



COVERSHEET

Minister	Hon Iain Lees-Galloway	Portfolio	Immigration
Title of Cabinet paper	Business Case On Implementing The Reforms To The Employer-Assisted Work Visa System	Date to be published	21 February 2020

List of documents that have been proactively released

Date	Title	Author
12 December 2019	Cabinet Paper: Business Case On Implementing The Reforms To The Employer-Assisted Work Visa System	Office of the Minister of Immigration
12 December 2019	Cabinet Minute: Employer-Assisted Work Visa System: Business Case for Implementing the Reforms	Committee Secretary

Information redacted

YES

Any information redacted in this document is redacted in accordance with MBIE'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 the following reasons:

- Commercial information
- Constitutional conventions



Cabinet Government Administration and Expenditure Review Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Employer-Assisted Work Visa System: Business Case for Implementing the Reforms

Portfolios **Social Development / Immigration**

On 12 December 2019, the Cabinet Government Administration and Expenditure Review Committee:

- 1 **noted** that on 28 August 2019, the Cabinet Economic Development Committee (DEV):
 - 1.1 agreed to a new approach to the employer-assisted work visa system and related changes to regional workforce planning, to be phased in by 2021;
 - 1.2 invited the Minister for Social Development and the Minister of Immigration to report back to Cabinet, subject to a business case agreed by the Minister of Finance, Minister for Social Development and Minister of Immigration, seeking agreement to:
 - 1.2.1 the funding required for the online portal system changes and associated costs;
 - 1.2.2 whether any costs of the IT system would be recovered from fees;
 - 1.2.3 the associated appropriation changes;

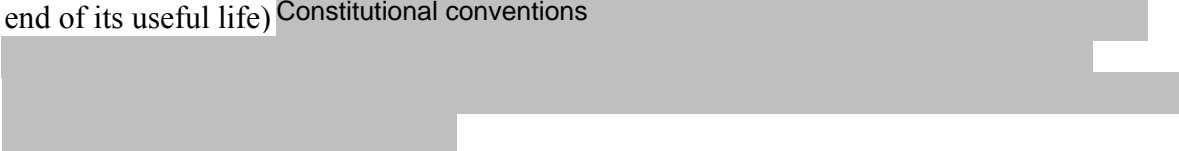
[CAB 19-MIN-0439]
- 2 **agreed** to provide for the implementation of the employer-assisted work visa system as agreed by Cabinet, and in the business case attached to the submission under GOV-19-MIN-0064;

- 3 **approved** the following changes to appropriations and capital injection to provide for the decision in paragraph 2, with a corresponding impact on the operating balance and net core Crown debt:

	\$m – increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Vote Labour Market					
Minister of Immigration					
Immigration Services MCA: Assessment and Processing (funded by revenue Crown)					
Vote Business, Science & Innovation					
Ministry of Business, Innovation and Employment – Capital Injection					
Total Operating					
Total Capital					
Vote Social Development					
Minister for Social Development					
Improved Employment and Social Outcomes Support MCA					
Departmental Output Expense: Improving Employment Outcomes (funded by revenue Crown)					
Ministry of Social Development:					
Capital Injection					
Total Operating					
Total Capital					

- 4 **agreed** that that the expenses incurred under paragraph 3 be charged as a pre-commitment against the Budget 2020 operating allowance and that the departmental capital injections under that recommendation be charged as a pre-commitment against the Budget 2020 capital allowance;
- 5 **agreed** that the change to appropriations for 2019/20 above be included in the 2019/20 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply;
- 6 **agreed** to establish tagged capital contingencies of up to the amounts as follows as a pre-commitment against Budget 2020, to provide for cost over-run in the implementation of the employer-assisted work visa system:

	\$m – increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Vote Labour Market					
Minister of Immigration					
Vote Business, Science & Innovation					
Ministry of Business, Innovation and Employment – Capital Injection		Commercial Information			

- 7 **authorised** the Minister of Finance and the Appropriation Minister, acting jointly, to draw down on the contingency included in paragraph 6 if required (establishing any new appropriations as necessary);
- 8 **noted** that the ongoing operating costs of the employer-assisted work visa changes can be recovered from employers and visa applicants (used to maintain and replace the asset at the end of its useful life) Constitutional conventions

- 9 **invited** the Minister of Immigration to report to DEV by February 2021 to seek agreement to a replacement fee schedule for the employer-assisted visa system, which would need to be established in order to recover costs from foreign workers and employers, and the corresponding appropriation changes;
- 10 **noted** that the Minister of Immigration will consider the need to seek further funding in Budget 2020 for investigation, compliance and intelligence resources to support the employer-assisted work visa changes, alongside any proposals resulting from the review of migrant exploitation;
- 11 **noted** the changes to the employer-assisted work visa system will be phased in over time with the bulk of the changes coming into force in 2021 alongside the enabling IT system;
- 12 **noted** that, in addition to the monitoring of benefits realised as part of the Better Business Case methodology, the Ministry of Business, Innovation and Employment will be developing a policy monitoring and evaluation plan that will look at the broader policy objectives and how well these are being achieved.

Jenny Vickers
 Committee Secretary

Present:

Hon Grant Robertson (Chair)
 Hon Phil Twyford
 Hon Chris Hipkins
 Hon Carmel Sepuloni
 Hon David Parker
 Hon Iain Lees-Galloway
 Hon Ron Mark
 Hon Eugenie Sage

Officials present from:

Officials Committee for GOV
 Office of the Chair

Hard-copy distribution:

Minister for Social Development
 Minister of Immigration