



COVERSHEET

Minister	Hon Andrew Little	Portfolio	Immigration
Title of Cabinet paper	Immigration Rebalance: Green List changes	Date to be published	18 October 2023

List of documents that have been proactively released

Date	Title	Author
December 2022	Immigration Rebalance: Green List changes	Office of the Minister of Immigration
7 December 2022	Immigration Rebalance: Proposed Green List changes DEV-22-MIN-0303 Minute	Cabinet Office
12 December 2022	Immigration Rebalance: Proposed Green List changes CAB-22-MIN-0569 Minute	Cabinet Office
7 November 2022	Briefing: 2223-1689 Potential Green List additions	MBIE
18 November 2022	Briefing: 2223-1773: Draft Cabinet paper – Immigration Rebalance Green List changes	MBIE

Information redacted

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In Confidence

Office of the Minister of Immigration

Cabinet Economic Development Committee

Immigration Rebalance: Green List changes

Proposal

- 1 This paper seeks agreement to add a number of occupations to the Green List, which facilitates easier entry for migrants in globally in-demand and skilled occupations by providing streamlined residence pathways.

Relation to government priorities

- 2 The Green List is a feature of the Immigration Rebalance. The Immigration Rebalance, including the review of Skilled Migrant Category settings, supports the Government's plan to transition to a more productive and sustainable economy by better aligning the migrant workforce to skill gaps in the labour market.

Executive Summary

- 3 Throughout the global economy, nations are experiencing record skills shortages due to changing consumption, migration, industry output, and work patterns following the COVID-19 pandemic. Skills shortages, ongoing supply chain disruption, geopolitical uncertainty and strong demand from consumers, have combined to push up inflation around the world and corresponding responses from central banks. As a result of this, according to the IMF, advanced economies are facing recessions or conditions that will feel like a recession at a time of high inflation. New Zealand has experienced relatively low inflation compared to other developed nations, with the ninth lowest inflation rate of the 38 OECD countries in the September quarter. But at 7.2%, the Reserve Bank has been raising interest rates to reduce demand and give the supply side of the economy time to readjust to global bottlenecks and skills shortages and increase output capacity. The Reserve Bank is forecasting a shallow recession between the June 2023 and March 2024 quarters, off the back of strong growth at the end of 2022.
- 4 Despite this forecast, the New Zealand economy will remain one of the most well-placed in the world to handle the global downturn and allow the government to keep supporting New Zealanders through the global inflation spike. New Zealand's government debt remains considerably lower than the countries we compare ourselves against, and our short-term fiscal intention to return OBEGAL to surplus by 2024/25 will ensure we maintain a contractionary fiscal stance to take pressure off inflation.
- 5 The global downturn, and New Zealand's strong position in an increasingly turbulent global economy, presents opportunities for us to continue attracting skilled migrants here to further unlock supply capacity. This must be done in a balanced way so as not to also put undue demand pressure on the economy and exacerbate inflation.

Currently, our next scheduled review of immigration policy is the Skilled Migrant Category review due in February 2023.

- 6 However, in the global and domestic economic situation we have an opportunity to consider expanding the professions on the recently introduced Green List to support employers to fill critical gaps in the workforce that have become apparent since our border re-opened.
- 7 Representatives from a range of sectors frequently make the case that a residence pathway is needed to enable sufficient attraction and recruitment of migrants. The Skilled Migrant Category is intended to do just that for skilled occupations. We have already opened the SMC under the previous settings. We will be confirming the future settings in February 2023, giving migrants and employers the certainty they have asked for. I also intend to review the Green List in mid-2023.
- 8 Ahead of that, I am proposing to take a pragmatic approach to add a number of key occupations where we have been hearing of particularly pressing shortages, and where one or more of the Green List criteria are met. I want to be clear that this is not a systematic review of all sector or occupations, but an opportunity to address immediate needs in areas where global skills shortages mean additional measures are required to attract workers to New Zealand at this time. The list of occupations I am proposing are at Table One.
- 9 Within these changes, we have options about how we consider the health sector. This paper sets out three proposals, progressively wider in scope, with the last option representing a major shift in the Green List. If we choose the widest option, we need to carefully consider whether it is the right time to move on this, before the enduring residence settings are in place, and before progress is made on the national health workforce strategy. We also need to be conscious of the perception of inequitable treatment from other sectors.
- 10 I am also proposing to extend the duration of employer accreditation under the Accredited Employer Work Visa as a one-off measure. I am proposing to extend all accreditations applied for before 4 July 2023 by 12 months, which will mean that employers will effectively get a 24-month first accreditation. I am also proposing to defer the expansion of accreditation to all employers of migrants until 2024.

Background

- 11 In March 2022, Cabinet agreed to a suite of Immigration Rebalance changes, including a list of occupations that would be on the Green List (CAB-22-MIN-0145). Priority was placed on occupations that are vital to support the health and wellbeing of New Zealanders, pivotal in a value chain, or strategically important for Government objectives. Globally in-demand occupations were selected for the Green List where a competitive offer is required to attract the highly skilled migrant workers we need and where there is an ongoing shortage. Within the Green List, there is a 'straight to residence' pathway and a 'work to residence' pathway (the latter requiring two years of work in the role before residence is conferred). These two pathways provide some nuance in the offer different occupations are provided: they can be used to distinguish the most highly skilled occupations, and also where there are retention issues which suggest a two-year commitment to the occupation would be more

suitable to help resolve the skill shortage. All Green List occupations have a median wage requirement.

- 12 The Immigration Rebalance is part of the broader immigration strategy aimed at improving labour market outcomes for New Zealanders, reducing migrant exploitation, and ensuring businesses can access the skills they need. The principles of the Immigration Rebalance will continue to guide our immigration settings, while being fit for purpose for the current environment. This means making it easier to attract and hire high-skilled migrants while supporting some sectors to transition to more productive and resilient ways of operating instead of relying on lower-skilled migrant workers – while also remaining responsive to changes in international economic conditions.
- 13 In September 2022, Cabinet agreed to consult on a new simplified system for the Skilled Migrant Category (SMC), which is the next phase of the Immigration Rebalance. This focuses on people with skills that would be hard, or take time, to fill domestically (CAB-22-MIN-0411). The SMC is New Zealand’s main skilled residence policy. As part of the COVID-19 impacts, the SMC was effectively closed to new applications from April 2020. Since then, Cabinet has reopened the SMC on an interim basis while new SMC settings are consulted on and final decisions are made. Immigration New Zealand (INZ) has selected 6,515 Expressions of Interest under the first draw at 160 points. There will be another draw of Expressions of Interest at 180 points in January 2023. The proposed new Skilled Migrant Category settings will provide a clearer residence pathway to very highly skilled people, particularly those in occupations that require registration or significant qualifications. The key difference between the Green List and the SMC is that for the straight to residence pathway, people do not have to work in New Zealand before qualifying.
- 14 In early 2023, I will be reporting back to Cabinet on the final proposals for the SMC following public consultation. Public announcements made at that stage will give clarity and certainty to prospective migrants about their residence pathways outside the Green List. The report back to Cabinet will include feedback from stakeholders about occupations that may not be eligible for the SMC. In mid-2023, officials will also review the Green List to ensure the settings are enabling the right flow of higher-skilled migrants.
- 15 Ahead of these reviews, there is an opportunity to consider proposals for potential additions to the Green List to address any critical gaps. Cabinet previously agreed that I would report back on this in early 2023, as part of the SMC report. In place of this, I am seeking Cabinet’s agreement to add some significant occupations to the Green List now. There is a case that we need to move quickly to support recruitment efforts now that borders are open and global competition for labour has ramped up, while at the same time countries are facing the prospects of recession due to measures to dampen inflation.

Analysis

Global and domestic labour context

- 16 The global picture is one of strong competition for labour at all skill levels. Post COVID-19, most OECD countries have been experiencing increasing labour

shortages and this has been broad-based across industries.¹ Domestically, measures of spare labour market capacity have fallen over the year and continued to remain low in the September 2022 quarter.² New Zealand's unemployment rate is near a record low level at 3.3%.

- 17 Our approach to the Green List has been to tightly focus it on highly skilled occupations where there is evidence of an enduring and widespread shortage. At the time, the border was still largely closed, the Accredited Employer Work Visa (AEWV) had not yet opened for applications and the Skilled Migrant Category remained closed. Some roles were identified as presenting shortages, but were not selected for the Green List because the shortage appeared to be primarily because of the border closure, or because the occupation did not meet the high selection threshold.
- 18 With our borders now open and a clearer picture available of both the global situation and domestic demand for migrants, it is appropriate to consider whether there is a case to extend the Green List offer to a number of new occupations where there are critical pressure points in our economy. This is not intended to be a systematic review of all occupations and sectors, but a response to some of the stronger cases for immediate addition. The analysis in this paper is based on key information readily available to MBIE, rather than in-depth consideration of various indicators of shortage. The review of the Green List scheduled for 2023 will look more thoroughly at a wider range of occupations.

Approach to the Green List

- 19 A pragmatic approach has been taken to the additions proposed in this paper. There is a case to provide additional support for each occupation, and I am only proposing an occupation in situations where:
- 19.1 the role is highly-skilled or there is a well-documented global shortage, such that a competitive (or more competitive) residence offer is clearly justified (particularly where there is additional information since the Green List was originally set); or
 - 19.2 sector stakeholders are consistently reporting pressing shortages plus there is a case that the role is nationally significant; or
 - 19.3 it appears that the role will not be eligible for the new SMC due to pay, lack of registration or tertiary-level qualifications, but there is a case that a residence offer is needed to attract migrants to fill critical, ongoing shortages.
- 20 The proposed occupations are not all clear-cut cases for the Green List and not all of the original criteria are met in some cases. All of the occupations require some degree of skill and training, although some are mid-skilled rather than highly-skilled, meaning that improvements could be more readily made to grow the domestic pipeline. For some occupations, there is evidence of difficulty recruiting domestically, but less evidence of a global or long-term shortage.

¹ The Post-Covid-19 Rise in Labour Shortages

² Statistics New Zealand, Labour market statistics: September 2022.

- 21 Additions of occupations with relatively low entry requirements present a risk that the Green List is used as an ‘easy’ pathway to residence. In these cases, I have noted the associated risks and propose to include them now but review whether this is justified. It will be more difficult to remove occupations once they are added. Addition of a large number of occupations would create a long list of ‘prioritised’ occupations, which will decrease Immigration New Zealand’s ability to process these applications quickly and therefore diminish the benefits of being on the Green List.
- 22 Where there is an issue of pay or conditions, I am instead proposing a residence pathway through a sector agreement. The Green List is intended for skilled occupations so a median wage threshold is a minimum requirement. Sector agreements provide time-limited exemptions to the median wage for sectors that have traditionally relied on lower-paid migrants. A residence pathway through a sector agreement is more appropriate where we want to explicitly signal that this is a time-limited allowance while the sector improves pay and conditions for the role.
- 23 It is important to note that many of these occupations will be eligible for residence under the new SMC, as the table below indicates. These changes are not intended to replace the SMC as the main residence policy. Once decisions on the SMC are made and announced in early 2023, people will have certainty about the residence pathways available to them outside the Green List.
- 24 However, the Green List provides an immediate and streamlined pathway, which supports recruitment efforts by providing an attractive residence offer. The key difference between the Green List and the SMC is that for the straight to residence pathway, people do not have to work in New Zealand before qualifying.
- 25 The occupations in this paper have been consistently raised with the government as requiring urgent action. Other occupations may surface after these changes, and these can be addressed through the 2023 review.

Changes for health sector roles

- 26 The health sector was considered robustly in the development of Immigration Rebalance proposals. A number of medical and non-medical health sector roles are already on the Green List, and the care workforce is covered by a sector agreement with a dedicated residence pathway below the median wage. A large number of other health roles will be able to obtain residence through the SMC.
- 27 Addressing workforce vacancies continues to be a top priority in the health sector. The Ministry of Health and Te Whatu Ora are leading a number of initiatives to train more health workers domestically and bring more doctors and nurses into the country. Immigration settings should support these recruitment efforts. There is an ongoing need for migrant labour in this workforce to support the health and wellbeing of New Zealanders. To some extent, we will remain reliant on the international health workforce for both short and long-term and needs.
- 28 The proportion of migrant workers in the health sector has been growing over time, and more sharply in recent years. From 2012 to 2019, the proportion of the migrant workforce in the sector increased from 3% to 7%. We want to maintain a suitable and sustainable level of migrant labour in the sector while encouraging domestic

recruitment and retention. There are three options for treatment of health sector roles, of increasing scope.

29 Regardless of the option we pick for developing in 2023, I propose that all medical doctors are on the Green List straight to residence pathway, as well as Registered Nurses and midwives. The options are described in detail in Table One.

30 **A targeted approach** would continue to focus the Green List on highly-skilled occupations where a more competitive offer is clearly justified, offering benefits beyond the SMC. Health and immigration officials would report to me and the Minister of Health, either in early 2023 or once health agencies update Cabinet on the health workforce strategy. Officials would report back with a targeted, short list of the highest priority skilled occupations to add to the Green List (this could be 5-10 professions). This would only be occupations that are in shortage and would normally meet the new SMC skill levels, but there is a clear case that a Green List residence offer is required above what would be available under the SMC.

31 People holding most New Zealand professional registrations, and those with at least a Bachelor's degree, will qualify under the new SMC so they will have a clear residence pathway. Registered professions are being prioritised for processing under the current SMC and there is an option to continue to do this under the new system.

32 **Alternatively, we could agree a broader approach focused on specialised health roles.** Confidential advice to Government



33 On one hand, putting these skilled occupations on the Green List straight to residence pathway poses a low risk because we can have more confidence that people granted residence will remain in their career and are unlikely to displace New Zealanders. On the other hand, including all skilled health occupations undermines the special status of the Green List and risks creating a false impression that all skilled roles must be on the Green List to get residence. It is also likely to create pressure to add skilled roles from a wide range of other sectors, even where there is intended to be an attractive residence pathway under the new SMC (subject to Cabinet decisions in early 2023).

34 Confidential advice to Government



35 **The third option is a sector-wide approach** which would see:

Confidential advice to Government

35.2 All other healthcare roles on the Green List work to residence pathway, paid above the median wage (in addition to the medium-breadth approach).

36 There are other, lower-paid and/or lower-qualified health sector occupations where we are seeing vacancies. These include Enrolled Nurses, pharmacy technicians and health assistants. Immigration data shows that most of these occupations have previously had very low migrant numbers. Some of these roles will not be eligible under the new SMC because either: they are not paid 1.5x median wage, or paid below the median wage, or lack registration or formal qualifications.

37 If we agree to this change, it would shift the Green List from an occupation-based list to a sector-wide tool. It would offer prioritised residence to a large number of health roles, including those that fall well below the normal skilled residence threshold. The decision would be on the basis that the entire health sector needs the most facilitative immigration settings possible. There are clear risks associated with this approach. It will create pressure to take a sector-wide approach to other sectors, further undermining the intention of the Green List. There is also a question of timing: as the Ministry of Health Manatū Hauora is developing a national health workforce strategy, it may be more appropriate to make progress on this first before such widespread change.

38 To be confident that the settings would not affect opportunities for New Zealanders or result in unsustainable growth in migrant numbers (particularly in unregistered professions), we would need analysis of a long list of occupations and a detailed understanding of how this connects to the workforce planning underway with Te Whatu Ora. This is beyond the scope of the changes I am proposing for now. It could be considered further in the 2023 review of the Green List.

Confidential advice to Government

Impact of changes on nurse workforce

39 As above, I propose providing registered nurses and midwives with a straight to residence path, rather than the existing work to residence path through the Green List. There are significant global and domestic workforce shortages in both of these occupations, and it is in the best interests of New Zealanders for the immigration system to support resolving these to the best of our ability. These are highly qualified and globally in-demand roles where the immigration system can support attraction and recruitment efforts by providing a straight to residence pathway. However, it should be noted that the global shortages are more concentrated in low- and middle-income countries which is at least in-part due to flows of nurses to higher income countries like New Zealand.

40 Comparable countries have different immigration processes, but generally speaking are facilitating the easy arrival of international health workers, including nurses, in recognition of the global shortage. For example, the Australian Government has expanded its Pacific labour mobility offerings to aged care, and is adding 500 places

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to the aged care training pathway for the Pacific Australia Labour Mobility Scheme in 2022-23.

- 41 Since March 2022, over 4,500 internationally qualified nurses have applied for registration with the Nursing Council, with an uplift in monthly applications in July - showing our current settings are having an impact.
- 42 To access the Green List, nurses are currently required to have New Zealand registration with the Nursing Council of New Zealand. If we introduce a straight to residence path, nurses who do not need to complete a Competence Assessment Programme (CAP) will be able to get registered and apply for residence offshore. Nurses who do need to complete a Competence Assessment Programme will have to come to New Zealand to do the CAP course before applying for residence, but they will still be able to apply for residence more quickly than under the existing work to residence pathway. Unlike nurses, internationally qualified midwives can be granted registration prior to completing the Overseas Competence Programme so in theory can apply for residence offshore.
- 43 Ahead of seeking your agreement to this change, we should note that concerns have been raised by the aged care sector that they lose large numbers of migrant registered nurses to Te Whatu Ora (previously District Health Boards) where pay rates are higher. The New Zealand Aged Care Association have previously requested that nurses are required to remain with a specific employer to resolve this, and have also stated that they would like nurses to be on the straight to residence pathway of the Green List.
- 44 I note that we agreed to the Minister of Health's proposal to address pay disparities in the health funded sector at Cabinet on 21 November (SWC-22-MIN-0209). Health officials estimate this will provide a pay uplift of up to 7% in Aged Residential Care, with delivery intended in the first quarter of 2023.
- 45 In addition to pay uplifts, we could consider more restrictive immigration conditions for aged care nurses. Section 49 of the Immigration Act 2009 can be used to impose conditions requiring a person to remain with a particular employer, role or location after the grant of residence. This could be used to require aged care nurses to remain with their employer or in the non-government aged care sector for a specified period, while still providing a straight to residence path for all nurses.
- 46 Officials have advised against using section 49 to resolve the reported issue with nurse retention in the aged care sector that appears to be driven by pay parity issues. It is a strict measure and the immigration system is moving away from imposing such conditions. This step will give migrant aged care nurses less freedom of choice to seek employment, and may contribute to exploitation issues. If we implement it, an aged care nurse on a residence visa who accepts a job offer outside of the aged care sector would be in breach of their visa conditions and liable for deportation. This is a serious consequence; a person liable for deportation cannot apply for a further visa, and if deported, generally cannot return to New Zealand for a specified prohibition period. Deportation also affects a person's ability to obtain a visa in other countries.
- 47 I agree that the use of section 49 is not an appropriate measure in these circumstances, and other non-immigration levers are more appropriate to achieve our objectives.

- 48 Alternatively, we could choose not to progress a straight to residence path for nurses at this time in order to continue requiring a period of commitment to the profession ahead of residence (noting this does not address the aged care sector concerns), or we could choose to provide straight to residence for all Registered Nurses with no section 49 conditions if we are confident that recent pay parity discussions are likely to resolve the issue raised by the aged care sector.

Other additions to the Green List

- 49 Several other occupations have been raised as candidates for the Green List. I have considered the information presented to me about these occupations. Some of these occupations are more straightforward as they are nationally significant, skilled and in shortage. These include primary school teachers, auditors and general motor mechanics. However, there is a question for some of these roles whether the shortage is immediate or ongoing, or whether the need for a residence pathway is not sufficiently immediate, given that a clear residence pathway would soon be available through the new Skilled Migrant Category settings.
- 50 Others are unlikely to be eligible under the new SMC settings, but there is a case that a residence offer is needed to relieve workforce pressures which will have wider consequences if they persist. In other words, these occupations do not meet the skilled residence threshold but are nonetheless critical to a value chain. These include bus drivers, truck drivers and telecommunications technicians.
- 51 I would like to have a robust discussion about the borderline cases. Sectors have generally represented that their shortages in these jobs are pressing and time critical. However, introducing occupations with low entry requirements poses a risk of oversupply for that occupation, it will prioritise residence for some lower skilled roles ahead of some applications for more skilled roles, and there is limited evidence that it will solve long-term retention issues.
- 52 I am not proposing to include all occupations that have been raised with me on the Green List given the speed at which these proposals have been developed and the need to keep additions to the Green List tight ahead of the wider 2023 review. For completeness, the appendix to this paper provides a list of occupations raised by government agencies for consideration on the Green List.

Sector agreement for bus drivers and truck drivers

- 53 The current workforce shortage of bus drivers is a critical issue for national infrastructure. We are supporting the transport sector's efforts to stabilise the public transport workforce with funding from Budget 2022 to improve bus driver wages and conditions (DEV-22-MIN-0232).
- 54 The trucking industry has also reported shortages, which are impacting on critical infrastructure (waste collection services and supply chains). Truck drivers have similar qualifications to bus drivers (class 4 and above licence) and the workforce is relatively interchangeable.
- 55 A residence pathway for migrant drivers would support the transport industry as it works towards improved pay and conditions and increased training of New

Zealanders for this workforce. Rather than adding drivers to the Green List, I consider that a sector agreement is a more appropriate tool. The public transport sector has requested an exemption to the median wage to meet short-term workforce needs. A sector agreement would provide a time-limited exemption and still requires employers to advertise the role to New Zealanders. While truck drivers are generally paid at least the median wage, a sector agreement is still appropriate as a way to offer a time-limited residence pathway (as requested by some sector representatives) and ensure consistent treatment with bus drivers.

- 56 I am proposing to consult briefly with transport sector representatives on the high-level parameters for a bus and truck driver sector agreement, outlined in the table below. I am seeking Cabinet's agreement to the parameters, which I intend to finalize and announce in the first quarter of 2023 following consultation.

Construction sector

- 57 The construction and infrastructure sector continues to face immediate issues with recruiting a broad range of skilled roles, acknowledging the progress made to strengthen domestic skills pipelines already. However, immediate skills shortages continue to be reported, and risk driving construction costs up, further exacerbating the market headwinds facing the construction sector. The Government is also continuing our house building and major infrastructure investment programmes, which will mean continued demand for construction and infrastructure workers.

- 58 I am proposing Green List work to residence pathways for a small number of critical roles raised by sector body representatives. Given the limited engagement and analysis that fed into these targeted amendments, a fuller assessment to inform any further changes to construction sector roles will be dealt with as a matter of priority in the context of the review in mid-2023.

- 59 This is in addition to the proposals in this paper to provide residence pathways to truck drivers and telecommunications technicians, which are also relevant to this sector, and to the occupations that are already on the Green List.

Changes to employer accreditation to hire migrants

- 60 The first employer accreditations under the AEWV will start expiring from July 2023. Employers have recently raised concerns with me about the cost and administrative burden of renewing their accreditation after 12 months.

- 61 The accreditation system has been designed so that most employers have a shorter first accreditation (12 months), with renewals every 24 months after that. The shorter first accreditation reflects that employers must make commitments at their first accreditation (e.g. completion of employment standards learning modules and settlement support activities), which are only checked at renewal.

- 62 Once an employer has demonstrated compliance with these commitments during their first accreditation, they can move to a longer accreditation cycle. Some employers (franchisees and those using triangular employment arrangements) must renew their accreditation every 12 months, reflecting the higher risk of migrant exploitation associated with these business models.

- 63 I propose extending all accreditations applied for before 4 July 2023 by 12 months. This will mean that employers will effectively get a 24-month first accreditation. At this stage, I am only proposing this as a one-off extension, to support employers while they are still getting used to the new system. Confidential advice to Government
- 64 The AEWV system puts more emphasis on post-decision checks to ensure employers are complying with accreditation requirements, and the ability to revoke accreditation if they are not. These post-decision checks will not be affected by extending employers' accreditation.³ However, the post-decision checks are not intended to focus on whether employers are meeting their commitments to complete employment standards learning modules and settlement support activities, as these were intended to be checked at reaccreditation. Extending accreditation will reduce the opportunity to check compliance with these commitments and identify issues early. However, I consider this an appropriate trade-off to support employers at this time.
- 65 The one-off extension will also have financial implications for INZ. The revenue loss is estimated at \$28 million in 2023/24 (when the accreditation renewals would otherwise have been due). The resource that would have been used to process accreditation renewals will be reallocated to other visa products. However, the majority of the accreditation fee covers fixed system costs and the cost of post-decision checks, which will still be incurred. I propose that these costs will be recovered from employers by increasing accreditation fees at the next fees review.⁴
- 66 I also propose deferring the expansion of the accreditation system to cover all migrants (including open work rights visa holders) until 2024. This change was agreed as part of the Immigration Rebalance to be introduced in mid-2023 (CAB-21-MIN-0554). This work needs to be deferred to allow us to progress other priorities. The deferral will also allow employers more time to prepare.

³ INZ intends to do post-decision checks on 15 per cent of employers in the first year, which will include all franchisee employers and those using triangular employment arrangements. Checks will include both site visits and desk-based assessments.

⁴ Current accreditation fees are: \$740 for Standard accreditation (up to five AEWV holders), \$1120 for high-volume accreditation (six or more AEWV holders), \$1980 for franchisee accreditation, \$3870 for employers using triangular employment arrangements (e.g. labour hire). INZ is not able to estimate the likely increase in fees as a result of extending accreditation at this stage.

Table One: Summary of immigration changes proposed for the Green List and a sector agreement

Occupation	ANZSCO codes	Indicative eligibility for new SMC	Accredited Employer Work Visa data ⁵	Case for change	Proposal	Potential risks	Alternative(s)
Changes for roles already on Green List: Registered Nurses, Midwives, Doctors and Teachers							
Registered Nurses	Includes: <ul style="list-style-type: none"> all ANZSCO unit group Registered Nurses (2544), including Nurse Practitioners Nurse Managers (2543) Does not include: <ul style="list-style-type: none"> Nurse Educators and Researchers 2542 Enrolled Nurses 4114 	All eligible, except for Enrolled Nurses	Positions approved for visas: 5,513 Visa applications received: 760	<ul style="list-style-type: none"> Global shortage for this occupation Aligns with cross-government efforts to facilitate pathways for overseas nurses 	Move all Registered Nurses from work to residence pathway to straight to residence pathway	<ul style="list-style-type: none"> Increasing retention issues May be more of an issue for aged care providers 	Move all Registered Nurses to straight to residence AND: <ul style="list-style-type: none"> Impose special conditions on Aged Care Nurses under s49 of the Immigration Act 2009 Add Enrolled Nurses to work to residence pathway
Midwives	Includes: <ul style="list-style-type: none"> 2541 Midwives 	Eligible	Positions approved for visas: 338 Visas applications received: 15	<ul style="list-style-type: none"> Skilled, nationally significant, and in shortage 	Move midwives from work to residence pathway to straight to residence pathway	<ul style="list-style-type: none"> Increasing retention issues 	Status quo: Midwives on work to residence pathway
All medical doctors / practitioners (decision taken)	Includes: <ul style="list-style-type: none"> 253 Medical Practitioners 	Eligible	Positions approved for visas: 3,167 Visas applications received: 325	<ul style="list-style-type: none"> Very highly-skilled, flagship example of candidate for Green List 	N/A: all Medical Practitioners will be on straight to residence pathway	N/A	N/A
Secondary school teachers	Includes: <ul style="list-style-type: none"> 2414 Secondary School Teachers All specializations 	Eligible	Positions approved for visas: 132 Visas applications received: 91	<ul style="list-style-type: none"> Skilled, nationally significant, and in shortage 	Include all Secondary School Teachers on the work to residence pathway	<ul style="list-style-type: none"> Low risk 	Status quo: only Secondary School Teachers in the following specializations: <ul style="list-style-type: none"> Science Mathematics Technology Pacific languages
Further roles for Green List: health sector							
Option One: targeted approach (recommended by MBIE)							
<ul style="list-style-type: none"> Agree in principle to continue a targeted approach to the Green List, focusing on the most critical occupations in shortage and leaving the Skilled Migrant Category to provide a residence pathway for all other skilled health occupations Direct health and immigration officials to report back to the Minister of Immigration in early 2023 with a targeted, short list of the highest priority, skilled occupations to add to the Green List (this could be 5-10 professions) that: <ol style="list-style-type: none"> would normally meet the new SMC skill levels AND there is a clear case that a Green List residence offer is required above what would be available under the SMC. 							
Option Two: medium-breadth approach (supported by the Ministry of Health)							

⁵ Total applications submitted between the opening of the Accredited Employer Work Visa (04 July 2022), or the opening of the AEWV Job Check (20 June 2022) and 10pm 28 November 2022. Does not include decision type. Does not include other visa types including residence applications. Some occupations have multiple ANZSCO codes.

Option Three: sector-wide approach (supported by Te Whatu Ora)

- Agree in principle to include all health workforce roles on the Green List: Confidential advice to Government, all other health workforce roles on the work to residence pathway
- Note that this option will capture the care workforce (spanning the health, disability and community sectors), roles that are privately employed and not critical to delivering essential health services (for example, Confidential advice to Government and roles that would not normally qualify for residence (for example, Confidential advice to Government
- Direct health and immigration officials to report back to Cabinet in early 2023 with a definition of the health workforce and a list of occupations for inclusion on the Green List.

New roles for Green List: other sectors

Occupation	ANZSCO codes	Indicative eligibility for new SMC	Accredited Employer Work Visa data ⁶	Case for change	Proposal	Potential risks	Alternative(s)
Auditors	Needs further work. There are two auditor occupations in the unit group: <ul style="list-style-type: none"> • External Auditor • Internal Auditor Does not include: <ul style="list-style-type: none"> • Accountants 	Eligible	Positions approved for visas: 460 Visas applications received: 152	<ul style="list-style-type: none"> • Skilled, nationally significant • Immediate peak of demand for auditing services due to COVID-19 delays 	Include auditors on the straight to residence pathway	<ul style="list-style-type: none"> • Some perception risk as similarly strong cases for other occupations • Evidence points to immediate shortage. There may be an ongoing shortage but in this timeframes this has not been investigated 	Status quo: qualified auditors will qualify for new SMC
Halal slaughterers	Needs further work to distinguish halal slaughters, who are required to be practising Muslims. Includes: <ul style="list-style-type: none"> • Slaughterer 	Unlikely – can't claim registration or qualification points, and pay rates for employer-assisted migrants are between median and 1.5 x median wage	[all slaughterers]: Positions approved for visas: 321 Visas applications received: 44	<ul style="list-style-type: none"> • Critical role for significant export industry 	<ul style="list-style-type: none"> • Add halal slaughterers to the Green List work to residence path • Require minimum skill level or certification (to be determined) Signal that this will be reviewed after two years 	<ul style="list-style-type: none"> • Known retention issues in this role • Oversupply less likely as this is a specialised role 	Status quo: No clear residence pathway for slaughterers
Motor mechanics	Includes: <ul style="list-style-type: none"> • 321211 Motor Mechanic (General) Further work needed on: <ul style="list-style-type: none"> • whether Waka Kotahi could assess skill level 	Unlikely – can't claim registration or qualification points, and pay rates for employer-assisted migrants are between median and 1.5 x median wage	Positions approved for visas: 503 Visas applications received: 217	<ul style="list-style-type: none"> • Workforce supports vehicle safety. WoF inspectors are needed so that vehicles can meet minimum legal safety requirements • Changing skill requirements for advanced vehicle features may not exist at a sufficient level in New Zealand currently 	<ul style="list-style-type: none"> • Add motor mechanics to Tier 2 of the Green List • Required minimum skill or qualification level 	<ul style="list-style-type: none"> • Risk of reducing incentives to recruit New Zealanders as no advertising is required 	Status quo: only Diesel Motor Mechanics on the Green List (including Heavy Vehicle Inspectors)

⁶ Total applications submitted between the opening of the Accredited Employer Work Visa (04 July 2022), or the opening of the AEWV Job Check (20 June 2022) and 10pm 28 November 2022. Does not include decision or approval data. Does not include other visa types including residence applications. Some occupations have multiple ANZSCO codes.

Occupation	ANZSCO codes	Indicative eligibility for new SMC	Accredited Employer Work Visa data ⁷	• Case for change	• Proposal	• Potential risks	Alternative(s)
Telecommunications technicians	Needs further work. There are five different occupations that could be included: <ul style="list-style-type: none"> • Cabler (Data and Telecommunications) • Telecommunications Cable Jointer • Telecommunications Line Mechanic • Telecommunications Technician • Telecommunications Trades Assistant (skill level 4) 	Unlikely- can't claim registration or qualification points, pay rates are below 1.5 x median wage and mostly below median	Positions approved for visas: 1,060 Visas applications received: 230:	<ul style="list-style-type: none"> • Critical to telecommunications network maintenance 	<ul style="list-style-type: none"> • Add telecommunications technicians to the Green List work to residence path • Consider whether associated roles should be included • Require minimum qualification or skill level (to be determined) • Signal that this will be reviewed after two years 	<ul style="list-style-type: none"> • Lower-skilled role so risks undermining objectives of the Green List • Risk of unmanageably large numbers • Reduces the pressure on employers to resolve general attractiveness of the role 	<p>Status quo: telecommunications technicians not on Green List and only likely to qualify for residence if they hold an independent degree-level qualification</p> <p>Some very high skilled roles in this sector (Telecommunications engineers and telecommunications network engineers) currently on Green List</p>
Primary school teachers	Includes: <ul style="list-style-type: none"> • 2412 Primary School Teachers 	Eligible	Positions approved for visas: 57 Visas applications received: 32	<ul style="list-style-type: none"> • Skilled, nationally significant, and in shortage 	<ul style="list-style-type: none"> • Add primary school teachers to the Green List work to residence path 	<ul style="list-style-type: none"> • Unclear if there will be an ongoing shortage of primary school teachers • Training pipeline appears sufficient in most subjects 	<p>Status quo: only secondary school teachers in specialisations where identified shortfall on Green List</p>
Construction supervisors (specifically civil construction supervisors)	Building Associate 312112 (This code covers civil and other construction supervisors. Further work required to determine whether this should and can feasibly be restricted to civil construction only)	Eligible if they are registered or have eligible qualifications – depends on the individual given the diverse roles within the occupation	Positions approved for visas: 167 Visa applications received: 28	<ul style="list-style-type: none"> • Highly critical to the sector – 85% of construction sector find it difficult or very difficult to find a site manager (based on survey data and confirmed by sector body) 	<ul style="list-style-type: none"> • Add to Green List work to residence path 	<ul style="list-style-type: none"> • Potential for blurring of role with related trades roles – can be mitigated by careful setting of skill requirements 	<p>Status quo: Will also qualify for SMC if degree-qualified or registered as a Licensed Building Practitioner</p>
Gasfitter	Gasfitter 334114	Eligible	Positions approved for visas: 5 Visa applications received: 4	<ul style="list-style-type: none"> • Anecdotal feedback indicates high criticality 	<ul style="list-style-type: none"> • Add to Green List work to residence path 	<ul style="list-style-type: none"> • N/A 	<p>Status quo: Registered gasfitters likely to qualify for SMC</p>
Drainlayer	Drainlayer 334113	Not likely to be eligible (shorter pathway to registration)	Positions approved for visas: 122 Visa applications received: 5	<ul style="list-style-type: none"> • Highly critical to the sector – 60% shortage forecasted in December 2023 (shortage of 6183 drainlayers). 	<ul style="list-style-type: none"> • Add to Green List work to residence path 	<ul style="list-style-type: none"> • N/A 	<p>Status quo: Early indication is that registered drainlayers are not likely to meet new SMC threshold (work still ongoing).</p>
Skilled crane operators	Crane, Hoist or Lifter Operator 712111	Unclear – Will only qualify for SMC if earning at least 1.5 x median wage. Experienced crane operators can earn \$60 to \$70 per hour but the split between high and low experienced operators across	Positions approved for visas: 240 Visa applications received: 45	<ul style="list-style-type: none"> • Highly critical to the sector – 68% shortage forecasted in 2023 (shortage of 547 crane operators). 	<ul style="list-style-type: none"> • Add to Green List work to residence path 	<ul style="list-style-type: none"> • Lower skilled role (ANZSCO level 4) so this role can become attractive by virtue of the residence pathway it offers – can be mitigated by careful setting of skill requirements to focus on the high skilled only 	

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		the sector is not to hand					
Skilled civil machine operators	Earthmoving Plant Operator (General) 721211 Backhoe Operator 721212 Bulldozer Operator 721213 Excavator Operator 721214 Grader Operator 721215 Loader Operator 721216	Unlikely – can't claim registration or qualification points so will only qualify for SMC if earning at least 1.5 x median wage, and pay rates likely to be too low	<i>Earthmoving Plant Operator</i> Positions approved for visas: 836 Visa applications received: 224 <i>Excavator Operator</i> Positions approved for visas: 370 Visa applications received: 125 All other occupations in this bracket have fewer than 10 positions approved for visas or visa applications received, in some cases zero	<ul style="list-style-type: none"> Highly critical to the sector – 16% shortage forecasted in 2023 & material health and safety benefits from experienced workers (shortage of 1493 heavy plant operators). 	<ul style="list-style-type: none"> Add to Green List work to residence path 	<ul style="list-style-type: none"> Lower skilled role (ANZSCO level 4) so this role can become attractive by virtue of the residence pathway it offers – can be mitigated by careful setting of skill requirements to focus on the high skilled only 	
New sector agreement with a residence pathway							
Bus drivers	Includes: <ul style="list-style-type: none"> 731211 Bus Driver – this covers the public transport network Does not include: <ul style="list-style-type: none"> 731212 Charter and tour bus driver 731213 Passenger coach driver 	Unlikely - can't claim registration or qualification points, and pay rates too low	Positions approved for visas: 624 Visas applications received: 82	<ul style="list-style-type: none"> Critical for national infrastructure – all regions are reporting shortages of drivers, and many are operating reduced services as a result Linked to govt priorities of reducing carbon emissions Industry-wide efforts underway to improve pay and conditions to attract NZers 	<ul style="list-style-type: none"> Sector agreement for two years, with review Pay threshold to be determined Uncapped Work to come on qualification requirements Two year residence pathway 	<ul style="list-style-type: none"> Retention risk 	Sector agreement to allow below median wage recruitment on the AEWV but no residence pathway, and stand down after two years in the role

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<p>Truck drivers</p>	<p>Needs further work. There are five different occupations in the truck driver unit group: Truck Driver (General), Aircraft refueller, Furniture removalist, Tanker driver, Tow truck driver. Truck driver (general) is a big category and could cover a wide range of industries. We could also distinguish by class of licence rather than ANZSCO occupation.</p>	<p>Unlikely – can't claim registration or qualification points, and pay rates are between median and 1.5 x median wage</p>	<p>Positions approved for visas: 2,018 Visas approved: 556</p>	<ul style="list-style-type: none"> • Critical to supply chains and services like waste management • Global shortage • Varying estimates of domestic shortage but industry represents the shortage has existed since 1990s 	<ul style="list-style-type: none"> • Sector agreement for two years, with review • Pay threshold median wage, to be confirmed • Two year residence pathway • Require suitable medium or heavy truck licence (i.e. not for smaller trucks) • Signal that this will be reviewed after two years 	<ul style="list-style-type: none"> • Lower-skilled role so risks undermining objectives of the Green List • More favourable treatment than for bus drivers, even though workforces relatively interchangeable • Reduces the pressure on employers to resolve general attractiveness of the role 	<p>Status quo: truck drivers not on Green List and only likely to qualify for residence if highly-paid</p> <p>Significant numbers already coming to work in New Zealand temporarily under the AEWV, so unclear that a residence pathway is required as an additional incentive</p>
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⁷ Total applications submitted between the opening of the Accredited Employer Work Visa (04 July 2022), or the opening of the AEWV Job Check (20 June 2022) and 10pm 28 November 2022. Does not include decision type. Does not include other visa types including residence applications. Some occupations have multiple ANZSCO codes.

Implementation

67 Changes to the Green List for registered nurses, doctors and midwives can likely be implemented in December 2022, with some nurse practitioners and nurse managers (not currently on the Green List) added in 2023. Implementation of the other changes will depend on the scope of what we agree for the health sector. Implementation will commence in March 2023 once detailed policy decisions are made. A smaller list of occupations, assuming a very narrow list for the health sector, could be implemented faster, while a longer list will take more time.

Financial Implications

68 The proposal to extend employer accreditations by 12 months will result in revenue loss for Immigration New Zealand. Variable processing costs for accreditation renewals will not be incurred. However fixed system costs and the cost of post-decision checks on employers will still be incurred. I propose that these be recovered from employers through future accreditation fees.

Legislative Implications

69 There are no legislative implications of these proposals.

Impact Analysis

Regulatory Impact Statement

70 This proposal does not involve the potential introduction, repealing or amending of legislation, so regulatory impact analysis is not required.

Population Implications

71 Populations impact analysis for these specific proposals has not been undertaken. Previous papers have outlined impacts of the Immigration Rebalance on key population groups (*Immigration Rebalance – determining the green list and sector agreements*). It is not anticipated that the changes to the Green List in this paper will have a significant additional impact on population groups.

Human Rights

72 The proposal regarding the use of section 49 of the Immigration Act 2009 may have implications for human rights, which have not been considered in detail. If this proposal is progressed, the Ministry of Justice will be consulted.

Consultation

73 The following agencies and departments have been informed of the proposals in this paper: Ministry of Business, Innovation and Employment (MBIE), Ministry of Health, Te Whatu Ora, Ministry of Transport, Waka Kotahi, Ministry of Education, Ministry for Primary Industries, Infrastructure Commission, Department of the Prime Minister and Cabinet, Ministry of Social Development, and the Treasury.

- 74 Where time allowed, MBIE officials have briefly discussed the proposals with relevant agencies. The Ministry of Health and Te Whatu Ora raised a view that the proposals for the health sectors should be wide and include most or all health workforce roles. The Ministry of Education requested additional consideration of lower-paid roles in the education sector. Requests for specific occupations were received from Accident Compensation Corporation, the Department of Corrections, and Oranga Tamariki, many of which are in scope of the health sector proposals.

Communications

- 75 I intend to announce these Green List changes in December 2022.

Proactive Release

- 76 This paper will be proactively released subject to redactions as appropriate under the Official Information Act 1982 after announcements are made. Depending on the timing of announcements, this may be beyond the normal 30 business days.

Recommendations

The Minister of Immigration recommends that the Committee:

- 1 note that in September 2022, Cabinet agreed that the Minister of Immigration would report back in early 2023 on proposals for potential additions to the Green List to address any critical gaps as part of advice to confirm new SMC settings, which will work alongside the Green List residence pathways (CAB-22-MIN-0145);
- 2 agree to make changes to the Green List now, in place of specific Green List proposals as part of the forthcoming report back on new SMC settings;
- 3 note that a more systematic review of the Green List is still scheduled for mid-2023;
- 4 note that the Minister of Immigration has made decisions to include all medical doctors on the Green List and will certify immigration instructions shortly to give effect to that decision;
- 5 agree to:

EITHER

- 5.1 move all registered nurses and midwives from the Green List work to residence pathway to the Green List straight to residence pathway, noting that pay parity work underway in the health sector should help to resolve the retention issue as in [43] [MBIE and the Minister of Immigration recommend this mechanism for giving effect to this change];

OR

- 5.2 move all registered nurses and midwives from the Green List work to residence pathway to the Green List straight to residence pathway, and use section 49 of the Immigration Act 2009 to require aged care nurses to remain

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in the non-government aged care sector for two years following the grant of residence [MBIE does not recommend this approach];

6 agree to:

EITHER

6.1 agree in principle to continue a targeted approach to the Green List, focusing on the most critical occupations in shortage and leaving the Skilled Migrant Category to provide a residence pathway for all other skilled health occupations;

AND

6.2 direct health and immigration officials to report back to the Minister of Immigration in early 2023 with a targeted, short list of the highest priority, skilled occupations to add to the Green List that:

6.2.1 would normally meet the new SMC skill levels AND

6.2.2 there is a clear case that a Green List residence offer is required above what would be available under the SMC;

OR

6.3 Confidential advice to Government

AND

Confidential advice to Government

OR

6.5 agree in principle to include all health workforce roles on the Green List, with a median wage threshold:

6.5.1 Confidential advice to Government

6.5.2 all other health workforce roles on the work to residence pathway;

AND

- 6.6 direct health and immigration officials to report back to Cabinet in early 2023 with a definition of the health workforce and a list of occupations for inclusion on the Green List;
- 7 note that registered Early Childhood Education teachers and some specialisations of secondary school teachers are on the Green List work to residence pathway;
- 8 agree to add all secondary school teachers to the Green List work to residence pathway;
- 9 agree to add primary school teachers to the Green List work to residence pathway;
- 10 agree to add auditors to the Green List straight to residence pathway;
- 11 agree to add halal slaughterers to the Green List work to residence pathway;
- 12 agree to add skilled motor mechanics to the Green List work to residence pathway;
- 13 agree to add skilled telecommunications technicians to the Green List work to residence pathway;
- 14 agree to add construction supervisors (specifically civil construction supervisors) to the Green List work to residence pathway;
- 15 agree to add gasfitters to the Green List work to residence pathway;
- 16 agree to add drainlayers to the Green List work to residence pathway;
- 17 agree to add skilled crane operators to the Green List work to residence pathway;
- 18 agree to add skilled civil machine operators: Earthmoving Plant Operator (General), Backhoe Operator, Bulldozer Operator, Excavator Operator, Grader Operator, Loader Operator) to the Green List work to residence pathway;
- 19 agree that following Cabinet's in principle agreement to recommendations [8] – [18], the Minister of Immigration will make any ancillary decisions required to give effect to the decisions, including precise role description, ANZSCO categorisation and any skill or registration requirements;
- 20 agree in principle to provide a residence pathway through a sector agreement for bus drivers and truck drivers;
- 21 direct officials to briefly consult transport sector representatives on recommendation [20];
- 22 invite the Minister of Immigration to finalize the detailed settings for a bus driver and truck driver sector agreement in 2023;

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- 23 note that changes for registered nurses, midwives and medical doctors will be implemented in December 2023, and the remaining changes will be implemented in the first quarter of 2023;
- 24 agree to extend all employer accreditations under the Accredited Employer Work Visa applied for before 4 July 2023 by 12 months, to support employers while they are adjusting to the new system;
- 25 agree that the revenue shortfall from extending accreditation (estimated at up to \$28 million in 2023/24) will be recovered from employers by increasing accreditation fees at the next fees review;
- 26 agree to defer the expansion of the accreditation system to cover all migrants (including open work rights visa holders) from mid-2023 until 2024.

Authorised for lodgement

Hon Michael Wood

Minister of Immigration

Appendix: Other occupations raised for Green List or sector agreement inclusion

Health-related roles raised by other agencies or offices, which will likely be included if Cabinet agrees to the broader approach to the health sector capturing most allied health roles:

- Physiotherapists
- Audiologists and speech pathologist / therapists
- Counsellors including student counsellors

Health-related roles raised by other agencies or offices, which will likely be included if Cabinet agrees to a sector-wide approach to the health sector:

- Health care assistant

Other sectors:

- Lower-paid education roles (e.g. teacher aides)
- Maritime occupations (e.g. stevedores)
- Inclusion of all automotive electricians and mechanics (not just motor mechanics)
- Panel beaters
- Vehicle painters
- Specified ICT analyst roles paid below \$57.69 per hour
- Corrections roles, primarily corrections officers