



**MINISTRY OF SOCIAL
DEVELOPMENT**

TE MANATŪ WHAKAHIATO ORA

30 JUL 2021

Tēnā koe

On 4 July 2021, you emailed the Ministry of Social Development (the Ministry) requesting, under the Official Information Act 1982, the following information:

- *All official advice provided to Government Ministers regarding the undersupply and oversupply lists introduced in October 2020 that is not publicly available. This includes all advice provided prior to the lists introduction and any advice provided about the lists since their inception (that is not publicly available).*

The undersupply and oversupply lists were introduced in October 2020 to streamline the Skills Match Report (SMR) process as a temporary COVID-19 response. The Ministry provides a SMR to Immigration New Zealand (INZ) when an employer is wanting to hire a migrant worker for jobs below the median wage. The SMR outlines whether the Ministry has suitable or trainable jobseekers that could perform that job. The undersupply and oversupply lists replace the Ministry's SMR where there is already knowledge of jobseeker availability for certain jobs.

The lists were created by considering:

- regional jobseeker data, including numbers of people with experience or ability to work in certain jobs,
- consultation with regional teams within the Ministry which have dedicated labour market staff with local knowledge and regular industry engagement, and
- consultation with INZ.

Following notification by the Queenstown and Wanaka Chambers of Commerce of shortages of people in certain roles, the lists were reviewed and updated with appropriate changes in December 2020. This included adding hospitality roles on the undersupply list.

The Ministry undertook an additional review in March 2021, using the standard process of considering regional jobseeker data and consulting with regional teams and INZ.

The following document has been identified to be in scope of your request and has been enclosed in this response:

- *REP/20/7/752 - Short-term immigration policy changes: Report back on streamlining the Skills Match Report process, dated 4 August 2020.*

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In order to protect client privacy, some values are suppressed and are represented by 'S'. The Ministry is unable to provide you with the exact number as releasing this information is likely to risk identifying the individuals concerned. As such, some information is withheld under section 9(2)(a) of the Act. The need to protect the privacy of these individuals outweighs and public interest in the information.

Some information is withheld under section 9(2)(g)(i) of the Act to protect the effective conduct of public affairs through the free and frank expression of opinions. I believe the greater public interest is in the ability of individuals to express opinions in the course of their duty.

The principles and purposes of the Official Information Act 1982 under which you made your request are:

- to create greater openness and transparency about the plans, work and activities of the Government,
- to increase the ability of the public to participate in the making and administration of our laws and policies and
- to lead to greater accountability in the conduct of public affairs.

This Ministry fully supports those principles and purposes. The Ministry therefore intends to make the information contained in this letter and any attached documents available to the wider public. The Ministry will do this by publishing this letter on the Ministry of Social Development's website. Your personal details will be deleted, and the Ministry will not publish any information that would identify you as the person who requested the information.

If you wish to discuss this response regarding undersupply and oversupply lists with us, please feel free to contact OIA_Requests@msd.govt.nz.

If you are not satisfied with this response, you have the right to seek an investigation and review by the Ombudsman. Information about how to make a complaint is available at www.ombudsman.parliament.nz or 0800 802 602.

Ngā mihi nui



Megan Beecroft
Policy Manager
Employment and Housing Policy



**MINISTRY OF SOCIAL
DEVELOPMENT**

TE MANATŪ WHAKAHIATO ORA

Short-term immigration policy changes: Report back on streamlining the Skills Match Report process

Date: 4 August 2020

Report no.: REP/20/7/752

Security level: IN CONFIDENCE

Priority: Medium

Action Sought

Hon Carmel Sepuloni
Minister for Social Development

To note the proposed operational improvement to the Skills Match Report, along with the initial occupations that will be included on an undersupply and oversupply framework.

7 August 2020

Contact for telephone discussion

Name	Position	Telephone	1st Contact
Hayley Hamilton	General Manager, Employment & Housing Policy,	04 916 3120 029 201 3820	<input checked="" type="checkbox"/>
Megan Beecroft	Manager, Employment & Labour Market Policy,	04 460 7572 029 246 2193	

Report prepared by: Out of scope Graduate Policy Analyst, Employment & Labour Market Policy

Other departments consulted: Report jointly prepared with the Ministry of Business, Innovation and Employment (MBIE)

Minister's office comments

- ☐ Noted
- ☐ Seen
- ☐ Approved
- ☐ Needs change
- ☐ Withdrawn
- ☐ Not seen by Minister
- ☐ Overtaken by events
- ☐ Referred to (specify)

Comments

Date received from MSD

Date returned to MSD



Report

Date: 4 August 2020

Security Level: IN CONFIDENCE

To: Hon Carmel Sepuloni, Minister for Social Development
Hon Kris Faafoi, Minister of Immigration

Short-term immigration policy changes: Report back on streamlining the Skills Match Report process

Purpose of the report

- 1 This report provides you with advice on proposed operational improvements to the Skills Match Report (SMR) process as agreed previously by Employment, Education and Training (EET) Ministers [MBIE 3529 19–20 refers]. The streamlined SMR process involves:
 - stopping the production of SMRs for some occupations in regions where there is an oversupply of New Zealand jobseekers
 - stopping the production of SMRs in some key occupations in regions where there is an undersupply of available New Zealanders to undertake work opportunities
- 2 The report also outlines the occupations and regions that will be included in the initial oversupply and undersupply SMR framework.

Recommended actions

It is recommended that you:

- 1 **note** that the previous Minister of Immigration and Minister for Social Development were advised that work was underway to streamline the production of SMR's, as part of a short-term immigration response to the economic impact of COVID-19
- 2 **note** that changes outlined in this paper are part of the short-term immigration responses to the impacts of COVID-19, and further work is underway to strengthen the Labour Market Test (LMT) as part of the wider reforms to immigration policy settings
- 3 **note** that the Ministry of Social Development (MSD) currently produces a SMR, which outlines the availability of those on a Jobseeker Support benefit, to support Immigration New Zealand (INZ) to make an assessment on whether the LMT has been passed, for each individual employer that wishes to recruit a migrant worker below the median wage
- 4 **note** that the process of issuing individual SMR's is inefficient in the current environment, particularly when there is a clear oversupply or undersupply of jobseekers in a particular region
- 5 **note** that the production of SMRs by MSD will be stopped where there is a clear oversupply of jobseekers in some occupations within sectors that are paid below the median wage, and that INZ will treat this as information from MSD that there are New Zealanders on Jobseeker Support available for these occupations

- 6 **note** that the requirement for a SMR will be removed where there is a clear undersupply of jobseekers for some occupations within sectors that are paid below the median wage (although this does not mean INZ will automatically grant Essential Skills work visas for these occupations as other criteria will still need to be met)
- 7 **note** that as New Zealand's borders are currently closed, these changes will only apply to migrants that are currently onshore (in particular Essential Skill Visa holders who are made redundant or changing jobs within New Zealand)
- 8 **note** that the initial oversupply framework will include key occupations in the Retail & Hospitality, Construction, Manufacturing & Warehousing, Transport and Administration & Call Centre sectors
- 9 **note** that the initial undersupply framework will include occupations including Dairy Worker & Managers, Scaffolder, Agricultural Machine Operator, Class 4 or 5 Truck Driver, Registered Nurse, Deckhand or On Vessel Worker, and Engineer or Steel Fixer in some regions
- 10 **note** that the list of occupations on the oversupply and undersupply framework will be published on the MSD and INZ websites and will be reviewed every three months, or under urgency if there is a significant regional shock to the labour market (the review will also consider whether the streamlined process will be continued or stopped)
- 11 s9(2)(g)(i) OIA
- 12 **note** that the proposals fall broadly within the current legal and policy framework, (however INZ will be making some changes to their Immigration Instructions to support their staff with the associated operational and process changes)
- 13 **agree** that INZ will put in place processes to support the use of a list in place of individual SMRs for occupations where there is an oversupply of jobseekers

agree / disagree

- 14 **note** that MSD and INZ will implement these changes to take effect by late August or early September

- 15 **indicate** whether you wish officials to discuss these proposals with unions and other stakeholders before undertaking wider communications with employers.

agree / disagree



Hayley Hamilton
General Manager
Employment & Housing Policy
Ministry of Social Development

Date: 4/8/20



Siân Roguski
Manager, Immigration Policy
Ministry for Business, Innovation
and Employment

Date: 4/8/2020

Hon Carmel Sepuloni
Minister for Social Development

Date:

Hon Kris Faafoi
Minister of Immigration

Date:

Background

- 3 On 11 June 2020, Ministers were provided with a report on the short-term immigration responses to the labour market impacts of COVID-19 [MBIE 3529 19-20 refers]. This briefing provided advice on a short-term package of changes to immigration policy and operational settings, to respond to the impacts of COVID-19, balancing the objectives for jobseekers, employers and temporary migrants.
- 4 This report indicated that the Ministry of Social Development (MSD) and the Ministry of Business, Innovation and Employment (MBIE) are working together on a streamlined approach to the issuing of SMRs for essential skills visas for applicants who are on-shore in New Zealand. As part of this work, MSD and INZ are now reporting back to you on the occupations to which we will be streamlining the Skills Match Report (SMR) process.
- 5 In addition to these short-term and temporary changes, Cabinet agreed in late 2019 to a set of changes to work visa policy settings to be implemented in 2021, some of which aim to strengthen the Labour Market Test (LMT) in the long-run.

COVID-19 has caused significant disruption to some parts of the New Zealand labour market

- 6 The economic impact of COVID-19 has caused significant changes to the New Zealand labour market:
 - **Increasing unemployment** – An increase in unemployment is already having a significant impact on jobseeker numbers, resulting in an oversupply of New Zealanders willing and able to enter employment opportunities in some industries.
 - **Limited access to migrant labour** – Some sectors will have trouble hiring and recruiting labour and skills they need while border restrictions are in place as the training and redeployment of New Zealanders moves through its early stages.
- 7 Ministers recently agreed to several short to medium-term objectives to guide immigration responses to COVID-19 [MBIE 3529 19-20]. The primary focus of these objectives is to prioritise New Zealanders for employment opportunities, while balancing objectives to support employers to hire or retain migrants who are already in New Zealand where there is a shortage of New Zealanders to fill vacancies.

Operational changes to the SMR process are needed so that it is more efficient and transparent in the current environment

The LMT helps prioritise New Zealanders for job opportunities

- 8 A key requirement for the grant of an Essential Skills work visa is passing the Labour Market Test (LMT). As part of this test, Immigration New Zealand (INZ) must be satisfied that there are no New Zealanders available to take up the work on offer, among other factors.
- 9 In instances where a job pays below the median wage (currently \$25.50 per hour), a key component of the LMT is receiving information from MSD on a SMR about the availability of registered jobseekers who can fill the vacancy.
- 10 The SMR is provided to both the employer and INZ. If the employer chooses to support a work visa application despite the SMR indicating that there are jobseekers available, INZ can use this information as a component of the decision-making process in declining the visa application on the basis that the LMT is not met.
- 11 The other key component of the LMT is that the employer has genuinely and publicly advertised the role in a manner that New Zealanders looking for work are likely to have seen, such as on a national website (e.g. through TradeMe or Seek). This requirement applies regardless of the rate of pay and will be unchanged by the proposals outlined in this paper.

The existing SMR process is inefficient in the current environment

- 12 MSD currently lists a job advertisement for every individual employer vacancy and will provide an individual SMR for each role. For example, in financial year 20 (F20), MSD provided 12,872 SMR's for immigration related job vacancies.¹
- 13 However, providing SMRs on an individual basis is inefficient in cases of known undersupply or oversupply for some occupations as it takes approximately three hours to manage an employer vacancy and produce an SMR for each role. This creates repetitive and unnecessary administrative work for MSD, which reduces the amount of time that Job Connect staff spend matching New Zealanders to other vacancies.
- 14 In cases of a known oversupply, the intention of the SMR process is that it provides an opportunity for MSD to refer candidates to the employer in advance of the visa application. It also means that INZ should be less likely to grant the visa as it is less likely that the LMT has been passed.
- 15 However, in practice, when the employer approaches MSD to obtain a SMR to support a visa application, MSD has frequently observed that listing the vacancy and referring candidates is often ineffective as the employer is usually committed to hiring or retaining a migrant worker and is unwilling to genuinely engage with MSD until the visa process has been completed.
- 16 The table below highlights that there is a much lower placement for MSD job seekers when employers approach a vacancy listing for the purpose of getting a SMR.

Year	Standard Vacancies (non-immigration)			Immigration Related Vacancies		
	Positions listed with MSD	Positions filled by MSD	Fill rate	Positions listed with MSD	Positions filled by MSD	Fill rate
F18	38,717	17,555	45.3%	15,465	278	1.8%
F19	39,034	16,108	41.3%	23,993	318	1.3%
F20	40,118	16,128	40.2%	23,094	241	1.0%

The SMR process will be streamlined for some occupations

- 17 MSD and INZ are streamlining the SMR process for some key occupations in regions where there is either a clear undersupply or clear oversupply of jobseekers, based on analysis and advice from MSD about the availability of jobseekers. This new process will include:
 - stopping the production of SMRs for some occupations in regions where there is an oversupply of New Zealand jobseekers, and that INZ will treat this as information from MSD that there are available New Zealanders on Jobseeker Support
 - stopping the production of SMRs in some key occupations in regions where there is an undersupply of available New Zealanders to undertake work opportunities (although this does not mean INZ will automatically grant Essential Skills work visas for these occupations as other criteria will still need to be met)
 - continuing with the current SMR process for occupations where there is no clear undersupply or oversupply.

¹ In F18 and F19, MSD provided 9,469 and 14,379 SMR's respectively.

- 18 Due to the current border closures, the streamlined SMR changes will initially relate to migrants that are currently on-shore. We expect this will only apply to a small volume of roles as Essential Skills visa applications (of which all current holders with visa's expiring before 2021 have been extended by six months) will only be made from migrants changing jobs, employers or regions in the short-term.

There will be some benefits to both employers and MSD from the new SMR approach

- 19 We expect that these operational improvements will enhance employers experience with the SMR process.
- Employers who are experiencing genuine skill shortages, where there are likely to be no identifiable New Zealand jobseekers available, will benefit from an improved user experience by removing the MSD component of the work visa process to support a faster result with the LMT.
 - Employers will know before having to make an application if there is an oversupply of New Zealanders available for a particular occupation. These employers will still be able to access MSD's job matching services and suite of employment programmes to recruit and train a New Zealand jobseeker for these roles. There will be a clearer expectation that New Zealanders need to be found to fill these roles.
- 20 These changes will mean that MSD's Job Connect team will be able to focus their efforts on providing job-matching services for employer vacancies, and will reduce the volume of SMR's that need to be produced for sectors where there is a clear understanding of client supply.
- 21 This will mean that employers who are looking for support to fill their vacancies (particularly in occupations where there is an oversupply) will be able to engage with MSD's Job Connect team to find a New Zealand jobseeker without the expectation of being able to progress towards recruiting a migrant worker.
- 22 In cases of undersupply, there may still be some New Zealanders available for these jobs either registered as jobseekers with MSD, or not. Therefore, the expectation is that employers continue to seek to employ New Zealand jobseekers first. MSD will continue to provide job-matching services for these occupations to support employers to fill these vacancies.

We have identified occupations and regions with clear oversupply and undersupply of jobseekers

- 23 In order to consider occupations and regions (paid below the minimum wage) where there is a clear undersupply or oversupply, we have considered the following factors:

24 Supply:

- **Nationwide jobseeker data:** which highlights where there is either a high or low number of suitable or trainable jobseekers
- **Evidence from consultation with MSD's regional labour market teams:** which highlights regional trends and provides further insight into MSD's ability to place jobseekers into key occupations.

25 We have also taken a high-level look at labour demand going forwards, including:

- **Historic reliance on migrant workers:** an analysis of the proportion of workforce which was typically made up of temporary migrant workers
- **Predicted labour demand going forwards:** an assessment of the impacts of COVID-19 on the sector and anticipated demand in the short-term

- 26 The Regional Framework Matrix in [Appendix A](#) outlines the initial list of occupations and regions that will form the oversupply and undersupply framework. This is largely based on jobseeker (supply) data, bearing in mind what we know of labour demand going forwards.

We have taken into consideration high-level sector-specific information on historic and forecasted migrant labour demand

- 27 The red meat processing, dairy, forestry, aged residential care, road freight transport, and tourism and hospitality sectors had a large proportion of lower-skilled occupations, a growing workforce with persistent skills and labour shortages, and reliance on temporary migrant workers as a source of labour pre-COVID. The horticulture/viticulture, aquaculture, and construction industries also relied to some extent on labour supply from temporary foreign workers.
- 28 Post-COVID, short-term labour demand is expected to be sustained in the primary sector, healthcare and road freight transport. The hospitality and retail sectors are expected to experience reduced labour demand going forward. The economic downturn is also expected to have a significant impact on demand for construction through to 2021.
- 29 Continued demand for migrant workers in some sectors indicates short-term skills and labour gaps while the border remains closed and while New Zealanders are trained or relocated into roles traditionally filled by migrant workers. For instance, the top three occupations for which Essential Skills visas were approved between April – June 2020 were in the primary and healthcare sectors - Dairy Cattle Farm Worker (590), Personal Care Assistant (300), and Registered Nurse (Aged Care) (240).
- 30 Requests continue to be made for border exceptions for workers in these sectors, but most do not meet the high bar under the critical workers exception category. Discussions are underway between sector representatives and officials around managing workforce needs while the border remains closed.
- 31 This high-level analysis broadly aligns with the makeup of the oversupply and undersupply lists. Occupations in the retail and hospitality, and construction sectors have been placed largely in the oversupply list while the undersupply list is primarily made up of occupations in the primary sector, healthcare sector, and road freight transport sector.

Analysis of MSD's client supply has identified key occupations where there is a potential oversupply of available jobseekers

- 32 We consider there is an oversupply of suitable and trainable New Zealanders for some occupations in the following sectors:

Oversupply occupations	Regions	Visible client supply (all regions)
Retail & Hospitality (Café workers, Kitchenhands, Cooks, Restaurant and fast food workers, Bar workers, Hotel workers, Retail sales assistants, Customer service assistants)	All	24,573
Construction (Building and carpentry labourers, Concrete labourers, General labourers, Trades labourers, Roading workers, Roofing labourers)	All	18,327
Manufacturing & Warehousing (Warehouse staff, Dispatch workers, Factory workers, Inwards goods workers, Stores distribution workers)	All	15,617
Transport (Freight labourers, Depot workers, Courier drivers, Delivery drivers, Light van drivers)	All	11,196
Administration & Call Centre (Administration assistants, Receptionists, Office workers, Call centre operators, Customer service representatives)	All	9,309

- 33 Jobseekers included in the oversupply data include those on a Jobseeker Support benefit with at least 12 months of industry-specific experience and having selected that industry as a job choice. Jobseekers must also have a minimum restricted licence, or minimum Class 4 for Truck Drivers.
- 34 The occupations listed above are generally low-paid and are considered to be roles that are trainable within a short timeframe.
- 35 This data shows a very strong indication of industries where there is a significant oversupply of New Zealanders available for jobs. It is not, however, a description of the total labour supply of New Zealanders for sectors and occupations as it does not include the non-jobseeker workforce. We expect the actual number of New Zealand jobseekers available for these industries, including the total number of people on a Main Benefit, the COVID-19 Income Relief Payment, and those who have not made contact with the welfare system will be higher than the data provided here.
- 36 The identified oversupply industries are all areas with high and growing levels of labour supply, and we expect our visible client supply to continue increasing as the economic impacts of COVID-19 become more severe, and as temporary government support programmes (e.g. Wage Subsidy Scheme) conclude.

Feedback from MSD's regional labour market teams has confirmed that there is a clear oversupply in these occupations nationwide

- 37 MSD's regional labour market teams have considered the proposed oversupply occupations in each region. These teams work actively in their respective regional labour markets and have a strong understanding of MSD's regional client supply.
- 38 Feedback from these teams has also confirmed that there is a clear oversupply of jobseekers across all regions for the proposed key occupations in the retail, hospitality, construction and administration sectors. Every region has indicated that there is a clear oversupply in these occupations, and for many regions, this has included an increasing oversupply post COVID-19.
- 39 Appendix B provides a further regional breakdown of MSD's visible client supply for occupations where we consider there is an oversupply of jobseekers.

Analysis of MSD's client supply has also identified key occupations where there is a potential undersupply of available jobseekers

- 40 We consider there is an undersupply of suitable and trainable New Zealanders for some occupations in the following sectors:

Undersupply occupations	Regions with a confirmed undersupply (to be included in the SMR framework)	Visible client supply (all regions)
Dairy Worker	Auckland Metro, Bay of Plenty, Canterbury, Central, East Coast, Northland, Southern, Taranaki, Wellington	699
Dairy/Herd Manager	Auckland Metro, Bay of Plenty, Canterbury, Central, East Coast, Northland, Southern, Taranaki, Waikato, Wellington	91
Scaffolder	Canterbury, Central, East Coast, Nelson, Southern, Taranaki,	199
Agricultural Machine Operator	Bay of Plenty, Canterbury, Central, East Coast, Northland, Southern, Taranaki	412

Truck Driver (Class 4, Class 5 driver and Trailer driver)	Bay of Plenty, Canterbury, Central, East Coast, Southern, Taranaki, Waikato, Wellington	1,493
Nurse (Enrolled Nurse, Registered Nurse)	All regions	90
Deckhand or On Vessel Worker	Auckland Metro, Bay of Plenty, Canterbury, Central, East Coast, Northland, Southern, Taranaki, Waikato, Wellington	116
Engineer or Steel Fixer (Mechanical Engineer, Automotive Engineer, Electrical Engineer, Steel Fabricator)	Auckland Metro, Bay of Plenty, Canterbury, Central, East Coast, Taranaki, Waikato, Wellington	524

- 41 Jobseekers included in the undersupply data include those on a Jobseeker Support benefit with at least 12 months of industry-specific experience and having selected that industry as a job choice.² The undersupply occupations have been identified as roles that MSD has struggled to fill in some key regions.
- 42 Despite the above table highlighting that there are some jobseekers with experience in these areas, the numbers of visible jobseekers are low for these occupations when compared to the 190,456 people on a Jobseeker Support benefit.
- 43 The data above also does not indicate that all of these jobseekers are suitable, trainable or available for the respective job roles. There is a range of other key factors that would need to be accounted for such as location, health, physical fitness, family circumstances, qualifications or level of prior experience.
- 44 For example, the undersupply occupation category for truck drivers shows 1,493 visible jobseekers. However, anecdotally we know that many of these jobseekers would not be suitable for work in this occupation for reasons such as not being able to meet the physical requirements of the job, lacking the ability to pass a drug test, and the job being unfeasible to accept because of its location or hours.

We considered a range of occupations for the undersupply framework

- 45 We have considered a range of other occupations for the undersupply framework. One key example was considering chefs as an inclusion on the undersupply list, given that there are low numbers of jobseekers with experience in these roles in some regions.
- 46 However, INZ has historically encountered issues with job inflation with these positions. Employers may put in an application to recruit a migrant worker as a chef when in fact the requirements of the job are more closely matched to those of a cook, a lower-skilled and lower-paid position. Inclusion of chefs on the undersupply list risks incentivising employers to describe cook roles as chef roles, especially given that cooks are included on the oversupply list.
- 47 This would lead to both increased verification work for agencies in checking job descriptions (which is not resourced), and the risk of displacing jobseekers where visas are approved for chef roles which are more closely matched to cook positions.
- 48 Employers seeking to recruit for genuine chef roles are still likely to have an SMR approved on an individual basis. In addition, a significant proportion of genuine chef

² Jobseekers must also have a minimum restricted licence, or minimum Class 4 for Truck Drivers.

roles are paid above \$25.50 an hour and are therefore already excluded from the need to obtain an SMR.

- 49 Other key occupations that were considered for undersupply and discounted included Personal Care Assistants and Red Meat Processing Workers. These were discounted as there are likely to be New Zealanders who could be trained into these roles.

Feedback from MSD's regional labour market teams has indicated that undersupply occupations vary significantly between regions

- 50 Feedback from MSD's regional labour market teams has highlighted that there is significant regional variation for undersupply occupations. This is due to a range of factors which we have taken into account, including, but not limited to:
- the degree to which regions have been experiencing an increase in unemployment in a post COVID-19 environment
 - regional employment programmes that are underway to supply a potential pipeline of jobseekers for some of these occupations.
- 51 For example, in regions such as Waikato, there is a range of training and redeployment programmes available to boost the supply of jobseekers for Dairy worker roles. In this instance, regional analysis has highlighted that there is not a regional undersupply for these roles.
- 52 In instances where regional feedback indicates that there is available client supply (or a pipeline for future supply in these occupations), we have excluded these regions from the undersupply framework.
- 53 Appendix B also provides a further regional breakdown of MSD's visible client supply for occupations where we consider there is an undersupply of jobseekers.

The details of undersupply and oversupply occupations will be published on the INZ and MSD websites

- 54 The occupations and regions outlined above, where there is a clear oversupply or undersupply of New Zealand jobseekers, will be published on the MSD and INZ websites for employers to access.
- 55 INZ will subsequently be accepting visa applications for occupations on either list and will use the published lists in place of an SMR to inform the MSD advice component of the LMT. Employers will not need to obtain a SMR from MSD in order for a visa application to be made for any occupation on either the undersupply or oversupply list.
- 56 When job vacancies below the median wage are determined to be in either the undersupply or oversupply categories, employers are still able to work with MSD to find candidates for these roles.

s9(2)(g)(i) OIA

57 s9(2)(g)(i) OIA

- 58 This risk is mitigated to an extent by the generic six-month extension that has recently been granted for all Essential Skill visas, meaning that for the next six months visa applications will be limited to current migrant workers seeking to change jobs (and other visa holders onshore applying for employer-assisted visas). Having a strong evidence basis and data analysis for the development of the undersupply and oversupply lists will also help to justify any conclusions made.
- 59 The lists include some sectors MBIE are working with to encourage employers to focus more on training and employing New Zealanders, or improving terms and conditions to make these jobs more attractive to New Zealanders (e.g. dairy and

fish). There is a risk in putting these occupations on a public list that this will be seen as endorsement of existing models heavily reliant on lower skilled migrant labour. This can be mitigated by being explicit in communications that this is a temporary policy, and committing to reviewing these changes.

- 60 Proposed sectors and regions for undersupply and oversupply will be reviewed by MSD, in consultation with MBIE, every three months, or under urgency if there is a significant shock to the labour market.
- 61 We will also commit to consider the termination of this approach in early 2021 and evaluate its need with respect to the labour market conditions at the time.
- 62 After we have received feedback from you on these proposed changes and lists for undersupply and oversupply, we will begin consultation with unions and organisations who are impacted, such as Business New Zealand and The Council of Trade Unions (NZCTU) if you indicate that you wish officials to have this consultation take place. It is possible we may make further minor changes to the lists as a result of this consultation and feedback.
- 63 MSD and INZ will work together on proactive communications to engage with employers on the upcoming changes, to make the implications of the changes clear.

We suggest that some minor updates are made to INZ's Immigration Instructions to reflect the changes to the SMR process

- 64 At present, MSD and INZ have an established process in place for using a list of undersupply occupations in place of an SMR.³
- 65 Although the policy and legal framework also broadly allows for the use of a list in place of the SMR in the case of oversupply, this would require a change to INZ's current SMR process.
- 66 If you agree to use a list to manage oversupply of jobseekers in the same way as for undersupply, INZ will provide the Minister of Immigration with Immigration Instructions that will clarify the process by which an immigration officer can consider the LMT is not met for oversupply occupations.

Next Steps

- 67 We anticipate that these changes will take effect by late August or early September.
- 68 If you agree to the proposed processes, INZ will provide the Minister of Immigration with Immigration Instructions that will clarify the process by which an immigration officer can consider the LMT is not met for oversupply occupations.
- 69 If you agree, officials can discuss these proposals with unions and other stakeholders before undertaking wider communications with employers.
- 70 Officials will consider the termination of this approach in early 2021, given that it is a short-term measure to respond to changes to the labour market as a result of COVID-19, whilst work is underway to train and redeploy New Zealanders into roles typically filled by migrant workers.

MSD REP/20/7/752

MBIE 2021-0415

Author: Out of scope Graduate Policy Analyst, Employment & Labour Market Policy

Responsible manager: Megan Beecroft, Manager, Employment & Labour Market Policy

³ This process was previously agreed by joint Ministers and used for several years in Queenstown, where a range of tourism and hospitality jobs were exempt from the SMR on the basis that there were no job seekers available for those roles.

REGIONAL FRAMEWORK

UNDERSUPPLY MATRIX

SUITABLE: Jobs-seekers with at least 12 months of industry specific experience and industry selected as job choice, and a minimum of a restricted licence. Note: Truck Drivers have a minimum of Class 4 licence.

	Auckland Metro	Bay of Plenty	Canterbury	Central	East Coast	Nelson	Northland	Southern	Taranaki	Waikato	Wellington	TOTAL
Dairy Worker	✓	✓	✓	✓	✓	×	✓	✓	✓	×	✓	699
Dairy or Herd Manager	✓	✓	✓	✓	✓	×	✓	✓	✓	✓	✓	91
Scaffolder	×	×	✓	✓	✓	✓	×	✓	✓	×	×	199
Agricultural Machine Operator	×	✓	✓	✓	✓	×	✓	✓	✓	×	×	412
Truck Driver (Truck Driver includes Class 4 Truck Driver, Class 5 Truck and Trailer Driver)	×	✓	✓	✓	✓	×	×	✓	✓	✓	✓	1,493
Nurse (Nurse includes Enrolled Nurse, Registered Nurse)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	90
Deckhand or On Vessel Worker	✓	✓	✓	✓	✓	×	✓	✓	✓	✓	✓	116
Engineer or Steel Fixer (Engineer includes Mechanical Engineer, Automotive Engineer, Electrical Engineer, Steel Fabricator)	✓	✓	✓	✓	✓	×	×	×	✓	✓	✓	524

✗ Region confirmed they have candidate supply and not to include in their framework.

✓ Region confirmed they do not have candidate supply and to include in their framework.

OVERSUPPLY MATRIX

TRAINABLE: Job seekers with industry specific experience or industry selected as a job choice and a minimum of a learner's licence

	Auckland Metro	Bay of Plenty	Canterbury	Central	East Coast	Nelson	Northland	Southern	Taranaki	Waikato	Wellington	TOTAL
Retail and Hospitality Café workers, Kitchenhands, Cooks, Restaurant and fast food workers, Bar workers, Hotel workers, Retail sales assistants, Customer service assistants	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	24,573
Construction Building and carpentry labourers, Concrete labourers, General labourers, Trades labourers, Roading workers, Roofing labourers	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	18,327
Administration and Call Centre Administration assistants, Receptionists, Office workers, Call centre operators, Customer service representatives	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	9,309
Manufacturing and Warehousing Warehouse staff, Dispatch workers, Factory workers, Inwards goods workers, Stores distribution workers	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	15,617
Transport Freight labourers, Depot workers, Courier drivers, Delivery drivers, Light van drivers	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11,196

✗ Region confirmed they do not have candidate supply and not to include in their framework.

✓ Region confirmed they have candidate supply and to include in their framework.

Appendix A: Regional Framework Matrix

PROPOSED UNDERSUPPLY

SUITABLE: Jobseekers with at least 12 months of industry specific experience and industry selected as job choice, and a minimum of a restricted licence. Truck Drivers have a minimum of Class 4 licence.

SUITABLE	Dairy Worker	Dairy or Herd Manager	Scaffolder	Agricultural Machine Operator	Truck Driver	Nurse	Deckhand and On Vessel Worker	Engineer and Steel Fixer
Auckland Metro	41	S	56	102	239	16	S	137
Bay of Plenty	96	12	20	34	171	12	8	56
Canterbury	54	6	18	49	145	12	3	60
Central	58	14	7	28	97	6	S	34
East Coast	13	S	8	26	126	7	15	20
Nelson	38	S	S	24	128	S	30	17
Northland	61	S	22	35	125	S	6	35
Southern	91	17	9	30	143	13	16	35
Taranaki	117	11	14	23	83	9	6	38
Waikato	120	14	18	39	148	6	10	50
Wellington	10	S	15	22	98	S	7	42
Total	699	91	199	412	1,493	90	116	524

Short Term	37
Civil Engineer	24
Engineer General	24
Engineering Assistant	18
Engineering Worker	18
Mechanical Engineer	15
Electrical Engineer	13
Automotive Engineer	12
Labourer Steel Worker	12
Engineer Mechanical	9
Structural Design Engineer	9
Engineering Manager	8
Steel Fabricator	8
Aircraft Engineer	7
Civil Construction Engineer	7
Engineers Labourer	7
Marine Engineer	6
Workshop Assistant Mechanical	6

PROPOSED OVERSUPPLY

TRAINABLE: Job seekers with industry specific experience or industry selected as a job choice and a minimum of a learner's licence

TRAINABLE	Retail Hospitality	Construction	Administration Call Centre	Manufacturing Warehousing	Transport
Auckland Metro	6,430	4,575	3,290	5,160	2,888
Bay of Plenty	2,709	2,147	780	1,389	1,329
Canterbury	2,368	1,811	832	1,592	1,085
Central	1,512	1,161	554	877	670
East Coast	1,163	968	353	784	704
Nelson	1,083	687	259	505	589
Northland	1,435	1,230	433	748	750
Southern	1,925	1,230	528	1,132	865
Taranaki	1,392	1,162	407	800	544
Waikato	2,351	1,922	781	1,448	1,001
Wellington	2,205	1,448	1,092	1,182	771
Total	24,573	18,327	9,309	15,617	11,196

Proposed oversupply features roles that are classified ANZSCO Level 4 - 5 (low skilled)

Retail and Hospitality

Café workers, Kitchenhands, Cooks, Restaurant and fast food workers, Bar workers, Hotel workers, Retail sales assistants, Customer service assistants

Construction

Building and carpentry labourers, Concrete labourers, General labourers, Trades labourers, Roofing workers, Roofing labourers

Administration and Call Centre

Administration assistants, Receptionists, Office workers, Call centre operators, Customer service representatives

Manufacturing and Warehousing

Warehouse staff, Dispatch workers, Factory workers, Inwards goods workers, Stores distribution workers

Transport

Freight labourers, Depot workers, Courier drivers, Delivery drivers, Light van drivers