and domestic workers.

It is proposed to treat these specified occupations as equivalent to ANZSCO levels 4-5 (the lowest skill levels) meaning a job offer and skilled work in these occupations would only qualify if paid at least 1.5 times the median wage. This would aim to manage the risks, while granting residence to genuinely high-skilled people in these occupations. The proposed list of these specified occupations is:

- café or restaurant manager
- hospitality, retail and service managers not elsewhere classified
- retail manager.

The following occupations were also identified, but they are classified as ANZSCO level 4-5 so will already be subject to the 1.5 times median wage threshold:

- cook
- retail supervisor.

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<sup>13</sup> While the proposal acknowledges it has limitations, ANZSCO would be retained under the proposed points system (noting that Statistics New Zealand is considering moving away from its use).



### Feedback on special conditions for people in specific occupations

Most submissions supported special conditions for people in specific occupations, with 52% of submissions agreeing, and 28% disagreeing. 20% of submissions neither agreed nor disagreed; many submissions declined to comment if it was not directly relevant to them or their sector.

The submissions that agreed with the special conditions for people in specific occupations agreed that the proposals are likely to:

- combat job inflation
- mitigate wage pressures in the relevant industries (as migrants are unlikely to be employed in those industries due to the high pay requirements)
- reduce the likelihood of exploitation.

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*“We can see no basis whatsoever for MBIE determining that the occupations specified (Café or Restaurant Manager, Hospitality, Retail and Service Managers NEC and retail manager general) carry greater risks of immigration fraud”*  
*Submission from an industry organisation*

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As with the stand-down requirements, those submissions that disagreed with special conditions did so strenuously. Submissions from individuals, private businesses, and industry bodies from the hospitality sector were more opposed to the proposals than submissions from other sectors. Many of these submissions did not agree that the specific occupations identified carried greater risks of immigration fraud. These submissions

also noted that mechanisms are in place (such as employer accreditation system and Labour Inspectorate) deal with immigration and labour market risks, so these special conditions should not be needed. Notwithstanding disagreements around higher-risk occupations, most submissions that disagreed with the proposal did not see requiring wage rates that were out of line with the labour market as a workable solution.

Additionally, furthering the comments in the consultation document, some submissions believe that the ANZSCO is a poor method of job classification and often inaccurate, meaning that it will be difficult to apply any special conditions in a reasonable manner.

## People who are not eligible for Residence (stand-down period)

### What was proposed

The consultation document described how, under current settings, there is no restriction on the time someone earning over median wage can spend in New Zealand on a temporary work visa. This creates a population of people who are well-settled, but with no realistic pathway to residence. Lacking this pathway can have negative impacts for migrants, including:

- People find it harder to return home, but do not have the rights and protections of residence.
- Temporary work visas are based on a job offer, meaning injured or ill migrants who cannot work lose their jobs and must leave the country. This creates insecurity and vulnerability to exploitation.
- Temporary migrants cannot access the same benefits and government support as New Zealanders, such as the right to vote, buy a home, or access benefits or subsidised education.

Introducing a new median wage threshold for most temporary workers (discussed in more detail in the next section) would reduce the proportion of people without a realistic pathway to residence. However, there would still be a gap between eligibility for temporary work and residence visas. This would be appropriate, because giving residence to everyone with a temporary work visa would mean either lifting the threshold for temporary visas, or facing unmanageably high immigration flows.

### Feedback on the stand-down period

Submissions on the stand-down period were mostly negative, with 65% of submissions disagreeing and 35% agreeing with the proposal. Submissions from private businesses, unions, and industry organisations were more opposed to the proposal than submissions from individuals.

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*“It enables us to identify the risk prior to the process”*

*Submission from a potential migrant*

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Those submissions that agreed with the stand-down period agreed with the policy intent that it would prevent migrants from becoming settled. Some of these submissions felt that a longer stand-down period, or a shorter stay, would further this intent. These

submissions did note that the requirements should be clear and upfront, to prevent confusion and help migrants make informed choices.

Most submissions that disagreed with the stand-down period did so strenuously. These submissions raised the following key points:

- the proposed stand-down period will likely perpetuate the problems already experienced by other stand-down periods (such as those on the lower-paid Essential Skills work visas):
  - a lack of readily available workforce to step into the vacated roles
  - reducing incentives for businesses to invest in their migrant workforce
- the stand-down will reduce the attractiveness of New Zealand for potential migrants and reduce our competitiveness with other countries
- three years is long enough to become well-settled, so the negative impacts described in the consultation document will not be avoided
- some submissions proposed a 'long residence' scheme, similar to that seen in the UK, where migrants have both demonstrated that they can thrive in New Zealand, and that New Zealand can successfully meet their housing, medical, educational, and recreational needs
- the lack of evidence that displacing settled and skilled migrants improves labour market outcomes for New Zealanders
- the potential impact that a stand-down might have on partners of workers who are not stood down (meaning couples may be separated); this is more likely to disadvantage female workers.

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*“The disruption to businesses with large numbers of such staff will be enormous”*

*Submission from an industry organisation*

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*“...people are unlikely to come here in the first place if they will have to leave in the future”*

*Submission from an immigration professional*

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*“Unions are concerned that... the stand-down will structurally reinforce the precarious nature of migrant work and heighten the imbalance of power between migrant workers and the larger workforce”*

*Submission from a union*

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## Themes and key points that are out of scope

This section briefly outlines the major themes and key points raised in submissions that are out of scope of the current SMC review. Broad commentary around the immigration rebalance or other visa categories has not been included (although it is referenced in the body of the report where relevant):

- a lack of opportunities for overseas migrations to get jobs (e.g., some New Zealand immigration accredited employers restricting job advertisements to applicants already living in New Zealand; the submission provided examples of employers relying on COVID restrictions as a barrier)
- there should be clarity around how previous applications still under review will be handled
- no change in age requirements for the SMC will reduce the number of migrants and reduce New Zealand's competitiveness in the global market
- removing the employer condition from work visas (as recommended by the Productivity Commission), which would reduce the potential for migrant exploitation and intimidatory practices by employers
- a three or six month extension of their current visa for migrants raising personal grievances (PGs), where their visas will expire during the PG process
- the introduction of a six month limited purpose visa is put in place to capture seasonal demands and peaks, with clear temporary stay intent.

## Appendix 1 – List of submissions

### List of long-form submissions (in order they were received)

Greenstone immigration  
Hospitality NZ  
Turner Hopkins Services Limited  
NZ Association of Immigration Professionals (NZAIIP)  
The Orphaned SMC Applicants group  
Transporting New Zealand  
Auckland District Law Society (ADLS)  
E tū  
Association of Consulting Engineers New Zealand (ACE)  
New Zealand Association for Migration and Investment (NZAMI)  
New Zealand Nurses Organisation (NZNO)  
Association of Salaried Medical Specialists (ASMS)  
Colourful Panda  
New Zealand Aged Care Association (NZACA)  
Engineering New Zealand  
Export New Zealand  
Quality Tertiary Institutions (QTI)  
South Canterbury Chamber of Commerce  
Horticulture New Zealand (HortNZ)  
Manufacturing Alliance  
New Zealand Wine  
Employers and Manufacturers Association (Northern)  
Hotel Council Aotearoa (HCA)  
Business New Zealand  
Chartered Accountants (CA)  
New Zealand Council of Trade Unions (NZCTA)  
Foodstuffs NZ  
Motor Trade Associations (MTA)  
New Zealand Kiwifruit Growers Inc  
Plastics NZ  
Ryman Healthcare  
New Zealand Construction Industry Council (NZCIC)  
Civil Contractors New Zealand  
Bus and Coach Association  
VTNZ  
Restaurant Association New Zealand (RANZ)  
Meat Industry Association of New Zealand  
Public Service Association (PSA)  
Waihanga Ara Rau  
Printing Industries New Zealand  
Nursing Council of New Zealand

The Institute of Internal Auditors New Zealand (IIA NZ)  
Pharmacy Guild Submissions  
Hair 2 Go  
Recruitment, Consulting, and Staffing Association (RCSA)  
Board of Airline Representatives NZ  
Qantas  
Royal College of General Practitioners (RNZCGP)  
The Council for Social Work Education New Zealand (CSWEANZ)

**List of submissions received via stakeholder meetings with MBIE**

South Asian Community Leaders Group  
Filipino Community  
Employers Engagement Group  
Chinese Community Leaders Group  
Business NZ Corporate Affairs meeting  
Immigration Reference Group  
Association of Immigration Professionals  
Latino Engagement Group  
Union Engagement Group

## Appendix 2 – Summaries of key submissions

### Business New Zealand (and associated submissions)

BusinessNZ considered that immigration is unnecessarily restricted, causing skills shortages and creating economic and social harm. It supported high skilled migration, but not at the expense of recognising the value of, and high demand for, vocational skills in the labour market. Pathways to residency should be available at all skill levels where there is not a New Zealand workforce available.

BusinessNZ suggested the SMC has the potential to be the main channel for skills, and with open settings, the Green List or occupation specific carve-outs would not be needed. It supported the simplification of points down to six, but thought the points system should be amended to recognise regional location (to attract skills to the regions), qualifications from level 4 to level 10, and systemic labour shortages. To simplify the system, BusinessNZ suggested a 6 month limited purpose visa to capture seasonal demands and peaks, with clear temporary stay intent.

BusinessNZ considered there needs to be a high-trust relationship between industry and Government, underpinned by existing enforcement mechanisms, which are sufficient to manage concerns about migrant exploitation and the impact on New Zealand's absorptive capacity.

Better labour market data is needed, including to understand labour market supply channels of immigration, education, and social development. ANZSCO should be phased out as it is not fit for purpose. Immigration settings should flex to demand and labour market factors and work, and immigration settings should be reviewed following labour market and economic triggers.

The submission also made a range of recommendations intended to ensure policy and operational action creates a coherent immigration system that will have a material impact on SMC volumes.

The BusinessNZ submission was explicitly supported by the submissions from:

- Horticulture New Zealand
- Export New Zealand
- New Zealand Wine
- Chartered Accountants
- Employers and Manufacturers Association (Northern)

### New Zealand Council of Trade Unions

The New Zealand Council of Trade Unions (CTU) agreed that a review of the SMC is much needed. Migrant workers need to be employed within a structure that does not allow them to be vulnerable to exploitation, or used to drive down wages and conditions for all workers in the country. Unions are also interested in ensuring that SMC is geared towards

addressing genuine skills shortages in the workforce, and ensuring migrant workers in New Zealand have access to the same rights and protections as New Zealand workers.

The CTU submission was concerned that current proposals being put forward will have limited impact. The 'point system' remains a 'crude instrument' and does not provide much clarity, e.g., how New Zealand registrars will assess overseas qualifications and experience. Access to informational resources about residence pathways, different visas, and the impacts of standdowns needs to be built into this part of the immigration system.

The point system does not give weight to 'essentiality' or the social/economic need for certain types of workers. The need for workers in these sectors to have clear mechanisms for transferring qualifications and work experience is essential and needs more attention. The point system uses income (being paid 1.5 times the median wage) as an imprecise proxy for skill and essentiality.

The mandatory 'standdown period' for workers after 3 years for workers on temporary visas creates several gaps for the most vulnerable migrant workers. It will structurally reinforce the precarious nature of migrant work and heighten the imbalance of power between migrant workers and the larger workforce, including a lack of mobility and risk of exploitation and unjustified dismissal.

The submission states the CTU and its affiliates have several serious concerns about the application of the standdown period, including:

- its potential impact on partners of workers who are not stood down, in such cases the partner may not be required to leave the country but will be restricted in their ability to work. This impact has a gendered component and is more likely to disadvantage women workers
- creating pools of undocumented workers
- temporary workers being seen as casualised labour, limiting the ability of workers to enforce their rights against employers and for unions to organise migrant workers (particularly with labour hire companies)
- hampering the ability of workers to have a stable working life. Three years is a short interval for a such disruptive and uncertainty creating event, the 12- month period for standdown is also excessive and prevents workers from building meaningful careers during their time in New Zealand
- the use of 'median wage' as a measure for eligibility and its connection to standdown periods. It means employers can effectively summarily dismiss a visa holder every 3 years by not offering the required rate

The submission also raises the following issues:

- migrant workers should have the mechanisms to legally extend their time in New Zealand (if necessary) where a personal grievance has been raised against a current or former employer to ensure that the worker can remain in the country for the time needed to fully pursue and resolve any claim



- specific residence pathways should be provided for workers who have been in New Zealand continuously, on several renewed temporary visas and, for an extended period.

In addition to the above, the CTU and affiliates also raised the following concerns. There must be effective means of monitoring skills shortages and ensuring that any shortage purported by an employer is genuine, with independent verification. Protecting job opportunities and conditions for local workers (those who hold residency and citizenship in New Zealand) should be a primary objective.

MBIE should also ensure that employers seeking to bring in migrant workers are also investing in robust recruitment, promotion, and succession plans to ensure employers are taking all reasonable steps to employ local workers on competitive terms and conditions. MBIE should set bespoke pay rates in certain industries that apply to the migrant workforce with the aim of ensuring that migrant workers are integrated into the broader workforce. MBIE ought to also ensure that it has the monitoring and compliance mechanisms to uphold these standards.

#### **New Zealand Association of Immigration Professionals**

New Zealand Association of Immigration Professionals (NZAIIP) supports the intention to provide certainty to migrants and employers, improve processing times and reduce immigration risk. However, they identified what they see as flaws. They considered that managing migrants' expectations, so they understand they will not have a pathway to residency, was seen as counter to the intention not to fill labour market gaps with short term migrant labour. The stand-down period was seen as likely to discourage immigrants from choosing New Zealand.

Concerns were expressed about excluding migrants who are high skilled because of prior work experience alone. NZAIIP provided a list of examples of roles that require training and experience, cannot be readily filled by local candidates, cannot be filled by the domestic labour market alone, and will not offer an applicant any pathway to residence under the proposals. Placing pressure on employers to pay higher wages could be inflationary. Focusing on medium- to long-term skills gaps could force small and medium enterprises to close if they cannot fill short-term skills gaps.

NZAIIP agreed that a simplified point system is needed, suggesting the estimate for the number of residents eligible under the SMC scheme be published. However, they suggest that implementation of the proposed system will work counter to its intention by creating an unintended cap on referrals.

NZAIIP did not agree that the occupations specified in the proposal carry greater risks of immigration fraud. Relegating occupations to such specified lists and applying a higher wage threshold may exclude legitimate hires. Existing mechanisms for addressing migrant exploitation are appropriate.

NZAIIP had no concerns with the points allocation proposed for professional

registration. However, they were concerned that there is no recognition of trades certificates or three-year diplomas.

The submission also made a range of recommendations for other visa categories.

### Hospitality NZ

Hospitality New Zealand (HNZ) welcomed the return of the Skilled Migrant Category, as migrants bring skills including training local people, but does not support the proposal in its current form.

The submission argued tighter immigration settings will not address the economy's staffing shortages, and did not agree the sector should rely less on migrant labour and instead 'pay more' to attract staff, as there are insufficient New Zealanders looking for work. A tightened job market and rising wages are contributing to the current cost-of-living crisis.

The median wage should not be used to benchmark wages in migrant roles. The median wage is rising because of artificial manipulation and a stretched labour market. There is little ability for hospitality businesses to afford increased wage inflation.

High-skilled migration should not come at the expense of recognising the value of, and high demand for, vocational skills in the labour market. The skill categories hobble the hospitality sector's ability to access needed migrant labour, including because on-the-job training features heavily for hospitality workers.

The submission fundamentally disagrees with the median wage being used to benchmark migrant wage rates. Requiring hospitality workers to be paid 1.5 times the median wage means that only executive chefs would earn enough for a Skilled Migrant Category application.

The submission stated that Hospitality NZ takes exception to the implications for its sector of this statement in the proposal document: "It will be more difficult for migrants in some occupations to meet the points threshold, especially where training is primarily on-the-job and there is no associated registration scheme."

The submission notes that removal of regional and partner bonus points gears the system towards keeping people in the main centres.

HNZ did not support the stand-down period, as it will not make New Zealand attractive to migrants. It did not support a higher threshold for the roles listed in 'special conditions for people in specified roles'.

The submission made the following recommendations:

- The points system is amended to accurately reflect the value of on-the-job training where formal qualifications are generally not obtained.

- A six-month limited purpose visa, to capture seasonal demands and peaks with clear temporary stay intent, is introduced. For the purposes of the Skilled Migrant Category, pathways to residency should be available at all skill levels where there is not a New Zealand workforce available.
- The stand-down period requirements are removed.
- The higher wage threshold of 'specified occupations' is removed.

#### New Zealand Aged Care Association

The New Zealand Aged Care Association (NZACA) submission indicates it does not support the broad-brush approach taken with the immigration rebalance. New Zealand's aging population means many more aged residential care (ARC) facilities, care workers and registered nurses are needed in the coming decades. This is in a current context of high turnover, and increasing vacancies.

The ARC sector relies heavily on migrants, and this will continue until the domestic supply of ARC nurses increases over the medium-to long-term. Immigration settings therefore need to ensure a supply of international registered nurses. The NZACA:

- strongly support aged care nurses having a fast-tracked path to residency, providing ARC providers having the ability to tie a migrant employee to one employer for two years
- see benefits for registered nurses applying through the Green List, including open work rights for partners and for employers, and no requirement to complete a Job Check. They would like to see Clinical Nurse Managers added to this list
- does not support work testing for partners of SMC visa holders
- are concerned about having a stand-down period for care workers paid below the median wage after two years on an Accredited Employer Work Visa (AEWV). They would like to see policy which allows Immigration New Zealand to consider these on a case-by-case basis instead of a blanket stand down for all visa holders below the median wage

Regarding aged care workers, incentivising employers to improve wages and conditions and to lift productivity is not seen as possible in ARC sector, as providers are funded by government for the service they provide: "The capped and inadequate nature of ARC funding makes it impossible for the bulk of aged care providers to pay workers above legislated minimum (Support Worker Pay Equity Settlement Act 2017) or market rates." Due to the highly regulated nature of the sector migrant employees working in the industry are at a low risk of exploitation.

In terms of process the NZACA:

- support a review of the Green List prior to implementing the SMC, as there is duplication between these and the Highly Paid Residence Visa. Combining the different residence visa pathways could simplify the process and make it less confusing for both employers and migrants
- Immigration New Zealand being appropriately resourced to allow for efficient processing of all visa applications.

The NZACA agrees that the new, simplified points system is clearer and fairer for both employers and migrants, and with the approach of processing all applications and removing the requirement to submit an Expression of Interest.

#### **The Association of Salaried medical Specialists**

The submission from the Association of Salaried Medical Specialists (ASMA) welcomed the review of the Skilled Migrant Category, as it has been a key visa for overseas trained medical specialists. It stated the current settings, protracted application process, and long processing delays have caused doctors to leave the country in frustration.

The submission focused on the need for overseas trained medical specialists to fill shortages that cannot be filled with locally trained doctors. It argued that an immigration system that is seen to be actively working to increase health workforce capacity, reduce pressure and alleviate high levels of stress and burnout will make New Zealand desirable.

The submission considered the mid-2023 timeframe is unacceptably slow, and will mean backlogs of eligible applications and long wait times for decisions to be made. ASMS did not support the view that temporary work visas should generally be used to address immediate labour market needs. An episodic, one-size-fits-all approach risks not understanding differences in the demand and supply of workforces. It is concerned that the stand-down requirement will cause doctors to leave New Zealand for good.

The simplification to 6 points was supported for medical specialists, but concern was raised that overseas registered nurses may not be able to achieve 6 points, and would be eligible for residence only after three years. This was seen as an insufficient response to the urgency of the nursing shortage. The submission also expressed concern that the age cap of 55 excludes older medical specialists who could make a valuable contribution. The submission supported the proposed change to process all applications that meet eligibility criteria and to remove the existing “planning range”, or cap, from the SMC. This change was expected to increase the proportion of migrants who gain residence each year, so long as Immigration New Zealand is adequately resourced.

#### **Horticulture New Zealand**

Horticulture New Zealand (HortNZ) supports changes to immigration settings, but considers ‘rolling changes’ under the Immigration Rebalance are increasing costs and uncertainty for the industry.

HortNZ supports the SMC being the main channel for skilled migration to residency, with the right settings. This would negate the need for the Green List and Highly Paid Residency pathways. Simplification of the points system is supported, but the points system should be amended to include allocations for regional location and time served in stable employment where there are long-term and systemic labour shortages. Additional point incentives are needed to ensure that regional New Zealand (where the vast majority of New Zealand’s food is grown) is able to attract the international skills and talent necessary.

To simplify the system, HortNZ suggests a 6 month limited purpose visa is to capture seasonal demands and peaks, with clear temporary stay intent. For the SMC, pathways to residence should be available at all vocational skill levels where there is not a New Zealand workforce available. HortNZ agrees with removing the Expression of Interest and Job Search visa as a simplification of the visa application process, presuming tourist visas will be available to people seeking to visit New Zealand prior to accepting a job offer, with no punitive operational policies put in place for those moving to SMC while in the country.

HortNZ supports processing all of those eligible under the criteria and removing the planning range. There is a need to gather better labour market data to understand shifts in the market and ensure better co-ordination with labour market supply through immigration channels. ANZSCO should be phased out as it is inadequate for describing modern and dynamic occupations, especially for horticulture. Micromanaging the immigration settings via specific occupations using ANZSCO is too granular and is slowing down processing.

The submission also made a range of recommendations intended to ensure policy and operational action creates a coherent immigration system that will have a material impact on SMC volumes.

#### **Foodstuffs NZ**

Foodstuffs NZ supported the premise of the Skilled Migrant Category (SMC) residence visa and its objective to support New Zealand's economic growth by granting residence to migrants who have skills to fill identified needs. Its submission supported simplification of the SMC residence visa process, as this provides a residence pathway for highly skilled people working in retail, and it considers this is an important consideration for migrants considering which country to choose.

The submission noted the current labour market in New Zealand is extremely tight, and Foodstuffs has a large number of vacancies it has been unable to fill with New Zealanders. The SMC residence visa could be an important mechanism to attract these migrant workers.

The submission supports simplification of the process, which will bring more certainty to migrants and employers. However, while it supports making the residence pathway easier for retail managers, given the threshold settings required to achieve the necessary six points to be eligible for the visa, the submission suggests the easier pathway will have limited impact on its members' worker vacancies, particularly for retail manager roles who would look to apply under the 'specified occupation' pathway. This is because the settings are high relative to the common terms and conditions for these roles, requiring a retail manager to be paid at least 1.5 times the median wage, and have worked in New Zealand for 3 years. Alternatively, retail managers would require a bachelor's degree or New Zealand professional registration which is less common in the retail sector. The submission supported improving the overall visa process.

#### **The New Zealand Construction Industry Council**

The New Zealand Construction Industry Council (NZCIC) submission noted that the building, construction and infrastructure sector has significant and urgent labour shortages, and with

an aging population, the demand for skilled labour for future housing and infrastructure will exceed supply in future. An immigration system that supports entry of specific skills over others risks creating blockages in the system due to shortages in skill sets that are not recognised in the immigration system.

NZCIC was not confident that the proposed changes will give more certainty for the sector, and was unsure if the proposals would improve processing times as they did not include resourcing. NZCIC disagreed the proposal will reduce immigration and labour market risks. NZCIC notes the proposed future points system is strongly weighted towards academic qualifications, professional registration and what people are paid, but their sector relies on technical skills, as well as academic qualifications. Occupational registration only covers a small proportion of skills and experience needed by the sector. The points system needs to acknowledge technical qualification and be developed and reviewed in consultation with specific sectors.

NZCIC does not support the stand-down period. It suggests there may be a case for going above the age cap of 55 within its sector.

#### **The New Zealand Bus and Coach Association**

The New Zealand Bus and Coach Association submission supported the immigration rebalance's intent to make it easy to fill skill gaps and give certainty to migrants and employers. It strongly supported improving processing times, as long lags in these make business planning extremely difficult, particularly when workforce shortages are acute and urgent.

However, the submission did consider the proposal would make filling some skill gaps more difficult. It recommended including a means of bypassing requirements for skilled roles where the shortage is acute, crucially including diesel mechanics and bus drivers, e.g., by adding them to the Green List.

The submission stated that qualifications are not necessarily a proxy for value to society, and the points weighting arguably puts too much priority on academic prowess, and too little on practical skills and trades. Focusing the system on current and future predicted skills shortage is also a good way to target areas in need.

The submission argued some skilled roles do not always reach median wage – e.g bus drivers. Work with government to lift driver wages is complex. Bus drivers should be exempt from the median wage requirement.

## Appendix 3 – Worked examples

The appendix provides some direct excerpts of worked examples from submissions indicating how they see the simplified points system being applied in practice:

### Direct excerpt from the New Zealand Council of Trade Unions submission

“The consultation document states that ‘A registered teacher could claim 3 points (points level to be confirmed) for their professional registration, so would be eligible for residence after three years of skilled work in New Zealand’. However, this comment is incorrect. This is because a teacher with a three-year qualification and no teaching experience (in other words, a teacher who would claim 3 points on the proposed system) would at current wage rates be notable to be eligible for the Accredited Employer Work Visa. A teacher who can claim 3 points for their professional registration in New Zealand would qualify for Step 3 of the unified pay scale at a rate of \$55,948 (based on current rates). The median wage is \$57,741. As the Accredited Employer Work Visa requires median wage employment, there is no pathway for teachers at this experience level to gain the necessary NZ experience to qualify for the Skilled Migrant Category, and therefore no pathway to residency.”

### Direct excerpt from the New Zealand Association of Immigration Professionals submission

	Notes
Fitter/Welder	<p><i>e.g., \$30/hr offered by Tradestaff currently in Christchurch for worker with <u>19 years experience</u> for one of our member's clients. Experienced welders can earn between \$40-\$45/hr</i></p> <p>Source: <a href="https://www.careers.govt.nz/jobs-database/engineering/maintenance-repair/welder/">https://www.careers.govt.nz/jobs-database/engineering/maintenance-repair/welder/</a></p> <p>Typically, applicants are not tertiary qualified and don't require occupational registration plus market is not meeting 1.5 x median wage</p>
Upholsterer	<p><i>e.g., \$28/hr offered by an employer currently in the Hawkes Bay for an upholsterer with over <u>10 years' experience</u> for one of our member's clients</i></p> <p><i>Average pay for a qualified upholsterer = \$24 - 29.81/hr</i></p> <p>Source: <a href="https://www.careers.govt.nz/jobs-database/manufacturing/manufacturing/upholsterer/">https://www.careers.govt.nz/jobs-database/manufacturing/manufacturing/upholsterer/</a></p> <p>There are no specific training requirements and applicants will normally learn on the job under an apprenticeship model then gain a L4 qualification.</p>
Jewellers	<p><i>Average pay for a qualified manufacturing jeweller = \$28.85/hr</i></p> <p>Source: <a href="https://www.careers.govt.nz/jobs-database/arts-and-media/creative-design/jeweller/">https://www.careers.govt.nz/jobs-database/arts-and-media/creative-design/jeweller/</a></p> <p>Manufacturing jewellers are normally trained for approx. 4 yrs under an apprenticeship model.</p>
Child Carers	<p><i>Average pay = \$21 - \$30 /hr</i></p> <p>Source: <a href="https://www.careers.govt.nz/jobs-database/education-and-social-sciences/education/nannychild-carer/">https://www.careers.govt.nz/jobs-database/education-and-social-sciences/education/nannychild-carer/</a></p>

	Applicants normally are not degree qualified and on the job training of at least 1 year qualifies as per ANZSCO
Hosiery Technicians (Technicians and Trades Workers NEC – 399999)	Most sock manufacturers have closed down in NZ due to lack of staff, the major companies still struggle to recruit despite their best efforts to hire and train New Zealanders – applicants don't always have Bachelors level qualifications but have many years of experience – they would be cut out by the proposed stand down and changes to SMC policy – putting greater pressure on NZ manufacturers who will look to places like China to move their operations <i>[which one member's clients has said they may have to look at doing due to lack of access to labour here in NZ]</i>
CNC Machinists - Metal Machinist	<i>Average pay = \$26.56/hr</i> Source: <a href="https://nz.indeed.com/career/cnc-machinist/salaries">https://nz.indeed.com/career/cnc-machinist/salaries</a> 3 years on the job training typically/L4 qualification.
Boiler makers (322311 METAL FABRICATOR)	<i>Average pay = \$28.72/hr</i> Source: <a href="https://www.payscale.com/research/NZ/Job=Boilermaker/Hourly_Rate">https://www.payscale.com/research/NZ/Job=Boilermaker/Hourly_Rate</a>
Roofers	<i>Average pay for experienced roofers = \$30 - \$40/hr</i> Source: <a href="https://www.careers.govt.nz/jobs-database/construction-and-infrastructure/construction/roofer/">https://www.careers.govt.nz/jobs-database/construction-and-infrastructure/construction/roofer/</a>
Automotive Technicians	<i>Average pay for qualified automotive technicians = \$ 26 - \$35/hr</i> Source: <a href="https://www.careers.govt.nz/jobs-database/engineering/automotive/automotive-technician/">https://www.careers.govt.nz/jobs-database/engineering/automotive/automotive-technician/</a> On the job apprenticeship training of 3-4 years.
Marine Diesel Mechanics	<i>Average pay = \$26.21/hr</i> Source: <a href="https://www.salaryexpert.com/salary/job/marine-diesel-mechanic/new-zealand">https://www.salaryexpert.com/salary/job/marine-diesel-mechanic/new-zealand</a>
Senior Hair Stylists	<i>Average pay = \$28.84/hr</i> Source: <a href="https://www.glassdoor.co.nz/Salaries/senior-hair-stylist-salary-SRCH_KO0_19.htm">https://www.glassdoor.co.nz/Salaries/senior-hair-stylist-salary-SRCH_KO0_19.htm</a>
Beauty Spa Managers	<i>Average pay = \$23.36/hr</i> Source: <a href="https://www.payscale.com/research/NZ/Job=Spa_Manager/Hourly_Rate">https://www.payscale.com/research/NZ/Job=Spa_Manager/Hourly_Rate</a>
HVAC Technicians	<i>Average pay = \$33.40</i> Source: <a href="https://www.payscale.com/research/NZ/Job=HVAC_Refrigeration_Technician/Hourly_Rate">https://www.payscale.com/research/NZ/Job=HVAC_Refrigeration_Technician/Hourly_Rate</a>
Lead Hand Carpenter/Joiners	<i>Average pay = \$30.54</i> Source: <a href="https://www.payscale.com/research/NZ/Job=Lead_Hand_Carpenter/Hourly_Rate">https://www.payscale.com/research/NZ/Job=Lead_Hand_Carpenter/Hourly_Rate</a>
Artisanal bakers	<i>Experienced bakers can earn up to \$32.21/hr</i> Source: <a href="https://www.payscale.com/research/NZ/Job=Lead_Hand_Carpenter/Hourly_Rate">https://www.payscale.com/research/NZ/Job=Lead_Hand_Carpenter/Hourly_Rate</a>
Agricultural Technicians	<i>Average pay = \$23.31/hr</i> Source: <a href="https://www.salaryexpert.com/salary/job/agricultural-technician/new-zealand">https://www.salaryexpert.com/salary/job/agricultural-technician/new-zealand</a> Won't meet qualifications as have 3yr Diploma not a Bachelors
Building Inspectors	<i>Average pay = \$34.61/hr</i> Source: <a href="https://www.payscale.com/research/NZ/Job=Building_Inspector/Salary">https://www.payscale.com/research/NZ/Job=Building_Inspector/Salary</a>



	Won't meet qualifications as have 3yr Diploma not a Bachelors
Dental Technicians	<i>Senior Dental Technicians can earn up to \$33.658/hr</i> Source: <a href="https://www.careers.govt.nz/jobs-database/health-and-community/health/dental-technician/about-the-job">https://www.careers.govt.nz/jobs-database/health-and-community/health/dental-technician/about-the-job</a> Won't meet qualifications as have 3yr Diploma not a Bachelors
Science Technicians	<i>Average pay = \$25/hr</i> Source: <a href="https://www.careers.govt.nz/jobs-database/science/science/science-technician/">https://www.careers.govt.nz/jobs-database/science/science/science-technician/</a> Won't meet qualifications as have 3yr Diploma not a Bachelors

## Annex 2: Summary of key consultation feedback and responses

Feedback	Response
General cross cutting themes:	
There should be a pathway to residence for workers of all skill levels, where people who have been able to work legally in New Zealand for a certain period (e.g., five years), become eligible for residence.	Consideration and advice regarding a “long residence” pathway is set out at paragraphs 23-28.
The proposed changes could reduce the number of migrants choosing to come to New Zealand.	Early signals since reopening the borders in July 2022 indicate high and ongoing demand for migrants choosing to come to New Zealand.
Immigration settings should be more flexible and able to respond to labour market changes but still maintain certainty for all.	Consultation also reflected broad support for simplification of the system and for the stated goals of providing certainty and clarity through the proposed points system.
The connection between the SMC and other immigration pathways (such as the Green List residence pathway and Accredited Employer Work Visa) should be clearer.	We recommend bringing all skilled residence visas under one broad banner, with applicants clearly directed to which specific visa stream is most relevant for them, as set out in paragraphs 67-68.
On the proposed simplified points system:	
Submissions (on average) agreed with the simplified points system proposals 49% of the time, disagreed 47% of the time, and neither agreed nor disagreed 4% of the time.	
The need for a broader recognition of skills alongside criticism of what was perceived as a narrow definition of “skilled”, particularly in roles where skills are primarily gained on-the-job.	Analysis to address this focused on recognising overseas work experience, recognising Level 4-6 (below degree-level) qualifications, and lowering the income threshold. More detail on this work is at paragraphs 42-60.
Points for professional registration:	
Submissions were split on whether the number of points allocated to NZ professional registrations is fair, with 50% agreeing and 50% disagreeing.	
Concerns were raised about the lack of options for industries without registrations (with some suggesting options be provided for these industries to develop recognised self-regulated registration schemes).	Consideration of whether the professional registration skill proxy should include self-regulated industry bodies that offer registration or membership can be found at paragraphs 43-45.
Submitters noted the potential for inconsistency between different registration requirements, with some bodies recognising overseas experience and others not.	Our advice is that regulated registering bodies are best placed to determine the requirements of each registration, as per the relevant legislative requirements. See paragraphs 43-45.

<b>Points for qualifications:</b>	
56% of submissions agreed that the number of points allocated for qualifications is fair, and 44% disagreed.	
Submitters noted that qualifications below degree level can often be important, especially in sectors where degree level qualifications are neither appropriate nor available (many trades, and other on-the-job learning such as chefs).	Analysis to address this focused on recognising overseas work experience, recognising Level 4-6 (below degree-level) qualifications, and lowering the income threshold. More detail on this work is at paragraphs 42-60.
Submitters noted that accepting qualifications that aren't relevant to the migrant's occupation may mean that people with qualifications that aren't needed in New Zealand can still get residence.	Setting the skill threshold for qualifications at Bachelor's level and above means applicants are more likely to have more transferrable skills, meaning that graduates will be well prepared for a range of changing jobs throughout their career.
Some expressed concern that a perceived dependence on qualifications makes it easier for the system to be exploited with fake qualifications.	Applicants claiming points for qualifications will either have to provide details of their qualification gained in New Zealand or an International Qualifications Assessment (IQA) from NZQA. This is a robust process which checks the qualification's validity and authenticity to prevent exploitation.
Suggestion that New Zealand qualifications should be worth more points than overseas qualifications.	We considered providing extra points or incentives for those with New Zealand qualifications. However, international students completing qualifications at bachelor's and above in New Zealand are already at an advantage; they are eligible for open work rights through a Post Study Work Visa, have additional opportunities to build networks and learn about the New Zealand labour market, and their qualifications are easier for employers to understand.
<b>Points for income:</b>	
Most submissions did not think the number of points allocated for income was fair, with 59% of submissions disagreeing and 41% agreeing.	
Some submitters thought that the settings were too high, effectively discriminating against lower paid sectors (especially female-dominated industries) and that they didn't account for regional variations.	We considered options to lower the income threshold, and also whether it was possible to look at wages on an industry or regional basis, at individual occupation level. More detail on this analysis is at paragraphs 53-58.
Many submitters noted the overlap in requirements with the Highly Paid Residence Pathway (2 times median wage), and questioned whether allocating points for 3 times the median wage was relevant.	We recommend moving the Highly Paid Residence Pathway into the SMC, with 4 points available for work at or above 2 times the median wage, to streamline residence categories for the applicant, ensure clarity and consistency between

	different skill categories, and create operational efficiencies. See paragraph 66.
<b>Specified occupations:</b>	
Those who disagreed with this proposal did so strongly and disputed the evidence presented. Many suggested that these immigration risks were better addressed using existing processes (for example, the Labour Inspectorate).	We do not recommend implementing the specified occupation list at this time. More detailed analysis can be found at paragraphs 85-89.
<b>Maximum continuous stay:</b>	
Most submissions that disagreed with the stand-down period did so strenuously. Submitters felt that there would be a significant negative impact on businesses and labour supply, making it harder to attract workers to New Zealand and reducing incentives for businesses to invest in their migrant workforce. Others felt that the stand-down wouldn't achieve the policy intent.	Despite consultation feedback, our advice is that a maximum continuous stay is an important part of limiting exposure to longer term risks for the migrant and their family. See paragraphs 90-108.
<b>Processing to demand:</b>	
Despite the removal of a processing cap, some submitters felt there was a risk that monitoring flows and indicators would lead to a de facto targeting of a threshold anyway.	Work on the performance framework is still underway. We are working with other agencies to confirm headline and diagnostic indicators, including data sources and thresholds for triggers, outline a possible prioritisation of interventions for different scenarios, and prepare for implementation in line with the SMC in mid-2023. See paragraphs 109-111.
<b>Removing the job search visa:</b>	
Some Licensed Immigration Agents and lawyers raised concerns about highly skilled people being unable to travel to New Zealand to job search on a visitor visa, due to potential processing concerns about an applicant's bona fides.	Our advice is that these concerns can largely be addressed by clearer public/website information and better guidance for Immigration Officers. See paragraphs 112-113.
<b>Age limit for applicants:</b>	
The Association of Salaried Medical Specialists (ASMS) raised concerns about the age limit, in the case of older applicants who are highly specialised in medical roles.	We have been working with the Ministry of Health on possible options for a very limited number of exceptions and will report back if a strong evidential case for an appropriate number of medical roles is able to be made. See paragraphs 125-127.

## Annex 3: Simplified Points System: skill proxies in depth

### Professional registration

Table 1: Recommended points allocation and example pathways for professional registrations

Description of professional registration	Examples of occupations with different registration pathways	Points awarded under SMC
Minimum of 6 years of formal training and/or work experience	<p><b>Chartered accountant:</b> Approved Bachelor's degree or higher (3 years) + 3 years mentored work experience + completion of post graduate training programme</p> <p><b>Certifying plumber:</b> Level 4 Certificate in Plumbing (4 years) + 2 years of experience (overseas-trained applicants are likely to come to NZ on a provisional licence for up to 12 months before passing an exam to become fully registered)</p>	6
Minimum of 5 years of formal training and/or work experience	<p><b>Dentist:</b> Bachelor of Dental Surgery (5 years)</p> <p><b>Chiropractor:</b> Diploma in Applied Science (1 year) + Bachelor of Chiropractic (4 years)</p> <p><b>Certifying gasfitter:</b> Level 4 Certificate in Gasfitting (3 years) + 2 years of experience (+ exam for overseas applicants)</p>	5
Minimum of 4 years of formal training and/or work experience	<p><b>Site Licence:</b> Level 4 Certificate in Carpentry and Level 5 Construction Supervisor qualification (total 4 years)</p> <p><b>Licensed Real Estate Agent:</b> Level 4 Certificate in Real Estate (Sales Person) (under 1 year) + 3 years experience + Level 6 Certificate in Real Estate (under 1 year)</p> <p><b>Midwife:</b> Bachelor of Midwifery (4 years)</p>	4
Minimum of 3 years of formal training and/or work experience	<p><b>Electrician:</b> Level 4 Certificate in Electrical Trade (3 years)</p> <p><b>Carpenter:</b> Level 4 Certificate in Carpentry (3 years)</p> <p><b>Social worker:</b> Bachelor of Social Work (3 years)</p>	3
Minimum of 2 years of formal training and/or work experience	<p><b>Cable Jointer:</b> Level 4 Certificate in Cable Jointing (2 years)</p> <p><b>External Plasterer:</b> Level 4 Certificate in Plastering (2 years)</p> <p><b>Tradesman drainlayer:</b> Level 4 Certificate in Drainlaying (2 years)</p>	3

- 1 point is awarded for each year of formal training and experience, from three to six. Regulated registrations taking two years to complete are awarded 3 points (see paragraph 46).
- Points allocation is based on the minimum amount of time that it takes to complete the formal training and experience required for that registration, rather than an individual's specific pathway. If overseas trained candidates take additional time to meet additional requirements, no additional points are awarded.
- Registrations included under this skill proxy are limited to registration, licensing and certification schemes that are regulated by New Zealand law (see paragraph 43).
- Recognition is limited to full registration, meaning that the person is able to practice without restrictions or supervision.
- Work experience completed in New Zealand that is required as part of the registration requirements will not also be counted towards points for skilled work experience in New Zealand, to avoid "double-counting".
- A full list of registrations and associated points is included on the following page and will be used to support application processing – registrations will not be assessed on a case-by-case basis.

## Qualifications

**Table 2: Recommended points allocation for qualifications**

NZQF Level	Eligible qualification/s	Minimum credit requirement	Points awarded under SMC
10	Doctorate	360 credits	6
9	Master's degree (or above)	120 credits	5
8	Honours, Postgraduate Diploma (or above)	120 credits	4
7	Bachelor's degree (or above)	360 credits	3

- Applicants are awarded 3-6 points for formal qualifications at Bachelor's degree (Level 7 on the New Zealand Qualifications Framework (NZQF)) and above.
- International qualifications will be awarded points based on the New Zealand equivalency, as assessed by the New Zealand Qualifications Authority.
- There is a minimum credit requirement at each level – 120 credits is one year of full time study.
- Qualifications must meet both the level and credit requirements.
  - There are no additional points available for longer qualifications, e.g. specialist Bachelor's degrees requiring more than 360 credits.
  - Where a qualification is assessed as meeting the qualification level but not the credit value, applicants may claim points for the next qualification down, e.g. a 60 credit Master's may claim 4 points.
- There are no additional points for New Zealand qualifications.

## Income

**Table 3: Recommended points allocation for income**

Income threshold and duration	Points awarded under income skill proxy	Points awarded for skilled work experience	Total
3 x median wage, job or job offer	6	0	6
2 x median wage, maintained for two years	4	2	6
1.5 x median wage, maintained for three years	3	3	6

- Income must be maintained over a period of time. This time can also be claimed for skilled work experience points
- The relevant income threshold must be met at the beginning of the relevant time period, and at the time of application for SMC (providing flexibility to meet the new median wage thresholds as appropriate).

## **Annex 4: Full list of registrations and recommended points**

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6 POINTS			5 POINTS			4 POINTS			3 POINTS		
Minimum standard to register equivalent to:			Minimum standard to register equivalent to:			Minimum standard to register equivalent to:			Minimum standard to register equivalent to:		
Registration type	Qualification	Experience	Registration type	Qualification	Experience	Registration type	Qualification	Experience	Registration type	Qualification	Experience
Certifying Plumber**	4 years (L4)	2 years	Certifying Gasfitter***	3 years (L4)	2 years	Site Licence (Building Practitioner)*		4 years (TBC)	Carpentry Licence*		3 years (TBC)
Chartered Professional Engineer**	4 years (L8)	4 years	Registered Teacher**	3 years (L7)	2 years	Certifying Drainlayer***	2 years (L4)	2 years	External Plastering Licence*		2 years (TBC)
Registered Engineering Associate	1 year (L4)	9 years	Nursing Practitioner***	5 years (L9)		Tradesman Plumber**	4 years (L4)		Brick and Block Laying Licence*		3 years (TBC)
Registered Architect	5 years (L9)	2 years	Chiropractor***	5 years (L7)		Electrician (Endorsed Mining)**	3 years (L4)	1 year	Roofing Licence*		3 years (TBC)
Design Licence (Building Practitioner)*		6 years (TBC)	Dentist***	5 years (L7)		Licensed Agent (real estate)	1 year (L6)	3 years	Tradesman Gasfitter***	3 years (L4)	
Chartered Accountant	3 years (L7)	3 years	Dietitian***	5 years (L9)		Certificate of Fitness A vehicle inspector***	4 years (L4)		Tradesman Drainlayer***	2 years (L4)	
Licensed Immigration Adviser	4 years (L7)	2 years	Optometrist***	5 years (L7)		Warrant of Fitness vehicle inspector***	4 years (L7)		Electrical Engineer	1 year (L6)	1 year
Licensed Cadastral Surveyor**	4 years (L7)	2 years	Osteopath (Western Medical Acupuncture and Related Needling Techniques)***	5 years (L9)		Barrister and Solicitor or Barrister sole	4 years (L7)		Electrical Installer		2 years
Certificate of Fitness B Vehicle Inspector***	4 years (L4)	3 years	Osteopath (Gerontology)***	5 years (L9)		Veterinarian**	4 years (L7)		Electrician**	3 years (L4)	
Medical Practitioner – General or vocational registration**	6 years (L7)	0.5 years	Osteopath (Pain management)***	5 years (L9)		Midwife**	4 years (L7)		Substation maintainer	2 years (L4)	
Clinical Dental Technology***	6 years (L8)		Osteopath (Child and Adolescent Health)***	5 years (L9)		Medical Laboratory Scientist**	4 years (L7)		Transmission Line Mechanic	2 years (L4)	
Oral Surgery Specialist***	8 years (L10)		Pharmacist***	4 years (L7)	1 year	Anaesthetic Technician**	1 year (L5)	3 years	Distribution Line Mechanic	2 years (L4)	
Endodontic Specialist***	7 years (L9)		Child and Adolescent Psychotherapist Specialist**	5 years (L9)		Magnetic Resonance Imaging Technologist***	4 years (L8)		Cable Joiner	2 years (L4)	
Oral and Maxillofacial Surgery Specialist***	7 years (L9)		Psychotherapist**	5 years (L9)		Nuclear Medicine Technologist***	4 years (L8)		Licensed Branch Manager (real estate)	<1 year (L5)	3 years
Oral Medicine Specialist***	7 years (L9)					Sonographer**	4 years (L8)		Social worker***	3 years (L7)	
Oral Pathology Specialist***	7 years (L9)					Osteopath (Special Purpose)***	4 years (L8)		Registered Nurse**	3 years (L7)	
Orthodontic Specialist***	7 years (L9)					Osteopath (General)***	4 years (L8)		Dental technology***	3 years (L7)	
Paediatric Dentistry Specialist***	7 years (L9)					Physiotherapist***	4 years (L7)		Orthodontic auxillary***	3 years (L7)	
Periodontic Specialist***	7 years (L9)					Podiatric surgeon**	4 years (L7)		Dental hygiene***	3 years (L7)	
Prosthodontic Specialist***	7 years (L9)					Podiatric prescriber**	4 years (L7)		Dental therapy***	3 years (L7)	
Public Health Dentistry (or Community Dentistry) Specialist***	7 years (L9)								Oral health therapy***	3 years (L7)	
Special Needs Dentistry Specialist***	7 years (L9)								Medical laboratory technician**		2 years
Specialist Optometrist***	5 years (L7)	3 years							Medical laboratory pre-analytical technician***		2 years
Advanced Practice Physiotherapist***	6 years (L9)								Medical Imaging Technologist***	3 years (L7)	
Physiotherapy Specialist***	6 years (L9)								Occupational Therapist***	3 years (L7)	
Psychologist**	5 years (L9)	1 year							Pharmacy Prescriber***	3 years (L8)	
Clinical Psychologist**	6 years (L9)	1 year							Podiatric Radiographic Imager***	3 years (L7)	
Educational Psychologist**	5 years (L9)	1 year							Podiatrist**	3 years (L7)	
Neuropsychologist**	6 years (L9)	1 year							Paramedic***	3 years (L7)	

\* Approach to be confirmed with MBIE - BRM

\*\*Green List occupation

\*\*\*Will be or likely to be added to Green List

Sector key	Health and social services
	Building and Construction
	Professional and other trades



**Annex 5: Residence pathways for top AEWV occupations (July 2022-  
Jan 2023)**

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Number	Top 100 occupations on AEWV (4 Jul 2022 - 19 Jan 2023)	Count	ANZSCO Skill level	Residence via GL STR, WTR or Sector Agreement	GL STR Applications received (as at 26 Jan 2023)	Registration	Qualification	1.5x Median Wage	% Residence via 1.5x Median Wage	1.35x Median Wage	% Residence via 1.35x Median Wage	1.25x Median Wage	% residence via 1.25x Median Wage	Residence through SMC (2017-2019)	Residence through SMC as % of Essential Skills/Talent (2017-2019)	Essential Skills/Talent (2017-2020)
1	Builder's Labourer	4,312	5	N		N	N	-	0%	-	0%	1	0%	0	0%	1,320
2	Carpenter	2,616	3	N		Y	N	3	0%	16	1%	39	1%	221	3%	6,382
3	Cook	1,769	4	N		N	N	2	0%	4	0%	7	0%	149	6%	2,660
4	Truck Driver (General)	846	4	Y		N	N	-	0%	2	0%	5	1%	2	0%	2,297
5	Chef	820	2	N		N	N	1	0%	5	1%	10	1%	763	12%	6,448
6	Personal Care Assistant	726	4	Y		N	N	1	0%	1	0%	3	0%	0	0%	1,787
7	Scaffolder	612	4	N		N	N	-	0%	1	0%	5	1%	1	0%	1,989
8	Meat Process Worker	611	5	N		N	N	-	0%	1	0%	1	0%	0	0%	566
9	Metal Fabricator	610	3	N		N	N	1	0%	4	1%	14	2%	80	4%	2,003
10	Carpenter and Joiner	544	3	N		Y	N	1	0%	4	1%	6	1%	67	10%	644
11	Painting Trades Worker	540	3	N		N	N	-	0%	-	0%	2	0%	98	11%	897
12	Steel Fixer	492	4	N		N	N	-	0%	-	0%	-	0%	0	0%	1,402
13	Dairy Cattle Farm Worker	490	5	N		N	N	-	0%	1	0%	2	0%	7	0%	8,814
14	Aged or Disabled Carer	472	4	Y		N	N	1	0%	2	0%	2	0%	0	0%	2,688
15	Welder (First Class)	468	3	N		N	N	1	0%	2	0%	8	2%	57	6%	887
16	Commercial Housekeeper	461	5	N		N	N	-	0%	-	0%	-	0%	0	0%	1,665
17	Fast Food Cook	428	5	N		N	N	-	0%	1	0%	2	0%	0	0%	373
18	Software Engineer	398	1	Y	108	Y	Y	372	93%	385	97%	389	98%	597	76%	786
19	Early Childhood (Pre-primary School) Teacher	390	1	Y		Y	Y	-	0%	-	0%	1	0%	604	138%	438
20	Massage Therapist	367	2	N		N	N	1	0%	2	1%	2	1%	45	5%	870
21	Diesel Motor Mechanic	364	3	Y		N	N	21	6%	82	23%	180	49%	105	7%	1,412
22	Registered Nurse (Medical)	357	1	Y	39	Y	Y	31	9%	305	85%	316	89%	219	57%	384
23	Beauty Therapist	349	3	N		N	N	-	0%	-	0%	1	0%	0	0%	339
24	Fitter-Welder	345	3	N		N	N	2	1%	6	2%	23	7%	51	7%	736
25	Meat Boner and Slicer	320	4	N		N	N	-	0%	-	0%	-	0%	0	0%	126
26	Retail Supervisor	317	4	N		N	N	-	0%	-	0%	-	0%	8	0%	5,768
27	Waiter	313	4	N		N	N	1	0%	1	0%	1	0%	0	0%	1,423
28	Electrician (General)	303	3	Y		N	N	9	3%	42	14%	83	27%	372	67%	558
29	Kitchenhand	301	5	N		N	N	-	0%	-	0%	-	0%	0	0%	714
30	Motor Mechanic (General)	295	3	Y		N	N	3	1%	14	5%	40	14%	135	9%	1,428
31	Electrical or Telecommunications Trades Assistant	263	5	N		N	N	-	0%	-	0%	-	0%	0	0%	271
32	Earthmoving Plant Operator (General)	256	4	Y		N	N	-	0%	2	1%	7	3%	0	0%	849
33	Resident Medical Officer	254	1	Y	40	Y	Y	167	66%	197	78%	217	85%	291	24%	1,199
34	Fibrous Plasterer	252	3	N		N	N	-	0%	1	0%	2	1%	23	3%	848
35	Cafe or Restaurant Manager	239	2	N		N	N	1	0%	3	1%	6	3%	758	24%	3,134
36	Hairdresser	217	3	N		N	N	-	0%	-	0%	-	0%	71	9%	789
37	Retail Manager (General)	214	2	N		N	N	3	1%	5	2%	6	3%	783	25%	3,101
38	Winery Cellar Hand	211	4	N		N	N	1	0%	1	0%	4	2%	0	0%	371
39	External Auditor	207	1	Y		Y	Y	128	62%	168	81%	185	89%	81	26%	308
40	Bus Driver	196	4	Y		N	N	-	0%	-	0%	-	0%	0	0%	242
41	Airconditioning and Refrigeration Mechanic	184	3	N		N	N	7	4%	34	18%	52	28%	60	12%	516
42	Food Trades Assistants nec	179	5	N		N	N	-	0%	-	0%	-	0%	0	0%	288
43	Technicians and Trades Workers nec	178	3	N		N	N	4	2%	20	11%	36	20%	52	6%	911
44	Concreter	177	5	N		N	N	-	0%	-	0%	2	1%	0	0%	665
45	Forestry Worker	176	4	N		N	N	-	0%	-	0%	-	0%	0	0%	533
46	Civil Engineer	172	1	Y	76	Y	Y	129	75%	147	85%	155	90%	281	47%	601
47	Registered Nurse (Critical Care and Emergency)	171	1	Y	24	Y	Y	26	15%	154	90%	158	92%	163	59%	275
48	Commercial Cleaner	171	4	N		N	N	1	1%	1	1%	1	1%	0	0%	907
49	Excavator Operator	170	4	Y		N	N	-	0%	1	1%	5	3%	0	0%	435
50	Panelbeater	169	3	N		N	N	1	1%	3	2%	19	11%	16	2%	728
51	Registered Nurse (Aged Care)	168	1	Y	38	Y	Y	13	8%	126	75%	150	89%	1797	82%	2,180
52	Farm, Forestry and Garden Workers nec	162	5	N		N	N	-	0%	-	0%	-	0%	0	0%	464
53	Fitter (General)	157	3	N		N	N	9	6%	18	11%	32	20%	35	7%	527
54	Wall and Floor Tiler	148	3	N		N	N	-	0%	2	1%	4	3%	29	5%	597
55	Secondary School Teacher	146	1	Y		Y	Y	52	36%	82	56%	87	60%	228	40%	567
56	Baker	145	3	N		N	N	-	0%	1	1%	1	1%	213	24%	883
57	Plumber (General)	143	3	Y		Y	N	3	2%	8	6%	15	10%	97	15%	637
58	Vehicle Painter	141	3	N		N	N	1	1%	1	1%	7	5%	18	3%	556
59	Telecommunications Technician	136	3	Y		N	N	-	0%	2	1%	2	1%	182	17%	1,046
60	Dairy Cattle Farmer	131	1	Y		N	N	2	2%	3	2%	6	5%	123	7%	1,876
61	Sheetmetal Trades Worker	128	3	N		N	N	-	0%	-	0%	-	0%	27	5%	520
62	Solid Plasterer	124	3	N		Y	N	-	0%	-	0%	-	0%	44	10%	432
63	Registered Nurse (Surgical)	121	1	Y	13	Y	Y	16	13%	102	84%	103	85%	125	64%	196
64	Construction Project Manager	114	1	Y	42	Y	Y	86	75%	94	82%	99	87%	198	28%	717
65	Nursing Support Worker	114	4	Y		N	N	-	0%	2	2%	2	2%	2	0%	699
66	Developer Programmer	111	1	Y	19	N	Y	100	90%	105	95%	106	95%	520	66%	783
67	Slaughterer	109	4	N		N	N	-	0%	-	0%	-	0%	0	0%	116
68	Hospitality Workers nec	108	5	N		N	N	-	0%	-	0%	-	0%	0	0%	156
69	Software Tester	105	1	Y	5	N	Y	101	96%	105	100%	105	100%	199	97%	205
70	Cabinetmaker	96	3	N		N	N	2	2%	2	2%	5	5%	17	7%	238
71	Mechanical Engineering Technician	94	2	N		Y	N	9	10%	22	23%	35	37%	63	30%	211

72	Metal Machinist (First Class)	93	3	N		N	N	1	1%	5	5%	11	12%	65	16%	396
73	Automotive Electrician	93	3	Y		N	N	3	3%	11	12%	23	25%	29	9%	330
74	Butcher or Smallgoods Maker	93	3	N		N	N	-	0%	-	0%	-	0%	10	6%	162
75	Cafe Worker	93	5	N		N	N	-	0%	-	0%	-	0%	0	0%	118
76	Machine Operators nec	90	4	N		N	N	-	0%	1	1%	2	2%	0	0%	447
77	General Practitioner	89	1	Y	11	N	Y	88	99%	88	99%	88	99%	100	22%	454
78	Mechanical Engineer	87	1	Y	45	Y	Y	54	62%	64	74%	67	77%	205	62%	329
79	Quantity Surveyor	87	1	Y	87	N	Y	58	67%	66	76%	71	82%	163	55%	297
80	Roof Tiler	86	3	N		Y	N	1	1%	2	2%	4	5%	8	3%	311
81	Bricklayer	84	3	N		Y	N	-	0%	1	1%	1	1%	21	6%	381
82	Registered Nurse (Perioperative)	83	1	Y	16	Y	Y	20	24%	79	95%	81	98%	189	76%	248
83	Delivery Driver	82	4	N		N	N	-	0%	-	0%	-	0%	0	0%	139
84	Bar Attendant	82	4	N		N	N	-	0%	-	0%	-	0%	0	0%	366
85	ICT Business Analyst	80	1	N		N	Y	76	95%	80	100%	80	100%	274	57%	483
86	Sales Assistant (General)	79	5	N		N	N	1	1%	1	1%	1	1%	1	0%	216
87	Industrial Spraypainter	79	3	N		N	N	1	1%	2	3%	2	3%	1	0%	1,543
88	Electrical Linesworker	78	3	N		Y	N	1	1%	7	9%	32	41%	52	21%	243
89	Shearer	77	3	N		N	N	52	68%	59	77%	59	77%	1	1%	163
90	Civil Engineering Technician	73	2	Y	113	N	N	34	47%	44	60%	51	70%	95	47%	201
91	Nurseryperson	73	3	N		N	N	1	1%	1	1%	1	1%	60	22%	268
92	Electronic Equipment Trades Worker	72	3	N		N	N	1	1%	2	3%	7	10%	73	19%	377
93	Floor Finisher	72	3	N		N	N	1	1%	4	6%	6	8%	14	5%	290
94	Crane, Hoist or Lift Operator	72	3	Y		N	N	3	4%	8	11%	12	17%	1	1%	128
95	Agricultural and Horticultural Mobile Plant Operator	72	4	Y		N	N	-	0%	1	1%	1	1%	0	0%	510
96	Storeperson	69	4	N		N	N	-	0%	2	3%	2	3%	0	0%	480
97	Glazier	68	3	N		N	N	-	0%	-	0%	1	1%	7	3%	232
98	Plumber's Assistant	67	5	N		N	N	-	0%	-	0%	1	1%	0	0%	32
99	Wood and Wood Products Factory Worker	67	4	N		N	N	-	0%	-	0%	-	0%	0	0%	170
100	Building Insulation Installer	65	4	N		N	N	-	0%	-	0%	-	0%	0	0%	112

**Annex 6: Residence pathways for top 25 SMC occupations (2017-2019)**

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Number	Top 25 occupations from Nov 11 2022 SMC draw (160 points)	Number of applications	ANZSCO Skill Level	Residence via GL STR, WTR or Sector Agreement	Registration	Qualification	1.5x Median Wage	% Paid at 1.5x Median Wage	1.35x Median Wage	% Paid at 1.35x Median Wage	1.25x Median Wage	% Paid at 1.25x Median Wage
1	Early Childhood (Pre-primary School) Teacher	336	1	Y	Y	Y	0	0%	0	0%	1	0%
2	Personal Care Assistant	194	4	Y	N	N	0	0%	0	0%	0	0%
3	Cafe or Restaurant Manager	158	2	N	N	N	0	0%	0	0%	0	0%
4	Retail Manager (General)	119	2	N	N	N	2	2%	3	3%	6	5%
5	Marketing Specialist	108	1	N	N	Y	6	6%	13	12%	17	16%
6	Software Engineer	98	1	Y	N	Y	33	34%	41	42%	46	47%
7	Bookkeeper	96	4	N	N	N	1	1%	5	5%	7	7%
8	Developer Programmer	88	1	Y	N	Y	21	24%	27	31%	35	40%
9	Program or Project Administrator	82	2	N	N	N	6	7%	11	13%	16	20%
10	ICT Business Analyst	82	1	N	N	Y	41	50%	48	59%	60	73%
11	Accountant (General)	79	1	N	Y	Y	15	19%	18	23%	21	27%
12	Chef	76	2	N	N	N	0	0%	0	0%	0	0%
13	Hotel or Motel Manager*	74	2	N	N	N	3	4%	3	4%	3	4%
14	Aged or Disabled Carer	73	4	Y	N	N	0	0%	0	0%	0	0%
15	ICT Customer Support Officer	69	2	N	N	N	2	3%	3	4%	6	9%
16	Registered Nurse (Aged Care)	64	1	Y	Y	Y	2	3%	22	34%	34	53%
17	University Lecturer	54	1	N	N	Y	29	54%	38	70%	42	78%
18	Hotel Service Manager	50	3	N	N	N	0	0%	0	0%	1	2%
19	Sales and Marketing Manager	50	1	N	N	Y	14	28%	15	30%	17	34%
20	Secondary School Teacher	46	1	Y	Y	Y	12	26%	17	37%	19	41%
21	Personal Assistant	43	2	N	N	N	3	7%	3	7%	4	9%
22	ICT Support Technicians nec	41	2	N	N	N	0	0%	0	0%	2	5%
23	External Auditor	38	1	Y	Y	Y	1	3%	2	5%	6	16%
24	Software Tester	35	1	Y	N	Y	8	23%	12	34%	13	37%
25	Office Manager*	34	2	N	N	N	1	3%	2	6%	2	6%

\*Applicants in these roles may have degrees (in which case they would be able to claim Qualification points under the SMC)

## Annex 7: International comparisons

	Australia	Canada	UK
Type of system	<ul style="list-style-type: none"> <li>Two main paths to permanent residence: employer nominated, and points system for those without a job offer</li> <li>Also alternative regional visas</li> </ul>	<ul style="list-style-type: none"> <li>Permanent residence through skilled migration: uses a points system with an EOI, candidates are ranked</li> </ul>	<ul style="list-style-type: none"> <li>Indefinite Leave to Remain (equivalent to PR) after 5 years on temporary visa. Main temporary skilled worker visa uses a points system with compulsory and tradeable points</li> </ul>
Managing numbers	<ul style="list-style-type: none"> <li>Skilled migrant cap raised from 79,600 to 142,400 for this financial year (recognition of impact of COVID)</li> </ul>	<ul style="list-style-type: none"> <li>Migration as a key part of population growth policy, aiming for 1.5 million over 2023-2025 (500,000 per year)</li> <li>Migration as part of economic strategy to raise overall skill level of population</li> </ul>	<ul style="list-style-type: none"> <li>Numbers are not capped</li> </ul>
Job / job offer / link with employer	<ul style="list-style-type: none"> <li>Employer nominated: medium to long-term skill shortage list and at least 3 years of work experience, or employer under a labour agreement (eg dairy, meat) (job offer required)</li> <li>Points based: skilled role on medium to long-term skill shortage list, or short-term skill shortage list plus state/territory nomination (job offer not required)</li> </ul>	<ul style="list-style-type: none"> <li>Federal skilled trade class requires a job offer or Canadian qualification</li> <li>Provincial nominee programmes must be nominated by the province or territory</li> </ul>	<ul style="list-style-type: none"> <li>Must have a job offer in any occupation at RQF 3 or above (job requires NCEA Level 3 equivalent)</li> </ul>
Occupation assessment	<ul style="list-style-type: none"> <li>Uses ANZSCO</li> <li>Most ANZSCO 1-3 occupations included on a shortage list (but many not on medium-long term list)</li> <li>No ANZSCO 4-5 occupations are included</li> </ul>	<ul style="list-style-type: none"> <li>Defines occupations using an ANZSCO equivalent system with 5 levels (1-3 are eligible, 4-5 are not)</li> </ul>	<ul style="list-style-type: none"> <li>Uses an ANZSCO equivalent framework</li> </ul>
Income requirements	<ul style="list-style-type: none"> <li>Employer-nominated must be earning at least \$53,900 and meet market rate. Some occupations of risk, e.g. marketing specialist, require a higher minimum salary to qualify.</li> </ul>	<ul style="list-style-type: none"> <li>Those with a job/job offer usually must be paid at least median wage for the occupation and job location</li> </ul>	<ul style="list-style-type: none"> <li>Must be paid at the higher of either market rate or £25,600 unless have a PhD holder, a job offer in a shortage occupation, or job offer is in many healthcare or education roles</li> </ul>
Time requirements	<ul style="list-style-type: none"> <li>Some pathways require 3 years of skilled work experience</li> </ul>	<ul style="list-style-type: none"> <li>Depending on pathway, but often 1-3 years skilled/trades experience</li> </ul>	<ul style="list-style-type: none"> <li>5 years on a skilled worker visa (several pathways)</li> </ul>
Age limits	<ul style="list-style-type: none"> <li>Maximum age of 44</li> </ul>	<ul style="list-style-type: none"> <li>No points over age 46 but can still apply</li> </ul>	<ul style="list-style-type: none"> <li>No age limit</li> </ul>
Language requirements	<ul style="list-style-type: none"> <li>Minimum English at IELTS 6.0</li> </ul>	<ul style="list-style-type: none"> <li>Varies depending on whether a trade (IELTS 3.5-5) or professional (IELTS 6) role</li> </ul>	<ul style="list-style-type: none"> <li>Minimum English at IELTS 4.5/5</li> </ul>