

BRIEFING

MINISTER	PORTFOLIO	DEADLINE
Hon Nathan Guy	Minister of Immigration	N/A
Action sought	For your information	
Title	ISSUES AND DECISIONS FOR THE FIRST 100 DAYS - IMMIGRATION	
Date	12 December 2011	
Security	IN CONFIDENCE	
Copied to	Hon Kate Wilkinson, Associate Minister of Immigration	
For referral to	N/A	
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Tracker number	11/203246	

Minister's comments

Minister's feedback	Very Poor	Poor	Neutral	Good	Very Good
Quality of advice	1	2	3	4	5
Writing style	1	2	3	4	5
Quality of analysis	1	2	3	4	5
Completeness of information	1	2	3	4	5



Hon Nathan Guy, Minister of Immigration

ISSUES AND DECISIONS FOR THE FIRST 100 DAYS - IMMIGRATION

Purpose

- 1 This paper is part of a suite of papers to introduce you to the immigration portfolio and to support you in your first 100 days. It:
 - provides background information on the portfolio
 - informs you of the most significant issues facing the portfolio
 - outlines decisions that are required in the first 100 days of office
 - outlines decisions that have been made but not yet implemented
 - sets out manifesto commitments
 - outlines Immigration New Zealand's Business Development work
 - outlines the impact of Immigration Global Management System Project
 - outlines wider work streams related to the portfolio
 - outlines proposed immigration policy work programme
 - introduces you to key stakeholders you will interact with in your role as Minister of Immigration
 - outlines the structure and functions of Immigration New Zealand
 - outlines wider ministerial work streams that you will be involved in.

Background

- 2 The Department of Labour (the Department) delivers immigration services through the Immigration Group, publicly known as Immigration New Zealand (INZ). INZ contributes to New Zealand's economy and society by managing the entry of people to New Zealand through the visa system. It also helps New Zealand to meet its international humanitarian and security-related obligations.
- 3 INZ's vision is to be recognised as a trusted partner, deliver outstanding immigration services and bring to New Zealand the people it needs to prosper. INZ's strategic objectives are to:
 - attract the best people
 - make quality decisions quickly and efficiently
 - support migrants to settle in work
 - protect the integrity and security of the New Zealand immigration system
 - build the capability and agility of INZ to continually improve the value INZ delivers to New Zealand.

- 4 The Immigration portfolio offers you significant opportunity to work with your colleague ministers to ensure immigration complements the functioning of the labour market by providing the right number of migrants, with the right mix of skills at the right time (especially in Canterbury). In addition to the labour market contribution, the portfolio has a range of other links (detailed further in **Appendix Six**), including to the export industries: education and tourism, foreign affairs and trade, and to the border sector.

Significant issues facing the portfolio

- 5 The Department has identified three significant current issues relating to the immigration portfolio. These are: the global economic slowdown's impact on immigration; consequent funding issues for the Department; and the Canterbury rebuild.

The global economic slowdown is impacting on migrant numbers

- 6 In the year to October 2011, annual net migration into New Zealand fell to negative 100 people. This is the first annual net loss since the September 2001 year (1,700). It is largely driven by increased departures, particularly to Australia. The number of skilled migrants arriving has also fallen. Because of the global economic situation, potential skilled migrants are less willing to migrate, while fewer skilled job offers have been available in New Zealand. The Canterbury earthquake and subsequent seismic activity has particularly affected job opportunities in that region.
- 7 In 2010/11, 40,737 people were granted residence, which was below the New Zealand Residence Programme (NZRP) planning range of 45-50,000. Much of the shortfall related to challenges attracting sufficient skilled migrants. Disrupted visa processing in Christchurch also contributed (the office was in the Red Zone).
- 8 The NZRP for 2011/12 to 2013/14 is set at 135,000 – 150,000 people. Current forecasts indicate 120,000 – 140,000 people will be granted residence over the three years¹, with indications that the total number is likely to fall at the more conservative end of the range.
- 9 The NZRP is a planning range rather than a fixed quota. Reducing the minimum threshold for skilled migrants would help increase the number of residence approvals, but it would also weaken migrants' economic and settlement outcomes. For example, skilled migrants who are granted residence without a skilled job offer may not be able to find work, or may need to find work well below their skill level.
- 10 The Department expects the number of skilled migrants to increase in pace with economic recovery. INZ is increasing its focus on attracting people to fill labour market gaps through targeted services to attract, settle and retain skilled migrants.

Reduced application volumes have caused a funding shortfall

- 11 Reduced application volumes have business implications for INZ because of the current funding model. Vote Immigration is funded from two sources: fee payers (66 percent) and the Crown (34 percent). Fee payers cover most of the direct and indirect costs of deciding immigration applications. The Crown funds policy advice,

¹ Work is underway on a new forecast using an econometric model. Any revised forecasts will be reflected in the Department's Four-Year Budget Plan.

- security, compliance, refugee and appeal functions as well as foreign relations functions such as bilateral fee waiver agreements.
- 12 The immigration fee principles state that fees should recover actual costs, be relatively stable over time and align with the government's immigration objectives. Specific fee and application types are set out in the Immigration Regulations. Fees are regularly reviewed to ensure they reflect current service delivery costs and are consistent with the fee principles.
 - 13 A memorandum account was established in 1999 to manage fee revenue. While the account tracked about even until mid 2010, by the end of October 2011, the account recorded a deficit of \$28.11 million. **The memorandum account is forecast to be \$44 million in deficit at 30 June 2012.** This is largely a result of a drop in visa application volumes following the global financial crisis and the Canterbury earthquakes. INZ's high fixed-cost business model means it is unable to reduce operating costs in the short-term in line with decreased application volumes and revenue.
 - 14 The Department is moving towards a new operating model for INZ that will provide better immigration services at less cost. The new business model will be technology-enabled, and the Immigration Global Management System is a key plank in this strategy (this is covered in paragraphs 35 to 39). Alongside this, work is also underway to establish the future funding model to reflect the different ways of working that the new technology will enable.
 - 15 In advance of a new operating model being in place, addressing this revenue shortfall, along with other cost pressures on Vote Immigration, will require a range of strategies, including:
 - implementing cost saving initiatives across the four year budget period
 - undertaking a review of immigration fees to ensure they reflect the cost of fee-funded immigration services over the budget period
 - undertaking marketing and attraction activities to grow visa application volumes and secure more skilled migrants.
 - 16 Further details will be provided in the Department's Four Year Budget Plan, due to be submitted for your approval in January 2012.

The Canterbury rebuild poses three main immigration risks

- 17 The Canterbury rebuild will require more skilled workers than are readily available from within the existing New Zealand workforce. More information on emerging issues associated with Canterbury's rebuild can be found in the *Canterbury Earthquakes and the Recovery: Portfolio Interests* paper.

Efforts to attract migrant workers could lead to a perception that the Department favours migrant workers above New Zealanders

- 18 To ensure that skills gaps do not pose a threat to the rebuild, the Department is making considerable efforts to help local employers (such as Fletchers) attract skilled workers from offshore. But this could be perceived as favouring migrant workers above New Zealanders. To date the media has alternated between presenting the Department's activities in a negative and a positive light.

Difficulties estimating likely demand for migrant workers

- 19 It is not yet clear how many additional workers will be needed because of uncertainty about the scale of work required and its speed. Current indicative estimates of the number of additional workers needed during the peak vary between approximately 17,900 (of which 11,600 are in building and construction) and 56,900 (37,000 in building and construction). It is also not clear how many workers can be sourced from within New Zealand.
- 20 The Department is engaged in partnership approaches, especially with construction firms, and monitoring developments closely to ensure that any changes are identified and addressed promptly. As such, migrant numbers should largely self-adjust (so long as sufficient skilled migrants are available). But nonetheless, some stakeholders are looking for more certainty regarding the number of migrant workers who will be involved in the rebuild.

Lags in sourcing sufficient migrants

- 21 Visa processing delays are very unlikely to inhibit the rebuild effort. INZ already prioritises visa applications for the Canterbury rebuild. The establishment of the Canterbury Skills Shortage List (CSSL) helps prospective migrants identify occupations in demand and provides them certainty that their applications will be approved.
- 22 But nonetheless, the Department may be blamed for skill shortages if migrant workers are perceived to be late in arriving. The rebuild is likely to begin in earnest in the second quarter of 2012, peaking around a year later. But given that many migrants will require considerable time to relocate to New Zealand (with houses to sell and families to relocate), some may not arrive here in time for the 2013 peak.

Decisions required in your first 100 days

23 The table below provides an overview of the decisions required in your first 100 days in office. Many of these relate to projects established by the former Minister of Immigration.

Decision required	Date by which decision must be made	Consequences of deferral
<p>Submit Output Class Response letter for Vote Immigration to the Minister of Finance. This is required as part of the reorganisation of policy output classes (highlighted for redress by the Review of Expenditure on Policy Advice commissioned by the Government in August 2010).</p>	<p>The letter and a supporting briefing will be provided to you in mid December. Letter must be lodged by 20 December 2011.</p>	<p>Failure to meet Review of Expenditure and Policy Advice deadlines.</p>
<p>Border sector Ministers' decision on the scope of a possible review of border sector structure and governance (led by Ministry of Agriculture and Forestry).</p>	<p>Decision from joint Ministers on scope of work will be requested in mid-December.</p>	<p>Possible delays in project timeframes.</p>
<p>Ministerial and Cabinet approval of proposed travel bans on:</p> <ul style="list-style-type: none"> • individuals associated with the Syrian regime, and • five Iranian nationals involved in an attempt to assassinate the Saudi Ambassador in Washington <p>The Ministry of Foreign Affairs and Trade is leading this work.</p>	<p>Approval from you and the Minister of Foreign Affairs is required to progress the travel ban for the Iranian nationals. A paper to seek this will be provided to you via the Office of the Minister of Foreign Affairs in mid-December 2011.</p> <p>A Cabinet paper to progress the travel ban on specific Syrian nationals is likely to be provided to you and the Minister of Foreign Affairs in January 2012.</p>	<p>Possible reputational risk as like-minded countries are instituting travel bans on these individuals.</p>

<p>The Department is currently completing the Four Year Budget Plan (FYBP). The FYBP is a Departmental document which covers the four Votes administered: ACC, Employment, Immigration and Labour. The FYBP provides the opportunity for the Department to provide advice to Vote Ministers on how to manage the Votes over the medium term.</p>	<p>Through December and January the Department will engage with Vote Ministers to discuss the key issues in the FYBP, before forwarding the final Plan to Vote Ministers on 24 January 2012.</p> <p>On 31 January 2012 Ministers submit the final Four-year Budget Plan to the Minister of Finance.</p>	<p>Budget timeline would not be met.</p>
<p>Ministerial and Cabinet approval of 2012 Legislation Programme for Vote Immigration.</p>	<p>A paper will be provided for your decision by mid-January 2012.</p> <p>Cabinet decision required by the end of January 2012.</p>	<p>Deferral will result in exclusion of any Bills from the 2012 Legislation Programme. Could be added later through the Cabinet process.</p>
<p>Ministerial and Cabinet approval of New Zealand Refugee Resettlement Strategy, with accompanying Indicative Business Case.</p> <p>[Further detail on the New Zealand Refugee Resettlement Strategy is attached in Appendix One.]</p>	<p>A draft Cabinet paper will be provided for your consideration by the end of January 2012.</p> <p>Cabinet decisions required in February 2012 to enable a detailed business case to be completed by September 2012.</p>	<p>Continued indirect costs for the Crown and negative effects on refugees and their families' well-being and self-sufficiency.</p> <p>Delays a decision on the future of the Mangere Refugee Reception Centre.</p>
<p>Ministerial and Cabinet approval of an infringement fee regime for airlines: new regulations are required to implement an infringement system provided for under the Immigration Act 2009, to enforce airlines' security-related obligations.</p> <p>[Further detail on the infringement fee regime for airlines is attached in Appendix One.]</p>	<p>A draft Cabinet paper will be provided for your consideration in January 2012.</p> <p>Cabinet decisions required in February 2012 to enable implementation by mid 2012.</p>	<p>Any delay to implementation removes an important compliance mechanism for border security.</p> <p>This introduces a reputational risk with our Five Country Conference partners for inadequately enforcing airlines' compliance with immigration obligations.</p>
<p>Ministerial decision on the timeframe for announcing changes to the Parent, Sibling and Adult Child residence categories (agreed to by Cabinet in May 2011).</p> <p>[Further detail on the Parent, Sibling and Adult Child residence categories is attached in Appendix One.]</p>	<p>Decision from you required in February 2012 to support implementation by July 2012.</p>	<p>Ministerial decision on the timeframe for announcing changes to the Parent, Sibling and Adult Child residence categories (agreed to by Cabinet in May 2011).</p>

<p>The Department is required to produce an Annual Portfolio Regulatory Plan. The Plan is discussed with, and signed off by, the Portfolio Ministers.</p> <p>The Plan lists all regulatory instruments that the Department anticipates will be changed (either by being introduced, amended, or repealed) in the period 1 March 2012 to 28 February 2013.</p>	<p>The Plan will be provided for your signature in February 2012.</p> <p>Annual Portfolio Regulatory Plans are due to the Minister of Finance, the Minister for Regulatory Reform, and the Treasury by 1 March 2012.</p>	<p>Failure to meet the deadline required by the Ministers of Finance and Regulatory Reform.</p>
<p>Ministerial and Cabinet approval of migrant levy allocations for 2012/13 and outyears. The migrant levy funds settlement assistance and research.</p> <p>[Further detail on the 2012/13 – 2014/15 migrant levy allocations is attached in Appendix One.]</p>	<p>A draft Cabinet paper will be provided for your consideration in January 2012.</p> <p>Final Cabinet decisions required in March 2012.</p>	<p>Agencies will not have sufficient time to plan for the receipt, or cancellation, of their funding in July 2012.</p>

Decisions made but not yet implemented

24 The table below provides an overview of the input required from you for decisions that have been taken, but not yet implemented. Most of these are decisions made that require your signature to become certified immigration instructions.

Decision made	Next steps	Expected date
<p>Review of study to work policy. In March 2010, Cabinet agreed to a package of improvements to pathways to work and residence for international students. Implementation was delayed to enable education providers to adjust their marketing and course offerings.</p>	<p>Ministerial Certification of immigration instructions required.</p>	<p>Instructions will be provided for your certification in December 2011.</p>
<p>Working holiday scheme with Austria. The arrangement is due to be signed by government officials of New Zealand and Austria in December 2011.</p>	<p>Ministerial Certification of immigration instructions required.</p>	<p>Instructions will be provided for your certification in February 2012.</p>
<p>Working holiday scheme with the Slovak Republic. In March 2011, Cabinet agreed to sign the 'Agreement between New Zealand and the Slovak Republic on a Working Holiday Scheme'.</p>	<p>Ministerial Certification of immigration instructions required.</p>	<p>Instructions will be provided for your certification in February 2012.</p>

<p>Changes to special work visas for refugee or protection claimants. In September 2011, the Minister of Immigration agreed to widen the eligibility criteria for special work visas for refugee or protection claimants.</p>	<p>Ministerial Certification of immigration instructions required.</p>	<p>Instructions will be provided for your certification in February 2012.</p>
<p>Changes to character instructions. In September 2011, the Minister of Immigration agreed to enable immigration officers to decline subsequent temporary visa applications where applicants:</p> <ul style="list-style-type: none"> - have been convicted in New Zealand of a criminal offence, but not imprisoned, and - have left New Zealand voluntarily before a deportation order can be served. 	<p>Ministerial Certification of immigration instructions required.</p>	<p>Instructions will be provided for your certification in February 2012.</p>
<p>Changes to the Refugee Family Support Category. In May 2011, Cabinet agreed that an Expression of Interest process (and fee) be introduced for the Refugee Family Support Category.</p>	<p>Cabinet Legislation Committee assent required for a regulation change.</p>	<p>A paper for Cabinet Legislation Committee will be provided in February 2012.</p>
<p>2012 Samoan Quota and Pacific Access Category. To include the new minimum income levels.</p>	<p>Ministerial Certification of immigration instructions required.</p>	<p>Instructions will be provided for certification in February 2012.</p>
<p>Entertainers Policy. In September 2011, Cabinet agreed to a new policy for entertainers and industry workers.</p>	<p>Ministerial Certification of immigration instructions required.</p>	<p>Instructions will be provided for your certification in February 2012.</p>
<p>Immigration Global Management System (IGMS) implementation project. In October 2011, Cabinet agreed to provide capital funding for IGMS. It will replace existing core immigration systems to provide a comprehensive system that supports department-wide immigration needs.</p>	<p>Formal initiation of the project and first stage of design for IGMS.</p>	<p>The initiation and design stage will be completed by July 2012.</p>

Implementing the Government's immigration manifesto commitments

25 The five manifesto commitments for your portfolio follow.

- Attract migrants with the right skills and capital to invest in New Zealand.
- Proactively locate and recruit migrants with the skills to grow the New Zealand economy.
- Continue the pragmatic approach of reviewing and updating policy settings to ensure they are working for NZ.
- Support Canterbury.
- Get better outcomes for refugees coming to New Zealand.

Implementation details of the manifesto commitments are set out in **Appendix Two**.

Immigration New Zealand's Business Development Work

INZ's current operating model

26 The current Immigration operating model is people-intensive and expensive to operate, difficult to manage and slow to respond to emerging risks and changes in the market. Customers cannot rely on receiving a consistent quality of service, and our global presence is largely restricted to physical 'bricks and mortar' INZ offices.

27 Additionally, under the current model a range of local risk assessment methods are used and there is limited decision making based on risk and value. There are many different visa types – making the system complex to navigate and expensive to maintain. Although some improvements have been made, many customers find it difficult to use the INZ website to get information about the status of their applications. INZ responds manually to phone, email and written requests for information from customers. The efficiency of the current system is further compromised through the largely paper-based, one size fits all approach, with limited online capability. The current model is high cost and not financially sustainable.

INZ's future operating model

28 INZ has long recognised that its processes and systems have become progressively more complex and are no longer fit for purpose. INZ's Business Development Portfolio (detailed further in **Appendix Three**) will enable INZ to deliver better services for less cost.

29 From the customer's point of view, INZ's Business Development work will result in:

- increased and improved channel options for contacting INZ and for lodging applications
- improved timeliness of applications processing, with more consistent decisions
- increased transparency, convenience and satisfaction.

30 From INZ's perspective, the Business Development work will result in:

- reduced end-to-end processing time and cost
 - reduced fixed costs and overheads through use of the online channel
 - a more flexible global footprint, including options for greater reach and presence in some markets through the use of third party service providers
 - more flexible resource allocation, with increased ability to respond to changes in the external environment (e.g. fluctuating volumes, changing risk profiles, changing NZ Inc priorities).
- 31 In achieving the future state described in the above two paragraphs, INZ has seven significant projects that make up the INZ Business Development Portfolio:
- Immigration Global Management System (IGMS) - see paragraphs 35 to 39
 - Attraction and Retention Strategy
 - Channel and Services Strategy
 - Global Services Delivery Model
 - Identity Management
 - Risk-Adjusted Value Framework
 - Health Risk Framework and Process.
- 32 Further detail on these is provided at **Appendix Three**.

The Portfolio's impact on current business

- 33 The amount and scale of change which will occur as part of INZ's Business Development work, and in particular the IGMS project (described below), will impact on the Department's ability (both human and financial resourcing) to deliver other policy and ICT related changes, enhancements, or new initiatives. Importantly, any investment in technology that will become obsolete once IGMS is put into production will need to be carefully considered, and such projects progressed only where absolutely necessary.
- 34 INZ's Business Development work represents a major 'step-change' opportunity for the business. INZ will provide regular updates on the status and progress of the Business Development Portfolio and its projects through formal reporting channels (weekly/monthly) to you as well as providing ad-hoc information as requested.

The impact of the Immigration Global Management System (IGMS)

- 35 The current core Application Management System used by INZ is over 15 years old and is reaching the end of its technological life-span. IGMS will provide a modern, stable, fit-for-purpose immigration ICT system, which will support INZ's current and future business requirements, and better enable us to compete internationally for high value migrants. IGMS will provide new online channels for customers to access information and submit applications, and consolidate back office processing functions.
- 36 A multi-staged open tender process has been completed by the Department of Labour (the Department) to identify the appropriate ICT solution for IGMS. In October 2011, Cabinet approved the stage 2 detailed Business Case for IGMS [Cabinet paper CBC (11) 88 *refers*]. Following a competitive dialogue process with

two shortlisted vendors, the Department is now in the process of negotiating a contract with a preferred vendor.

- 37 The core aspects of IGMS are self-funding and will not require an increase in immigration fees² or an increase in cash funding from the Crown for operating costs. \$90.513 million capital (including contingency) is required over 15 years, of which Cabinet has agreed to fund \$85.513 million, and the Department will contribute \$5.0 million from its capital fund. Over 15 years the operating costs of \$240.3 million will be offset by financial benefits of \$252.4 million (a reduction of \$12.061 million in the operating baseline).
- 38 Cabinet agreed to funding for IGMS in November 2011. The previous Minister of Immigration approved the final investment decision and the detailed implementation plan for IGMS in November 2011. The Department is now embarking on the implementation project which is anticipated to be completed in June 2015, with a strong focus on the early realisation of benefits through staged releases in the preceding 2-3 years.
- 39 Over the period of IGMS project, there will be limited capacity to implement significant policy changes. The Department will advise you well in advance of seeking final policy decisions of any constraints on the scale of change required or implementation timeframes.

Proposed immigration policy work programme

- 40 Appendices Four and Five outline the current proposed immigration policy work programme. The work items are wide ranging, from strategic projects that have potential implications across portfolios outside immigration (for example, health and social development), to tightly focused reviews of particular immigration categories.
- 41 Some of the work items are proposed by officials, while others are a continuation of work directed by Cabinet or the previous Minister of Immigration. The Department is looking forward to discussing the proposed work programme with you, to get your direction on its contents and the relative priorities.

Key links and contacts for the immigration portfolio

- 42 Immigration has close links to a number of other portfolios. Key links and contacts for the immigration portfolio are provided in **Appendix Eight**.

Structure and functions of Immigration New Zealand

- 43 INZ has a total of 1,282 staff, comprising 965 staff in 19 onshore INZ branches, and 317 staff in 18 offshore offices. Current INZ office locations are largely historical – based on locations that support skilled migrant sourcing, risk management, or broader NZ Inc priorities (the diagram in **Appendix Seven** provides a view of the global location of Immigration New Zealand branches onshore and offshore). In addition, Ministry of Foreign Affairs and Trade (MFAT) is contracted to provide services in 24 locations where INZ does not have offices.

² A regular INZ Fees Review is scheduled for July 2012.

44 Each year, INZ receives over 11.2 million visits to its website, and 1 million immigration-related phone, email and general written enquiries. In 2010/2011, INZ made almost half a million immigration decisions, including:

- approving 40,737 people for residence
- deciding approximately 169,700 visitor visa applications
- deciding almost 102,000 student visa applications
- almost 170,000 work visa applications

INZ also:

- resettled 527 mandated refugees in New Zealand
- prevented 1,191 people from boarding aircraft for New Zealand due to various immigration concerns
- denied entry to 684 individuals at New Zealand's border and returned them to their country of origin because they did not meet entry criteria
- deported 20 migrants as a result of a criminal conviction

45 INZ is led by the Immigration Leadership Team (ILT) under the Deputy Chief Executive – Immigration. The purpose of the ILT is to lead and manage the Immigration Group effectively, and deliver against INZ's vision.

46 The Deputy Chief Executive – Immigration is supported by a Business Manager and a Strategic Advisor who form part of the Deputy Chief Executive's office. The Business Manager has two primary areas of focus:

- to work with the corporate parts of the Department, acting as a customer for the corporate services on behalf of INZ
- responsibility for driving effective governance within INZ, including planning and reporting functions and financial management

47 The Business Manager is also responsible for supporting Ministers to take decisions on immigration cases appealed to them

48 The Policy and Research Group of the Department of Labour, provides immigration-related research, analysis and policy advice, ensuring that immigration policy supports the Government's objectives.

49 Contact details for Chief Executive, ILT and Senior Managers in the Policy and Research Group are set out in **Appendix Eight**.

50 There are four divisions within INZ, each headed by a General Manager who reports directly to the Deputy Chief Executive – Immigration. The four divisions are:

- Visa Services
- Intelligence, Risk and Integrity
- Settlement, Protection and Attraction
- Service Support

Current Structure of INZ

Visa Services Division

- 51 Visa Services Division comprises the INZ onshore and offshore visa branches, Operations Support, and Strategic Projects. Visa Services Division manages visa services for temporary and permanent migrants, including skilled migrants, tourists and students.
- 52 Visa branches are the face of INZ. They provide New Zealand immigration services to a range of people, including potential permanent migrants, workers, students, and visitors. Branches are positioned in key locations around the world, divided into seven regions on geographical lines:
- Europe/Africa/Middle East Region
 - North Asia Region
 - South Asia Region
 - Pacific/Americas Region
 - Northern Region (NZ)
 - Central Region (NZ)
 - Southern Region (NZ)

Intelligence, Risk and Integrity Division

- 53 The Intelligence, Risk and Integrity Division (IRID) works to ensure that only the people New Zealand needs or wants enter through the border and that the integrity of the border and the immigration system is maintained. IRID consists of five business units: Border Operations, IRID Operations Support, Compliance and Fraud, Identity Services, and Intelligence and Risk.

Settlement, Protection and Attraction Division

- 54 The Settlement, Protection and Attraction (SPA) Division contributes to the Departmental outcome to grow New Zealand's economy and improve the quality of lives through a high performing labour market and immigration system. The SPA Division aims to maximise the potential of an increasingly mobile global workforce.
- 55 The SPA Division comprises: Migrant Attraction, Marketing, Settlement, Refugees and Protection, and the Recognised Seasonal Employment Unit. The Division's functions include:
- supporting employers to access global talent and skills
 - resettling refugees through the United Nations Commissioner for Refugees
 - assessing asylum claims including mass arrivals
 - supporting employers in the horticulture and viticulture industries with labour, and
 - settling people quickly so they can contribute to New Zealand.

Service Support Division

56 The Service Support Division leads work on INZ business change and quality improvement. The Division comprises Immigration Operational Policy, immigration quality assurance, and cross-cutting service and support functions to the above three customer facing Divisions. The Service Support Division also has responsibility for INZ's Business Development Strategy, the INZ Portfolio coordination function, the INZ Career Framework, and coordination of INZ's Five Country Conference engagements.

57 A diagram of the Immigration Group structure is attached as **Appendix Nine**.

Frontline Visits

58 As INZ is largely a service delivery organisation, you may be interested in a business orientation programme, including visiting the frontline operations. If this is the case, officials can prepare a schedule of visits.

Wider ministerial work streams that you will be involved in

Labour market and skills

59 You are part of an informal ministerial group on labour market and skills. This group is supported by a departmental Labour Market and Skills Cluster, which is led by the Secretary of Labour. The Cluster was established in 2011 as part of the central agencies' drive towards better public services.

60 The Cluster will improve the integration of policy advice, research, and operational performance across the areas of: education and skills; employment; welfare; labour; and immigration. This will result in an integrated approach to the difficult cross-cutting policy issues in those areas. The Department will provide you with regular updates on the progress made by the Cluster and support you to work jointly across the relevant ministerial portfolios with your colleagues.

Future direction of the border sector

61 Government border agencies have been working together since 2007 under the auspices of the Border Sector Governance Group to create a more integrated and responsive border management system. Getting border management right generates value for New Zealand, but managing the border is complex.

62 The Joint Border Management System will consolidate the major customs and biosecurity IT systems to provide significant benefits to industry through streamlined border processes. As discussed in paragraphs 35-39 above, IGMS will provide a new user friendly platform for immigration services.

63 Border sector agencies have also made good progress with initiatives such as streamlining trans-Tasman travel through SmartGate and direct exit lanes for biosecurity. We have officers from different agencies co-located at most ports.

64 The Department, the New Zealand Customs Service and the Ministry of Agriculture and Forestry are looking at what further improvements the border sector can make to support New Zealand's economic growth strategy. The border agencies believe that the real opportunity now lies not only in enhancing the efficient facilitation of people, goods and craft, but through embedding a strategic and economic-oriented

approach to what we are doing. New Zealand's economic prosperity relies on supply chain efficiency and facilitation of access to overseas markets, so the border agencies will be looking at joint initiatives that add value in these areas. A joint agency report recommending the direction of travel for this work will be provided to you in mid-December.

Improvements to policy advice

65 The recent Review of Expenditure of Policy Advice (Scott Review) made recommendations on how government agencies could improve the quality of their policy work. **Appendix Eight** details the changes that the Department of Labour has already made, and further changes underway, in response to the Scott Review. How the Department is responding to the findings of the Scott Review is detailed in **Appendix Ten**.

Recommendations

66 It is recommended that you **note** that this paper:

- a informs you of the most significant issues facing the portfolio
- b outlines decisions that are required in the first 100 days of office
- c outlines decisions that have been made but not yet implemented
- d sets out manifesto commitments
- e outlines Immigration New Zealand's Business Development work
- f outlines the impact of Immigration Global Management System Project
- g outlines opportunities and wider work streams related to the portfolio
- h outlines proposed immigration policy work programme
- i introduces you to key stakeholders you will interact with in your role as Minister of Immigration
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- k outlines wider ministerial work streams that you will be involved in

NOTED

67 **note** that officials can arrange a business orientation programme including visits to INZ frontline operations

NOTED

68 **discuss** how best to give effect to your immigration manifesto commitments, and the immigration policy work programme, with officials.

DISCUSS / DEFER

Jeremy Corban
Deputy Chief Executive, Policy and Research
for Secretary of Labour

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Hon Nathan Guy
Minister of Immigration

Nigel Bickle
Deputy Chief Executive – Immigration
For Secretary of Labour

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Appendix Ten	Review of Expenditure on Policy Advice

Appendix One: Background to decisions required in your first 100 days New Zealand Refugee Resettlement Strategy

What is the current situation?

- 1 Refugee resettlement outcomes are currently poor - employment rates and educational achievement are low, and benefit take-up rates and state housing tenancies are high. Problems with New Zealand's current approach include the absence of clear outcomes, service gaps and overlaps, and poor co-ordination across provider agencies. A new approach is required to achieve better resettlement outcomes within existing reprioritised baseline funding.
- 2 The Department has developed a New Zealand Refugee Resettlement Strategy with comprehensive input and wide support across government agencies, resettlement service providers and refugee communities. The Strategy seeks to improve settlement outcomes and reduce fiscal costs. The Strategy is supported by an indicative business case.

Next steps

- 3 The Strategy requires Cabinet agreement to be implemented. Cabinet agreement is also needed to develop a Detailed Business Case (DBC) that will support the Strategy's implementation. The DBC will be based on a short-list of options from the indicative business case. These options are focussed on earlier and more targeted interventions at the pre-arrival and reception stages of resettlement.
- 4 New governance arrangements to be identified in the DBC will clarify lines of accountability and the ownership of overall outcomes. The DBC will also consider the future of the Mangere Refugee Centre, which is 70 years old and coming to the end of its useful life. Legal advice indicates that recent remedial work to address health and safety hazards at the Centre has significantly reduced the Crown's exposure to legal liability.

Changes to the Parent, Sibling and Adult Child residence categories

- 5 In May 2011, Cabinet agreed to changes to these family categories to help New Zealand:
 - attract and retain skilled and productive migrants
 - reduce costs incurred through benefit payments.

What are the changes?

- 6 The Sibling and Adult Child Category will be removed, which will reduce the number of unskilled migrants who find it more difficult to get jobs and are more likely to get benefit payments.
- 7 New Zealand citizens and residents will still be able to sponsor their parents for New Zealand residence, but with the following changes:

- a new two-tier process whereby applications from parents who are sponsored by higher income sponsors, or who bring a guaranteed income or funds (Tier One) will be processed faster than other sponsored parents (Tier Two).
- Tier One parents will be eligible regardless of what country their other adult children live in, while the criteria for Tier Two parents will tighten so that only those who had no adult children living in their home country would be eligible.
- the period during which sponsors are required to meet certain obligations for their parents' support will extend from five to 10 years (once an amendment is made to the Immigration Act 2009)
- parents can no longer bring dependent children
- parents whose English is poor will need to pre-purchase tuition.

Next steps

- 8 The Department will provide further detail on implementation in early February 2012, and seek a decision on the timing of the announcement. It is planned that the Sibling and Adult Category be closed very soon after the announcement and the changes to Parent Category be implemented from July 2012.
- 9 Before the changes are publicly announced, the Government of Samoa must be consulted under the terms of the Treaty of Friendship. As 2012 is the 50 year anniversary of the Treaty of Friendship, the Ministry of Foreign Affairs wishes to ensure that this consultation is carefully managed.

2012/13 – 2014/15 Migrant Levy Proposed Allocations

What is the migrant levy?

- 10 The migrant levy is charged to most migrants at the point they are granted residence. The levy helps to fund programmes that assist in the settlement of migrants, and research into settlement issues and the impacts of immigration. Successful settlement outcomes encourage migrants to remain in New Zealand and to make a positive and long-term contribution to our economy and society.
- 11 A large part of migrant levy funding is allocated to Vote Immigration to fund the Department's core settlement services and research programme. Other programmes that receive funding include the Department of Internal Affairs' Language Line and the Ministry of Education's tuition of English for Speakers of Other Languages in the compulsory school sector.

2012/13 Migrant levy allocation process and review

- 12 The Department administers the allocation of migrant levy funds. On 16 March 2011, the Cabinet Domestic Policy Committee directed officials to review migrant levy funding for 2012/13 and outyears and report back to Cabinet in early 2012. The Department established an interagency Senior Officials Group to review the current allocations. Due to a \$0.910 million decrease in migrant levy revenue in 2011/12, funding allocations need to be limited to \$8.800 million per year for the next three financial years.

Review outcome and 2012/13 – 2014/15 allocation proposal

- 13 The Senior Officials Group agreed that the Ministry of Social Development's (MSD) Migrant Employment Assistance initiative was unsuccessful – it was not

demonstrated to be effectively and efficiently contributing to successful settlement outcomes. The Group proposes that MSD's initiative not be allocated migrant levy funding for 2012/13 – 2014/15.

- 14 The cessation of this funding allows all other initiatives, which were assessed as being successful, to retain their current funding. There is a risk that the organisations currently funded through MSD's initiative may lobby the Minister of Social Development and Employment to stop their funding loss.

Next Steps

- 15 The previous Minister of Immigration agreed to the proposed 2012/13 – 2012/15 migrant levy allocations and directed officials to draft a Cabinet paper. This paper will be provided to you in January 2012. Final Cabinet decisions on 2012/13 – 2012/15 migrant levy allocations need to be made by March 2012, so that agencies can plan adequately for the receipt or cessation of their funding in July 2012.

Airline infringement regime

Why do we need an infringement regime?

- 16 The Immigration Act 2009 (the 2009 Act) provides for the establishment of an infringement regime for carriers (for example, airlines). The aim of the infringement regime is to improve airlines' compliance with their obligations under the 2009 Act and the Immigration (Carriers' Information Obligations) Regulations 2010 (the 2010 Regulations). Airlines operate in an international environment where pre-boarding checks, and the advance provision of information on passengers and crew, are standard obligations.
- 17 Infringement fees need to be set at a level to reflect the seriousness of each offence and the level of deterrence sought. Most of the carriers flying into New Zealand also fly into other countries that operate infringement regimes.

Next steps

- 18 Regulations are required to implement a new infringement regime for airlines. The regulations will prescribe the level of the infringement fee for each offence and the content of the infringement notice. A draft Cabinet paper will be provided for your consideration in early February 2012, with policy proposals for the regulations. Cabinet decisions will be needed by the end of February 2012, so the Department can issue drafting instructions for the regulations to Parliamentary Counsel Office by March 2012.
- 19 A second Cabinet paper that seeks Cabinet agreement to the drafted regulations will be provided to you by May 2012. The draft regulations need to be gazetted for 28 days before 1 July 2012, as the infringement regime is scheduled to begin on that date (the airlines are expecting this). Any delay to implementation prevents New Zealand from having a proportionate and immediate tool to enforce compliance, but also introduces a reputational risk with airlines and with our Five Country Conference partners.

Appendix Two: The Government’s manifesto commitments for immigration

The table below outlines the Government’s manifesto commitments for immigration and the proposed work streams for each one.

Manifesto commitment: “Attract migrants with the right skills and capital to invest in New Zealand”		
<i>Work already underway</i>	<i>Proposed workstream</i>	<i>Next steps</i>
<p>The Investor Migrant policy was reviewed in 2010 and actions arising from this review are being implemented. The next step is to review settings and support for migrant entrepreneurs.</p>	<p>Improve immigration’s contribution to entrepreneurship and innovation</p> <p>This workstream has two components. The first focuses on the selection stage, by ensuring that immigration policies are weighted towards people who can build a successful business. This will involve reviewing and revising the policies enabling migrants to establish a business here, to up the ante in terms of the size and success of these enterprises. This would lead to more jobs and higher value employment for New Zealanders.</p> <p>The second focuses on the settlement stage, and applies to all migrants rather than those applying through particular categories. It involves examining the constraints on, and opportunities for, migrant innovation and entrepreneurship, to see what can be done to increase the number and proportion of migrants who make significant contributions to entrepreneurship and innovation.</p>	<p>March 2012: an initial paper seeking your agreement to the scope and direction of travel.</p> <p>A Cabinet paper can be scheduled for October 2012.</p>
<p>The Department of Labour is:</p> <ul style="list-style-type: none"> • supporting the private sector to target and attract prospective investors • providing intensive support to investors through the inquiry and visa application processes, and • working closely with NZ Inc. agencies to support and refer prospective investors into New Zealand capital markets. 	<p>Revisit investor attraction strategy</p> <p>Focus on:</p> <ul style="list-style-type: none"> • increasing business support capability • joint strategy development between INZ, NZTE and capital markets to attract and integrate investors with capital, capability and connections into New Zealand Angel and Private Equity opportunities • continuing the United States and United Kingdom focus but increasingly working with the private sector to target new markets, and 	<p>A progress report on the programme to attract and connect investor migrants will be provided in February 2012.</p>

	<ul style="list-style-type: none"> • working with Treasury to align the requirements of the Overseas Investment Act with immigration policy settings. 	
<p>Manifesto commitment: “Proactively locate and recruit migrants with the skills to grow the New Zealand economy”</p>		
<p>The Department of Labour is:</p> <ul style="list-style-type: none"> • supporting employers to target, recruit and retain the highly skilled talent that they need, and • providing a range of marketing, employer engagement and settlement services to employers. 	<p>Implement the Attraction & Retention Strategy</p> <p>Using the Attraction & Retention Framework and Strategy to clearly define INZ service contributions to key skills shortage sectors and support their strategic talent recruitment and retention campaigns.</p> <p>Focus support at key long term skill shortage sectors - health, ICT, engineering - as well as niche, high potential sectors and engaging with these via New Zealand Trade & Enterprise channels.</p> <p>Implement the Attraction and Retention Strategy (which was signed off by the previous Minister of Immigration in 2011). This strategy includes:</p> <ul style="list-style-type: none"> • linking employers seeking highly skilled migrant staff with people looking to relocate to New Zealand through Skillfinder – a service that provides employers with access to an Immigration New Zealand database of approximately 140,000 prospective skilled migrants • recruitment campaign support – Immigration New Zealand provides sectors, regions (Canterbury) and employers with support, both in New Zealand and offshore, at all stages of skilled migrant recruitment including targeting, recruitment, visa processing and settlement, and • support for employers to retain and maximise the contribution of the skilled staff they employ, by developing products and services, and providing access to funded services by Chambers of Commerce. 	<p>A progress report on the implementation of the Attraction and Retention Strategy will be provided in February 2012.</p>

<p>Manifesto commitment: “Continue the pragmatic approach of reviewing and updating policy settings to ensure they are working for NZ”</p>		
<p>A range of immigration policies have been reviewed and amended over the past three years.</p> <p>Further proposed work is both at the strategic (i.e. not specific to any one policy) and policy-specific level.</p>	<p>Strategic policy projects</p> <p>The policy work programme contains proposed work on:</p> <ul style="list-style-type: none"> • improving immigration’s contribution to Government’s economic growth agenda, especially by supporting trade and investment • exploring immigration’s impact on labour displacement, training incentives and capital deepening, and • streamlining the immigration policy suite (particularly to support development and roll out of the Immigration Global Management System). <p>Additionally, several targeted reviews are proposed for particular policy categories, to ensure they are achieving their purpose and working for New Zealand. More details on these are in the attached work programme.</p>	<p>February 2012:</p> <p>The Department will provide initial papers on individual policy projects seeking agreement to the scope and direction of travel.</p> <p>Cabinet papers will be provided from mid-2012.</p>
<p>Manifesto commitment: “Support Canterbury”</p>		
<p>The Department has:</p> <ul style="list-style-type: none"> • produced tailored information for construction workers with the New Zealand Qualifications Authority and the Department of Building and Housing • assisted Fletcher Building with its offshore recruitment campaign • provided support for recruitment seminars in the UK in November 2011 • prioritised visa applications for the Canterbury rebuild. 	<p>Support the Canterbury rebuild through policy settings</p> <p>Further work could include:</p> <ul style="list-style-type: none"> • considering how the Department can proactively assist employers to recruit migrant workers who are required to supplement the local supply, while ensuring opportunities for New Zealand jobseekers • whether further occupations should be added to the Canterbury Skills Shortage List. <p>Further information is provided in the paper <i>Canterbury earthquakes and the recovery: portfolio interests</i>.</p>	<p>You will be regularly briefed on the Department’s actions in support of the Canterbury rebuild. These briefings will commence in January 2010.</p>

Manifesto commitment: "Get better outcomes for refugees coming to New Zealand"

Refugee outcomes in New Zealand can be improved. The Department has been working with the refugee sector to develop a new Refugee Resettlement Strategy. It has had comprehensive input and wide support across government agencies, resettlement service providers and refugee communities. The Refugee Strategy seeks to improve settlement outcomes and reduce fiscal costs. The work also seeks to resolve the old buildings at the Mangere Refugee Resettlement Centre, which are now past the end of their economic life.

The Refugee Strategy requires Cabinet agreement and agreement to progress to a Detailed Business Case (DBC). The DBC will be based on options from the indicative business case. These options are focussed on earlier and more targeted interventions at the pre-arrival and reception stages of resettlement, and more focused service delivery to achieve targets set by Ministers. New governance arrangements will be identified to clarify lines of accountability and ownership of overall outcomes. The DBC will also consider the Mangere Refugee Resettlement Centre's future.

A draft Cabinet paper will be provided for your consideration by **late January 2012**

Appendix Three INZ Business Development Portfolio

The Immigration Business Development portfolio contains all the essential elements to build INZ's future operating model. In addition to the Immigration Global Management System, the Portfolio projects include:

Attraction and Retention Strategy

The Attention and Retention Strategy is intended to:

- ensure New Zealand attracts the appropriate people to fill skill gaps in the labour market through targeted attraction, settlement and retention of migrants
- ensure information on and for people immigrating to New Zealand is consistent and easily accessible
- facilitate the entry of tourists and students to support NZ Inc initiatives and support employers to find and retain the people they need.

Channel and Services Strategy

The Channel and Services Strategy aims to align service delivery options to customer expectations at least cost. Customer needs will be met through a range of channels, including a mix of assisted-service options (e.g. face-to-face, mail, phone, email) and self-service via the internet. The Channel and Services Strategy also aims to provide incentives for applicants to use the lowest cost channels, so the majority of visa applications are submitted on-line, either by the customer (self-service) or the customer's agent (assisted-service). However, customers will still be able to talk to a 'real person' if necessary.

Global Services Delivery Model

The Global Services Delivery Model aims to:

- consolidate and centralise processing - processing will be undertaken through a mix of in-house branches, service centres and third party outlets
- meet volume changes through a mix of delivery and processing channels and workload balancing between centres
- automate high volume, low risk, repetitive work, leaving people to exercise judgement on the harder immigration decisions
- keep physical offices only in high value, high volume or high risk markets
- increase INZ reach through service delivery partners.

Identity Management

Identity Management aims to:

- enable identity, biometric information and intelligence sharing within INZ and across agencies to aid smarter identification and effective intervention, where necessary, during the visa process and at the border
- increase voluntary compliance through targeted interventions involving prevention, proactive communication, disruption, and enforcement

- reduce fraud by sharing intelligence and more accurate assessments will reduce downstream costs on health, education, justice and welfare.

Risk-Adjusted Value Framework

The Risk-Adjusted Value Framework will ensure:

- applicants are guided to the appropriate service delivery pathway, so that INZ resource usage and the customer's service experience reflect value and risk
- low risk visa applications will be "fast tracked" to enable auto-granting or one-touch granting (around 80% of customers are low risk)
- high value, low risk applications will receive expedited service
- high risk applications will be assessed using local knowledge, information and intelligence from within INZ and shared across border sector agencies.

Health Risk Framework and Process

The Health Risk Framework Process aims to:

- identify, develop and implement improvements to health operational policy, and processes to improve the way INZ manages and completes health assessments of visa applicants
- more closely align our panel doctor network, medical certificates and health requirements to those used by the Australian Department of Immigration and Citizenship (DIAC), in preparation for potentially implementing electronic health screening via the DIAC e-medical system
- reduce processing times and cost (to customers and to INZ) while ensuring that health risk is appropriately managed.

Appendix Four: Immigration Policy Work Programme 2012 - 2014

Legend:	Ministerial meeting:	Ministerial decision points:	Potential Cabinet paper:	Department actions:	Other key actions:
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Mandate	Action	2012	2013	2014
Manifesto	Assist Canterbury to rebuild	 <i>Confirm Canterbury Skill Shortage list holds appropriate roles to assist in the rebuild (quarterly during rebuild)</i>		
	Improve the economic impacts of immigration	Preliminary analysis Provide feedback on initial paper Detailed analysis Final decisions sought on Cabinet paper		
	Support trade and investment through immigration	Free Trade Agreements INZ offshore footprint To be confirmed <i>Meetings with Minister of Trade and Minister of Foreign Affairs (currently quarterly, tentatively programmed until June 2012)</i>		
	Complete and implement the Refugee Resettlement Strategy	Present the Refugee Resettlement Strategy		
	Support INZ's Attraction and Retention Strategy goals	Undertake detailed business planning Decisions sought on Detailed Business Case		
	Improve immigration's contribution to entrepreneurship & innovation	Research Agreement to scope & direction of travel Policy work and consultation		
		Progress report Progress report Ongoing work as required		
Cabinet Direction	Review immigration fees	Preliminary analysis Initial feedback Detailed analysis Final decisions sought		
	Report back to Cabinet on the implementation of Immigration Adviser Licensing	Analysis Report back on the review of the implementation of Immigration Adviser Licensing		
	Review work rights for English language & other students	Preliminary analysis Initial feedback Detailed analysis Final decisions sought		
	Make required technical Immigration Act amendments	Analyse change requirements Provide feedback on the proposals to be taken to Cabinet		
Whole of Government priority	Manage/deter a mass arrival of illegal immigrants	Ongoing cross-agency work < Legislation change available, if required, to support New Zealand's ability to effectively manage a mass arrival. >		
	Support the changes required in the foreign charter vessel area	Panel support Meet with the Minister of Labour to discuss the Panel's immigration related recommendations Confirm with the Department the forward actions from the Panel's recommendations Implement agreed forward actions		
	Support Education NZ cross-sector work	Ongoing work as required		

Mandate	Action	2012	2013	2014
Ministerial direction	Review of Pacific Residual Places policies	Preliminary analysis → Initial feedback → Analysis → Final decisions sought on Cabinet paper		
	Review the vocational training policy	Preliminary analysis → Initial feedback → Detailed analysis → Final decisions sought on Cabinet paper		
	Implement the Croatia Working Holiday Scheme	Preliminary analysis → Initial feedback → Detailed analysis → Final decisions sought on Cabinet paper		
	Implement the Canada Working Holiday Scheme	Preliminary analysis → Initial feedback → Detailed analysis → Final decisions sought on Cabinet paper		
	Review the uncapped family policy	Preliminary analysis → Provide feedback on direction of travel → Detailed analysis → Final decisions sought on Cabinet paper		
	Review the Immigration Profiling branch function	Preliminary analysis → Initial feedback → Detailed analysis → Final decisions sought on Cabinet paper		
Legislative requirement	Implement an infringement regime for airlines	Analysis → Cabinet paper → Cabinet Legislation Committee paper → Implementation		
Proposed by officials	Understand immigration impacts on labour displacement and training incentives	Research - Labour Market Test process → Discuss initial research findings → Meet with the Minister of Social Development regarding improvements to the Labour Market Test process → Detailed policy work → Final decisions sought on Cabinet paper		
	Review the visa waiver status for South Africa	Preliminary analysis → Initial feedback → Detailed analysis and consultation → Final decisions sought on Cabinet paper		
	Streamline the immigration policy suite and policy support for the IGMS rollout		Ongoing work as required	Student category goes live in IGMS
	Review the working holiday scheme viability as a negotiating tool	Research and analysis → Discuss findings with the Minister of Foreign Affairs → Consultation on any proposed changes ?		
	Review the Silver Fern visa category		Analysis [commencement date to be discussed] → Cabinet paper	
	Support the workforce with immigration	Research - the extent immigration mitigates the aging workforce → Discuss initial findings → Detailed analysis ?		
	Determine the immigration impacts on capital deepening	Research → Confirm with the Department the forward work programme → Detailed analysis ?		

Appendix Five: Summary immigration policy work programme (including 100 day initiatives)

The table below highlights the key items in the policy work programme associated with your portfolio. It details the item, the issue it encompasses, and the status of the work in the policy life cycle. Manifesto items are either directly referenced in the Government's immigration manifesto, or relate to the manifesto commitment to "*continue the pragmatic approach of reviewing and updating policy settings to ensure they are working for New Zealand*". The items in this proposed work programme are sorted according to the mandate, as this is likely to influence the relative priority.

Item	Issues	Status	Mandate	Recommended action
Assist the Canterbury rebuild	Cross-agency work to ensure that immigration supports the Canterbury rebuild.	Ongoing	Manifesto	Commencing January 2012 : provide feedback on the briefings that will be regularly provided.
Improving the economic impacts of immigration	To maximise immigration's contribution to economic growth by: <ul style="list-style-type: none"> ensuring policy settings minimise potential for migrants to impose costs improving the number and proportion of migrants with higher skilled jobs and higher incomes. 	Yet to commence.	Manifesto	February 2012 : provide feedback on an initial paper seeking your agreement to the scope and direction of travel.
Supporting trade, investment and immigration	The previous Minister of Immigration agreed to meet quarterly with the Ministers of Trade and Foreign Affairs to discuss how immigration could support trade and export-led growth. One meeting was held on business travel. Forthcoming meetings are to cover Free Trade Agreements and Immigration New Zealand's offshore footprint. Refer to the forthcoming paper <i>Trade and immigration</i> for more detail.	Underway – One ministerial meeting has been held. Other are currently scheduled to run quarterly to mid-2012.	Manifesto	January 2012 : write to your Minister of Foreign Affairs and Minister of Trade, proposing to continue with scheduled meetings. Next Ministerial meeting scheduled for February 2012 .

Item	Issues	Status	Mandate	Recommended action
Refugee Resettlement Strategy	Considering a Cabinet paper seeking agreement to the New Zealand Refugee Resettlement Strategy and to complete a Detailed Business Case to implement the Strategy.	Cabinet paper to be agreed by February 2012. Detailed Business Case to be completed by September 2012.	Manifesto	February 2012: provide feedback on draft Cabinet paper and Indicative Business Case.
Supporting Immigration New Zealand's Attraction and Retention Strategy	Policy advice options to support the implementation of the Attraction and Retention Framework. Ensuring policy settings are future focused, take account of the international environment and support the attraction of high value low risk migrants.	To be undertaken in conjunction with implementation of Attraction and Retention Strategy.	Manifesto	February 2012: provide feedback on progress report.
Facilitating access to work visas for skilled temporary migrants	Identifying ways to make immigration policy more facilitative to attract and retain temporary skilled migrants	Underway – initial scope was agreed to by previous Minister of Immigration	Manifesto	May 2012: provide feedback on initial proposals
Improving immigration's contribution to entrepreneurship & innovation	To maximise entrepreneurship & innovation outcomes from immigration, this work is reviewing the: <ul style="list-style-type: none"> • selection criteria for migrant entrepreneurs, and • settlement settings that support entrepreneurship and innovation in the migrant community. 	Initial research is underway.	Manifesto	March 2012: provide feedback on an initial proposals
Immigration fees review	Reviewing immigration fees to ensure they reflect the cost of delivering immigration services. Ensuring Immigration New Zealand has a sustainable funding model.	Underway	Cabinet direction	January 2012: provide feedback on initial options.

Item	Issues	Status	Mandate	Recommended action
Immigration Adviser Report Back	Report back to Cabinet on aspects of the operation and funding of the Immigration Advisers Authority.	Underway – Cabinet decisions to be sought by May 2012.	Cabinet direction	March 2012: provide feedback on contents of the Cabinet report back.
Work rights for English language and other students (this in addition to ongoing policy support for the export education sector).	Investigating how work rights could be linked to the New Zealand Qualifications Authority assessment system.	Due to commence in February 2012, with a work report due by October 2012.	Cabinet direction	April 2012: provide feedback on an initial paper seeking your agreement to the scope and direction of travel.
Immigration Act Amendments	Progressing proposals to amend the Immigration Act 2009.	Underway – Cabinet paper currently due in July but this will depend on legislative priority.	Cabinet direction	April 2012: provide feedback on the proposals to be taken to Cabinet.
Managing / deterring a mass arrival of illegal migrants	Legislative change (if required) to support New Zealand's ability to effectively manage a mass arrival.	Legislation will be progressed if and when required.	Whole of Government priority	Early 2012: officials will seek your feedback on progressing the legislation.
Foreign Fishing Vessels	Supporting the Ministerial inquiry into Foreign Chartered Fishing Vessels. See the briefing paper <i>Ministerial inquiry into Foreign Chartered Fishing Vessels</i> for more information.	Panel report backs in February 2012. Policy work likely to continue after this.	Whole of Government priority	February 2012: discuss the panel report backs when you are briefed in.
Review of Pacific Residual Places Policies	Reviewing the need for, and operation of, the Pacific Residual Places policies.	Initial scoping being undertaken.	Ministerial direction	February 2012: provide feedback on an initial paper seeking your agreement to the scope and direction of travel.
Working Holiday Schemes: Croatia and Canada	Reporting back on the Canada Youth Mobility Scheme and undertaking a risk assessment for a Croatia Working Holiday Scheme.	Due to commence in December 2011 for completion by mid-2012	Ministerial direction	March 2012: discuss initial findings with officials.

Item	Issues	Status	Mandate	Recommended action
Review further aspects of uncapped family policy	Reviewing adoption, culturally arranged marriages and partnership policy to ensure policy objectives are being met and to address any issues.	Initial scoping being undertaken.	Ministerial direction	April 2012: provide feedback on an initial paper seeking your agreement to the scope and direction of travel.
Supporting a review of INZ's Immigration Profiling Branch	Developing a Cabinet paper to seek agreement to any changes required to streamline and improve aspects of immigration risk assessment processes.	Due to be completed by end-2012	Ministerial direction	April 2012: discuss initial proposals with officials.
Infringement regime for airlines	Developing two Cabinet papers for regulations to implement an infringement regime for airlines provided in legislation.	Underway – regulations to be in force by June 2012	Legislative requirement	February 2012: take papers on proposed fees to Cabinet. April 2012: take regulations to Cabinet.
Immigration impacts on labour displacement and training incentives	Ongoing work with the Ministry of Social Development on streamlining and improving labour market testing. Longer-term work on exploring labour displacement and training incentives.	Research underway	Proposed by officials	February 2012: discuss initial research findings with officials.
South Africa Visa Waiver review	Review the visa waiver status of South Africa in light of passport security concerns.	Yet to commence. Due to be completed end-2012	Proposed by officials	February 2012: discuss direction of travel with officials, following initial advice on options.
Streamlining the immigration policy suite and policy support for the Immigration Global Management System rollout.	Removing overlaps and redundant categories in the Immigration Instructions for greater simplicity and ease of use.	Yet to commence. Due to commence early-2012.	Proposed by officials	Mid-2012: discuss initial proposals with officials.
Working Holiday Schemes: labour market impacts and wider benefits	Research on the labour market impacts and wider benefits of Working Holiday Schemes to enable more effectively prioritisation of requests for new schemes and quota increases.	Research underway. Policy work/consultation from June 2012	Proposed by officials	Mid-2012: discuss research findings with officials and Minister of Foreign Affairs.

Item	Issues	Status	Mandate	Recommended action
Silver Fern visa review	Ensuring policy objectives are being met and identifying options for enhancing outcomes.	Not yet underway	Proposed by officials	TBC: discuss timing and relative priority of this policy work with officials.
Immigration to support workforce	Assessing the extent to which immigration can and should help mitigate the ageing of New Zealand's workforce.	Initial research currently underway.	Proposed by officials	TBC: discuss timing and relative priority of this policy work with officials.
Immigration impacts on capital deepening	Exploration of the impacts of immigration on capital deepening and productivity.	Research underway. Initial findings will be available mid-2012 (waiting on a more complete data set).	Proposed by officials	TBC: discuss timing and relative priority of this policy work with officials.
Review of vocational training policy	Reviewing vocational training policy to ensure policy objectives are relevant to government's economic goals.	Initial scoping being undertaken.	Ministerial direction	TBC: discuss timing and relative priority of this policy work with officials.

Appendix Six: Key links with other portfolios and key stakeholders in the Immigration portfolio

Immigration has close links to a number of other portfolios. The main ones are highlighted below.

Portfolio	Link with the immigration portfolio	People
Labour, Social Development and Employment, Economic Development and Finance	Forecast and actual skills and labour shortages, policy development around temporary work and residence, engagements with industries about how to meet ongoing workforce needs, including the impacts of the immigration on labour productivity and participation.	Hon XX, Minister of Labour Hon XX, Minister of Employment Hon XX, Minister of Economic Development Hon XX, Minister of Finance
Economic Development and Tourism	Facilitating the entry of tourists and workers for the tourism industry, and working to ensure immigration policy settings are aligned with the Government's aims to develop air service links.	Hon XX, Minister of Tourism Norm Thompson, Chair of the board - Tourism Industry Association New Zealand
Education	Facilitating the entry of international students to New Zealand and, in some cases, their transition to the workforce after study. Immigration policy in general complements education and training policy.	Hon XX, Minister of Education Charles Finny, Chair of the Board - Education New Zealand
Agencies with an interest at the border (New Zealand Customs Service, Ministry of Agriculture and Forestry, Department of Internal Affairs, Transport)	The Border Sector Governance Group was formed in 2007 to manage the balance between protecting New Zealand and promoting travel and trade. The Border Sector Ministerial Group was established in March 2010 to actively support the work of the border sector and ensure alignment with wider government priorities. The biosecurity, customs, and immigration ministers make up the ministerial group. See paras 61-64 for a summary on upcoming work in the border sector.	Hon XX, Minister of Customs Hon XX, Minister of Biosecurity Hon XX, Minister of Internal Affairs Hon XX, Minister of Transport
Foreign Affairs and Trade	Immigration is an important part of New Zealand's foreign relationships. With the Pacific in particular immigration complements New Zealand's development and overseas aid objectives. Immigration can also play an important role in trade by facilitating the movement of business people. Bilateral working holiday schemes, of which New Zealand has 35 (with a further 13 under development), help develop people-to-people links and bilateral relations.	Hon XX, Foreign Affairs Minister Hon XX, Minister of Trade
Health	Ensuring temporary and permanent migrants do not impose undue costs on New Zealand's publicly funded health services, and meeting	Hon XX, Minister of Health

	health workforce needs through short-term and permanent migration.	
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Some significant stakeholders you may wish to engage with in the first 100 days are set out below.

Stakeholder	Interest	Key contact
New Zealand Association for Migration & Investment (NZAMI)	NZAMI is New Zealand's leading professional association for immigration advisers. It consists of a diverse group of immigration advisers and lawyers and has an interest in all aspects of immigration policy and any policy reviews	Chairman: Simon Laurent, Laurent Law Vice Chairman: Walter Stone, Eagle Migration Services
Immigration Advisers Authority (the IAA), which is an independent part of the Department	The IAA is a statutory body responsible for the regulation of the immigration advice industry. It is responsible for: <ul style="list-style-type: none"> • overseeing the licensing of immigration advisers • receiving complaints about licensed and unlicensed immigration advisers • investigating and taking action against those breaching immigration advice law • maintaining a register of licensed immigration advisers. 	Registrar: Barry Smedts
Education New Zealand (ENZ)	ENZ is a Crown entity that promotes New Zealand's education sector internationally. Export education contributed more than NZ\$2.2 billion to New Zealand's Gross Domestic Product in 2010/11. Nigel Bickle (DCE - Immigration) is on this board and the Department will be working with ENZ on its key priorities. This may include examining policy settings.	Chair of the board: Charles Finny
Tourism Industry Association New Zealand (TIA)	The TIA is the largest representative body of tourism operators in New Zealand. It works to facilitate tourism and reduce immigration barriers.	Chair of the board: Norm Thompson

New Zealand Council of Trade Unions (NZCTU)	NZCTU brings together over 350,000 New Zealand union members in 40 affiliated unions.	President: Helen Kelly
Business New Zealand (BusinessNZ)	BusinessNZ is New Zealand's largest advocacy group.	Chief Executive: Phil O'Reilly

Appendix Seven: Immigration New Zealand office locations as at December 2011



Notes: INZ = Immigration New Zealand; MFAT = Ministry of Foreign Affairs and Trade

Appendix Eight: DoL contacts

Key people you will interact with from the Department are:

Secretary of Labour & Chief Executive



Christopher Blake
Secretary of Labour/Chief Executive until 23 December 2011
Ph. 915 4050
Executive Assistant:
Lauren Deslandes
Ph. 915 4234

Policy and Research



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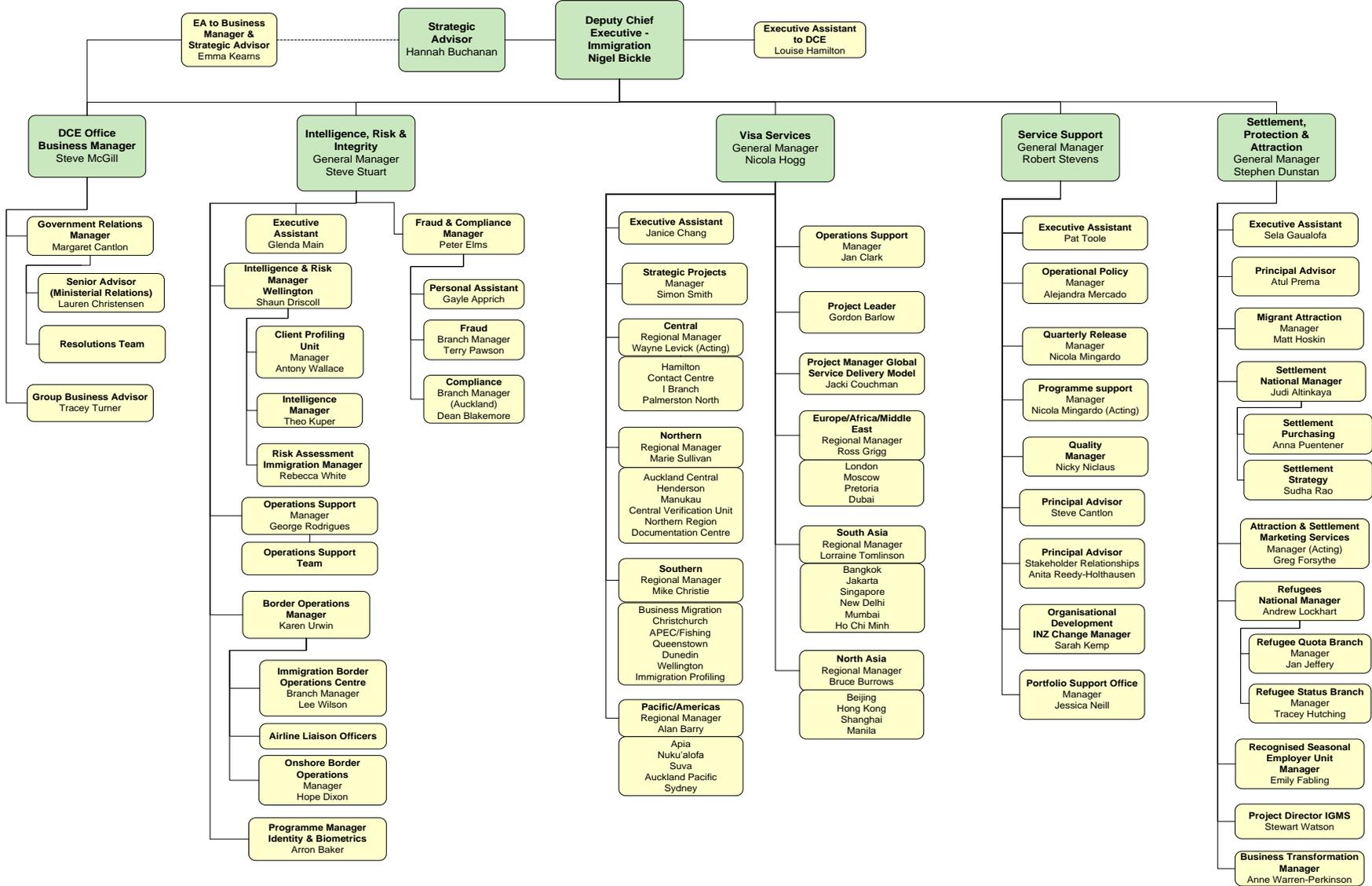


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Appendix Nine: INZ Structure



Appendix Ten: Review of Expenditure on Policy Advice

Overview

The Review of Expenditure on Policy Advice (the Review) was commissioned by Ministers in August 2010 and had two purposes, the first of which was to provide advice to Government on the cost and quality of policy advice. The second was to strengthen the alignment between policy expenditure and the Government's priorities. The final report was provided to Government in December 2010.

The Government agreed to a suite of actions in response to the Review's findings. The central focus of these actions being to "adjust the system to drive sustained improvement in the quality and management of policy advice."³

As part of the Government programme for public sector reform and re-organisation, the Review's recommendations included, among other things:

- an increase in policy capacity and capability, and policy management
- the reorganisation of policy appropriations
- the establishment of multi-year policy work programmes.

Cabinet requires all agencies to report to Ministers at the same time as the 2011 Briefings to Incoming Ministers [Cab Min (11) 16/16 refers]. All agencies are required to review their work programmes to focus on substantive issues and improve policy processes. Agencies are also required to report back to Ministers on:

- their agency's policy capabilities
- actions needed to improve policy performance
- a capability plan
- proposed work plans for the upcoming term.

Reorganisation of policy appropriations

The review also recommended the reorganisation of policy output classes to make the total cost of producing policy advice transparent. The Department is currently preparing a briefing that will seek your agreement to a set of proposed policy output classes for Vote Immigration. The Department is also taking the opportunity to review the output class structure in response to Office of the Auditor-General's feedback. These need to be submitted to the Treasury on 20 December 2011 by way of a letter from each Vote Minister to the Minister of Finance.

The Report Back

The Department's Policy Capability

In December 2010, the policy and research functions in the Department were restructured into the Policy and Research Group (PRG). The new group created a high quality policy shop that '*analyses, advises, engages and explores*' to produce integrated and authoritative policy advice and research to contribute support the Department's goal: New Zealand thriving through people and work.

³ Summary of the Government Response to the Review of Expenditure on Policy Advice (28 April 2011) available on <http://www.treasury.govt.nz/statesector/policyexpenditurereview> p. 1

PRG consolidates the Department's policy functions and reduce the number of policy and research staff. It provided senior policy management with leadership through the Deputy Chief Executive – Policy and Research Group, a position currently filled by Jeremy Corban. PRG has 114 full time equivalent staff⁴ with a range of general and technical skills to support delivery of the work programme. Whilst not driven by the Review, the restructure of PRG was seen as compatible with its ethos.

Actions needed to improve policy performance and the Capability Building Strategy

PRG has enabled a focus on actions needed to improve the Department's policy performance. This includes, addressing the concerns identified in the Review that policy development has shifted too far towards compliance with process, and seems to be diminishing the substance of analysis and advice.

Capability Plan

These actions are articulated in a Capability Building Strategy. It contains four priority areas. They include:

- Workforce planning – to ensure that the Group has the right mix of staff and skills to support the delivery of a strategic work programme with a focus on people and the economy with delivering core accountabilities
- Leadership excellence – to ensure the Group has the leadership capability needed to successfully deliver integrated and authoritative advice to Government and to led and develop staff
- Developing staff – to increase the capability of staff through targeted learning and development opportunities to deliver policy advice that meets the needs of Government
- Lifting performance – to establish clear role definitions and performance expectations for staff across the Group to clarify the performance the Group, the Department and Government is looking for.

Proposed work plan for the upcoming term

The establishment of multi-year policy work programmes

The Group has developed a strategic policy work programme which will result in work and research that will span multiple years. The work programme contains cross-Vote initiatives with focus on productivity and participation in the labour market and better matching the supply of skills and workers to employer demand. The establishment of a multi-year research programme will ensure that the advice provided to Government will have a strong evidence base.

The strategic work programme will support with the delivery of the Government's priorities for the next term. The strategic work programme will enable the PRG to provide integrated and authoritative advice on key issues associated with participation, productivity and population, in the areas of: the labour market; immigration; employment relations; health and safety; and accident compensation.

⁴ As at 14 November 2011