



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
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A Pathway to residence for long-term temporary migrant workers in the South Island

CABINET PAPER (March 2017)

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have been made consistent with provisions of the Official Information Act.**

Office of the Minister of Immigration

Chair, Cabinet Economic Growth and Infrastructure Committee

A pathway to residence for long-term temporary migrant workers in the South Island

Proposal

- 1 This paper seeks Cabinet's agreement to the design of a new time-limited policy to provide a one-off pathway to residence for long-term temporary migrants currently residing in the South Island.

Executive Summary

- 2 This paper is one part of a package that is focussed on the future direction of the immigration system and improving the contribution of migration to the labour market. The other papers that make up this package and are to be considered at the same time are:
 - a. *Future direction of the immigration system: work programme overview,*
 - b. *Report back on remuneration thresholds for migrants under the Skilled Migrant Category, and*
 - c. *Review of temporary work visa settings.*
- 3 Temporary migrants are an important short-term source of labour and skills when that labour or those skills are not immediately available in the local labour market. However, recently there have been increasing numbers of labour market tested work visa holders who have had successive renewals over an extended period. This has given rise to the following three trends, which can be addressed through changes to policy settings:
 - a. some industries and regions relying on low-skilled temporary labour migrants which could have impacts on the Government's wider labour market objectives, including affecting employers' incentives to employ and train New Zealanders;
 - b. recent growth in the pool of low-skilled temporary migrants, particularly in the South Island, who have been become well-settled here, but have no pathway to residence;
 - c. projected future growth in the pool of long-term temporary migrants with no pathway to residence, which will exacerbate the issue identified in (b) if no changes are made to current policy settings.
- 4 This paper addresses issue (b) above, relating to the pool of long-term temporary migrants who are now well-settled, are contributing to their South Island communities, and are meeting genuine labour market needs, but are unlikely to have a pathway to residence. The issues identified in (a) and (c) are addressed in the Cabinet paper *Review of temporary work visa settings*. That Cabinet paper proposes amendments to the Essential Skills visa category to address the policy settings that led to the growth of a pool of long-term temporary migrants in the South Island, and prevent this situation from reoccurring.
- 5 Over time, migrants who are well-settled in New Zealand lose ties with their home country, and without a pathway to residence they cannot become eligible for the same rights and amenities as New Zealand residents, and may be required to leave at short notice due to the temporary nature of their visa. This restricts their ability to fully integrate into New Zealand society.

6 To address this issue, in July 2015, Ministers with power to act agreed to the development of a one-off pathway to residence for long-term temporary migrants currently employed in the South Island (pathway policy).

7 In accordance with these parameters, a policy has been developed that provides access to a pathway to residence for temporary visa holders that:

- are currently on an Essential Skills visa for a job in the South Island and have been on Essential Skills visas in the South Island for five years or more, and
- are 55 years of age or younger.

The dependent family members of migrants eligible for the pathway policy will also be eligible for residence under the policy.

8 I recommend the implementation of this time-limited pathway to residence for those who are already well-settled in the South Island in May 2017.

Background

Cabinet has agreed to the development of a pathway to residence for some long-term temporary migrants

9 In July 2015, Ministers with power to act agreed, subject to further policy design, to the development of a pathway to residence for long-term temporary migrants (pathway policy) currently employed in the South Island (CAB-15-MIN-0088). Ministers agreed that it would not apply to future cohorts of temporary migrants. This paper provides details on the design of the policy.

10 The pathway proposal was announced in 2015 together with a package of changes to immigration settings aimed at improving the spread of workers, skills and investment across New Zealand. The announcement noted that the pathway policy would be implemented from mid-2016.

11 Temporary migrants in lower-skilled occupations are not generally able to gain residence, unless they qualify under family or humanitarian categories, as their jobs do not meet the skill requirements of the Skilled Migrant Category (SMC)¹. Higher-skilled migration, in sectors such as ICT and engineering, can help grow the skill base of the workforce in the long-term and promote innovation, productivity growth, and ultimately economic growth per capita.

12 Under the Essential Skills policy, temporary workers can be recruited at all skill levels provided there are no suitable New Zealanders available. Changes implemented in March 2016 require employers to advertise all lower-skilled positions² with the Ministry of Social Development before they can lodge a visa application with Immigration New Zealand (INZ). This shows that they have made a genuine attempt to recruit New Zealand workers first. Lower-skilled workers are required to apply for a new Essential Skills visa every 12 months³. Currently, there is no limit to the number of times a migrant can be granted an Essential Skills visa so long as the labour market test continues to be met.

13 There is now a pool of long-term temporary migrants in lower-skilled occupations (around 3,200 migrants plus their families across New Zealand). More than half of these workers are in the South Island, which reflects the fact that, in general, South Island regions have lower

¹ In most cases the SMC requires an applicant to have an occupation at Australian and New Zealand Standard Classification of Occupations (ANZSCO) skill level one, two or three.

² A 'lower-skilled occupation or job' is currently defined as a job classed as ANZSCO levels four and five.

³ There are exceptions to this for work in Christchurch City, Selwyn District and Waimakariri District, where Essential Skills work visas for lower-skilled occupations can be for up to three years. This setting will expire in December 2017.

unemployment rates than North Island regions. The top three industries for these workers in the South Island are dairy, aged care, and hospitality.

- 14 These longer-term temporary migrants are likely to be meeting genuine regional labour market needs (as they are continuing to pass the labour market test) and making a positive contribution to New Zealand sectors and regions.
- 15 The ability for employers to retain an experienced and productive migrant workforce is likely to have productivity benefits at a firm level. In many cases the workers and their families (some will have children who have been born here) will be well settled and have put down roots in their communities. However, without a pathway to residence these migrants cannot become eligible for the same rights and amenities as New Zealand residents, such as government transfers and subsidised tertiary education. They may also be required to leave at short notice due to the temporary nature of their visa.
- 16 The pathway policy would provide certainty for these migrants, allowing them to settle permanently and commit to their regions. This could have social and economic benefits and would contribute to the Government's regional economic growth engagement with these South Island regions.
- 17 It is important that the design of the pathway proposal does not work against our other labour market objectives for immigration. If not carefully designed, the pathway policy could facilitate an ongoing supply of lower-paid migrant labour (in particular in industries already characterised by lower wage and productivity growth). This may blunt incentives on firms to employ and invest in training and development of the existing New Zealander workforce (including beneficiaries and school-leavers); to invest in more capital and innovate; and to provide workplaces that can attract and retain New Zealanders.

Design features of the pathway policy

- 18 Ministers with power to act agreed that the pathway policy will be a time-limited pathway for those people who are already well-settled in the South Island and that it would not apply to future cohorts. This approach would provide a one-off solution for a cohort of temporary migrants who have already made a commitment to New Zealand, but it would maintain the current policy position that, in general, only higher-skilled labour migrants should be granted residence.
- 19 In this context, the pathway policy outlined in this paper has been developed to meet the following objectives:
 - to recognise well-settled temporary migrants who have made a commitment to New Zealand and their local South Island communities,
 - to meet genuine regional labour market needs and contribute to individual firm productivity, by enabling employers to retain an experienced workforce, and
 - to minimise the risk of displacing New Zealanders from employment opportunities or hindering improvements to wages, working conditions or industry-wide productivity growth.

Essential Skills migrants in the South Island would be eligible for the pathway

- 20 It is proposed that to be eligible for the pathway to residence, temporary visa holders must:
 - currently be on an Essential Skills visa for a job in the South Island and have been on Essential Skills visas in the South Island for five years or more (at the date the policy is implemented),
 - be 55 years of age or younger,

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- hold current employment that is full-time and meets market rates, while their employers would need to have no significant adverse record with the Labour Inspectorate or INZ, and
- meet standard residence health and character requirements.

- 21 Limiting eligibility to migrants on Essential Skills visas could mean that some well-settled migrants who had been on different visas (e.g. partnership or working holiday schemes) for some of their time here would not qualify. However, making only Essential Skills visa holders eligible will ensure that the workers are meeting genuine labour market needs and minimise potential impacts on New Zealand workers. This is because under Essential Skills policy regular labour market testing will have taken place, so there are unlikely to be suitable New Zealanders available. The immigration instructions would need to allow some flexibility (for example, in cases where a person had spent time on interim visas).
- 22 The five-year eligibility period is recommended because evidence suggests five years is a good indicator of settlement and retention. It also demonstrates that they have no immediate pathway to residence (otherwise it is likely that they would have already transitioned to residence). In most cases a migrant will be ineligible for the SMC because they are in a job that does not meet the SMC definition of skilled employment. However, there could also be a small number of cases where English language ability or points (someone with a skilled job but no qualifications may struggle to meet the SMC points threshold) are preventing a migrant from qualifying under the SMC. These migrants could still be well-settled here.
- 23 Some flexibility regarding the five-year period is needed to ensure that workers who are primarily based in the South Island, but have spent some time in the North Island as a result of the nature of their employment, are not unfairly penalised. We know, for example, that halal slaughterers move between meat works around New Zealand depending on demand. There will also be sufficient flexibility to ensure that those who fall marginally short of the five year requirement will not be unfairly excluded from being eligible to apply for the pathway. INZ is working through the operational detail of this.
- 24 Having an age limit of 55 years would be consistent with the SMC and other Work to Residence policies. Although the numbers are relatively small, such an age limit would minimise future fiscal costs of the pathway to residence.
- 25 Eligible migrants' current employment would need to be full-time and meet market rates, and their employers would need to have no significant adverse record with the Labour Inspectorate or INZ. This would create a minimum standard that is in line with existing temporary policies and is straightforward for INZ to implement.

Eligible migrants will initially be granted a Work to Residence visa and will need to commit to their region

- 26 Eligible migrants would be required to make an ongoing commitment to the region where they currently work. In order to achieve this, it is proposed that eligible migrants be granted:
- an initial Work to Residence temporary visa, which would make them eligible for residence after two years provided they stay in the same industry and region, and then
 - a residence visa, with conditions requiring them to stay in the same South Island region for a further two years.
- 27 The Work to Residence visa would require the migrant to remain in the same South Island region and industry for two years in order to be granted residence. The region and industry will be those indicated on their Essential Skills visa at the time they apply for the pathway policy. They could, however, move between employers and occupations within the same

industry. The residence application stage provides a decision point to assess whether the person has met the visa conditions and stayed in the original region and industry. The subsequent residence visa would also have conditions requiring them to remain in the region.

- 28 The flexibility to move between employers and also between different roles within the same industry (e.g. if promoted) in the same region would reduce migrants' vulnerability to exploitation. They would be able to move for better employment conditions without jeopardising their visa status.
- 29 Partners would be granted an open work visa of the same duration and dependent children would be eligible for student or visitor visas (or work visas as below). They would then be eligible for residence with the principal applicant.
- 30 Under standard Work to Residence visa settings, dependent children are not eligible for residence if they lost their 'dependent' status during the Work to Residence visa stage. Dependent children who have finished compulsory schooling are not eligible for subsidised tertiary education until they obtain residence (and are unlikely to be able to afford international fees) nor would they normally be eligible for open work visas. Under the pathway policy, older dependent children will be made eligible for open work visas. To ensure that they are not inadvertently prevented from gaining residence subsequently, by not being assessed as financially dependent, their dependence would be assessed at the Work to Residence visa stage and not again at the Residence from Work stage.

Immigration fees

- 31 It is proposed that the cost of processing the Work to Residence and Residence from Work visa applications under the pathway policy be the same as the existing Work to Residence and Residence from Work categories. Currently the fees charged are \$375 for the temporary visa and \$970 for the residence visa (the immigration levy will also be payable).

How many people would qualify for the South Island Pathway

- 32 The Ministry of Business, Innovation and Employment (the Ministry) estimates that between 3,200 and 4,000 total people (principal applicants and their family members) could be eligible for the pathway policy. There are around 1,600 temporary workers (at all skill levels) in the South Island who have been on an Essential Skills visa for five years or more. Based on other residence categories we estimate that there is likely to be on average between one and one and a half dependants for each of these migrants. However, it is unlikely that all of these temporary migrants would qualify, or choose to apply, so the final number is likely to be slightly lower (for example, there may be character or health issues and some migrants may be older than 55).
- 33 The 1,600 long-term temporary workers is higher than the figure of approximately 600 long-term workers included in the advice provided to joint Ministers in July 2015. This is largely because the earlier estimate was based on a different understanding of who would qualify for the policy. The earlier estimate counted only those Essential Skills migrants who had been in the country for more than six years and had been granted visas in 2013/14. In contrast, this paper proposes that temporary workers here for five years or more would qualify for the pathway policy. The data has also been updated to cover 2015/16.
- 34 In addition, the previous estimate only included temporary workers in jobs classified in the data as lower-skilled Australian and New Zealand Standard Classification of Occupations (ANZSCO) skill level four and five occupations and therefore did not count those workers in jobs nominally classified as higher-skilled. However, including all temporary workers who have been here for five years or more (irrespective of the skill classification of their job) is a more accurate estimate of likely numbers. For example, the most common occupation

recorded in the data for long-term temporary migrants in the South Island is dairy farmer (a higher-skilled occupation). In practice, most of these migrants are actually lower-skilled dairy workers and supervisors whose employment does not meet the skill requirements of the SMC, they are also potentially eligible for the pathway policy.

35 Annex One contains more detailed data on the number of Essential Skills migrants in New Zealand, broken down by their length of time in New Zealand, their occupation, and their location.

36 Requiring a Work to Residence stage would delay the impact of the pathway policy on the New Zealand Residence Programme (NZRP), as residence visas would not be granted until at least 2019. As the NZRP has been set for the next two years, the impacts of the pathway proposal will need to be taken into account when the NZRP is set for 2018/19 and out years.

Associated changes to the Essential Skills visa category

37 The proposed pathway policy only applies to the current cohort of well-settled temporary migrants in the South Island. It does not offer a sustainable solution to the underlying issues with the current Essential Skills visa settings which, if not addressed, are likely to lead to a reoccurring need for pathway policies.

38 The paper *Review of Temporary Work Visa Settings*, which is being considered as part of the package on the future direction of the immigration system, proposes amendments to the Essential Skills visa category to address the policy settings that led to the need for the South Island pathway policy. These amendments address the underlying issues by preventing lower-skilled and lower-wage temporary visa holders from remaining in New Zealand long-term, unless they have a clear pathway to residence.

Consultation

39 The following agencies have been consulted this paper and their views have been incorporated: the Department of Internal Affairs, the Ministry of Education, the Ministry of Foreign Affairs and Trade, the Ministry of Health, the Ministry for Primary Industries, the Ministry of Social Development, the Treasury, Education New Zealand, the Tertiary Education Commission, and the New Zealand Qualifications Authority. The Department of Prime Minister and Cabinet was informed.

Financial Implications

40 The costs of processing applications under the pathway policy will be met through third party charges (visa application fees and the Immigration Levy). Set up and implementation costs for the new visa category, including systems changes, can be met through existing baselines. Any additional fiscal costs from people taking up the pathway policy would be minimal as they can already access most services (including schooling for their children and publicly-funded healthcare) through their existing visa status.

Human Rights, Legislative, and Regulatory Implications

41 The proposals in this paper are consistent with the New Zealand Bill of Rights Act 1990 and the Human Rights Act of 1993. There are no legislative or regulatory implications.

Implementation

42 The pathway policy will be implemented by the Ministry as part of its scheduled release of changes to immigration instructions and systems in May 2017. The exact date will be determined closer to the release.

- 43 The time available to apply for this policy will be limited, but it will be more than sufficient to allow for eligible migrants to collate the documentation needed for their application. The application period will be 12 months.

Publicity

- 44 Announcements on the design and opening dates of the new pathway policy will be made in due course. Application forms and related information and material will be prepared by the Ministry as part of the scheduled release of operational changes in May 2017.

Recommendations

- 45 The Minister of Immigration recommends that the Cabinet Economic Growth and Infrastructure Committee:

South Island pathways policy

1. **note** that in July 2015, Ministers with power to act agreed, subject to further policy design, to the development of a pathway to residence for long-term temporary migrants (pathway policy) currently employed in the South Island (CAB-15-MIN-0088);
2. **note** that the Minister of Immigration was invited to report back to the Cabinet Economic Growth and Infrastructure Committee (EGI) with the detailed design of the policy;
3. **note** that the pathway policy will be a time-limited pathway for those people who are already well-settled in the South Island and that it would not apply to future cohorts;
4. **note** that allowing lower-skilled and lower-paid workers to stay here long-term, without a residence pathway, creates social and economic issues for New Zealand;
5. **agree** that to be eligible for the pathway to residence, temporary visa holders must meet requirements, including that they must:
 - 5.1. be currently on an Essential Skills visa for a job in the South Island and have been on Essential Skills visas in the South Island for five years or more at the date the policy is implemented (some allowances would be made for migrants who had previously spent short periods of time in the North Island or on other visa types);
 - 5.2. be 55 years of age or younger;
 - 5.3. hold current employment that is full-time and meets market rates, and employers would need to be fit and proper (have no adverse record with the Labour Inspectorate or Immigration New Zealand); and
 - 5.4. meet standard residence health and character requirements;
6. **agree** that the eligible migrants in recommendation 5 be granted:
 - 6.1. an initial Work to Residence temporary visa which would make them eligible for residence after two years provided they stay in the same industry and region (partners and dependent children would also get visas of the same length); and then
 - 6.2. a residence visa with conditions requiring them to stay in the South Island region for a further two years;
7. **note** that it is estimated that around 3,200 to 4,000 people (including temporary workers and their immediate family members) could be eligible for the pathway policy and that the pathway policy will need to be factored into the New Zealand Residence Programme from 2018/19;
8. **authorise** the Minister of Immigration to certify any immigration instructions required to implement the pathway policy;
9. **agree** that the cost of processing the Work to Residence and Residence from Work visa applications under the pathway policy be the same as the existing Work to Residence and Residence from Work categories, at \$375 for the temporary visa and \$970 for the residence visa (the immigration levy will also be payable);

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10. **note** that the policy is expected to have no impact on the operating balance (as costs would be met by visa fees and the immigration levy);
11. **agree** that any fiscally-neutral changes to the Immigration Services appropriation be reflected in the October Baseline Update;
12. **note** that while the proposed pathway policy will address the existing pool of long-term temporary migrants, amendments to the Essential Skills visa category are also necessary to prevent this situation reoccurring in the future, as presented in the accompanying paper *Review of Immigration Temporary Visa Work Visa Settings*.

Authorised for submission by

Hon Michael Woodhouse
Minister of Immigration

Released under the Official Information Act 1982

Annex One: Data on long-term temporary workers

Long-term temporary workers are over represented in the South Island and in certain sectors

1. It is estimated that in 2015/16 (the most recent data available) there were around 3,220 people who held Essential Skills visas who had been in New Zealand on an Essential Skills visa for five years or more¹. About 1,600 of those are based in the South Island.

Table one: The number of temporary workers in New Zealand on an Essential Skills visa in 2015/16 (issued in the past three years) by duration

Duration	Number
<1 years	21362
1-<2 years	11921
2-<3 years	5731
3-<4 years	2646
4-<5 years	1228
5-<6 years	727
6-<7 years	596
7-<8 years	877
8+ years	1019
Total	46107

Table two: Regional distribution of migrants who had spent five or more years on an Essential Skills visa

Region	Number
South Island	
Canterbury	771
Otago	373
Southland	268
Marlborough	100
Nelson/Tasman	37
West Coast	25
<i>Total</i>	<i>1574</i>
North Island	
Auckland	914
Waikato	155
Wellington	150
Bay of Plenty	90
Manawatu-Wanganui	60
Taranaki	46
Hawke's Bay	34
Northland	31
Gisborne	18
<i>Total</i>	<i>1502</i>
Unknown	143

¹ Accurate data on the length of time people have been in New Zealand on temporary visas is difficult to obtain because people move from one visa to another and may also spend time out of the country between visas or while holding a visa.

Table three: Top occupations for those migrants who had spent five or more years on an Essential Skills visa in the South Island

Description (ANZSCO skill level)	number	percentage
Dairy Cattle Farmer (1)	606	39%
Chef (2)	127	8%
Aged or Disabled Carer (4)	115	7%
Vineyard Worker (5)	47	3%
Cook (3)	39	2%
Retail Supervisor (4)	38	2%
Personal Care Assistant (4)	25	2%
Commercial Housekeeper (5)	23	1%
Seafood Process Worker (5)	20	1%
Cafe or Restaurant Manager (2)	20	1%

- There will be a number of partners and children who will be eligible to be included in residence applications made under the new policy. Based on the proportion of principal to secondary applicants in other labour market-focused residence policies we estimate that, on average, there is likely to be around one to one and a half secondary migrants for every principal applicant.

Annex Two: Data on temporary migrants' share of all jobs by industry in 2005, 2010 and 2015²

Industry	Mar-05			Mar-10			Mar-15		
	Number of jobs held by temporary migrants	Total number of jobs	Percentage	Number of jobs held by temporary migrants	Total number of jobs	Percentage	Number of jobs held by temporary migrants	Total number of jobs	Percentage
Accommodation and Food Services	14,000	127,000	11%	20,000	131,300	15%	29,000	147,700	20%
Administrative and Support Services	6,700	96,000	7%	12,000	97,000	12%	17,000	109,100	16%
Agriculture, Forestry and Fishing	5,200	102,000	5%	13,000	102,500	13%	20,000	111,700	18%
Arts and Recreation Services	1,000	34,000	3%	1,600	38,200	4%	1,800	39,100	5%
Construction	2,200	104,000	2%	3,000	105,700	3%	6,700	135,000	5%
Education and Training	3,700	174,000	2%	4,000	183,200	2%	4,200	187,700	2%
Electricity, Gas, Water and Waste Services	95	10,000	1%	190	12,000	2%	280	14,300	2%
Financial and Insurance Services	870	54,000	2%	1,200	53,800	2%	1,600	58,200	3%
Health Care and Social Assistance	4,400	176,000	3%	7,300	203,800	4%	8,000	218,600	4%
Information Media and Telecommunications	1,300	41,000	3%	1,100	37,600	3%	1,200	36,500	3%
Manufacturing	5,000	238,000	2%	6,600	208,300	3%	8,700	215,400	4%
Mining	75	4,500	2%	230	6,000	4%	160	5,700	3%
Other Services	1,400	61,000	2%	2,200	63,400	3%	3,200	66,300	5%
Professional, Scientific and Technical Services	3,700	125,000	3%	4,700	136,500	3%	7,400	163,000	5%
Public Administration and Safety	760	87,000	1%	1,400	104,700	1%	1,800	110,600	2%
Rental, Hiring and Real Estate Services	1,000	31,000	3%	1,100	26,900	4%	1,500	29,400	5%
Retail Trade	5,600	189,000	3%	8,400	187,000	4%	12,000	195,800	6%
Transport, Postal and Warehousing	980	84,000	1%	1,900	79,200	2%	2,300	86,000	3%
Wholesale Trade	2,200	102,000	2%	2,600	98,600	3%	3,700	105,200	4%
Missing	350	42,000	1%	720	45,500	2%	1,300	47,000	3%
Total	60,000	1,881,000	3%	93,000	1,920,900	5%	131,000	2,082,500	6%

² Numbers have been rounded. Source: Statistics New Zealand, Integrated Data Infrastructure.



Cabinet Economic Growth and Infrastructure Committee

Minute of Decision

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A Pathway to Residence for Long-Term Temporary Migrant Workers in the South Island

Portfolio Immigration

On 8 March 2017, the Cabinet Economic Growth and Infrastructure Committee:

Background

- 1 **noted** that on 20 July 2015, Cabinet authorised a group of Ministers to have Power to Act to take decisions on proposed changes to the immigration system to better support regional labour markets and attract more entrepreneurs outside the Auckland region [CAB Min (15) 24/5];
- 2 **noted** that on 21 September 2015, Cabinet noted that the group of Ministers with Power to Act had agreed in principle to provide a pathway to residence for long-term temporary migrants currently employed in the South Island, subject to Cabinet agreement to the detailed design of the policy [CAB-15-MIN-0088];

South Island pathway policy

- 3 **noted** that the pathway policy will be a time-limited pathway for those people who are already well-settled in the South Island, and that it would not apply to future cohorts;
- 4 **noted** that allowing lower-skilled and lower-paid workers to stay in New Zealand long-term, without a residence pathway, creates social and economic risks for New Zealand;
- 5 **agreed** that to be eligible for the pathway to residence, temporary visa holders must meet requirements, including that they must:
 - 5.1 be currently on an Essential Skills visa for a job in the South Island and have been on Essential Skills visas in the South Island for five years or more at the date the policy is implemented (some allowances would be made for migrants who had previously spent short periods of time in the North Island or on other visa types);
 - 5.2 be 55 years of age or younger;
 - 5.3 hold current employment that is full-time and meets market rates, and employers would need to be fit and proper (have no adverse record with the Labour Inspectorate or Immigration New Zealand); and
 - 5.4 meet standard residence health and character requirements;

- 6 **agreed** that the eligible migrants referred to in paragraph 5 above be granted:
- 6.1 an initial Work to Residence temporary visa, which would make them eligible for residence after two years provided they stay in the same industry and region (partners and dependent children would also get visas of the same length); and then
 - 6.2 a residence visa with conditions requiring them to stay in the South Island region for a further two years;
- 7 **noted** that:
- 7.1 it is estimated that around 3,200 to 4,000 people (including temporary workers and their immediate family members) could be eligible for the pathway policy;
 - 7.2 the pathway policy will need to be factored into the New Zealand Residence Programme from 2018/19;
- 8 **authorised** the Minister of Immigration to certify any immigration instructions required to implement the pathway policy;
- 9 **agreed** that the cost of processing the Work to Residence and Residence from Work visa applications under the pathway policy be the same as the existing Work to Residence and Residence from Work categories, at \$375 for the temporary visa and \$970 for the residence visa (the immigration levy will also be payable);
- 10 **noted** that while the pathway policy will address the existing pool of long-term temporary migrants, amendments to the Essential Skills visa category are also necessary to prevent this situation reoccurring in the future, as presented in the accompanying paper *Review of Immigration Temporary Visa Work Rights Settings*, under EGI-16-SUB-0013;

Financial implications

- 11 **noted** that the pathway policy is expected to have no impact on the operating balance (as costs would be met by visa fees and the immigration levy);
- 12 **agreed** that any fiscally-neutral changes to the Immigration Services appropriation be reflected in the October Baseline Update.

Janine Harvey
Committee Secretary

Hard-copy distribution: (see over)

Present:

Hon Steven Joyce (Chair)
Hon Gerry Brownlee
Hon Simon Bridges
Hon Amy Adams
Hon Michael Woodhouse
Hon Nathan Guy
Hon Judith Collins
Hon Maggie Barry
Hon Paul Goldsmith
Hon Louise Upston
Hon Nicky Wagner
Hon Jacqui Dean

Officials present from:

Officials Committee for EGI
Treasury
Ministry of Business, Innovation and Employment
Ministry of Education

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