

# All findings, recommendations and questions

The Productivity Commission welcomes and encourages your views on any or all of the findings, recommendations or questions in this report. Submissions are open until 24 December 2021 and can be made at: [www.productivity.govt.nz/have-your-say/make-a-submission](http://www.productivity.govt.nz/have-your-say/make-a-submission)

## Immigration policy in New Zealand

### Finding 1

Immigration's main contributions to productivity and wellbeing come through:

- \* raising the long-term levels and diversity of human capabilities in New Zealand; and
- \* supporting the achievement of other social and economic policy objectives; expanding public services, strengthening innovation ecosystems and extending international relations.

*Gives the nation an external outlook on global relations, not so insular.*

### How well does the current system raise levels of human capabilities?

### Finding 2

Temporary work visas were increasingly being used to fill vacancies in lower-skill occupations in the period before the Covid-19 pandemic.

*Are these lower-skill occupations also tending to be seasonal ones? Any particular sector & industry?*

### Finding 3

Immigration has had small and mostly positive effects on the wages and employment of New Zealand-born workers over the last 25 years. Overall, evidence on labour market effects does not, of itself, point to major problems with the level and composition of immigration into New Zealand.

*That is surprising & really great to hear - may quieten some more radical anti-immigration groups.*

### Finding 4

Currently, there are no consistent feedback mechanisms to link skills shortages evident in the immigration system to potential responses in the education and training system. A lack of feedback mechanisms limits the ability of the education system to meet employer needs and may weaken accountabilities on employers to train and develop local workers. It is not yet clear how new institutions such as Workforce Development Councils and Regional Skills Leadership Groups will work and interact to address this issue.

*Great that this is being officially recognised. How could we incentivise to get gaps filled? Offering free tuition/apprenticeships for certain pathways in tertiary (nurses/drs) as well as vocational (construction/trades) institutions.*

## Question 1

To what extent does access to migrant labour reduce training and upskilling activity by employers? Do effects on training and development differ by industry? Are there areas of the economy in which New Zealand should be training people that are currently disproportionately supplied by migrant workers? How could policy best respond?

## Finding 5

Large queues of applicants for residence visas have increased uncertainty and reduced the likelihood of achieving a pathway to residence. This has left many migrants in flux and unable to settle.

*There has been a lot of confusion - the new simplified system will hopefully clarify things a bit more.*

**Does the system consider wider impacts on wellbeing and productivity?**

## Finding 6

Increases in New Zealand's population from net migration have exacerbated rapid house price increases, reflecting several factors including underlying and persistent constraints on the supply of housing.

*Directly related to what you state in Finding #8. There doesn't seem to have been an overall plan w/ population growth & infrastructure investment.*

## Finding 7

Microeconomic evidence suggests positive, but small, impacts from immigration on average levels of labour productivity. New Zealand evidence on the impacts of immigration on innovation and exporting as channels for productivity growth finds minor or conditional effects.

*Our assessment of how we measure productivity is flawed though - what allowance has been made for unpaid labour, homecare etc. Until our economic systems start measuring these we will not get a full picture - are migrants over-represented in that area because of their culture?*

**Finding 8** An infrastructure deficit and associated pressures are the result of a failure to align investment rates with population growth and build the assets needed to properly support more people in the community ahead of time. The inability or unwillingness in the past to fund this infrastructure suggests that pre-pandemic rates of inwards migration will not be sustainable in the future.

*How much of this lack of infrastructure investment has been assigned to the GFC. When the catchcry world-wide was "tighten belts, don't spend money".*

## Finding 9

Policy reforms such as better planning, land use regulation, and improved funding and building of infrastructure would have significant wellbeing and productivity benefits for New Zealanders, and should be pursued regardless of immigration levels.

## Finding 10

Access to a migrant workforce can unlock complementarities and specialisation, but also introduce resilience risks. Whether or not there are negative consequences on innovation and productivity from using migrant labour depends on a range of factors, including underlying labour market conditions and whether technological alternatives are available.

## An immigration system fit for the future

## Finding 11

The disconnection of immigration from other policy areas has meant that the rapid growth in net migration and population in the years preceding the Covid-19 pandemic exceeded New Zealand's ability to successfully accommodate and settle new arrivals.

*Everything is inter-connected & a holistic approach is required across all sectors.*

## Recommendation 1

The Immigration Act should be amended to require the Crown to take account of the country's absorptive capacity (our ability to successfully accommodate and settle new arrivals) when determining the "national interest".

*Agreed, great idea.*

## Recommendation 2

The Immigration Act should be amended to require the Minister to regularly develop and publish an immigration Government Policy Statement (GPS). These amendments should specify that a GPS must include:

- short-term and long-term objectives, and relative priorities;
- performance measures or indicators;
- how it recognises the Treaty of Waitangi interest in immigration;
- a description of how the demand for temporary and residence visas will be managed over the period of the GPS; and
- specification of planning ranges for new residents over the period covered by the GPS, and a description of how the planning range will affect other government policy objectives.

*Great idea - immigration is too affected by the governing party of day, it has been politicised & adds to the volatility. Taking it towards MBIE to develop a long-term strategy with minor tweaks utilising a GPS...*

### Recommendation 3

Amendments to the Immigration Act should specify that, in preparing an immigration GPS, the Government must describe what it considers New Zealand's absorptive capacity to be and how it intends to manage that capacity, or invest to expand capacity, in order to align it with long-term policy objectives.

*Would lead to more clarity.*

### Question 2

What objectives should be included in an immigration Government Policy Statement? Why?

*The options mentioned in your paper all have merit.*

### Finding 12

The preamble of the Treaty of Waitangi, and the duty of active protection, demonstrate that there is a Treaty interest in immigration policy, which should be reflected in policy and institutions.

### Question 3

How could the Treaty of Waitangi interest in immigration policy be best reflected in new policies and institutions?

*Not an easy one - we need to avoid anyone being displaced by immigration - but it could be something as simple as new migrants having to complete a module on NZ history, Maori culture & the Treaty.*

### Recommendation 4

The Ministry of Business, Innovation and Employment should develop and publish an evaluation programme for major visa categories, to assess their net benefits. Uncapped visa categories and those that offer open work rights, such as the various bilateral working holidaymaker schemes and student work visas, should be priorities for evaluation. The Investor 1 and 2 migrant categories would also merit evaluation.

*It would be interesting to see how many WHV holders eventually come back to NZ to try & gain residency? Student work visas seem to be a scam (with the industry unregulated for a long time so that educational institutions made it a business of getting them).*

### Recommendation 5

The allowable volume of temporary migrant visas with potential residence pathways should be managed to be compatible with the number of residence visas on offer.

*The new consolidation of all visas being introduced under AEWV scheme will help.*

*Investor category applicants should be made to invest & contribute by buying an existing business or a property does not add to the value of NZ. It is too easy for wealthy people to "buy" residency.*

#### Question 4

Should the annual number of residence visas on offer be reduced? If so, to what level and why? And if not, why not?

#### Recommendation 6

Immigration New Zealand should continue counting points past the minimum thresholds and rank candidates within the Expression of Interest pool. It should select those with the highest points first; actively publicise the point ranges of the successful applicants to emphasise that the minimum threshold is not the target, and raise the minimum threshold on a regular basis to manage application volumes.

#### Recommendation 7

MBIE should develop more data-informed and dynamic skills shortage lists. Occupations that have shown no labour market reaction (such as wage movements), high turnover rates and a continued reliance on temporary migrants, should be brought up for review, with the burden placed on the industry to provide sufficient evidence to justify their continued placement on the list.

*This is a game-changer idea & will make a lot of difference. What about a quota system? 70% would be say 200 points & above, 20% 160-200, 10% 160-180 so that everyone still has a chance as we do need a x-section of applicants.*

#### Finding 13

New Zealand is unusual in giving permanent residence visa holders an indefinite right to return, even if they have re-migrated elsewhere in the world. Other countries either require residents to return at regular points or remain in the country for specified periods if they wish to retain or renew their permanent residence visa.

*Yep, this needs to be fixed. Make PR a rolling renewal & citizenship the benchmark for indefinite right to return.*

#### Question 5

Should the right to return for permanent residents who re-migrate out of New Zealand be limited? Under what conditions? What would be the costs and benefits?

#### Question 6

Should efforts by migrants to learn te reo be recognised in the residence or permanent residence approval process? If so, how would this best be done?

*Why te reo? & not sign language? or Chinese? I think a module on the Treaty, understanding of NZ history & culture would be more beneficial.*

### Recommendation 8

The Government should remove visa conditions that tie temporary migrants to a specific employer. These conditions increase the risk of exploitation and limit the ability of workers to find better job matches, which can promote wellbeing and productivity. Where there are concerns about displacement of New Zealanders, work rights could be limited to specific regions, occupations, industries or accredited employers.

### Recommendation 9

The Government should proceed with expanding the Welcoming Communities programme. MBIE should manage the expansion to ensure adequate resourcing, close engagement of participating communities, and strong ownership and involvement from local iwi in the delivery of welcoming plan activities.

### Question 7

Do particular groups of migrants need additional or targeted support to settle? If they do, what types of support would work best?

*The AEWI may already reduce some risk of exploitation, but the above would finally put the power into the hands of the migrant. By limiting work rights as indicated, above it would reduce UNZ workers' displacements.*

*→ This is amazing & this is what makes NZ unique & why we are the friendliest country in the world.*