

Aide-mémoire



**MINISTRY OF SOCIAL
DEVELOPMENT**
TE MANATŪ WHAKAHIATO ORA

Meeting

Date: 1 April 2021 **Security Level:** IN CONFIDENCE

For: Hon Carmel Sepuloni, Minister for Social Development and
Employment

File Reference: REP/21/4/344

Cabinet Priorities Committee: Immigration portfolio priorities and strategy session

Meeting details Cabinet Priorities Committee, 6 April 2021

Purpose To discuss a slide set prepared by MBIE on immigration priorities and a 'reset' of immigration settings post-COVID.

Background MBIE have prepared a slide set for an immigration priorities discussion. They were discussed by EET DCE's on Friday 1 April.

Talking points

- The timing is right to consider a reset of immigration settings and I have a keen interest in the direction of work.
- We need to balance economic growth and the attraction of highly skilled migrants with upskilling and employment of New Zealanders and productivity improvements.
- There are a number of industries that rely heavily on migrant labour, including for low-skilled roles that could be filled by New Zealanders.
- Businesses may also be disincentivised from training and upskilling New Zealanders where they have easy access to migrant labour.
- If an immigration policy 'reset' occurs to take advantage of closed borders, we need to consider:
 - Attracting high skilled workers for roles that cannot be filled or trained for by New Zealanders.
 - Maintaining sufficient tension in immigration settings to fill genuine workforce shortages, while ensuring there is pressure for industries to recruit and upskill New Zealanders.
- While support has been provided to industries affected by COVID-19 (for example, tourism and horticulture), we need to consider what support is appropriate to help reduce reliance on migrant labour long-term.

Key issues**COVID-19 presents an opportunity to reset immigration settings**

Immigration changes have already been made over a number of years to shift away from lower skilled workers and residents. There is work currently underway, including implementation of the new Employer Assisted Work Visa system and the RSE policy review, to support this direction for immigration policy.

However, with closed borders there is an opportunity to think strategically about immigration settings and which visa groups to target with changes.

A reset will require strategic direction on the mix of skills of different types of visa holders coming into New Zealand

Immigration settings prioritise high skilled migrants, however allowing in large volumes of low skilled migrants may be holding back productivity. We need to ensure that strategic direction for immigration changes focuses on increasing the skill mix for incoming migrants, and reduces firms being able to rely on low skilled migrant labour.

The draft slide pack suggests undertaking work on different visa groups, including for reducing the volumes of both temporary work and student visas, while increasing their skill mixes.

Government will also need to consider appropriate supports for industries to transition from being migrant-reliant

Particular industries, such as tourism and horticulture have faced significant labour supply issues due to COVID-19. The government has already made significant efforts to support affected industries (eg. border exceptions, or financial support), but will need to consider what kind of support is needed for a longer-term transition.

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