New Zealand – Gear-Shifts in Multiple Policies

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New Zealand's General Election scheduled for September 2017 may have hastened the introduction of significant changes to several key migration policies. As in many other jurisdictions, the Government is under public pressure to curb what is seen as excessive inward migration. However, it has not reacted as dramatically as, say, Australia, which will abolish the 457 Work Visa in a bid to get more Australians into the workforce.[1] Instead, it has reinforced a "Kiwis first" migration/employment philosophy[2] with adjustments to employment-based Resident and Work Visa Instructions which appear subtle, but are far-reaching. They come into effect on 14 August 2017.

Skilled Migrant Residence accounts for over 60% of all grants of Residence. Most applicants need an offer of skilled employment. For the first time, whether a job is "skilled" will be tied to what salary is paid. Thus, no job is skilled unless it pays at least NZ$49,000; and occupations normally classed as unskilled will be deemed to be skilled if the salary exceeds about NZ$73,000. The Government has (we believe rightly) also shifted the focus of eligibility from mere qualifications toward past work experience.[3] This was done partly in order to discourage Residence applications by graduates of NZ's export education industry. They were getting Residence under the old rules, but lacked employment skills and ended up in low-paying jobs as a migrant underclass.

The same income thresholds will also be applied to Essential Skills Work Visa policy. The higher-paid applicants in more skilled occupations will enjoy the ability to get 3 – 5 year visas. However, those on lower incomes, and those in less skilled jobs, may only get 1-year visas for a maximum of 3 years before having to leave New Zealand. What is more, they will lose the right to get an open Work Visa for their partner, and Student Visas for children with free tuition attached. Some commentators say that key New Zealand industries will lose much-needed lower skilled labour – for instance, in the hospitality, tourism and aged care sectors.

Finally, the minimum input for Investor 2 Residence has been lifted from NZ$1.5 to $3 million. This reflects the trend that, under the points-based Investor system, many applicants did not qualify unless they could show funds well over the old $1.5 million threshold. Bonus points are now awarded for putting funds into "growth investments" – that is, enterprises which may generate economic growth including angel funds. The policy also now recognises investment in philanthropic entities such as registered charities. Along with other numerous tweaks to the points system, the package favours delivering more active benefits to the NZ economy, rather than mere passive investment in bonds.[4] Whether it works is another matter – most investor migrants want to play it safe, as their money must be tied up in the nominated investment for several years before Residence becomes unconditional.

[1] "Putting Australian workers first" – Press Release of Hon. Peter Dutton MP (Australia), 18 April 2017
[2] "Changes to better manage migration" – Press Release of Hon. Michael Woodhouse MP (NZ), 19 April 2017
[3] *Report Back on Remuneration Thresholds for Migrants under the Skilled Migrant Category*, Cabinet Paper prepared by the Ministry of Business, Innovation and Employment (MBIE), March 2017, available at http://www.mbie.govt.nz/info-services/immigration/oia-responses/folder-labour-migration-policies/Remuneration-thresholds-skilled-migrant-category.pdf
[4] "Investor policy changes to encourage growth" – Press Release of Hon. Michael Woodhouse MP (NZ), 7 December 2016