

Mobility: immigration alert

August 2017

New Zealand

Talent Disruption: Essential Skills, Skilled Migrant and Accredited Employer policy changes took effect on 28 August 2017

Executive summary

The Ministry of Business, Innovation & Employment (MBIE) has released anticipated changes to the Essential Skills and Skilled Migrant Category (SMC) instructions. It has also unveiled new Accredited Employer instructions which will allow employers to benefit from longer renewal periods, albeit with increased scrutiny of employment practices. Using wages as a proxy for skill is intended to encourage the attraction, selection and retention of higher-skilled migrants. Employers who utilize lower-skilled labour will find it more difficult to retain migrant staff and accredited employers will need to maintain a high standard of employer compliance to access overseas labour.

Key changes to the Essential Skills instructions

- Wage information is now the principal factor in determining skill level and visa duration
- Remuneration thresholds along with the Australian and New Zealand Standard Classification of Occupations (ANZSCO) determine visa holder skill level

	Higher-skilled	Medium-skilled	Lower-skilled
Hourly rate (NZD)	Above \$35.24	\$19.97-\$35.24	Below \$19.97
ANZSCO skill level	1-5	1-3	4-5

- Total remuneration may now include the value (agreed, actual or market value) of accommodation provided by an employer
- Lower-skilled visa holders will be limited to three one year visas before a stand down period
- Dependent partners and children of lower-skilled visa holders must now meet relevant immigration instructions in their own right

Key changes to the SMC instructions

- The points threshold for selection under SMC remains at 160 points
- Remuneration must reach certain levels for employment to be defined as skilled

	Skilled employment	
Hourly rate (NZD)	Above \$35.24	Above \$23.49
ANZSCO skill level	4-5	1-3

- Bonus points are available for an annual salary at or above NZ\$46.98 per hour
- An increase in points for skilled work experience
- Those people without an offer of skilled employment will only be invited to apply for a job search visa

Key changes to the Accredited Employer instructions

- The requisite salary level for positions under the accredited employer scheme remains at \$55,000
- Accredited employer status will now be granted for two years, some employers may be granted up to five years
- Auditing provisions are introduced to ensure compliance during extended renewal periods
- MBIE has the power to revoke accreditation for non-compliance
- Accredited Employer instructions now provide further detail regarding the definition of:
 - Sound financial position
 - Human resources and practices which are of a high standard
 - Good work place practices

Next steps

Following these changes, employers should consider:

- „ Reviewing visa holder population to understand the composition of their workforce and how the changes impact their organisation
- „ Understand how the new policies may impact their ability to recruit needed talent
- „ Consider the benefits of becoming accredited as well as the increased scrutiny of employer compliance

If you require any assistance in understanding how the changes may impact your business, employees or yourself; please contact your EY advisor or one of the contacts listed below.

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