Briefing for the incoming Minister of Immigration November 2023

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1. Welcome to the Immigration portfolio

- 1. As the Minister of Immigration you have a number of priorities focused on New Zealand's immigration system. We have set out our understanding of your priorities below. We would value an early opportunity to discuss their relative priority for you, intended timing of these, and to support you to develop a portfolio work programme.
- 2. We understand the key themes of your priorities include targeting particular sectors and/or occupations that have either current skills/labour shortages, or that may drive economic growth with bespoke visas and more attractive settings. The themes also include a focus on fast visa processing and funding settings to enable that.
- 3. Particular priority initiatives from your manifesto and coalition agreements include:
 - Increase the cap on the number of workers under the Recognised Seasonal Employer scheme to increase the flexibility of the quota allocation system.
 - Introduce a five-year, renewable parent category visa.
 - Remove median wage requirements from Skilled Migrant Category visas.
 - Make it easier for family members of visa holders to work in New Zealand, beginning with Skilled Migrant Category visa holders.
 - Expand work rights for international students and their partners.
 - Improve the Accredited Employer Work Visa to focus the immigration system on attracting the workers and skills New Zealand needs.
 - Investigate the establishment of an "Essential Worker" workforce planning mechanism to better plan for skill or labour shortages in the long term.
 - Ensure those found responsible for the abuse of migrant workers face appropriate consequences.
 - Residence pathway and alternative wage requirement for agricultural workers.
 - Increase Working Holiday Scheme age and allow for subsequent visas if they work in areas of labour shortage, such as tourism.
 - Increase fees for visas (except for Pacific Islands) and allow for paid prioritisation.
 - Target the top end of tech talent with new visas including for digital nomads, those working in global tech firms and those who have graduated from a top 100 university.
 - Ensure Immigration New Zealand is engaged in proper risk management and verification to ensure migrants are filling genuine workforce needs.
 - Address and provide solutions for improved focus in New Zealand immigration policy.
- 4. We will also engage with you on fiscal sustainability, and the ways in which we can contribute to the Government's targets.
- 5. The purpose of this briefing is to:
 - reflect that we understand your priorities for the portfolio
 - provide background information about the Immigration portfolio
 - provide initial advice on the strategic issues facing the New Zealand immigration system
 - identify key areas where the Ministry of Business, Innovation and Employment (MBIE) considers policy settings within your portfolio could be improved, to lift the performance of regulatory

systems and optimise their effect on outcomes. These areas could be considered for inclusion in the work programme alongside your stated priorities.

6. Further briefings will be provided to you in coming weeks and months, focussing on specific topics in greater depth, including how we can implement your priorities.

2. Portfolio overview

Responsibilities

- 7. The immigration system regulates the entry and stay of foreign nationals in New Zealand to support a range of national objectives:
 - to support the economy and the labour market with key skills and capital
 - to enable family reunification and maintain family ties
 - · to contribute to meeting New Zealand's international and humanitarian commitments
 - to support the security and integrity of New Zealand's borders.
- 8. The responsibilities of the Minister of Immigration include leading the policy and strategic direction for the immigration system, certifying immigration instructions which set the rules and criteria for the grant of visas and entry permission, and decision-making in regard to individual cases.

Department

- 9. MBIE provides the following support for this portfolio:
 - Immigration New Zealand (INZ) administers the core operational function and manages offshore risk
 - the Immigration Policy teams, within the Labour, Science and Enterprise (LSE) group, provide policy advice
 - Te Whakatairanga Service Delivery (TWSD) group, as MBIE's compliance centre of expertise, undertakes onshore investigation and compliance and provides MBIE customer support through the website and contact centre for immigration
 - the Immigration Advisers Authority, within TWSD, provides services to license people who provide New Zealand immigration advice.
- 10. In total, there are 2860.4 Full-Time Equivalent (FTE) staff members working in your portfolio. This represents 44.6% of the total MBIE workforce. In the Immigration portfolio, 99% of staffing is operational and 1% is policy.

Table 1: Number of Full-Time Equivalent staff in the Immigration portfolio*

Function	Portfolio FTE	Portfolio %
Operational	2821.4	99%
Policy	39.0	1%
Total staff	2860.4	100%

^{*}The portfolio view does not include enablement functions (e.g. Finance, Legal, Communications, ICT, Ministerial Services).

Note: All numbers are represented as FTE, and data is as at 30 September 2023

How the Immigration System is funded

11. Approximately two-thirds of the cost of the immigration system are currently recovered from third-party users of the immigration system through:

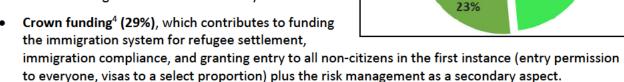
Funding sources for immigration

Levies

Fees

48%

- Fees¹ (48%), which are charged on a full cost-recovery basis for the direct and indirect costs of visa decisionmaking or New Zealand Electronic Travel Authority (NZeTA) requests.
- Levies² (23%), which contribute to the maintenance costs of the immigration system, such as system infrastructure (e.g. ICT), managing immigration risks, supporting migrant settlement, research into the impacts of immigration, the attraction of migrants, and the Immigration Advisers Authority³.



- 12. The immigration system funding arrangements aim to align with best practice guidance and cost recovery principles from the Office of the Auditor-General and the Treasury relating to setting and administering fees and levies⁵ including those who benefit from the provision of services should pay towards the costs of providing those services.
- 13. The *Immigration Services* Multi-Category Appropriation (MCA) groups the fees, levies and Crown Funding together. It has funding of \$538.5 million for 2023/24 (as at Budget 2023) as follows:

	\$M
Assessment and Processing Services Funding for the assessment and processing of visa applications.	373.7
Integrity and Security of the New Zealand Immigration System Funding for border control, the investigation, and prosecution of entities which breach the Immigration Act, the deportation of people unlawfully in New Zealand or in breach of their visa conditions, and related services to maintain and enhance the integrity and security of New Zealand's immigration system.	82.9
Services for the Attraction of Migrants Funding for the development and provision of services and information aimed at attracting migrants to New Zealand.	8.7
Settlement and Integration of Refugees and other Migrants Funding for the provision of services that enable the settlement and integration of new migrants and refugees, including processing claims for refugee and protected persons status.	73.2
TOTAL Immigration Services MCA	538.5

⁴ Crown funding is for those things that represent a public good.

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¹ Fees are for services which benefit individuals and represent private goods as set out in Section 393 of the Immigration Act 2009

² Levies are charges that cannot be directly attributed to a specific applicant and represent a club good as set out in section 399 of the Act.

³ Immigration Act 2009, section 399(2).

⁵ Office of the Auditor General, Setting and administering fees and levies for cost recovery: Good practice guide (August 2021) and the Treasury, Guidelines for Setting Charges in the Public Sector, June 2017.

14. This is broken down across fees, levies and Crown funding in the following way:

MCA categories	3 rd party fees (visa + eTA), \$M	Levy, \$M	Crown*, \$M	Total 2023/24 funding, \$M
Assessment and Processing Services	261.2 (70%)	68.7 (18%)	43.8 (12%)	373.7 (100%)
Integrity and Security of the New Zealand Immigration System	-	42.7 (52%)	40.2 (48%)	82.9 (100%)
Services for the Attraction of Migrants	-	7.2 (83%)	1.5 (17%)	8.7 (100%)
Settlement and Integration of Refugees and Other Migrants	-	4.3 (6%)	68.9 (94%)	73.2 (100%)
Total Immigration Services MCA	261.2 (49%)	123.0 (23%)	154.3 (29%)	538.5 (100%)

15. The remaining Immigration appropriations (mostly Crown funded), total approximately \$12.5 million for 2023/24, covering the following functions:

	\$M
Policy Advice and Related Services to Ministers – Immigration Limited to the provision of advice and services to support decision-making by Ministers on government policy matters relating to immigration policy and international immigration commitments.	8.5
Regulation of Immigration Advisers Limited to the regulation of persons who provide immigration advice, facilitating the education and professional development of Immigration Advisers, and increasing public awareness of the Immigration Advisers Authority	4.0 ⁶

Legislation

- 16. The portfolio is responsible for the following legislation:
 - The Immigration Act 2009⁷
 - The Immigration Advisers Licensing Act 2007
- 17. Section 4 provides more detail on the legislation and how it establishes the decision-making framework for immigration.

⁶ Just under \$1 million is funded by licensing fees and levies paid by immigration advisers.

⁷ The Minister of Tourism is responsible for Sections 399A and 399B (which relates to the International Visitor Levy)

3. Strategic opportunities

The economic context

- 18. As outlined in MBIE's separate briefing on the economic context, New Zealand's economy faces a number of long-term challenges. These include weak productivity, increasing stresses on our economic resilience, negative impacts on the natural environment and significant disparities between different population groups. Compounding these are global 'megatrends', such as changes in climate, technology, and demography, and rising geopolitical tensions. In the short-term, our economy also faces immediate headwinds. These challenges and trends present both risks and opportunities to the economy.
- 19. Your portfolio impacts on these issues, both directly and in collaboration with other portfolios. The closest links are with the other labour market portfolios Workplace Relations and Safety, and ACC as well as Education. MBIE can help you to work collaboratively across portfolios and with other stakeholders, such as business and local communities, to achieve your immediate portfolio priorities and address these challenges and their impact on the labour market.
- 20. The New Zealand labour market has performed well in terms of job creation and absorbing large shifts in the workforce (such as the long-term expansion of the service sector, increases in women's labour force participation, and large fluctuations in net migration). But long-standing challenges remain, including low labour productivity, modest real wage growth, relatively high rates of skill mismatch, high rates of work-related harm, and poor participation and outcomes for some population groups. Furthermore, workers who experience involuntary job loss (through redundancy or ill health) can experience sudden income drops with pressure to take the first job that comes along, rather than finding their best match. Annex 1 provides more information about the current state of the New Zealand labour market.
- 21. To boost incomes, improve participation and ensure that we have a growth focused economy, the labour market needs to be responsive to changing needs. Coordinating action across labour market portfolios will help enhance the effectiveness of interventions to:
 - Improve labour market productivity and lift real wage growth.
 - Improve matching between the supply and demand for skills, with immigration levers addressing
 critical short-term skills shortages and the education and training system better anticipating and
 responding to long-term skill needs.
 - Reduce persistent labour market and economic disadvantage.
 - Ensure the right settings in labour market regulatory systems so that they are fit-for-purpose and support business performance.
- 22. Given the interdependencies and synergies between portfolios at both the ministerial and agency level, there is a strong case for setting up effective governance mechanisms to ensure co-ordination. We would like to discuss options for this governance with you.

The Immigration System

- 23. New Zealand's immigration system regulates the entry and stay in New Zealand of people who are not New Zealand citizens.
- 24. The Minister of Immigration is responsible for the immigration system, including the regulation of the immigration advice industry, and is responsible for leading the development of all immigration policy, as well as for the immigration-related appropriations that fall within Vote Labour Market.

- 25. The Minister of Immigration also has powers under the Immigration Act 2009, including as a primary decision maker, and can delegate most aspects of that decision-making power to other Ministers and officials.
- 26. The Immigration system supports a range of economic, social, security, international and humanitarian objectives. Immigration settings need to balance effects across these objectives, particularly the need to balance potentially negative effects of immigration on the labour market with facilitating the attraction of highly skilled workers and migrants to fill genuine skills gaps. The regulatory system also needs to strike the right balance between facilitating genuine travellers, including people with the skills the New Zealand needs, and ensuring its integrity.
- 27. The immigration system has two major types of visas that allow non-citizens entry into and stay in New Zealand temporary and residence.
 - Temporary entry-class visas allow people to be in New Zealand for a specified period of time, to visit, study or work.
 - Residence-class visas allow people to live indefinitely in New Zealand, and to work or study if they
 wish, on the same basis as citizens. Residence class-visa holders can apply for citizenship, generally
 after five years.

Table 2: Pathways into New Zealand through the Immigration System

Temporary Visas	Residence Visas	
Work visas:	Business/Skilled	
- Accredited Employer Work Visa (AEWV)	- Skilled Migrant Category	
- Working Holiday Visa	- Skilled Residence	
- Post-study Work	- Investor	
- Recognised Seasonal Employer (RSE)	- Entrepreneur	
- Partner of a New Zealander	Family	
- Partner of a worker or international student	- Partnership	
Student Visa	- Parent	
- International student (fee-paying)	International/Humanitarian	
- Child of a worker or international student	- Refugee	
- Child of a New Zealander	- Samoan Quota	
Visitor Visa	- Pacific Access	
	- Other	

Annex 3 provides further details on these categories.

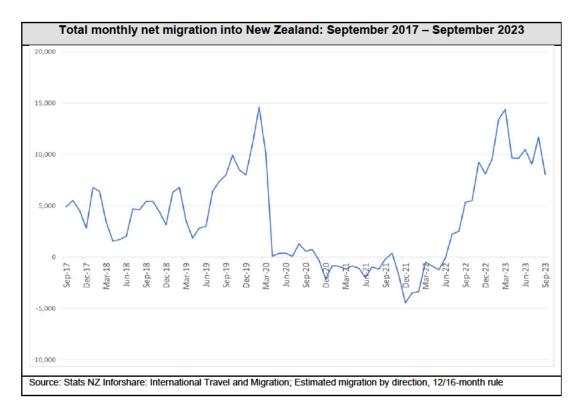
The context – we have been through a period of significant change that put significant pressure on the immigration system

- 28. The broader policy context for the immigration system can be broken down into three recent time periods, with markedly different pressures: the pre-COVID period (up to the end of 2019); the COVID period when New Zealand's borders were substantively closed; and the period since the border fully reopened in mid-2022.
- 29. **Prior to COVID-19**, the immigration context was characterised by a high growth in numbers of low-skilled and relatively low-paid temporary work visa holders and increased pressure on skilled residence visas. Processing times for some visa types were growing. Migrant exploitation and employer and migrant non-compliance were growing areas of focus. The "Immigration Rebalance" was developed in response to these trends in particular, it sought to reduce some sectors' dependence on low-skilled cheap labour, which was impacting on New Zealand's long-term productivity growth.

- 30. **COVID-19** resulted in unprecedented challenges for the immigration system, related primarily to the closure of the border, with flow on effects for families and the economy. The economic effects of COVID-19 varied considerably, with regions and industries that relied on open borders (such as tourism and international education) particularly affected. INZ was also significantly affected its revenue significantly reduced due to fewer applications, while its visa processing capacity shrank because of the accelerated closure of offshore processing sites⁸ and the effects of lockdowns (in New Zealand and overseas). It also needed to rapidly respond to constant changes to border settings and new visa demands.
- 31. On 31 July 2022, **the border fully reopened**, and visa processing resumed for all categories, including visitor and student visas. At the same time, new categories were implemented (the AEWV), or developed at pace (the Green List).
- 32. These periods meant significant changes to who was allowed into New Zealand. Along with the sizeable stresses placed on the immigration system by these changes, other events placed further pressure on the system:
 - the 2021 New Lynn terror attack, which drew attention to national security issues within the immigration system
 - the Afghan National Resettlement response, also in 2021, which enabled the evacuation of Afghan nationals who had provided assistance to the New Zealand Defence Force or other government agencies
 - the 2021 Resident Visa, which has granted residence to nearly 210,000 people who were here over the COVID-19 period
 - the war in Ukraine, and the subsequent humanitarian crisis, which led to an immigration response in New Zealand with a special humanitarian temporary visa
 - the extreme weather events of early 2023, which the government responded to with a dedicated visa policy to support the recovery
 - out of hours compliance activity in 2023 that was likened to the Dawn Raids, which was subsequently reviewed by Mike Heron KC
 - the exploitation of vulnerable workers holding AEWV visas in mid-2023.
- 33. The immediate **post-COVID-19 period** has seen a sharp spike in New Zealand's net migration rate, and it is still unclear how much of this is catch-up, and what direction it may go in. This growth is a global phenomenon the OECD recently reported that migration to OECD countries in 2022 is at "unprecedented levels", with more than one in three OECD countries having their highest levels in at least 15 years, and several countries reporting the highest levels on record.
- 34. The following graph shows the level of net migration into New Zealand by month. While the data appears to show that net migration seems to have peaked in March 2023, it is too early to tell if this is the case. If it has, it also appears that net migration is settling at about 9,000 per month (about 108,000 per year), which is significantly higher than historical levels.

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⁸ INZ was already reducing its offshore footprint – COVID, however, accelerated this process.



High net migration – is it good or bad?

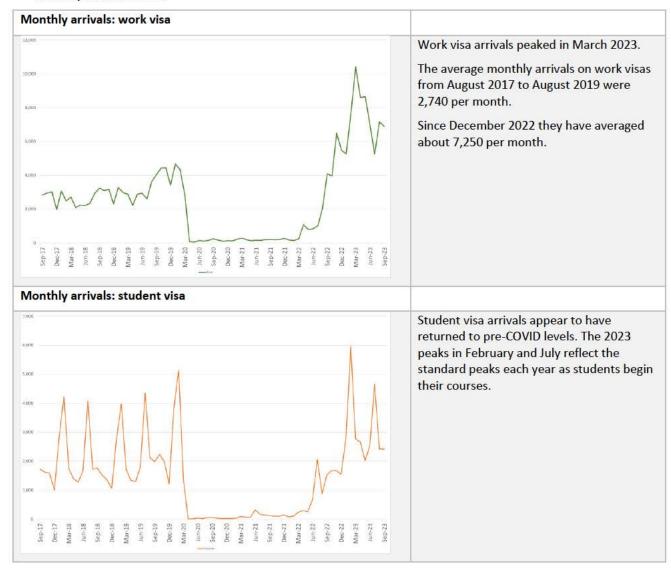
- 35. Net migration into New Zealand is high by historical standards. The provisional net migration gain of 118,800 for the year to September 2023 is the highest on record for an annual period. At times high net migration can be positive and at other times it can be negative – it can ease pressures in the economy while also creating pressures on infrastructure and services.
- 36. The 2022 Productivity Commission Inquiry into immigration in New Zealand9 discussed some of these pressures. The Commission said that immigration has played an important part in New Zealand's economic development. In the last decade, immigration has reduced the risk of labour shortages for employers in various sectors of the economy. Skilled migrants (both those on residence and temporary visas) have contributed positively to firm productivity, in a similar way to high-skilled New Zealandborn workers. Following the border reopening in 2022, immigration has been an effective way to increase the capacity of a very tight labour market.
- 37. However, the Commission pointed out that the supply of infrastructure is less responsive to population growth now than in the past. High net migration can put pressure on what the Commission calls our absorptive capacity. Absorptive capacity is a broad concept, covering physical infrastructure (like transport, communications), land supply and housing infrastructure, core public health and education services, and broader community infrastructure.
- 38. Unless our absorptive capacity keeps pace with population growth, then we will have increasing difficulty to take in more migrants and provide high-quality services to locals. There can be a tension where increased migration puts pressure on this absorptive capacity, but can provide the workforce needed to alleviate the pressure on absorptive capacity.
- 39. Complicating this is the nature of departures and arrivals. New Zealanders who leave tend to come from all around New Zealand, while migrants who arrive tend to settle in the main cities (particularly in Auckland). High net migration can amplify the pressure on urban infrastructure.
- 40. There is no doubt that the high net migration we experienced through 2022/23 has been positive for New Zealand. It provided labour for the economy at a time when there were significant capacity

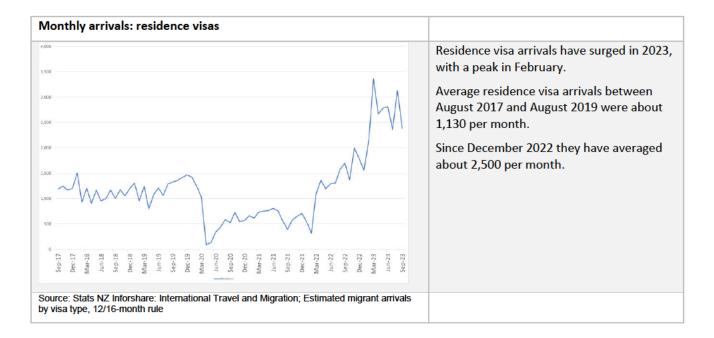
⁹ https://www.productivity.govt.nz/inquiries/immigration-settings/final-report/

constraints. If migration were to stay at the levels seen in early 2023 then there could be impacts on our absorptive capacity. Determining what is a 'sustainable' level of long-term migration is a difficult exercise. The Productivity Commission's concept of a Government Policy Statement for immigration is a way of getting to this point.

Numbers coming into New Zealand through the main immigration system pathways are above pre-COVID levels

- 41. Since the border reopened the focus of the immigration system has been to facilitate the return of international visitors to New Zealand, enable skilled workers to come to New Zealand, minimise the incidences of migrant exploitation, and allow the return of international education, while maintaining the integrity of New Zealand's borders.
- 42. The high level of net migration shows that the system has been successful in doing this. The flows of workers, students and residents coming into New Zealand are all higher than pre-COVID. There is likely to be an element of 'catch-up' following the reopening of the borders, and we will be keeping a close eye on where the numbers settle, with early indications suggesting that the new normal will be higher than in the past. Whether this is sustainable is a broader question for the government to consider in the context of New Zealand's absorptive capacity.
- 43. The following graphs show the levels of monthly arrivals by three visa classes between September 2017 and September 2023.





Key priorities for the portfolio

In setting the following priorities we need to balance competing objectives to ensure immigration contributes to improving outcomes for New Zealanders

- 44. Immigration supports and requires rationing trade-offs across multiple outcome areas:
 - Economic supporting the flow of skilled workers, and export sectors like tourism and international
 education, while balancing this with labour market opportunities for New Zealanders, improving
 productivity and managing infrastructure and public service pressures that migration brings.
 - Societal supporting families to form and settle in New Zealand and contributing to a diverse and internationally connected culture.
 - International and humanitarian supporting international relationships and upholding New Zealand's humanitarian obligations/commitments.
 - National security keeping New Zealand and New Zealanders safe and secure from new and emerging security threats.
 - The Treaty of Waitangi supporting the achievement of key outcomes for Treaty partners.
- 45. The system also needs to work efficiently and effectively to facilitate travel while managing risks.
- 46. The Government makes and communicates decisions about how it is broadly using the immigration systems to achieve other objectives. In the last 20 years there has been a generally consistent approach at a high level:
 - Allowing workers needed by the economy to come where they are not taking direct or indirect
 opportunities away from New Zealanders, or are at high risk of exploitation
 - Facilitating the flow of tourists and family visitors, while managing overstayer risks
 - Allowing families to reside in New Zealand, though restricting this to immediate family and a few parents to reduce population pressures on infrastructure and key medical and social services
 - Resettling refugees in New Zealand at volumes for which we have confidence we can support good settlement outcomes while also supporting vulnerable New Zealanders

- Supporting some special access to Pacific countries for work and residence to recognise the special relationship and regional development benefits
- Protecting New Zealanders from harm from those crossing the border.
- 47. Within these broad parameters, recently (outside the COVID response) there has been more emphasis on using immigration settings to still facilitate skills attraction with a stronger focus on restricting lower skilled workers to encourage productivity improvements and using it as a more active labour market lever to lift incentives to train and improve wages and conditions for New Zealanders. This has been coupled with an improved suite of tools to combat exploitation.
- 48. We have been working on several areas where immigration plays a major role in cross-government outcomes. There are areas of work underway that we would like to understand your interest in and areas of work that we would like to advance with you that are high on your priority list. We will provide advice on these in the coming weeks and invite your feedback to ensure that the work aligns with your priorities in both policy direction and timing.

Immigration system performance involves balancing across several dimensions

- 49. The immigration system can be tilted to focus on different dimensions of performance. These dimensions include speed, efficiency, compliance and cost. A system that is heavily focused on compliance and enforcement (ensuring that people are following the rules) can tilt away from speed of visa processing and efficiency. Putting more money into the system can balance this more, but there is only so much that can be tolerated in terms of the 'price' of services.
- 50. Tilting from one dimension to another involves judgements about the level of risk that is accepted. Risks can involve people staying in New Zealand when they shouldn't; people doing things that their visas don't allow; or employers exploiting vulnerable migrants.
- 51. These shifts in focus come about from policy preferences. Undertaking these shifts can take time and involves changes within the system (e.g. changing Immigration Instructions, changing rules within IT systems) that can be resource intensive and involve prioritising resources from one area to another.
- 52. In implementing your policy agenda, we will provide advice on the best way to sequence work to achieve the shifts in performance that you seek.

Priority Area 1: Support businesses to get the skills they need through stable visa and immigration settings

- 53. Economies and labour markets are dynamic. Migration is important in helping to manage some of this dynamism. The focus of changes to the immigration system in recent years has been to:
 - make it easier for high skilled workers to work and reside in New Zealand
 - narrow the pathways for low skilled workers
 - provide a flexible suite of broad and targeted tools so that thresholds can be adjusted easily to
 achieve broader objectives (for example, using sector agreements when workforce capacity
 constraints are holding sectors of the economy back).
- 54. Changes to immigration settings including the introduction of the AEWV and associated median wage threshold, Green List and changes to the Skilled Migrant Category have aimed to make it easier for employers to attract and hire high-skilled migrants to work and live in New Zealand.
- 55. The key building blocks of the system are a mix of across-the-board settings and options for targeted flexibility. We consider that these settings should remain, with a focus on using the flexibility that exists to achieve your objectives. Specific areas that we would like to discuss with you include:
 - Utilising the AEWV and skilled resident toolsets to secure skills for a productive economy
 - Reducing migrant exploitation

- Expanding Working Holiday schemes
- The role of government actors in attracting top skills and talent to New Zealand
- The role of immigration in rebuilding a high-quality and internationally competitive international education sector.

Priority Area 2: An immigration funding model that is efficient, self-funding and sustainable

- 56. Immigration is funded through a mixture of Crown funding, fees and levies. You have said that you want a self-funding immigration system, which will free up the Crown funding for other uses and have those who benefit for immigration paying the cost of it. The Government is focused on ensuring the public services operate efficiently.
- 57. The immigration system appropriation has increased by 30% since 2019 for similar visa volumes. Some of the increase in cost has been the result of explicit investments (in new technologies and operating models) and operational choices (such as moving offshore-processing back to New Zealand).
- 58. We will look to talk with you specifically about how we recalibrate immigration funding and make it sustainable. This will be through a mix of immediate savings that can be made, shifting the revenue sources to align with a self-funding operating model, and medium-term cost pressures.

Priority Area 3: A strong performing regulatory system

- 59. Regulatory systems require constant adjustment to stay current and manage potential risk. This means adapting to reflect changing priorities of governments and changes in technology and business practices, while taking into account lessons learned and stakeholder feedback. MBIE is working to build our capability to better:
 - understand the performance of the system
 - design systems that are effective and easy to comply with
 - effectively engage with relevant Ministries and Crown entities
 - effectively engage with stakeholders and Treaty partners.
- 60. This work aims to reduce the risk of regulatory failure or poor system performance, remove unnecessary compliance costs, and improve the effectiveness of government interventions and regulatory activities.
- 61. MBIE's stewardship of the immigration system is focused on ensuring that the system calibrates detailed policy design with administrative processes to achieve the government's overall goals for the system, while managing risk at the right points in the system. We need to ensure system integrity, maintain border security and reduce migrant exploitation.
- 62. There are a series of key improvements we recommend focusing on over the next three years. Over the coming weeks we will provide you with more advice on these:
 - Produce a Government Policy Statement on balancing immigration objectives and trade-offs and the connections to population and infrastructure decisions (recommendation from the Productivity Commission)
 - Review legislation and regulations to ensure they are fit for purpose
 - Invest in risk and performance tracking to support risk calibration, smart regulation and policy
 - Complete the migration of products to the new ADEPT ICT/business system
 - Endorse simplification principles in policy and operational design
 - Confidential advice to Government

Priority Area 4: Immigration settings for the Pacific aligned with the Government's overarching goals

- 63. New Zealand has long-standing historic and cultural ties to the Pacific and a close migration relationship with Pacific countries.
- 64. To ensure benefits for all parties, generally, policy settings for migration from the Pacific need to balance the:
 - Impacts on New Zealand, including on the labour market, health and housing infrastructure and the integrity of the immigration system
 - Impacts on the migrant's country of origin noting some Pacific countries have expressed concern
 about the numbers of workers that are going to New Zealand and Australia and others who would
 like to send more, lower skilled, workers
 - Impacts on the people migrating, including ensuring positive settlement outcomes (for those coming through residence pathways).
- 65. Areas that we intend to discuss with you in coming weeks include:
 - Briefing you on the work we have done on the RSE programme and aligning this with your objectives
 - Progress Pacific preference labour mobility schemes.

Priority Area 5: Strengthened policies to maximise the social good of immigration

- 66. The immigration system plays a key role in the New Zealand economy. It also has a number of social good dimensions that contribute to the Government's outcomes. These include strengthening family connections (which improve the chances of positive settlement outcomes for migrants) and contributing to humanitarian goals (which improve New Zealand's international standing).
- 67. Expanding the pathways for extended family members to come to New Zealand improves the settlement outcomes for migrants. It can contribute to making New Zealand an attractive place to come to, through enabling greater support for families.
- 68. New Zealand has a number of refugee and humanitarian immigration pathways which support the achievement of some international obligations and commitments, and the humanitarian objectives of the government.
- 69. New Zealand, along with most members of the United Nations, has committed to protect asylum seekers and refugees. As a country which receives comparatively few asylum claims, New Zealand primarily contributes to international responses to refugee situations through the grant of residence under our Refugee Quota Programme (the Quota). In addition to the Quota, the pilot Community Organisation Refugee Sponsorship programme is a complementary pathway model.
- 70. INZ receives and determines claims for refugee or protected person status in New Zealand and facilitates family reunification through the Refugee Family Support Category (RFSC).
- 71. Key challenges for various refugee pathways include:
 - Constrained capacity at Te Āhuru Mōwai o Aotearoa (the Mangere Refugee Resettlement Centre)
 - Pressure on infrastructure, particularly housing, once people are resettled into the community
 - Heavy oversubscription of the RFSC
 - A recent significant increase in protected person and refugee status claims.
- 72. New Zealand's broader refugee and humanitarian programme aims to ensure that refugees achieve successful settlement outcomes, for example, through implementing the recently refreshed Migrant

Settlement Integration and Refugee Resettlement Strategies and the Welcoming Communities programme.

- 73. Areas that we intend to discuss with you in coming weeks include:
 - Work on complementary refugee pathways
 - Settlement outcomes and support
 - The family and partnership settings within the immigration system.

4. Decision-making in the Portfolio

- 74. The Minister of Immigration is responsible for leading the development of all immigration policy and legislation and, unlike most other areas of government, also has decision-making powers with regard to individual non-citizens. While most of these powers are delegated to officials or the Associate Minister of Immigration, some decisions cannot be delegated (see from paragraph 85 below).
- 75. The Minister of Immigration is also responsible for the immigration-related appropriations that fall within Vote Labour Market (an overview of Vote Labour Market is included at Annex 2). The other appropriations within Vote Labour Market are the responsibilities of:
 - the Minister for Workplace Relations and Safety
 - the Minister for Accident Compensation
 - the Minister for Social Development and Employment (in relation to Employment)
 - the Minister of Health (one appropriation).

Immigration law establishes the decision-making framework

- 76. The Immigration portfolio includes two pieces of primary legislation:
 - the Immigration Act 2009 (the Act), which covers the immigration regulatory system, and
 - the Immigration Advisers Licensing Act 2007 (IALA), which governs occupational licensing for providers of immigration advice who are not otherwise exempt (typically lawyers).

Immigration Act 2009

- 77. The Act establishes an immigration system that:
 - requires persons who are not New Zealand citizens to hold visas to travel to New Zealand, unless waived, and to hold a visa and entry permission to stay in New Zealand
 - provides for the development and publication of immigration instructions (which are statements
 of government policy with legal standing and are certified by the Minister of Immigration)
 - provides rules for the safe and orderly management of the border
 - provides a process for implementing specified immigration-related international obligations
 - includes mechanisms for compliance and enforcement
 - provides for the charging of fees and levies
 - provides powers to the Minister of Immigration regarding decision making in individual cases (the
 Act allows for decisions to be made as positive exceptions to instructions, generally meaning that
 a person who would not otherwise qualify for a visa is granted one)
 - establishes a specialist tribunal (the Immigration and Protection Tribunal (IPT)) to consider immigration-related appeals.
- 78. **Regulations** made under the Immigration Act set out the legal requirements for making and lodging applications for visas and entry permission, setting fees and levies (as well as exemptions), making claims for refugee and protection status, and lodging appeals to the IPT, which is supported by the Ministry of Justice.

Immigration instructions

79. The rules and criteria for a person to be granted a visa and entry permission are set out as immigration instructions in the INZ Operational Manual. Amending immigration instructions is the primary

- mechanism to implement government policy decisions about immigration. The Operational Manual also outlines some of the processes INZ follows to assess and verify applications and determine refugee status claims.
- 80. The Act requires the Minister of Immigration to approve and formally certify immigration instructions, which are then published in the Operational Manual and made available on the INZ's website: www.immigration.govt.nz.
- 81. The complexity and breadth of the portfolio, and its interrelation with other areas of government, means that Ministers of Immigration generally seek Cabinet's agreement to broad policy decisions, with more minor and technical decisions typically made without Cabinet's involvement.

Immigration Advisers Licensing Act 2007

- 82. The Immigration Advisers Licensing Act:
 - has as its purpose the promotion and protection of the interests of consumers
 - requires people providing immigration advice anywhere in the world to be either licensed, or exempt from licensing (lawyers and people who provide offshore immigration advice in regard to student visas are exempt)
 - provides for the licensing requirements of those who provide immigration advice
 - establishes an "Authority" (housed within MBIE) to administer licensing and investigate complaints
 against immigration advisers and unlicensed persons, as well as facilitating other matters such as
 continued professional development
 - provides for the Authority to consult you on the development of competency standards and the code of conduct, and to seek your approval and sign-off
 - establishes a specialist tribunal to make determinations on complaints against immigration advisers and to make some consumer redress orders.
- 83. **Regulations** made under the IALA provide the fees and levies payable by Licensed Immigration Advisers and for other minor aspects of licensing.

Further Responsibilities

- 84. In addition to making decisions on individual cases, the Minister of Immigration:
 - delegates aspects of decision making to the Associate Minister of Immigration and to officials
 - currently leads, in consultation with other Ministers, the government action against human trafficking.

Decision making

- 85. The Minister of Immigration is a primary decision maker under the Act (except in relation to refugee and protection matters, where there is largely no role for the Minister). In general, the majority of the Minister of Immigration's decision-making powers are delegated to immigration officers, who make most decisions on visas and refugee and protected person status, respectively. Decisions may be reviewed by the Immigration and Protection Tribunal (IPT) or the courts, where the Act allows for review and/or appeal.
- 86. Some powers cannot be delegated (those relating to classified information, deportation relating to national security, and decisions relating to the immigration status of protected persons who have been excluded from recognition under the refugee convention) or have not been delegated to immigration officers or refugee and protection officers. The Minister of Immigration can delegate certain decisions, and the nature of some of these decisions (particularly those that are at the absolute discretion of the

- decision maker that is, which allow for positive exceptions to instructions to be made) mean that the degree to which the Minister may wish to become involved in individual cases is a matter for their own prerogative.
- 87. In general, Ministers do not get involved in applications for visas received by INZ. Ministers may, however, receive requests for intervention, particularly from those applicants who do not meet policy. Immigration is unusual in this nature and exercising discretional ministerial powers creates a significant workload. While it is possible for a Minister of Immigration to retain all decision-making powers with regard to individual cases where individuals have asked for ministerial intervention, Ministers of Immigration have generally exercised the option for individual case work to be delegated to an Associate Minister of Immigration (and in turn, senior INZ officials as Delegated Decision Makers (DDMs)).
- 88. Further information on delegations to an Associate Minister of Immigration will be provided to you shortly. The Minister or Associate Minister has traditionally made the following decisions:
 - Whether to grant a residence class visa as an exception to residence instructions in response to the IPT's recommendation that a residence applicant has special circumstances warranting an exception.
 - Whether to grant a visa to a person who is in New Zealand unlawfully. As these powers have also been delegated to certain immigration officers, the Minister or Associate Minister does not usually consider these requests until an individual has approached INZ for an exception/discretionary decision and has been turned down.
 - Whether to sign a deportation liability notice with respect to New Zealand residence class visa holders who have been found to have obtained their residence by fraud. The Minister is also able to cancel or suspend a person's liability for deportation.
 - Determining the immigration status of protected persons who may have committed certain crimes or acts.
 - Using classified information in decision making if the Minister determines that the classified information relates to matters of security or criminal conduct.

5. How MBIE assists you

Our primary ways of engaging with you

- 89. We will look to engage with you primarily through the following mechanisms:
 - Regular meetings between yourself and MBIE immigration officials. These meetings are generally weekly, based on your preference.
 - Weekly update reports on key policy and operational updates for current issues in the portfolio.
- 90. We are happy to adjust any of these based on your preferred ways of working.

Immigration-related areas of MBIE

Immigration Policy

- 91. Four teams within MBIE's Labour, Science and Enterprise (LSE) group provide policy advice and analysis to the Minister of Immigration:
 - The Immigration Skills and Residence Policy team provides advice on the core visa settings for both temporary and resident visas, and on the interface of the immigration system with skills and education, labour market, and economic regulatory systems and programmes.
 - The Immigration Border and Funding Policy team provides advice on immigration legislation (the Immigration Act and the IALA), supports the implementation of policy changes and the funding of the immigration system, and provides advice on border settings.
 - The Immigration International and Humanitarian Policy team provides advice and analysis on international, humanitarian, and national security related issues in the immigration portfolio, including refugee issues, immigration responses to international crises, and bilateral and multilateral engagement.
 - The International Labour Policy team (within the Workplace Relations and Safety Policy branch), provides advice on migrant exploitation, forced labour and people trafficking issues to the Minister of Immigration and the Minister for Workplace Relations and Safety.
- 92. The Immigration Policy work programme is developed in consultation with the Minister of Immigration and other relevant Ministers.

Immigration New Zealand

- 93. Immigration New Zealand's purpose is to be a trusted steward of the immigration system by ensuring the balance is right between facilitating the migration New Zealand needs and managing risk.
- 94. Most of INZ's operational work is focused on deciding visa applications (such as those for residence, temporary entry and transit visas). INZ also delivers New Zealand's humanitarian obligations for refugees and asylum seekers. INZ's Risk and Border Operations Group seeks to ensure that a passenger's immigration risk is kept offshore. It aims to protect New Zealand's interest through enhanced passenger risk assessment and facilitation.
- 95. INZ's strategy, 'Striking the Balance', emphasises the importance of balancing its functions of facilitating those migrants which New Zealand needs, while also acting as an effective regulator in the face of increasing external threats. The outcomes in the strategy include:
 - Customer-centric understand business and community needs by listening and responding and provide services that meet their needs.

- Make it easy ensure the customer experience is straightforward for customers while balancing facilitation and protection.
- Identify risk early manage risk to keep New Zealand safe balancing national interests and the rights of individuals.
- Minimise harm utilising the benefits of our system to reduce immigration-related harm.

Te Whakatairanga Service Delivery (TWSD)

- 96. The TWSD group is responsible for all onshore service delivery functions (except for direct immigration services). Its work focuses on helping people understand their rights and obligations, the opportunities available, while also holding people to account for egregious conduct.
- 97. TWSD works across the span of MBIE's regulatory systems, utilising a wide range of tools, from information, education and awareness through to notices, fines, and litigation (including both civil and criminal prosecution) to ensure the public's rights are protected and businesses can thrive.
- 98. It has five branches that house the primary regulatory functions:
 - Building and Tenancy,
 - Business and Consumer,
 - Employment Services,
 - Market Integrity, and
 - Immigration Compliance and Investigations.
- 99. It also has two support branches:
 - Engagement and Experience, and
 - Strategy, Performance and Design.
- 100. Immigration Compliance and Investigations integrates with other branches within TWSD in its compliance activities, including:
 - Working with Employment Services to uphold employment standards, and address noncompliant behaviour by employers including migrant exploitation
 - Working with Building and Tenancy where accommodation is provided as part of an employment relationship, such as the RSE scheme; or when the accommodation is linked to a migrant in an exploitative situation
 - Working with Market Integrity regarding Immigration Advisers who are non-compliant, supporting the Immigration Advisers Authority, and where compliance action indicates a business is operating without authority (e.g. when insolvent or where a company director is disqualified)
 - Working with the Business and Consumer branch to ensure that businesses are aware of upcoming changes to legislation and government programmes they can access.

Immigration Advisers Authority

- 101. The Immigration Advisers Authority (IAA) is a statutory body housed in MBIE's Market Integrity Branch, in the TWSD Delivery Group. The Authority was set up under the Immigration Advisers Licensing Act 2007 (IALA) to license people who provide New Zealand immigration advice, onshore or offshore. Any person who provides New Zealand immigration advice must be licensed unless they are exempt under the Act.
- 102. Lawyers, Members of Parliament and their staff, and staff and volunteers of Community Law Centres and Citizens Advice Bureau are among those who are exempt. People who provide New

Zealand immigration advice offshore are not exempt, although the provision of advice to intending international students about their study options is not covered by the IALA.

- 103. IAA's primary functions include administering the licensing regime, maintaining a public register of licensed advisers, and maintaining competency standards and a code of conduct for licensed advisers. IAA also receives and investigates complaints about licensed immigration advisers and investigates complaints against people providing advice without a licence.
- 104. As at 29 September 2023 there were 1,343 licensed immigration advisers, 1,089 onshore and 254 offshore.

Research, Monitoring and Evaluation on Migration

105. Monitoring of trends and research into immigration is a function of the Data, Insights and Intelligence Branch within MBIE's Data, Digital and Insights Group. The branch provides research and evidence to inform immigration and labour market policy, evaluate policy and service delivery programmes, and monitor migration flow statistics.

MBIE Intelligence

106. MBIE Intelligence provides decision-makers within the immigration regulatory system with insight about risks, threats, and emerging trends or patterns, in order to inform strategic, operational, and tactical planning. Intelligence helps those decision-makers to build their knowledge of the immigration system performance by providing valuable insight into the health of the system, the motivation and behaviours of users of the system, and highlighting potential risks and opportunities for intervention. MBIE Intelligence collects information from across MBIE, domestic and international partner agencies, and through their own field collection and research. This helps build intelligence that supports MBIE's role with regard to maritime mass arrivals, national security, visa policy and risk management, the refugee determination process, and the organised criminal aspects of trafficking in persons and migrant exploitation.

Legal, Ethics and Privacy Branch

107. MBIE's Legal, Ethics and Privacy Branch provides legal advice and support to the Ministry and Ministers. Due to the complex legal framework in which immigration decision making takes place, MBIE's legal advisors provide independent legal advisory support. In addition, the Litigation team represents the Minister of Immigration in Tribunal matters where the Minister is the respondent (for resident deportation decisions), prosecutes immigration related offending, and represents immigration officers applying for warrants of commitment for immigration detention. The Ministry's Legal Branch also provides oversight and instructs Crown Law and Crown Solicitors in High Court immigration-related litigation.

Other immigration-related government bodies

Immigration and Protection Tribunal (IPT)

- 108. The IPT is an independent body, administered by the Ministry of Justice, and established under the Act to hear appeals on:
 - decisions by INZ to decline a residence class visa application
 - a person's pending deportation the person may either be a New Zealand resident, a temporary class visa holder whom INZ wishes to deport for cause (for example, due to a conviction or a breach of visa conditions), or someone recently became unlawfully in New Zealand because their temporary visa has expired
 - decisions by INZ to not recognise a person as a refugee or a protected person.

- 109. The IPT is chaired by a District Court Judge, appointed by the Governor-General on the recommendation of the Attorney-General, and comprises members appointed by the Governor-General on the recommendation of the Minister of Justice.
 - The Chairperson of the IPT is Judge Martin Treadwell.
 - The IPT is administered by the Ministry of Justice.

Immigration Advisers Complaints and Disciplinary Tribunal (IACDT)

- 110. The IACDT is established under the IALA to deal with complaints against licensed immigration advisers. The IAA refers complaints that it considers have merit to the IADCT for decisions.
- 111. The IACDT is also administered by the Ministry of Justice. It can impose a range of sanctions that include: a caution or censure, a requirement to undertake training, the suspension or cancellation of a licence, payment of a penalty of up to \$10,000, payment of costs and refunds, and compensation to the complainant or other person.
- 112. The IACDT also deals with appeals against some decisions made by the IAA. These may relate to a decision of the Registrar of the IAA to cancel the licence of an immigration adviser or a determination of the Registrar to reject a complaint against a licensed immigration adviser.
- 113. Members of the IACDT are appointed by the Governor-General on advice from the Ministers of Justice and Immigration. The Chairperson of the IACDT is Mr David Plunkett.

Border Executive Board

- 114. The Border Executive Board (BEB) is an interdepartmental executive board that has six member agencies New Zealand Customs Service (chair), Ministry for Primary Industries, Ministry of Business, Innovation and Employment, Ministry of Foreign Affairs and Trade, Ministry of Health, and Ministry of Transport. The BEB provides joint accountability for New Zealand's border system and acts as a single point of contact for issues and opportunities that can only be progressed by working across more than one agency.
- 115. The previous government set five accountabilities for the BEB and approved the first BEB Border Sector Strategy in May 2023. The BEB has four priorities for 2023/24: implement the digital arrival card (NZTD); progress trans-Tasman seamless travel; respond to the resumption of demand for air travel; and coordinate maritime activity. The work programme is reviewed on a six-monthly basis and includes a mix of stewardship, coordination, and improvement activity.
- 116. A small secretariat services and advises the board and is funded by contributions from the six border agencies. A separate briefing on the BEB has been prepared for the Minister of Customs, as the Minister responsible for the board.

MBIE is a member of the "M5"

- 117. MBIE is an active member of the Migration 5 (M5) which is made up of the immigration agencies of Australia, Canada, New Zealand, the United Kingdom, and the United States. The M5 forum enables the sharing of information, data, intelligence and resources to optimise immigration decision-making, attract and facilitate legitimate travellers, and deter and disrupt mala fide individuals. The work of the M5 is underpinned by four key objectives:
 - Improved security and integrity of immigration and migration systems
 - Improved client service
 - Efficiencies and savings
 - Better understanding of the migration and border management environment and options for policy and operational responses.

- 118. New Zealand participates in each of the M5 Working Groups and Networks which are organised thematically. Working Groups are primarily output focussed and collaborate on projects which are of benefit to all five member countries, and Networks serve as fora for information sharing between members.
- 119. Immigration New Zealand provides a Permanent Secretariat function for the M5. This role provides the M5 Chair (which rotates between member countries on an annual basis) with reporting, coordination, and neutral governance and administrative advice to ensure continuity and stability for the forum. New Zealand will Chair the M5 in 2025.

Key MBIE officials

120. The table below sets out the key MBIE officials who will support you in this portfolio.

Table 3: Key MBIE officials

Table 3: Key MBIE	Officials	
Contact	Role	Contact details
Carolyn Tremain	Secretary for Business, Innovation and Employment	Privacy of natural persons
Nic Blakely	Deputy Secretary, Labour, Science and Enterprise (LSE) The LSE Group works with people, businesses, regions, and the science, innovation and education systems to help the country and New Zealanders to be successful.	Privacy of natural persons
Alison McDonald	Deputy Secretary, Immigration New Zealand Immigration New Zealand delivers the operational arm of the immigration system.	Privacy of natural persons
Suzanne Stew	Deputy Secretary, Te Whakatairanga Service Delivery Te Whakatairanga Service Delivery Group provides the critical functions and services that support businesses, employees and consumers to operate successfully in the marketplace.	Privacy of natural persons

Contact	Role	Contact details
Greg Patchell	Deputy Secretary, Digital, Data and Insights DDI is responsible for the data and insights, digital and technology functions within MBIE.	Privacy of natural persons
Jivan Grewal	General Manager, Employment, Skills and Immigration Policy, LSE The Employment, Skills and Immigration Policy Branch provides policy and regulatory advice in relation to immigration and skills and employment.	Privacy of natural persons
Catriona (Cat) Robinson	Associate Deputy Secretary, INZ	Privacy of natural persons
Stephen Vaughan	Chief Operating Officer, INZ	Privacy of natural persons
Richard Owen	General Manager, Immigration Risk & Border, INZ	Privacy of natural persons
Karen Bishop	General Manager, Service Design & Implementation, INZ	Privacy of natural persons
Fiona Whiteridge	General Manager, Refugee & Migrant Services, INZ	Privacy of natural persons

Contact	Role	Contact details
McLeish Martin	General Manager, Customer, INZ	Privacy of natural persons
Simon Sanders	General Manager, Assurance, INZ	Privacy of natural persons
Steve Watson	General Manager, Immigration Compliance & Investigations	Privacy of natural persons
Sanjai Raj	General Manager, Market Integrity	Privacy of natural persons
Suzanne Boslem	General Manager, Engagement & Experience	Privacy of natural persons

6. Upcoming work

- 121. In the coming weeks we will be sending you a series of briefings that outline the policy issues facing immigration, opportunities to advance the Government's priorities (including those stated in the Confidence and Supply agreement and manifestoes), and highlight previous work areas that can be deprioritised.
- 122. In our first meeting with you we will outline these at a high level to get an early indication of your preference for the order in which we send them. Our intention is to be able to agree to a work programme that you are confident with and will achieve the Government's priorities early in the Government's term.
- 123. Along with this, there are several specific areas that we would like to highlight now that we will be advising you on in the next few months.

Table 4: Spotlight on upcoming pieces of work

Programme	Description	Action/next step
Fiscal sustainability including cost pressures	National's Fiscal Plan identified immigration savings as a mechanism to fund new revenue initiatives. These are: - choices to realise immediate savings, - cost pressures to manage (related to increased asylum claims, delivering Refugee Quota Programme and ICT investment), and - a broader set of options to support sustainable funding for the immigration system, including shifting more funding to fees and levies	MBIE will brief you shortly on the current immigration funding system and options for a sustainable, efficient and effective immigration system
Delegation of decision- making to Associate Ministers and officials	In general, the majority of the Minister of Immigration's decision-making powers can be (and have been) delegated to an Associate Minister, or to immigration officers. Draft letters of delegation will be provided for discussion with you after Ministerial warrants are conferred.	Provided to you ASAP
Legal Advice - International Obligations and Immigration Decision Making	As Minister of Immigration, you have decision-making powers under the Immigration Act in respect of individual cases. In most instances, these decisions are "matters of absolute discretion", but no administrative decision-making is absolute. This briefing will provide you with legal advice around considerations for your decision-making, and the role of international obligations.	Provided to you ASAP
Legislative programme bids	Every year Ministers are asked to provide ranked legislative bids as input into the government's planning for its legislative programme. This generally happens in December/January, although it may be slightly later this year. Confidential advice to Government	MBIE will brief you shortly on the current legislative programme, and options for further legislative reform.

Programme	Description	Action/next step
	Confidential advice to Government	
Streamlined Trans-Tasman Travel	Previous bilateral commitment was made by NZ/AU Prime Ministers. Work is due to commence (governed by Border Executive Board).	Work to come to you (in consultation with Minister of Customs) ASAP
Government response to Petition's Committee Report (Fixed Parliament deadline)	In October 2023, the Petition's Committee reported to the House of Parliament on the petition of Sabah Deniz Gulensoy: Temporary post-earthquake visas. The Committee recommended that the Government consider undertaking policy work to establish a visa framework to better support displaced persons who are not refugees. A Government response to this report is required to be presented to the House within 59 working days from the reinstatement of Parliament. A Cabinet paper with the accompanying response will need to go to Cabinet Legislation Committee and Cabinet before the response can be presented to the House.	MBIE will provide a draft Cabinet paper and Government response for your direction and Ministerial consultation in December/January.
Global Refugee Forum 2023 (Time critical)	The Global Refugee Forum on 13 – 15 December 2023 is a four-yearly event, held in Geneva, where countries demonstrate international responsibility-sharing to refugee situations by pledging to actions that contribute to solutions. New Zealand made pledges in 2019 and decisions are required on preferred 2023 pledges and the level of attendance at the Forum.	MBIE will seek your direction in the next week on preferred options for 2023 pledges and on attendance to the Forum.
Implementation of Special Ukraine Residence Visa which provides a pathway to residence for people granted a Special Ukraine (temporary) visa.	This was agreed by cabinet in 2023.	MBIE will provide you with the immigration instructions for your certification.
Review of the changes to increase the workforce threshold for triangular employers in the construction sector	This was committed to by the previous Minister, to occur 3 months after the implementation of the change (which will be in place late November). The review may lead to changes to the scope and threshold of the domestic workforce threshold.	MBIE will provide you with advice on the need and timing of this review, in light of other changes being considered to the skilled worker settings
Migrant exploitation temporary financial support package	Cabinet directed MBIE to report back on the support package and whether a more permanent scheme is required.	MBIE will provide you with advice on the timing of the report back and next steps
Worker Protection (Migrant and Other Employees) Act 2023	The Act passed on 6 July 2023 and will be enacted on 6 January 2024. Ministerial certification of Immigration Instructions to give effect to	MBIE will brief you shortly on remaining decisions needed for implementation and

Programme	Description	Action/next step
	consequential amendments to the AEWV category is needed soon to allow communications to be sent to employers well in advance of 6 January.	provide you with the immigration instructions for your certification.
Median wage decisions	Cabinet agreed in 2021 to the use of a median wage threshold in the AEWV, to be updated on an annual basis (with time-limited exemptions to the median wage threshold for certain sectors). There is an expected (and announced) go-live date of February 2024 for the updated median wage requirement and confirmation is needed to lock in system changes. Decisions will also be required on the time-limited median wage exemption for Tourism and Hospitality, parent category wage thresholds, and the care workforce.	MBIE will provide you with advice on the median wage increase for your decision in December.
Adding occupations (and associated requirements) to the Green List	This was agreed by Cabinet in 2022 and has been announced for implementation in March 2024. Consequential changes will be required to expand the list of qualifications for Post Study Work Visa eligibility. Confirmation is required to lock in system changes.	MBIE will provide you with the immigration instructions for your certification in early 2024.
Adding construction sector occupations to Sector Agreements following closure of the Recovery Visa.	Adding construction sector occupations to Sector Agreements, following closure of the Recovery Visa.	MBIE will provide you with the immigration instructions for your certification in early 2024.

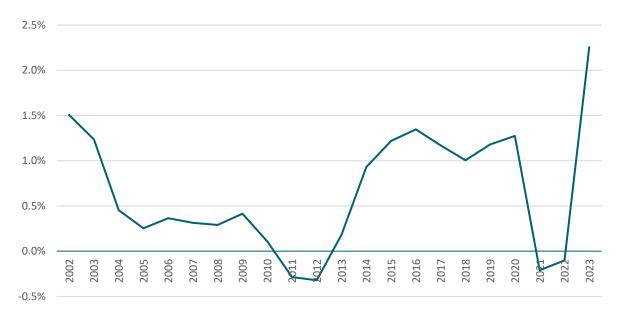
124. We also will send you weekly reports, which highlight the status of key areas of work. We also provide a short update on monthly Statistics NZ migration releases.

Annex 1: The New Zealand labour market

One of the New Zealand economy's strengths is its dynamic labour market. This enables firms to continuously adjust their workforces as market conditions change, and workers to move between firms and sectors with relative ease. Our labour market institutions enable employers and workers to form employment relationships so that employers can get work done and, in exchange, employees get pay, other terms, and conditions as well as intangible benefits like social connection.

The dynamism of the labour market has facilitated some significant long-term labour market shifts such as the growth of service sector and the increase in participation by women and older workers. As illustrated below, the New Zealand labour market has also absorbed high but constantly changing levels of net migration over the last two decades.

Figure 1: Net migration has fluctuated from about -0.25 per cent to over 2 per cent of the total New Zealand population over the period from 2002-2023 (year to Sept figures) 10



The benefits of that labour market dynamism were visible through the COVID-19 shock, where workers were able to move from sectors facing lower demand (such as high-contact and tourism-related industries) into health care and construction, where demand was higher. As access to migrant labour became harder, firms turned to other sources, particularly younger workers.

Key challenges facing the labour market

Despite its strengths, the New Zealand labour market has several long-standing challenges. New Zealand has relatively modest labour productivity growth. Consequently, New Zealand has only experienced modest long-term real wage growth. This modest wage growth combined with significant increases in the minimum wage means that the minimum wage has become a relatively high fraction of the median wage. MBIE will continue to monitor the proportion of the workforce paid at or near the minimum wage and evidence as to how this affects labour market behaviour. Wage compression could feasibly reduce incentives for minimum wage workers to upskill or take on additional responsibilities.

New Zealand's labour market tends to have a relatively high level of skill mismatch where workers' qualifications or field of study differ from what is required for their role. This high level of skill mismatch could arise from various factors – such as highly localised or niche labour markets (where firms and

1

¹⁰ Population from Infoshare: *Population Estimates - DPE: Estimated Resident Population by Age and Sex (1991+) (Annual - Sept).*Migration from Infoshare: *International Travel and Migration - ITM: Estimated migration by direction, 12/16 month rule (Annual – year to Sept).*

workers have few alternative choices), difficulty in co-ordinating information about employer needs, or education and training providers being slow to respond to those needs. Workers who experience involuntary job loss (through redundancy or ill health) can experience sudden income drops creating pressure to take the first job that comes along, rather than finding their best match. Furthermore, some sectors (such as retail and hospitality) are characterised by low-skill/low-wage business models where firms may have little incentive to invest in technology, lift productivity, improve the quality of jobs, and use the available skilled labour well. The quality of government interventions directly affects the effectiveness of the skill matching process – such as the usefulness of labour market information to inform participants' choices, the responsiveness of the education system in addressing longer term skill mismatches, and immigration as a short-term pressure valve.

Finally, some population groups (e.g. Māori, Pacific, and disabled workers) have persistently worse outcomes, on average, compared with the overall workforce. The challenges faced by these groups are reflected both in participation rates and in the outcomes these groups experience from work. Addressing such distributional disparities is a complex social and economic challenge.

Government's role in the labour market

Addressing these challenges and improving the operation of the labour market will help the functioning of the economy. The Government plays several complementary roles in fostering well-functioning labour markets. These include:

- Creating and maintaining the regulatory and institutional framework within which workers and employers can enter, enforce, and exit employment agreements. This includes rules for collective and individual bargaining and establishing minimum terms and conditions for employment (such as the minimum wages and leave) and resolution of disputes.
- Providing and funding education, training and employment services (including career advice and programmes to help disadvantaged groups into paid jobs); and establishing frameworks for defining and recognising qualifications and skill credentials.
- Managing a social protection system to provide social and financial security (such as income support for redundancy, accidents, or health deterioration) to address hardship, as well as effective employment programmes to upskill and support people into paid employment.
- Regulating the immigration system, which determines (for example) the extent to which firms can access migrant workers and the conditions that apply to employing migrants in different circumstances.
- Developing and providing labour market information and intelligence to allow labour market participants (including learners, education providers, workers, and firms) to plan for a changing environment and shifting patterns of labour demand and supply.

Direct responsibility for these roles sits across multiple portfolio areas, including Social Development and Employment, Workplace Relations and Safety, Immigration, ACC and Education. It will be important to ensure that the different market regulatory systems affecting the labour market are fit-for-purpose and work together well in supporting business performance and achieving the Government's wider goals.

Annex 2: Vote Labour Market

Vote Labour Market: Budget Structure

Five Ministers are responsible for appropriations in Vote Labour Market. As of October 2023, for 2023/24:

- The **Minister for ACC** is responsible for appropriations totalling \$2,222.2m, primarily to cover the estimated cost of injury prevention, claims processing, medical services and social rehabilitation for claims on the Non-Earners' Account, and for treatment injuries.
- The **Minister of Immigration** is responsible for appropriations totalling \$578.3m, primarily for the provision of immigration services, including assessment and processing services, settlement and integration of refugees and integrity and security of the New Zealand immigration system.
- The **Minister for Social Development and Employment** is responsible for appropriations totalling \$20.6m for the operation of Regional Skills Leadership Groups and the provision of employment information and facilitation services.
- The Minister for Workplace Relations and Safety is responsible for appropriations totalling \$225.6m (including \$4.6m capital), primarily for the provision of employment relations services and work-related health and safety services.
- The **Minister of Health** is responsible for one multi-year appropriation with \$21.2m allocated within it for 2023/24, for the provision of border support services from MBIE to Customs New Zealand to support the Traveller Health Declaration System.

The lead minister for Vote Labour Market (see below) also has overall responsibility for a multi-category appropriation (MCA) of \$28.4m to provide Policy advice and related services to Ministers in the areas of ACC, Income Insurance, Employment, Immigration and Workplace Relations and Safety – this amount per portfolio is reflected in the totals above.

MBIE is responsible for administering Vote Labour Market.

During the course of the financial year, each minister with responsibility for appropriations within the Vote receives:

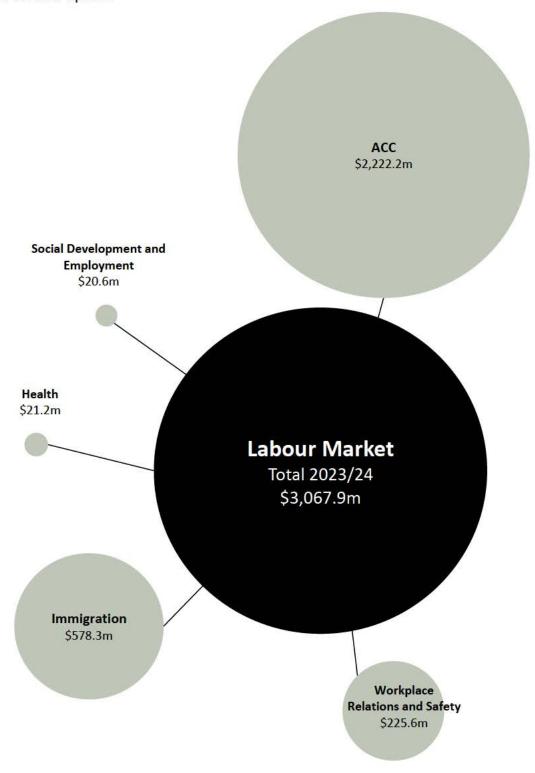
- October and March Baseline Updates
- In-Principle Expense and Capital Transfers, and Retentions of Underspend (June)
- Estimates and Supplementary Estimates (Budget documentation, April)
- Select Committee Estimates Examination material (July)
- Preparatory material ahead of the Estimates debate (usually August) and Annual Review (usually May) debate in the House, if required.

Vote Lead Minister

For administrative simplicity, one Minister is usually selected to take overall responsibility for the final submission of Budget-related documentation for each Vote. For Vote Labour Market, the responsibility has historically sat with the Minister for Workplace Relations and Safety or the Minister of Labour. The Vote Lead Minister is also named as the technical owner of the Policy Advice and Related Services MCA, but for practical purposes any decisions on each category are usually delegated to the respective portfolio Ministers.

Vote Labour Market 2023/24 appropriation totals

The diagram below sets out the total for Vote Labour Markets 2023/24 appropriations following the October Baseline Update.



Annex 3: Overview of the main categories of visas

Temporary entry and residence are the two main visa classes. A temporary visa allows a holder to be in New Zealand for the purpose and length of the visa. A residence visa provides the holder the right to live, work, and study in New Zealand. A residence visa also confers a range of rights and opportunities, including funded education, welfare benefits and the right to vote. Key temporary visa types and categories are outlined below.

Temporary

Work visas

- Accredited Employer Work Visa (AEWV): The main temporary work visa (replacing the Essential Skills visa) is labour market tested and roles must meet a wage threshold (generally set at median wage unless specifically exempted by a sector-focused agreement). From November, AEWV holders will be subject to a maximum continuous stay in New Zealand (on an AEWV) of five years, unless they are on a recognised pathway to residence. Approximately 60,000 Essential Skills visa holders were onshore prior to the 2021 Residence Visa; approximately 70,000 new AEWV applications have been submitted since July 2022.
- Working Holiday Schemes: Available to young people (usually aged 18 to 30) to travel to and work in New Zealand for up to 12 months (23 months if from Canada or 36 months if from the United Kingdom). There are 45 schemes, 13 of which are uncapped (Approx. 40,000 peak number onshore pre-2020; currently approx. 25,000 in 2023). These visas have generally arisen from a range of international agreements and treaties formed from bilateral international relationships.
- Post Study Work (PSWR): Open work visa of up to three years depending on the level of
 qualification previously achieved on a student visa and how long the study was undertaken in New
 Zealand. In 2022 Cabinet agreed to restrict visa length, and place limits on access to these for
 those undertaking sub-degree level study. (approx. 13,000 PSWR onshore December 2022)
- Recognised Seasonal Employer: Provides short-term visas to those from certain Pacific countries for seasonal work in horticulture and viticulture. Numbers for the 2023/2024 season are capped at 19,500, an increase of 500 places.
- Partner of a New Zealander: Allows partners of NZ citizens or residents who are living together in a genuine and stable relationship, to work in NZ for up to two years for any employer. (10,806 applications approved between 1 July 2022 and 21 June 2023 – this includes work and visitor visa)
- Partner of a worker or student: Partners of some work or student visa holders can obtain an open work visa for the same length as their partner's visa. Some partners of workers must work for an accredited employer and above the median wage (21,451 applications approved between 1 July 2022 and 21 June 2023)

Student visas:

- International Students: applicants must have an offer of place at an NZ institution (paying international student fees), sufficient funds, and meet any course prerequisites. Most tertiary students are allowed to work 20 hours per week.
- o Dependent students: For children of workers to attend school (eligible for domestic fee status).
- Applications approved between 1 July 2022 and 21 June 2023:
 - All Student Visa applications: 71,623
 - Students (Fee Paying only) applications: 44,299
 - Other Students (includes dependant, humanitarian, IPT order, scholarship, section 61 and transfers): 27,324.

Visitor visas:

- General: Enables friends and family and others to visit and explore New Zealand, enjoy amateur sports, or study for up to three months. Many partners and family use visitor visas. (302,059 applications approved between 1 July 2022 and 21 June 2023; people from 59 "visa waiver" countries can enter as visitors without a visa, Australians enter as residents.)
- Business: Enables genuine business people (generally from visa-required countries or who need to spend longer in New Zealand than the visa waiver permits) to travel to New Zealand to undertake business-related activities (otherwise a work visa would be required).
- Culturally Arranged Marriage: Allows up to three months entry for people who have recently
 married a New Zealand citizen in a traditional arranged marriage or want to marry in New Zealand.
 The marriage must follow an identified and recognised cultural tradition where the arrangements
 for the marriage, including facilitation of the initial selection of the persons to be married, are
 made by someone else, such as a family member.

Residence:

- Business / Skilled residence-class visas:
 - Skilled Migrant Category (SMC): A new simplified points system took effect on 9 October 2023, with points for professional registration, income or qualification, plus time spent in skilled employment in New Zealand. Other changes removed limits on the number of applications that would be processed, and introduced a Skilled Migrant Category Interim Visa. 16,700 people were approved in 2019/20 (under previous points-based system).
 - Skilled Residence: for people in specified occupations, who can either apply for residence immediately (for roles on the Straight to Residence Green List tier 1) or after working in the role for two years (for roles on the Work to Residence Green List Tier 2, Care Workforce and Transport Sector work lists)
 - Investor: The Investor 1 and 2 categories have been closed and replaced in September 2022 by the new Investor Visa (Active Investor Plus), which requires up to \$15 million (or weighted equivalent). More direct forms of investment receive a higher weighting (up to 3x) for every dollar invested. (800 in 2019/20)
 - Entrepreneur: For those who have operated a New Zealand business for at least two years.
 (400 in 2019/20)
- Family residence-class visas:
 - Partnership: For partners of New Zealand citizens and residents who are in a genuine and stable relationship and have lived together for 12 months or more. (5,876 applications approved between 1 July 2022 and 21 June 2023).
 - Parent: For parents of NZ citizens and residents; Parent must be sponsored by resident child.
 This visa reopened on 12 October 2022 with reduced thresholds for sponsors. We resumed selecting existing expressions of interests (EOIs) on 14 November 2022. Capped at 2,500 per year.
- International / Humanitarian (residence-class visas):
 - Refugees: Granted to successful asylum seekers (number varies), and under the Refugee
 Quota (1,500 places), and Refugee Family Support Categories (600 places).
 - Samoan Quota: Applicants who are citizens of Samoa can be granted residence through the ballot provided they have a job in NZ. (Capped at 1,100 per year with a further 550 extra places each year until 2026.)
 - Pacific Access: Applicants who are citizens of Kiribati, Tuvalu, Tonga or Fiji can be granted residence through a ballot with a job offer in New Zealand. (Various caps apply across countries, totals 1,300 places).

Visa Requirements

All visa types have specific requirements that an applicant must meet. Some generic requirements across all visa types include:

Health

- All visa applicants must have an acceptable standard of health (or be granted a medical waiver) unless they are entering NZ for a specific medical treatment.
- o A person has an acceptable standard of health if they are:
 - Unlikely to be a danger to public health; and
 - Unlikely to impose significant costs or demands on NZ's health services or special education services; and
 - Able to undertake work or study on the basis of which they are applying for a visa, or which is a requirement for the grant of a visa.
- Applicants for residence class visas and applicants for temporary entry class visas are assessed to determine whether they have an acceptable standard of health using separate sets of criteria.
- Assessment of whether a temporary entry class visa applicant has an acceptable standard of health takes into account their length of intended stay in New Zealand.
- An applicant will need to provide either a chest x-ray, a medical certificate or both as proof they
 are of good health.

• Identity & Character

- Applicants for all visas must provide proof of their identity.
- Applicants for all visas must be of good character and not pose a potential security risk.
- If any person included in an application fails to meet the necessary character requirements and the character requirements are not waived, the application may be declined.
- o Character checks are carried out on applicants:
 - Aged 17 and over applying for residence class visas;
 - Aged 17 and over applying for temporary entry class visas who intend to stay in NZ for 24 months or longer; and
 - Other applicants for temporary entry class visas who warrant a character check if the immigration officer decides it is necessary.
- O Police certificates from any country of citizenship and any country where they spent more than five years in since turning 17 (or 12 months within the last 10 years if applying for residence) must be provided as proof they are of good character.

Annex 4: Immigration New Zealand year in review – July 2022 to July 2023



FIFA Womens World Cup

After a year of preparation and planning the FIFA Womens World Cup was delivered successfully in July 2023. We approved over 3,107 NZeTAS and visitor visas for officials, players and international media. Over 35,000 tickets sold to international supporters for games played in New Zealand.

Welcoming Communities

34 Councils, 5 local boards and 3 Iwi Partners engaging and delivering Welcoming Communities, Te Waharoa kingā Hapori, programme across Aotearoa. Nationally, over one-third of city and district councils are now committed to making their communities more welcoming for everyone.

Special Ukraine Visa

Delivered changes to the 2022 Special Ukraine Visa instructions to allow the grant of a work visa with open study conditions to applicants aged 16, 17 and 18 years old, expand the eligibility and sponsorship settings, extend the Expression of Interest (EOI) submission deadline to 15 March 2024 and the travel period from nine to twelve months.

Review of operational practices relating to restriction of freedom of movement, including detention, of people claiming asylum From July 2022 the review Implementation team delivered a detailed programme of work into Quarter 3 2022 ad onwards, implementing the recommendations from the review and changing asylum claim management practices

DPMC Rapid Assessment

In August 2022, DPMC undertook a review of the Reconnecting New Zealand programme (RCNZ). Following this assessment, the RCNZ IMT was established to address the recommendations made by the DPMC, and to implement initiatives for the streamlined processing of temporary visas. The rapid assessment was formally closed in May 2023 following the successful development and implementation of contingency plans, accurate operational reporting, a technology enhancement roadmap and in-depth future resourcing models.

Model office

The model office was established in INZ's newest visa operations site, Ōtautahi 2, developing new ways of working to build a future that is customer focussed and people centred, and to create a supportive environment for our people. For the first six months, work was focussed on building a continuous improvement mindset, toolset and skill set with a small group of frontline kaimahi. Over the coming six months, the model office will be supporting a processing team to look holistically at how INZ work the new ways of working team.

July 2023

Heron Independent review

into out of hours

compliance visits



NZ Border opened to all travel

September 2022

Active Investor Plus category opened replacing Investor 1 and Investor 2 categories

Applications closed for RV2021

August 2022 RCNZ IMT

established to fasttrack streamlining initiatives for processing of temporary visas



October 2022

Re-opening of the Parent Resident visa including a new online EOI form. The first ballot draw is set for 8 August 2023



September 2022

Green list residence pathway opens



October 2022

Independent review into the effectiveness of the AEWV policy design and implementation



October 2022

Pacific quota ballot moves online

February 2023

Implementation of Recovery Visa to supports efforts following Cyclone Gabriel



March 2023

80% of 21RV applications completed, 3 months ahead of schedule



April 2023

Successful implementation of the NZeTA for cruise passengers



July 2023

NZTD app -New Zealand Traveler Declaration moves to an online app



September 2023

Opening of new Work to Residence, Care and **Transport Sector visa**



July 2023

FIFA Womens World Cup hosted by NZ/Australia.





October 2023

Opening of new Skilled Migrant Category visa product

WORKING HOLIDAY

- 14,223 WHS extension -100% approved
- 58,820 WHS 92% approved

VISITOR

- More than 548,725 visitor visa applications received with more than 80% approved
- More than 1,706,938 NZeTA requests received with more than 99% approved

STUDENT

- More than 102,336 applications have been received and 91,765 decided
- 80% approved, (7.6% declined)

EMPLOYER ACCREDITATION

28,428 employers have applied so far, with 27,645 approved

November 2022

Increased marketing to

connect WHS visa holders to

seasonal job opportunities

New Policy, processed using new technology and automation

WORK

- More than **54,159** job check applications received, with 47,831 approved. This equates to 229,964 positions approved
- More than 100,593 Accredited Employer Work Visa applications received, with 91,850 approved

BORDER

- More than 6,404,388 arrivals into NZ More than 12,597,409
- movements at the border

More than 21,378 RSE visas

approved The RSE (Recognised Seasonal Employer) cap increased to 19,000 this year allowing more workers to enter New Zealand to fill this critical work area.

RSE

BUILDING CAPACITY

Between 1 August 2022 and 31 July 2023, 143 immigration officers (FTE) have been recruited which represents a 20% increase to INZs visa processing workforce, 10% of this increase was delivered through the Adaptive Workforce Project which provided more flexibility for our people in how, where and when they work

CONTINUOUS IMPROVEMENT INITIATIVES

As incoming volumes of applications have steadily increased since the borders opened, a number of process improvement initiatives have been developed and implemented through the use of visa product specific action plans. The focus has primarily been on process improvements to: **Visitor Visas**

Partners and Dependants of Temporary Visa Holders Permanent Resident Visas (PRV)

RISK, VERIFICATION AND COMPLIANCE

AERMR (Accredited Employer Risk Monitoring and Review) activity commenced in mid 2023

Implementation of the AEWV revocations and suspensions process

The independent Heron Review into out of hours visits released their recommendations in July 2023. Implementation of the recommendations is underway with a focus on capturing the voice of our customers.

REFUGEE AND MIGRANT SERVICES

The refugee quota of 1,500 people and the 600 places under the Refugee Family Support Category were met (both of which doubled from their previous quotas).

Completed the resettlement of approximately 1,700 Afghans as part of the Government's emergency resettlement response.

Completion of determinations on 482 refugee and protected persons claims.

CUSTOMER SATISFACTION AND TRUST

The Customer Research team completed its first research project on identifying opportunities to improve the way INZ communicates wait times (processing times) to customers. The insights will inform a proposal for improvements to the website that aims to make information provided more meaningful to customers and help manage expectations on wait times.

In August 2022 the customer branch, and wider INZ, partnered with Te Whatu Ora to help support operationalisation of the new Health Immigration Service



