

A new approach to employer-assisted work visas and regional workforce planning

Canterbury Mayoral Forum submission

15 March 2019

Submission form
December 2018



New Zealand Government

1. Submission form guidelines

Purpose

The Ministry of Business, Innovation and Employment (MBIE) is undertaking public consultation on behalf of the Government, regarding:

- Proposed changes to the employer-assisted temporary work visa system
- Early ideas on regional workforce planning and better alignment between the Immigration, Welfare and Skills/Education systems.

The consultation is open to all individuals, groups or organisations. There are some questions which must be answered for data collection purposes. Submitters may otherwise respond to the consultation questions as they prefer.

The consultation will commence on 18 December 2018 and conclude on 18 March 2019. Further information, including the full consultation document can be found [on the MBIE website](#).

Process

The consultation is open to all individuals, groups or organisations. Submitters must respond to the submitter questions marked with an asterisk. All other questions are optional. Submitters can participate by completing this form and emailing it to:

immigration-consultation@mbie.govt.nz

Alternatively, submitters may also complete the [online consultation form](#) (preferred). All submissions must be received **by 5pm, 18 March 2019**.

Information

We encourage submitters to use evidence to support views in their submissions where possible. This might include independent research, facts, figures or relevant examples. We also ask you to provide information about yourself and your interest in the consultation process. MBIE will use the information provided to inform analysis and advice to Ministers. We may contact submitters directly if we require clarification of any matters raised.

Privacy and confidentiality

The Privacy Act 1993 establishes certain principles with respect to the collection, use and disclosure of information about individuals by various agencies, including MBIE. Any personal information you supply to us in the course of making a submission will only be used for the purpose of assisting in the development of policy advice in relation to the proposals in this document.

We intend to publish written submissions on MBIE's website at www.mbie.govt.nz. This will not include personal information, but will include the names of organisations unless requested otherwise.

In addition to proactive publication, if MBIE receives a request under the Official Information Act 1982 for a copy of submissions, MBIE will need to make its own assessment of whether the information should be released, including whether it is in the public interest to release the information received. In this case, MBIE will endeavour to consult with the submitter prior to making its decision on the request.

**Please place any confidential information within your submission in square brackets.
For example:**

**[Confidential information placed in square brackets will not be released publicly
without consulting you directly]**

2. Responses

Submitter information – please tell us about yourself	
Question 1.	<p>Would you prefer your submission, either in part or in full, to be withheld from public release?</p> <p>(Personal information such as your name and contact details would not be released without consulting you).</p> <p><input checked="" type="checkbox"/> No, the content of my submission is able to be publicly released in full.</p> <p><input type="checkbox"/> Yes, <u>please withhold my entire submission</u> from any public release of submissions.</p> <p><input type="checkbox"/> Yes, please withhold private or confidential information as indicated in my submission. <u>I do not need to be consulted further</u> regarding public release of submissions.</p> <p><input type="checkbox"/> Yes, private or confidential information has been indicated in my submission. <u>Please consult me before releasing</u> my submission as part of a public release.</p>
In order to make sure that the views of different groups, sectors, and regions are properly shown in any analysis, please provide some preliminary information about your submission.	
Question 2:	<p>What is the name of the person completing this submission?*</p> <p>Dr David Bromell, Principal Advisor, Regional Forums Secretariat, for the Canterbury Mayoral Forum.</p>
Question 3.	<p>If you are submitting on behalf of an organisation, what is the name of that organisation?</p> <p>Canterbury Mayoral Forum, chaired by Mayor Lianne Dalziel (Christchurch City).</p> <p>The Canterbury Mayoral Forum leads the Canterbury Regional Economic Development Strategy. One of seven work programmes is Newcomer and migrant settlement (skilled workers, cohesive communities). Mayors Donna Favel (Ashburton District) and Sam Broughton (Selwyn District) lead this work.</p> <p>All Canterbury councils actively participate in the Mayoral Forum: the Kaikōura, Hurunui, Waimakariri, Selwyn, Ashburton, Timaru, Mackenzie, Waimate and Waitaki District Councils, the Christchurch City Council and the Canterbury Regional Council (Environment Canterbury).</p> <p>The Forum is mandated by the Canterbury Local Authorities' Triennial Agreement to promote collaboration across the region and increase the effectiveness of local government in meeting the needs of Canterbury's communities.</p> <p>This submission reflects a whole-of-region view. Where a district has distinctive interests and concerns, individual councils may also submit on the proposals.</p>

	<p>This submission has been prepared in consultation with the Canterbury Employers' Chamber of Commerce, Federated Farmers, the region's economic development agencies, and Canterbury Tertiary Education Organisations (TEOs) through ChristchurchNZ.</p>
<p>Question 4.</p>	<p>Please provide us with at least one method of contacting you, in case we need to discuss your submission further.</p> <p>Dr David Bromell, secretariat@canterburymayors.org.nz, 027 839 2708</p>
<p>Question 5.</p>	<p>What sector(s) does your submission most closely relate to?</p> <ul style="list-style-type: none"> <input type="checkbox"/> General submission - no specific sector <input type="checkbox"/> Aged care <input type="checkbox"/> Construction <input type="checkbox"/> Finance <input type="checkbox"/> Education <input type="checkbox"/> Energy <input type="checkbox"/> Forestry <input type="checkbox"/> Healthcare (other than aged care) <input type="checkbox"/> ICT <input type="checkbox"/> Labour hire <input type="checkbox"/> Manufacturing <input type="checkbox"/> Natural resources <input type="checkbox"/> Petroleum and minerals <input type="checkbox"/> Retail <input type="checkbox"/> Tourism and hospitality <input type="checkbox"/> Transport and freight <input type="checkbox"/> Viticulture and horticulture <input checked="" type="checkbox"/> Other – please indicate: Local government leadership of regional development
<p>Question 6.</p>	<p>Which regions(s) does your submission most closely relate to?</p> <ul style="list-style-type: none"> <input type="checkbox"/> All regions <input type="checkbox"/> Auckland <input type="checkbox"/> Bay of Plenty <input checked="" type="checkbox"/> Canterbury <input type="checkbox"/> Gisborne <input type="checkbox"/> Hawke's Bay <input type="checkbox"/> Manawatu-Whanganui <input type="checkbox"/> Marlborough <input type="checkbox"/> Northland <input type="checkbox"/> Nelson <input type="checkbox"/> Otago (Other than Queenstown lakes) <input type="checkbox"/> Queenstown lakes <input type="checkbox"/> Southland

	<input type="checkbox"/> Taranaki <input type="checkbox"/> Tasman <input type="checkbox"/> Waikato <input type="checkbox"/> Wellington <input type="checkbox"/> West Coast <input type="checkbox"/> Other (please specify)
Question 7.	<p>Which of the following most closely Describes your perspective as a submitter?*</p> <input type="checkbox"/> Employer (<i>Continue from question 8</i>) <input type="checkbox"/> Employee (New Zealander/permanent resident) (<i>Continue from question 12</i>) <input type="checkbox"/> Employee (temporary migrant visa holder) (<i>Continue from question 12</i>) <input type="checkbox"/> Industry organisation (<i>Continue from question 12</i>) <input type="checkbox"/> Economic development agency (<i>Continue from question 12</i>) <input type="checkbox"/> Licenced immigration advisor (<i>Continue from question 12</i>) <input type="checkbox"/> Union (<i>Continue from question 12</i>) <input type="checkbox"/> Non-Governmental Organisation (NGO)/Social services provider (<i>Continue from question 12</i>) <input checked="" type="checkbox"/> Local Government (<i>Continue from question 12</i>) <input type="checkbox"/> Other – please indicate: (<i>Continue from question 12</i>)

<i>Employers only, please complete questions 8 to 11</i>	
Question 8.	<p>Please tell us the size of your organisation by total employees.</p> <input type="checkbox"/> 1-5 <input type="checkbox"/> 6-9 <input type="checkbox"/> 10-19 <input type="checkbox"/> 20-49 <input type="checkbox"/> 50-99 <input type="checkbox"/> 100-499 <input type="checkbox"/> 500+
Question 9.	<p>How many applications have you supported in the last 12 months for temporary work visas?</p> <input type="checkbox"/> None <input type="checkbox"/> One <input type="checkbox"/> Two to five <input type="checkbox"/> Six or more
Question 10.	<p>How many Employer supported Temporary work visa holders do you currently employ?</p> <p>Number _____</p> <p>Percentage of your workforce: _____</p>

<p>Question 11.</p>	<p>If you currently employ temporary migrants, what are the skill bands are they most commonly on?</p> <p><input type="checkbox"/> Higher-skilled (ANZSCO 1-3, paid more than \$37.49 per hour)</p> <p><input type="checkbox"/> Higher-skilled (ANZSCO 4-5, paid more than \$37.49 per hour)</p> <p><input type="checkbox"/> Mid-skilled (ANZSCO 1-3, paid more than \$21.24 per hour, but less than 37.50 per hour)</p> <p><input type="checkbox"/> Lower-skilled (ANZSCO 1-3, paid less than \$21.25 per hour)</p> <p><input type="checkbox"/> Lower-skilled (ANZSCO 4-5, paid less than \$37.50 per hour)</p>
<p>Question 12.</p>	<p>Please indicate the 4 or 6 digit ANZSCO code, if known, for any occupations that are of particular relevance to your submission. (ANZSCO codes can be searched online here).</p>

Substantive questions – Section 1

There are two broad areas of proposals in this consultation:

- A set of proposals to reform employer supported – temporary work visa settings; and
- Early thinking on aligning the immigration, welfare/employment, and skills/education systems on a regional basis.

You are welcome to submit on either or both areas of consultation.

The first section of questions relate to temporary work visa settings and include:

- Shifting to an employer-led process - The 'gateway framework' (*Section 3 of the consultation document*).
- The details of an employer accreditation framework - the employer gateway (*Section 4 of the Consultation Document*).
- Testing of the labour market for specific jobs - the job gateway (*Section 5 of the consultation document*).
 - A highly paid threshold for exemption from current Labour Market Testing.
 - The development of Regional skill shortage lists.
 - The development of sector agreements.
 - Regionally differentiated labour market testing based on indicators of the local labour market.
- Situations where INZ may not need to assess a migrants ability to do a job (*Section 7 of the consultation document*)
- Transitional arrangements (*Section 9 of the consultation document*):
 - Increasing the mid skilled remuneration threshold.
 - More facilitative settings for the partners and children of lower-skilled migrants.
 - Reviewing the stand down periods for lower skilled temporary migrants.

Proposal 1 (*Section 3 of the consultation document*)

It is proposed that the current range of employer-assisted temporary work visa categories are unified under one category called the ‘employer-assisted temporary work visa.’ All applications for this visa would be processed through a new gateway framework comprised of three distinct gates where checks are complete by INZ on employers, the job offer, and the migrant applying:

- The employer gate where employers are accredited to employ temporary migrant workers;
- The job gate where checks are made to make sure no New Zealander is able to fill the job the employer is recruiting for; and
- The migrant gate where checks are made on a migrant worker’s identity, health, character and qualifications to do a job.

Central to the new framework is that it is employer-led rather than migrant-led. This reflects that the temporary work visa settings should be designed around employers, the main beneficiary of the system, rather than migrants.

<p>Question 13.</p>	<p>Do you support moving to an employer led process for temporary migrant workers?</p> <p><input type="checkbox"/> Yes, I support this proposal in full <input checked="" type="checkbox"/> Yes, we support parts of this proposal <input type="checkbox"/> No, I do not support this proposal <input type="checkbox"/> Unsure <input type="checkbox"/> No opinion on this proposal</p>
<p>Question 14.</p>	<p>With reference to Question 13, please tell us why you agree, why you don’t agree or why you are unsure.</p> <p>We support the proposal in principle that the process <i>start</i> with the employer instead of the migrant applicant.</p> <p>We welcome the proposed simplification of temporary work visa categories into a single visa category.</p> <p>In principle, we support the “three gates” framework.</p> <p>These changes potentially simplify the process for both employers and migrant applicants and ensure it remains clearly focused on New Zealand’s labour market needs.</p> <p>But the devil will be in the details—see Q. 15.</p>
<p>Question 15.</p>	<p>What impacts do you expect this proposal to have? Please provide evidence where possible.</p> <p>Our support is conditional on system design and implementation. The system needs to be responsive, efficient and timely.</p> <p>We are concerned about potential transaction and compliance costs, particularly for SMEs. If the system to administer this is unnecessarily complex, or inconsistent, it will create considerable frustration for SMEs, particularly if there are no Hubs to support them through the process (see Q. 48).</p>

	<p>We do not want to see processing timeframes extended, as we understand has followed changes to post-study work rights for international students – on the information available to us, from around 14 days to around 31 days for 75% of applicants considered.</p> <p>We note that changes to immigration policy settings impact on NZ’s perceived openness (or otherwise) to newcomers and that this can have an unintended consequence for the international education market. The narrative we want to encourage is that NZ is open for business and open to the world, and it is easy to engage with us.</p> <p>If transaction and compliance costs are too onerous, we expect that SMEs will not hire international workers and that this will constrain economic growth, given domestic labour and skills shortages.</p>
<p>Proposal 2 - (Section 4 of the consultation document)</p> <p>It is proposed that employer accreditation is introduced for all employers who want to recruit temporary migrant workers.</p> <p>Strengthening the minimum standards, the incentives employers receive, and compliance is intended to encourage employers to recruit and train New Zealanders, and reduce the risk of exploitation when migrants are employed.</p> <p>Accreditation would require employers to demonstrate that their business practices:</p> <ul style="list-style-type: none"> • Incentivise training and up-skilling of New Zealanders • Put upward pressure on wages and conditions • Meet minimum immigration and employment regulatory standards to minimise the exploitation of migrant workers • Maintain the integrity of the immigration system <p>It is proposed that there are three different accreditation types with different standards, incentives and duration.</p> <ul style="list-style-type: none"> • Standard accreditation • Labour Hire accreditation • Premium accreditation <p>The accreditation type will depend on the employer, and for some employers, will depend on their preference for additional incentives that come with premium accreditation.</p>	
<p>Question 16.</p>	<p>Do you support moving to an employer led process for temporary migrant workers?</p> <p><input type="checkbox"/> Yes, I support this proposal in full</p> <p><input checked="" type="checkbox"/> Yes, we support parts of this proposal</p> <p><input type="checkbox"/> No, I do not support this proposal</p> <p><input type="checkbox"/> Unsure</p> <p><input type="checkbox"/> No opinion on this proposal</p>

<p>Question 17.</p>	<p>Do you have any comments to make on the different accreditation groups for employers with particular reference to accreditation types, standards, duration and incentives? Please indicate if you think there are any particular impacts for smaller businesses.</p> <p>In principle, we support stepped accreditation.</p> <p>As at Q. 15, our concern is system design and implementation. The system must be responsive, efficient and timely, and minimise transaction and compliance costs for employers, particularly SMEs.</p> <p>The key question is how many hoops an employer, particularly a small business, will have to jump through to secure premium accreditation, given that the ability to offer work-to-residence for skilled migrants, and three-year visas for lower-skilled migrants in regions with tight labour markets, are proposed as incentives only for the premium accreditation group.</p>
<p>Question 18.</p>	<p>What other evidence or employer activities should we consider as alternatives or additions to the proposed employer accreditation standards? <i>(For example, how would you demonstrate in house training and development, or are there programmes you participate in that should be considered as evidence for meeting these standards?)</i></p> <p>The base standard ought to be a fair wage and working conditions in accordance with NZ law.</p> <p>Our advice is “keep it simple” and don’t over-regulate. Make it easier to do business, while preventing migrant exploitation.</p> <p>One criterion might be, say, at least 1 per cent of payroll spent on staff training and development, including informal training. (On farm, for example, this might include assistance with learning English, driving quad bikes, meeting health and safety requirements, understanding the differences between the NZ Animal Welfare Code and overseas practices, etc.)</p> <p>We note that there is relatively limited incentive for employer investment in training and development, endorsed by third parties, for lower-skilled migrants on three-year work visas if a stand-down period is maintained (see further our response to Q. 38).</p> <p>Particularly for small businesses, it is difficult to provide pastoral care – not helped by uncertainty over what exactly pastoral care means and requires. Enhanced standards for pastoral care should recognise when employers are linked in and contributing financially to community programmes that provide pastoral care for migrants and their families. These programmes are often able to provide a broader range of assistance than businesses would be able to achieve alone or when working with individual employees.</p>

Proposal 3 - (Section 5 of the consultation document)

It is proposed that there are four job pathways available to employers to recruit temporary migrant workers in the future.

- High levels of remuneration

- Regional Skills Shortage Lists
- Sector agreements
- Regionalised labour market testing

Three of these pathways (the highly-paid threshold, regional skills list and regional labour market test) are enhancements of the status quo. One of these pathways (sector agreements) is a new pathway.

<p>Question 19.</p>	<p>Do you agree that a sufficiently high rate of pay should exempt a job offer from needing a labour market test?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Unsure <input type="checkbox"/> No opinion</p>
<p>Questions 20.</p>	<p>With reference to Question 19, please tell us why you agree, why you don't agree or why you are unsure.</p> <p>Given our region's ageing population, a tight labour market will constrain regional development unless eased by continued net migration. Modelling undertaken by ChristchurchNZ in 2017 indicated that for Canterbury to maintain even modest growth we need, at a minimum, 105,989 migrants (from NZ and overseas) over the next 15 years—equivalent to 6,600 net migration per year. This is similar to post-quake migration levels and well above historic levels of around 3,500 net migration per year.</p> <p>By occupation, the need for new workers to replace those retiring is in both high-skilled and low-skilled occupations.</p> <p>Projections by Statistics New Zealand indicate a one-in-three chance of population decline by 2068 but this will play out differently across New Zealand's regions and communities.</p> <p>We anticipate increasing global competition for labour (both skilled and lower-skilled) among developed nations with similarly ageing populations. Central government needs to work with the regions on a planned approach to population policy and labour market strategy.</p> <p>We note research indicating that firms employing recent migrants are more likely to introduce new goods and services, new processes and new marketing methods, as well as being more likely to enter new export markets and engage internationally.¹</p>

¹ K. Mcleod, R. Fabling, & D. Maré (2014), *Hiring new ideas: International migration and firm innovation in New Zealand*, http://motu-www.motu.org.nz/wpapers/14_14.pdf; R. Hodder & J. Krupp (2017), *The new New Zealanders: Why migrants make good Kiwis*, <https://nzinitiative.org.nz/reports-and-media/reports/the-new-new-zealanders/>

<p>Question 21.</p>	<p>Based on a 40 hour week, what would you consider to be a highly paid annual income threshold for your industry or region?</p> <p>We recommend using variable income thresholds to incentivise migrant workers to settle in regions outside Auckland – and calibrating income thresholds not against national income averages, but against income thresholds for each region against actual average wages by occupation, by skill level, in that region.</p> <p>To do this well, it will be necessary to review ANZSCO levels against occupations in consultation with industry and unions.</p> <p>For example, average weekly income from paid employment (HLFS, year to June 2018) for Auckland, South Island regions and the country as a whole varies considerably:</p> <table border="1" data-bbox="488 790 1481 1014"> <thead> <tr> <th>Region</th> <th>Individual</th> <th>Household</th> </tr> </thead> <tbody> <tr> <td>Auckland</td> <td>\$1,262</td> <td>\$1,745</td> </tr> <tr> <td>Nelson, Tasman, Marlborough, West Coast</td> <td>\$1,016</td> <td>\$1,260</td> </tr> <tr> <td>Canterbury</td> <td>\$1,140</td> <td>\$1,471</td> </tr> <tr> <td>Otago</td> <td>\$1,074</td> <td>\$1,379</td> </tr> <tr> <td>Southland</td> <td>\$920</td> <td>\$1,119</td> </tr> <tr> <td>New Zealand all regions</td> <td>\$1,168</td> <td>\$1,524</td> </tr> </tbody> </table> <p>There is of course also variation in income <i>within</i> regions, particularly between metros and the rest of their regions.</p> <p>For farm workers, we think income thresholds should factor in the monetary value of rural employee benefits; for example, assistance with housing.</p>	Region	Individual	Household	Auckland	\$1,262	\$1,745	Nelson, Tasman, Marlborough, West Coast	\$1,016	\$1,260	Canterbury	\$1,140	\$1,471	Otago	\$1,074	\$1,379	Southland	\$920	\$1,119	New Zealand all regions	\$1,168	\$1,524
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<p>Question 22.</p>	<p>Do you support transitioning to regional skill shortage lists?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Unsure <input type="checkbox"/> No opinion</p>																					
<p>Question 23.</p>	<p>How could the skills shortage lists be improved?</p> <p>We strongly support development of regional skills and labour shortage lists.</p> <p>In a region as large as Canterbury, we also need sub-regional skills shortage lists; e.g. for South/Mid-Canterbury, greater Christchurch, and North Canterbury. An alternative is to distinguish Christchurch City from the rest of the region. Our point is that the employment environment in the provincial and rural hinterland is significantly different from that in Christchurch. Because 62% of the region’s population lives in Christchurch City, this distorts the picture of labour and skills shortages across the region as a whole. Either we need sub-regional skills shortage lists, or we need to separate metros from the rest of their regions.</p>																					

	<p>The lists also need to include ANZSCO skill levels 4 and 5 and take account of seasonality in labour market demand. To understand local labour markets, consultation will be necessary with MSD Regional Commissioners, economic development agencies, chambers of commerce and TEOs. From the perspective of an employer, if they are advertising and never find anyone, we think that should qualify as a shortage, regardless of the skill level.</p> <p>Preparing and maintaining the lists needs to be “fleet of foot”, not ploddingly bureaucratic, or they will fail to respond to changing labour market needs. How often will they be updated?</p> <p>The Canterbury Skill Shortage List (updated every four months) worked well for Canterbury post-quake, as also the South Island Contribution Work Visa. We want to see this sort of approach implemented on an ongoing basis – not “one size fits all”.</p>
<p>Question 24.</p>	<p>Do you agree that sector agreements should be introduced?</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p><input checked="" type="checkbox"/> Unsure</p> <p><input type="checkbox"/> No opinion</p>
<p>Questions 25.</p>	<p>With reference to Question 22, please tell us why you agree, why you don’t agree or why you are unsure. Please indicate any specific sector views, where relevant.</p> <p>We agree that certainty is critical in industries that rely heavily on migrant workers. But see Q. 26.</p>
<p>Question 26.</p>	<p>Do you have any comments on what could be included or excluded from the sector agreements?</p> <p>It may be unrealistic and unfair to tie sector agreements to specific commitments to employ more New Zealanders over time. Canterbury has been experiencing sub-regional unemployment rates calculated to be as low as 1.5%.</p> <p>Previous attempts by MSD to incentivise beneficiaries to move to where the jobs are have not proved altogether successful and sometimes ignored kin ties and caring responsibilities. Neither have competitive wages, lower housing costs, shorter commute times or potentially better quality of life proved sufficient to motivate NZ workers to migrate internally to the extent that our region needs and welcomes. Many are simply unwilling to relocate to rural areas.</p> <p>R&D tax credits and other measures to support automation are part of the solution, but technology still needs skilled workers to install, maintain and operate it.</p>

	<p>“Commitments to more efficient visa processing of visa applicants” (p. 18 of the discussion document) should not be an incentive or bonus—it is what we expect of customer-focused service delivery in the state sector.</p>
<p>Proposal 4 - (Section 5 of the consultation document) It is proposed to review the labour market test to make it easier or harder to recruit temporary migrant workers in a region depending on the dynamics of the local labour market in that region..</p>	
<p>Question 27.</p>	<p>Do you agree the labour market test could be more responsive to better reflect the different needs of the regions?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Unsure <input type="checkbox"/> No opinion</p>
<p>Questions 28.</p>	<p>With reference to Question 27, please tell us why you agree, why you don't agree or why you are unsure.</p> <p>See Q. 23 (pp. 12–13).</p>
<p>Question 29.</p>	<p>How could the labour market test be redesigned to make it more responsive to regional needs?</p> <p>See Q. 23 (pp. 12–13).</p> <p>Labour market hub staff should be able to waive the labour market test when they have recently worked with other employers in the same sector searching for people with the same skill set – and know “on the ground” that there are simply no people with the relevant skills available for work in the district/region.</p> <p>The labour market test should not be a requirement where an employer has been unable to find an employee for the same role in the past, say, six months.</p>
<p>Question 30.</p>	<p>Are there any more general improvements that could be made to the labour market test to make it work better?</p> <p>See Q. 23 (pp. 12–13).</p>
<p>Proposal 5 - (Section 5 of the consultation document) It is proposed that labour market testing should be differentiated based on a set of indicators which reflect the labour market dynamics and growth pressures of New Zealand's sixteen regions.</p>	
<p>Question 31.</p>	<p>Do you agree a set of indicators could be used to differentiate regions?</p> <p><input checked="" type="checkbox"/> Yes, but ... <input type="checkbox"/> No <input type="checkbox"/> Unsure <input type="checkbox"/> No opinion</p>

<p>Questions 32.</p>	<p>With reference to Question 31, please tell us why you agree, why you don't agree or why you are unsure.</p> <p>See Q. 23 (pp. 12–13) – where possible we are looking for disaggregation to sub-regional labour markets.</p> <p>The indicators need to be truth-tested by conversations with people on the ground – e.g. MSD Regional Commissioners, economic development agencies, chambers of commerce and TEOs.</p> <p>We need to consider gaps in education and training in the regions. For example, in Canterbury we have 15% of tech employment (Digital Nation Report) and 13% of NZ's total population but only 6% of tertiary technology graduates (TEC). It will be a long time before education and training can meet the employment needs of the sector and this should be taken into account when employers are seeking to employ international workers with the relevant tech codes.</p>
<p>Question 33.</p>	<p>Of the below potential indicators, which ones do you think are most relevant to determining immigration settings for a region?</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Unemployment volumes and rates (including splits for Māori, Pacific Peoples, and youth and disabled people) and by region/sub-region <input checked="" type="checkbox"/> Trend in unemployment volumes and rates <input checked="" type="checkbox"/> Employment rate by age, gender, ethnicity, disability status and region/sub-region <input checked="" type="checkbox"/> Trend in employment rate and volumes <input checked="" type="checkbox"/> Underutilisation rates by age, gender, ethnicity and region / sub-region <input checked="" type="checkbox"/> Trend in underutilisation volumes and rates, by age, gender, ethnicity, disability status and region / sub-region <input checked="" type="checkbox"/> Wage levels and labour cost index projections for the next three years, by occupation, industry and region /sub-region <input checked="" type="checkbox"/> Forecast economic growth by region <input checked="" type="checkbox"/> Vacancy growth (job growth) <input checked="" type="checkbox"/> Projected annual volume of school-leavers by region/sub-region <input checked="" type="checkbox"/> Projected enrolments in tertiary education by level, field of study and by region/sub-region <input checked="" type="checkbox"/> Projected completions by level and field of study and by region/sub-region <input checked="" type="checkbox"/> Projected net migration, by occupation and by visa type and by region/sub-region

	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Number of work-tested beneficiaries by region / sub-region <input checked="" type="checkbox"/> Projected volume of exits by beneficiaries to employment by region/sub-region <input checked="" type="checkbox"/> Working age population as a proportion of total population including those not in the labour force or employment, education or training and by gender, ethnicity and region/sub-region <input checked="" type="checkbox"/> Projected change in working age population and by gender, ethnicity and region/sub-region <input checked="" type="checkbox"/> Age distribution within key occupations for region <input checked="" type="checkbox"/> Demand for housing <input checked="" type="checkbox"/> Pressure on road and rail <input checked="" type="checkbox"/> Level of planned infrastructure investment over next 3-5 years <input checked="" type="checkbox"/> Level of dependency on immigration (Number of temporary migrants and their share of total employment)
<p>Question 32.</p>	<p>Do you have any comments on the proposed regional indicators including how they could be applied to differentiate the regions and how the regions could be classified?</p> <p>All of these measures would be useful.</p> <p>We particularly endorse the inclusion of demographic indicators – these go to the heart of our labour and skills shortages in Canterbury.</p> <p>We agree that it is useful to monitor the level of dependency on immigration by region, but care must be taken to interpret this measure in relation to other indicators – and not to bolster an ideological assumption that continued positive net migration is undesirable.</p> <p>As in our response to Q. 32 (p. 15), projected tertiary enrolments/graduations should be cross-referenced to the size and trajectory of local industries.</p>
<p>Proposal 8 - (Section 5 of the consultation document) Migrant identity, health, character and capability checks will largely remain the same.</p>	

<p>Question 33.</p>	<p>Are there situations where Immigration New Zealand should not need to review whether a migrant has the qualifications needed to do a job?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Unsure <input type="checkbox"/> No opinion</p>
<p>Questions 34.</p>	<p>With reference to Question 33, please tell us why you agree, don't agree or why you are unsure.</p> <p>Employers have an incentive to hire workers with the skills, knowledge, qualifications and experience to do the job. The proposed gateway framework provides sufficient checks and balances to mitigate risks in the proposal.</p> <p>We expect that submissions from the business sector will indicate whether the transfer of transaction and other costs from migrant applicants to employers is reasonable and fair.</p> <p>Where partners of approved migrant workers are able to gain lower skilled work, they should be encouraged to take up these opportunities where local workers are in short supply.</p>
<p>Proposal 9 - (Section 7 of the consultation document)</p> <p>Some other changes impacting lower-skilled temporary migrant workers will be made to support the move to the gateway framework:</p> <ul style="list-style-type: none"> • The remuneration threshold for mid-skilled workers will be adjusted to reflect the remuneration thresholds for the Skilled Migrant Category • All lower-skilled migrant workers will have the ability to support partners and children for the length of their visa, with partners remaining subject to a labour market test should they seek paid employment • The stand down period for lower-skilled migrants could be changed or removed 	
<p>Question 35.</p>	<p>Do you have any comment to make on increasing the remuneration threshold for mid-skilled work from 85 to 100 per cent of the median income?</p> <p>In general, we support this but see our response to Q. 21 (p, 13), which also applies here.</p> <p>Note that for farm workers, we think income thresholds should factor in the monetary value of rural employee benefits, particularly assistance with housing.</p>
<p>Question 36.</p>	<p>Do you have any comment to make on allowing lower-skilled temporary migrant workers to bring their partners and dependent children to New Zealand for the duration of their visa?</p> <p>We strongly support this. The Canterbury Mayoral Forum's objectives are both "skilled workers" and "cohesive communities".</p>

	<p>Modelling by ChristchurchNZ in 2017 indicated enduring labour market shortages in both skilled and unskilled jobs as the “baby boomers” retire. In planning for the future, we want to grow our region’s population. Our ageing population and declining fertility rate mean that population maintenance, let alone growth, will only realistically come from positive net migration.</p> <p>We agree that it is undesirable to create a pool of otherwise well-settled, temporary migrants with no pathway to permanent residence. Lower-skilled workers are not, however, unskilled. Where regional and sub-regional skills/labour shortage lists justify this, we want to see a pathway to permanent residence for lower-skilled migrant workers and their families, conditional on them remaining in the region for a period of, say, five years.</p> <p>Well-supported migrants settle faster, stay longer in New Zealand, help create a strong and vibrant community, and find it easier to participate in and contribute to economic, civic and social life.²</p> <p>Hiring migrant workers in the services sector can free up time for workers in other sectors of the economy. A 2016 IMF paper³ provides strong evidence that lower-skilled immigration can boost labour productivity. In particular, increasing the share of lower-skilled migrants increases labour force participation of women in the economy, likely due to greater availability of household and childcare services.</p>
<p>Question 37.</p>	<p>Do you have any comment to make on providing partners of lower-skilled temporary migrant workers with a work visa provided they meet the labour market test for a specific job?</p> <p>We strongly support this, for reasons as outlined in Q. 36 (pp. 17–18).</p>
<p>Question 38.</p>	<p>Could the risks for lower-skilled migrants be managed through something other than a stand-down period?</p> <p>We do not support the stand-down period and encourage the Government to consider other options – including a pathway to permanent residence (see Q. 36, pp. 17–18).</p> <p>The stand-down period forces employers to take on new workers when they have already invested in workers who are well integrated in the business – and in the community. For workers with families, the stand-down period is disruptive and destructive of economic and social wellbeing.</p> <p>As at Q. 18 (p. 10), there is relatively limited incentive for employer investment in training and development, endorsed by third parties, for lower-skilled migrants on three-year work visas if a stand-down period is maintained.</p>

² Immigration New Zealand, *How we support migrants*, <https://www.immigration.govt.nz/about-us/what-we-do/our-strategies-and-projects/how-we-support-migrants>

³ F. Jaumotte, K. Koloskova, & S. Saxena, Impact of migration on income levels in advanced economies, International Monetary Fund, 2016. Cited in R. Hodder & J. Krupp (2017), *The new New Zealanders: Why migrants make good Kiwis* (p. 37), <https://nzinitiative.org.nz/reports-and-media/reports/the-new-new-zealanders/>

	<p>A key difficulty is the lack of a mechanism for an employee’s skill level to be recognised as having progressed from lower-skilled to mid-skilled, that might permit an application for residency.</p> <p>10% of recent migrants reported that they cannot hold a conversation about everyday things in English well or very well.⁴ A significant barrier to newcomer settlement for workers on temporary visas is the unavailability of literacy funding (e.g. ACE, Workplace Literacy and Numeracy Fund, Intensive Literacy and Numeracy Fund) for English language tuition except to residents. At the very least, service provision/uptake of pre-paid English for Migrants needs review at regional and sub-regional level. Competence in English language is critical for integration into host communities, productivity and health and safety in the workplace.</p>
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Substantive questions – Section 2

There are two broad areas of proposals in this consultation:

- A set of proposals to reform employer supported – temporary work visa settings; and
- Early thinking on aligning the immigration, welfare/employment, and skills/education systems on a regional basis.

You are welcome to submit on either or both areas of consultation.

The following section of questions relates to early thinking on aligning the immigration, welfare/employment, and skills/education systems on a regional basis.

Proposal 6 - (Section 6 of the consultation document)

The job pathways will trigger a signal from the immigration system to the broader labour market system to ensure there is an adequate domestic labour supply response.

Question 39.

Do you agree that demand for temporary migrant workers should trigger a response from the broader labour market system to optimise employment opportunities for New Zealanders?

- Yes, but ...
- No
- Unsure
- No opinion

⁴ Immigration New Zealand, *NZ Migrant and Settlement Integration Strategy: Outcomes Indicators Third Dashboard Report 2017*, <https://www.immigration.govt.nz/documents/employer-resources/2017-integration-strategy-dashboard.pdf>

<p>Question 40.</p>	<p>With reference to Question 39, please tell us why you agree, don't agree or why you are unsure</p> <p>We agree to the extent that labour market under-utilisation rates and trends justify this, but in some regions (and sub-regions) there are very few New Zealanders who are available, able (with appropriate training) or willing to fill labour and skills shortages.</p> <p>In principle, we support Work and Income's use of Active Labour Market Policies to reduce unemployment and under-employment but need to see proposals emerging from the Welfare Expert Advisory Group before committing to supporting proposals in detail.</p> <p>We agree that regional skills shortage lists should trigger a response in the tertiary education sector but are mindful of the inevitable time lag as TEOs work through course design and approval, staff and student recruitment and completion of programmes to graduation.</p>
<p>Question 41.</p>	<p>Do you agree that closer alignment of the immigration, education, skills, welfare and employment systems will optimise employment opportunities for New Zealanders?</p> <p><input checked="" type="checkbox"/> Yes, but ...</p> <p><input type="checkbox"/> No</p> <p><input type="checkbox"/> Unsure</p> <p><input type="checkbox"/> No opinion</p>
<p>Questions 42.</p>	<p>With reference to Question 41, please tell us why you agree, don't agree or are unsure.</p> <p>See Q. 40 – it might (and should) <i>optimise</i> employment opportunities for New Zealanders, but in regions and sub-regions where we simply lack population to fill labour and skills shortages, it will not <i>guarantee</i> it.</p>
<p>Proposal 7 -- (Section 6 of the consultation document)</p> <p>How regions are differentiated will influence the domestic labour market response. This would be a collaborative response led by Government which considers education, skills, welfare, employer and other local mechanisms. This could be supported by a new regional governance framework including a regional body, strategy, information capability, and skills and job hub.</p>	
<p>Question 36.</p>	<p>Do you agree that a regional response is the right approach to improve domestic labour market outcomes for new Zealanders?</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p><input type="checkbox"/> Unsure</p> <p><input type="checkbox"/> No opinion</p>
<p>Questions 37.</p>	<p>With reference to Question 36, please tell us why you agree, don't agree or are unsure.</p> <p>As above, see our responses to Questions 21 (p. 12), 23 (pp. 12-13), 32 (p. 15), 36 (pp. 17–18), 40 (p. 20).</p>

	<p>We reiterate that a “regional” approach is not sufficiently granular – the approach needs to be designed either at TA-level, or by distinguishing between metros and the rest of their regions.</p>
Question 38.	<p>Do you agree that a regional labour market strategy and plan would be a useful mechanism to improve domestic labour market outcomes?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Unsure <input type="checkbox"/> No opinion</p>
Questions 39.	<p>With reference to Question 38, please tell us why you agree, don’t agree or are unsure.</p> <p>One size does not fit all.</p> <p>A South Canterbury labour market survey conducted in 2016 and modelling by ChristchurchNZ undertaken in 2017 both provided useful information to shape our understanding of current and projected labour market needs in our region.</p>
Question 40.	<p>What purpose might a labour market strategy and plan serve in your region? What would its focus be and what would it need to contain in order to work well?</p> <p>It needs to be informed by the indicators proposed at Proposal 5, Q. 33 (pp. 15–16), by truth-testing on the ground, urban development strategies and district plans. Its focus should be on reviewing regional and sub-regional skills shortage lists, and alignment of the immigration, education, skills, welfare and employment systems at regional level.</p>
Question 41.	<p>Who do you think should be responsible for developing and implementing a regional labour market strategy and plan?</p> <p>This will take a collaborative effort and needs to be led and resourced by central government.</p> <p>This should, we think, be the same working group as the Regional Leadership Group proposed under the Reform of Vocational Education proposals. We further submit that:</p> <ul style="list-style-type: none"> • this Regional Leadership Group should be strongly connected to the proposed Vocational Institute’s Industry Skills Bodies • the work of the Regional Leadership Group and Industry Skills Bodies should be strongly aligned with the proposed Jobs and Skills Hubs (see Q’s 48–49, p. 23). <p>In Canterbury, the Mayoral Forum offers its support with engagement and facilitation to establish these regional bodies, recognising that engagement will need to include Ngāi Tahu, local economic development agencies, chambers of commerce, TEOs, PTEs and community education providers, MSD, MoE, TPK, TEC and MBIE, etc.</p>

Question 42.	<p>Do you agree with the concept of a regional skills body to support improved regional labour market outcomes?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Unsure <input type="checkbox"/> No opinion</p>
Questions 43.	<p>With reference to Question 42, please tell us why you agree, don't agree or are unsure.</p> <p>The relationship between the central government function (p 31 of the discussion document) and the regional skills body would need to be clear. The benefit of a regional skills body will need to outweigh the costs of collaboration.</p>
Question 44.	<p>What useful functions would a regional skills body serve in your region?</p> <p>Truth-testing regional skills shortage lists; contributing to and signing off on a regional labour market strategy and plan; co-design of local solutions to local problems; supporting local communication and engagement.</p>
Question 45.	<p>How might such a body work and what powers/abilities would it need to have (e.g. decision-making or powers to recommend or direct)?</p> <p>It would need to operate in <i>partnership</i> with central government, not as a mere consultation body.</p>
Question 46.	<p>Do you think that regional jobs and skills hubs could be a useful way to support labour market coordination in the regions?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Unsure <input type="checkbox"/> No opinion</p>
Questions 47.	<p>With reference to Question 46, please tell us why you agree, don't agree or why you are unsure.</p> <p>The Canterbury Skills and Employment Hub used during the Christchurch rebuild proved to be an effective response – we can learn from what worked here, and what is proving effective in the Jobs and Skills Hubs in Auckland to design proportionate regional jobs and skills hubs for regions with labour and skills shortages.</p> <p>Having regional experts dedicated to the specific labour market needs of the region will help create trust between employers and government.</p>

<p>Question 48.</p>	<p>In what circumstances could jobs and skills hubs be most useful? If you are familiar with the examples in the discussion document, please reflect this in your comments.</p> <p>A dedicated regional Hub would help address the issue of “one size does not fit all” – both nationally and within a region. Our regions experience different labour market issues and skills shortages at different times of the year. Sub-regional areas within Canterbury, for example, also experience unique labour market challenges and pressure points. Regional jobs and skills hubs could allow greater flexibility and responsiveness.</p>
<p>Question 49.</p>	<p>What do you think would be critical to making the hubs work effectively?</p> <p>Keeping employers informed about how things work and involved in decision making so they know what to expect is important. Employers appreciated having the opportunity to develop a solid point of contact within the Canterbury Skills and Employment Hub. This relationship allowed for greater information sharing and consistency of decision making. The biggest challenge for employers currently is having different case managers (at Immigration New Zealand and/or at Work and Income) making inconsistent decisions and prolonging the process.</p> <p>Hubs will only be useful and effective with regular input and feedback from employers. They need to be responsive and flexible in their approach.</p>
<p>Question 50.</p>	<p>What other ways are there to get regional labour markets working better to ensure employers are placing more New Zealanders into better jobs and to reduce our reliance on temporary migrant workers?</p> <p>As above, we welcome migration in Canterbury and a pathway to residence for temporary migrant workers. Our labour and skills shortages cannot be met by New Zealanders alone, with or without additional investment in automation.</p>
<p>Question 51.</p>	<p>What do you think the costs and benefits of a regional approach would be?</p> <p>These need to be assessed in terms of the scope and scale of the proposed approach and informed by experience to date in Canterbury and Auckland.</p>
<p>Question 52.</p>	<p>At a more general level, what other ways are there to improve labour market outcomes for New Zealanders?</p> <p>We note that Government is considering whether and when to re-open the Parent Category visa.</p> <p>Newcomer settlement for overseas-born permanent residents could, we think, support better labour market outcomes. Particularly for skilled migrants who grew up under the PRC’s one-child policy, closing off the Parent Category visa is a significant obstacle to staying in New Zealand long term and raising their families here. At some point, they are likely to feel it is their duty to return to China and care for ageing parents.</p>

	<p>We recognise past difficulties with this visa category, including subsequent breakdown in family sponsorship; older migrants not speaking or learning English (and not integrating well into host communities); and potential impacts on public health services and NZ Superannuation, but the policy could be designed to mitigate the risk of these negative impacts.</p> <p>To support good settlement outcomes, over 65s need to be able to access English classes through ACE funding.</p>
Question 53.	<p>What aspects of overseas approaches to improving labour market outcomes do you think would work in New Zealand?</p> <p>We would be particularly interested in employer-led approaches that have minimised transaction and compliance costs and enabled efficient, timely visa processing with positive settlement outcomes.</p>

Proposal 10 - (Section 10 of the consultation document)

Decisions will be announced in mid-2019 with implementation occurring over the following 12 to 18 months.

Question 61.	<p>What information and tools would be useful to help you transition to the new gateway framework?</p> <p>N/A for Canterbury Mayoral Forum</p>
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General comments

Question 62.	<p>Do you have any comments to make on the costs and benefits to the overall proposed changes?</p>
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See Q. 51 (p. 23) – the devil will be in the detail (e.g. transfer of costs from migrant applicants to employers, increased fees, etc.).

Question 63.	<p>Do you have any other general comments you would like to make?</p>
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Yes – to implement the proposals well, INZ will need to increase its capacity significantly. We propose Christchurch as a base for expansion. Christchurch and Canterbury offer, for example:

- available, affordable office space - \$363/m2 cf. Wellington \$435/m2
- available, affordable land due to consolidation post-earthquake from building modern, open plan offices
- the most affordable major city in NZ for staff (12% cheaper than Wellington; \$381 median weekly rent cf. \$595 in Wellington)
- strong graduate flows in relevant tertiary programmes (e.g. UC's Executive Development Programme) producing potential employees with strong analytical skills

Thank you for the opportunity to submit on the proposals. We continue to welcome opportunities to contribute to the development of policy that works for Canterbury and the South Island, as well as for the Auckland and the country as a whole.