



COVERSHEET

Minister	Hon Andrew Little	Portfolio	Immigration
Title of briefing	Future of the Skilled Migrant Category	Date to be published	15 January 2024

List of documents that have been proactively released

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

Information redacted

YES

Any information redacted in this document is redacted in accordance with MBIE's and MFAT's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Some information has been withheld for reasons of protection of privacy of natural persons, free and frank opinions, and confidential advice to Government.



Cabinet Economic Development Committee

Minute of Decision

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

Future of the Skilled Migrant Category: Final Proposals

Portfolio **Immigration**

On 5 April 2023, the Cabinet Economic Development Committee:

Background

- 1 **noted** that following Cabinet’s consideration of proposed changes to the Skilled Migrant Category (SMC) in September 2022 [CAB-22-MIN-0411], officials undertook public consultation on the proposals for five weeks in October and November 2022;

Skill threshold

- 2 **noted** that temporary work visas are an appropriate response to immediate labour market needs and residence more appropriately responds to medium- to long-term labour market needs;
- 3 **noted** that the objective of the SMC is to support New Zealand’s economic growth by granting residence to people who can fill medium- to long-term skill needs that would be hard, or take time, to fill from the domestic labour market, even under the right conditions;
- 4 **confirmed** the decision taken by Cabinet in September 2022 to retain a gap between eligibility for temporary work and residence, to enable flexibility to manage impacts on productivity, absorptive capacity, and risks of displacement in an economic downturn;

Simplified points system

- 5 **confirmed** the decision taken by Cabinet in September 2022 to implement a simplified points system for residence under the Skilled Migrant Category, where applicants must claim at least 6 points, equivalent to six years, based on:
 - 5.1 3 to 6 points for New Zealand regulated professional registrations, recognised qualifications at Bachelor’s level or above, or income of at least 1.5 times the median wage; and
 - 5.2 for people who meet the skill threshold, 1 point per year worked in New Zealand in a skilled job, up to a maximum of three years;
- 6 **noted** that there was some criticism of what was perceived as a narrow definition of “skilled”, particularly where skills are primarily gained on-the-job or where formal training is shorter than the threshold set;

- 7 **noted** that the Minister of Immigration is proposing one change to the proposed simplified points system to allow two-year registrations to qualify for three points, which will bring in a small number of additional trade roles;
- 8 **noted** that officials explored other options to recognise a broader range of skills, but any changes would result in a significant widening of eligibility, or introduce significant complexity, without necessarily capturing the desired skills;
- 9 **agreed** that, if there are high-value skills that are not captured under the simplified points system, the Green List and/or Sector Agreements are the most appropriate mechanisms to provide residence pathways (if limited to a small number of occupations);
- 10 **noted** that officials will undertake further work to formalise the criteria and evidence requirements for consideration of roles on the Green List as part of their work on the Green List review;
- 11 **agreed** to not have special conditions for specified occupations, as the proposed skill threshold and other measures are likely to mitigate most immigration and labour market risks;
- 12 **note** that officials will monitor immigration and labour market trends among SMC applicants, and reconsider a specified occupations list if risks emerge;
- 13 **agreed** to move the Highly Paid Residence Visa into the simplified points system for simplicity and consistency;
- 14 **agreed** to close the SMC Job Search Visa, as its application under the simplified points system would be limited and other options are available for people to search for jobs in New Zealand;
- 15 **noted** that the Green List, Sector Agreements, and the simplified points system will be presented under one banner of “Skilled Residence Visas” to support migrants and employers to understand the range options available to them;

Maximum Continuous Stay

- 16 **confirmed** the decision taken by Cabinet in September 2022 to implement a maximum continuous stay (previously called a “stand-down”), after which people on an Accredited Employer Work Visa (AEWV) must leave New Zealand for at least 12 months before being eligible for another AEWV, to manage the risks of people becoming well-settled in New Zealand without a realistic pathway to residence;
- 17 **agreed** to extend the maximum continuous stay from three years to five years, which balances the goals of providing clarity and reducing risks to migrants while allowing more time for people to work in New Zealand;
- 18 **agreed** that, as an exception to the maximum continuous stay, people who can demonstrate they are on a recognised pathway to residence, e.g. those who have achieved the skill threshold but need more time to complete the skilled work experience, will be eligible to apply for a further AEWV with no labour market test, for a maximum of three years;

Extending the length of the AEWV

- 19 **agreed** to extend the maximum length of an AEWV to five years, if a maximum continuous stay of five years is confirmed, to align the length of stay and enhance the attractiveness of the AEWV for migrants and employers;
- 20 **agreed** that, subject to extending the maximum length of an AEWV to five years, anyone currently on an AEWV and earning at least median wage will be eligible to make a further visa application to stay on an AEWV for a total of five years, and that no labour market test will be required for this further visa;
- 21 **noted** that the change to a maximum five-year AEWV, including provisions for existing AEWV holders, will be implemented in November 2022;
- 22 **agreed** to implement an interim visa, with travel conditions imposed, to enable people to remain legally in New Zealand, as well as travel overseas, while their residence application is processed;

Implementation

- 23 **noted** that the implementation of the simplified points system is expected to take at least six months following Cabinet decisions;
- 24 **authorised** the Minister of Immigration to finalise the criteria for the visa changes contained in the paper under DEV-23-SUB-0049 and make any subsequent updates in line with the agreed policy approach;
- 25 **authorised** the Minister of Immigration to certify immigration instructions for an Expression of Interest and Invitation to Apply process to apply to the new Skilled Migrant Category where the Minister considers it necessary, and/or to take and implement other decisions related to the application process in line with the decisions under DEV-23-MIN-0049;
- 26 **noted** that announcements will be made shortly after Cabinet decisions to provide certainty for employers and migrants;
- 27 **noted** that the final draw of Expressions of Interest under the current Skilled Migrant Category will be two months before the new settings are implemented, and that the category will be formally closed once any resulting applications have been processed.

Jenny Vickers
Committee Secretary

Attendance: (see over)

Present:

Hon Grant Robertson (Chair)
Hon Dr Megan Woods
Hon Michael Wood
Hon Dr Ayesha Verrall
Hon Willie Jackson
Hon Damien O'Connor
Hon David Parker
Hon Peeni Henare
Hon Priyanca Radhakrishnan
Hon Kieran McAnulty
Hon Ginny Andersen
Hon Dr Duncan Webb
Hon Rino Tirikatene
Hon Dr Deborah Russell
Jo Luxton MP

Officials present from:

Office of the Prime Minister
Officials Committee for DEV