

Submissions analysis report: Skilled Migrant Category submissions analysis

Ministry of Business, Innovation and
Employment

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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.

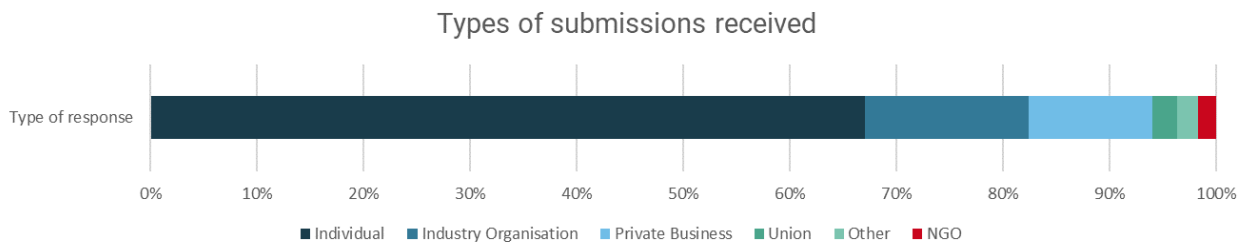
The overall response to consultation

Summary statistics of the submissions received

The consultation process resulted in a total of 308 submissions:

- 57 long-form submissions from a variety of stakeholders¹
- 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.² 15% were from industry organisations (such as industry councils, peak bodies, and associations) and 11% were from private businesses.³ 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.⁴ 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.

¹Listed in Appendix 1.

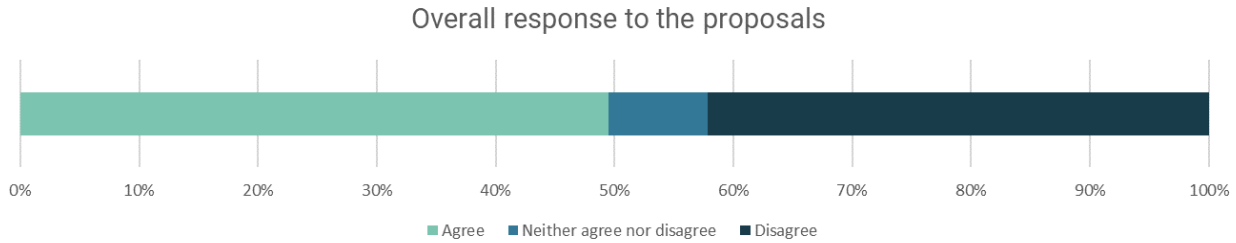
²It was assumed that the response was from an individual if the field was left blank in the online survey.

³ Private business includes business service organisations such as the South Canterbury Chamber of Commerce.

⁴ 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) agreed⁵ with proposals 49% of the time, disagreed⁶ 42% of the time, and neither agreed nor disagreed 9% of the time.

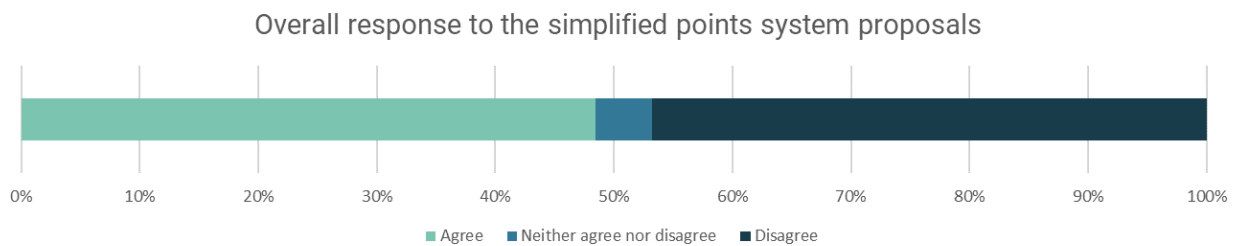


Of the proposals, submissions were the most positive about the simplified points system being easy to understand (75% agreed) and leading to decreased processing times (63% agreed). Submissions were also mostly positive about the proposals providing certainty to migrants and employers (58% agreed, however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



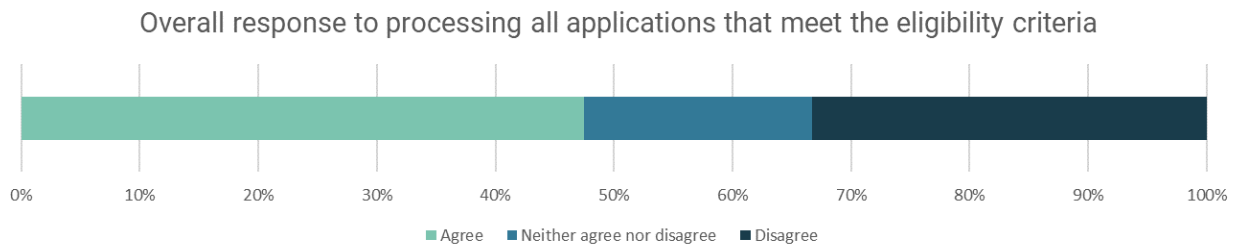
Submissions (on average) agreed with the simplified points system proposals⁷ 49% of the time, disagreed 47% of the time, and neither agreed nor disagreed 4% of the time.

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

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

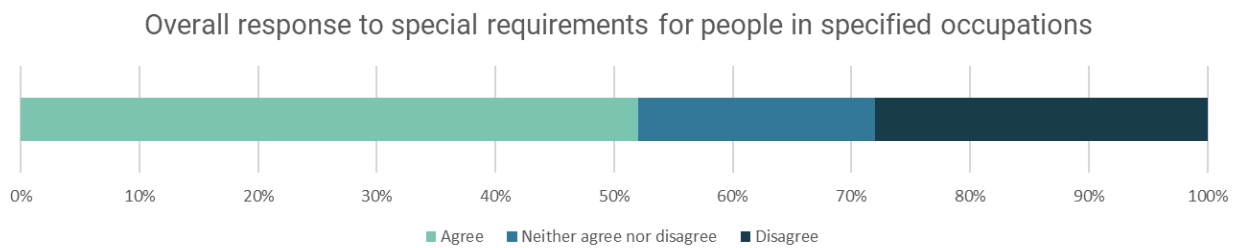
⁷ Includes responses to both the “Simplified points system” questions and the “Simplified points system in depth” questions

Overall responses to processing all applications that meet the eligibility criteria



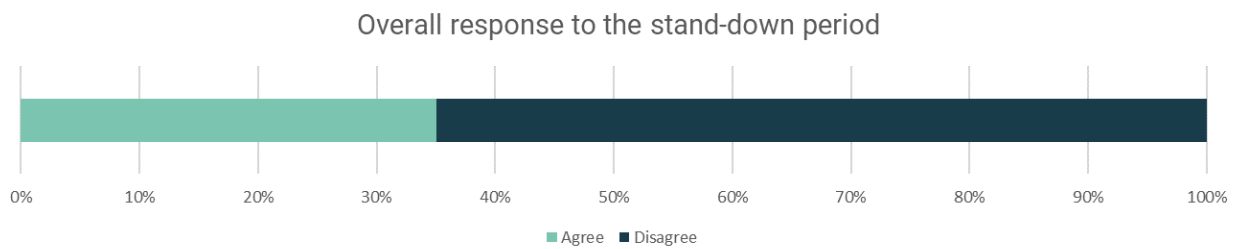
Submissions (on average) agreed with processing all applications that meet eligibility criteria 47% of the time, disagreed 33% of the time, and neither agreed nor disagreed 19% of the time.

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] s 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.

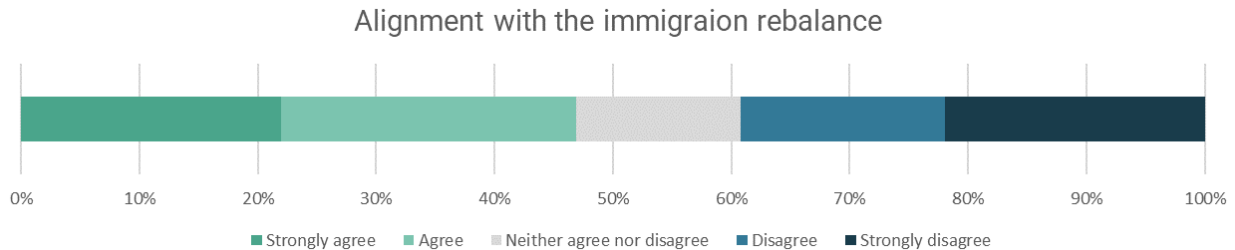
Limitations with the current approach were described, namely that it has allowed large numbers of migrants with limited training or skills to become eligible for the SMC, it created a backlog and long wait times for applicants, and it enabled a population of migrants to become well-settled in New Zealand 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 agreed⁸ that the proposed changes aligned with the immigration rebalance, 39% disagreed⁹ (22% strongly disagreed, which was the largest group across all proposals, indicating a particularly negative sentiment), and 14% neither agreed nor disagreed.

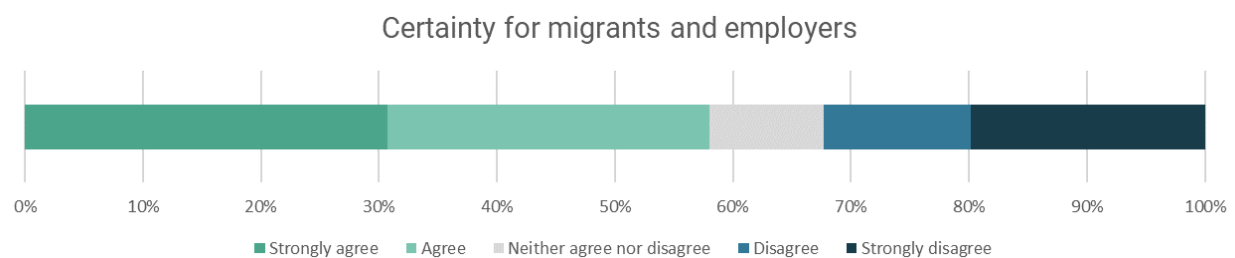


Those who agreed felt that the proposals would make progress towards achieving the aims of the immigration rebalance, specifically attracting higher-paid workers and driving up productivity.

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

⁸ Defined as “strongly agreed” or “agreed”.

⁹ 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.

“Constantly changing the rules in a short time is affecting businesses”

Submission from a private business

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.¹⁰ 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

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

Submission from an industry organisation for immigration professionals

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.

¹⁰ 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**

Claim from one skill category				+ Skilled work in NZ*					
NZ Professional Registration		OR	Qualification		OR	High Income			
NZ Professional Registration (≥6 years training/work experience)	6		Level 10 (PhD)	6		3 x Median Wage	6		
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	1.5 x Median Wage	3		
NZ Professional Registration (≥4 years training/work experience)	4		Level 8 (Honours, Post-grad Diploma)	4					
NZ Professional Registration (≥3 years training/work experience)	3		Level 7 Degree (Bachelor's degree)	3					
								3 years	3
								2 years	2
								1 year	1

*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,¹¹ 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).

¹¹ 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.

*“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

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.

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

Submission from an individual

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.

“[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

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.

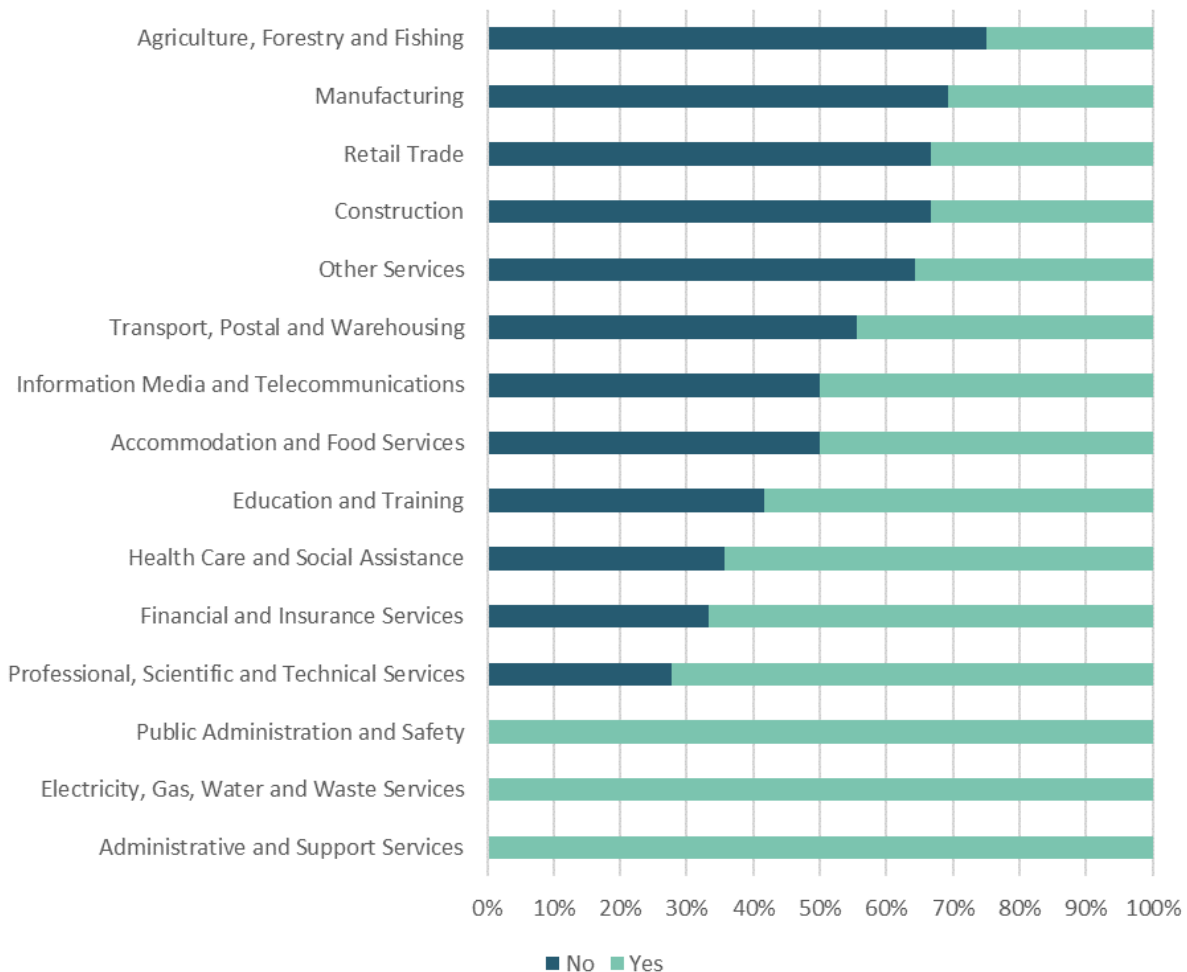
NZ professional registration

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.

“...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

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).

“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

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.

"The reward/difficult ratio appears reasonable"

Submission from an individual

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 shortages¹²
- 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 –

"The exclusion of level 4 qualifications in our view is a mistake"

Submission from a trade industry organisation

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.

"Basing it on the median wage has traditionally worked"

Submission from an individual

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.

¹² '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

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

Submission from an individual

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.

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

Submission from an individual

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.

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

Submission from an individual

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.

“It is easy to understand”

Submission from an individual

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.

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

Submission from an immigration professional

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.

“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

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.

“It’s not managing, it is discriminating”

Submission from a potential migrant

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.¹³ 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 ANSZCO 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 media 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.

¹³ 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.

“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

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.

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

Submission from a potential migrant

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.

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

Submission from an industry organisation

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

Submission from an immigration professional

“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

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 (NZAIP)
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: https://www.careers.govt.nz/jobs-database/engineering/maintenance-repair/welder/</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: https://www.careers.govt.nz/jobs-database/manufacturing/manufacturing/upholsterer/</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: https://www.careers.govt.nz/jobs-database/arts-and-media/creative-design/jeweller/</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: https://www.careers.govt.nz/jobs-database/education-and-social-sciences/education/nannychild-carer/</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: https://nz.indeed.com/career/cnc-machinist/salaries 3 years on the job training typically/L4 qualification.
Boiler makers (322311 METAL FABRICATOR)	<i>Average pay = \$28.72/hr</i> Source: https://www.payscale.com/research/NZ/Job=Boilermaker/Hourly_Rate
Roofers	<i>Average pay for experienced roofers = \$30 - \$40/hr</i> Source: https://www.careers.govt.nz/jobs-database/construction-and-infrastructure/construction/roofer/
Automotive Technicians	<i>Average pay for qualified automotive technicians = \$ 26 - \$35hr</i> Source: https://www.careers.govt.nz/jobs-database/engineering/automotive/automotive-technician/ On the job apprenticeship training of 3-4 years.
Marine Diesel Mechanics	<i>Average pay = \$26.21/hr</i> Source: https://www.salaryexpert.com/salary/job/marine-diesel-mechanic/new-zealand
Senior Hair Stylists	<i>Average pay = \$28.84/hr</i> Source: https://www.glassdoor.co.nz/Salaries/senior-hair-stylist-salary-SRCH_KO0,19.htm
Beauty Spa Managers	<i>Average pay = \$23.36/hr</i> Source: https://www.payscale.com/research/NZ/Job=Spa_Manager/Hourly_Rate
HVAC Technicians	<i>Average pay = \$33.40</i> Source: https://www.payscale.com/research/NZ/Job=HVAC_Refrigeration_Technician/Hourly_Rate
Lead Hand Carpenter/Joiners	<i>Average pay = \$30.54</i> Source: https://www.payscale.com/research/NZ/Job=Lead_Hand_Carpenter/Hourly_Rate
Artisanal bakers	<i>Experienced bakers can earn up to \$32.21/hr</i> Source: https://www.payscale.com/research/NZ/Job=Lead_Hand_Carpenter/Hourly_Rate
Agricultural Technicians	<i>Average pay = \$23.31/hr</i> Source: https://www.salaryexpert.com/salary/job/agricultural-technician/new-zealand Won't meet qualifications as have 3yr Diploma not a Bachelors
Building Inspectors	<i>Average pay = \$34.61/hr</i> Source: https://www.payscale.com/research/NZ/Job=Building_Inspector/Salary

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