



IMMIGRATION

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July 2020

TOP.

Executive summary

The Opportunities Party (TOP) is proposing a fundamental overhaul of the New Zealand immigration system. Under the Labour/New Zealand First Coalition, the Government has approved more than 700,000 temporary worker/student visas and nearly 90,000 residence applications. New Zealand needs immigration. But there is growing evidence that migrants are competing with New Zealanders in the job market for low-skilled jobs, from supermarket cashier to bus driver or labourer. We are concerned that this not only keeps wages down but contributes to unemployment. Meanwhile, New Zealand has struggled to attract or retain high-skilled professionals like doctors, ICT experts and engineers. This was a problem before COVID-19 but the post-pandemic economy gives it a much greater urgency. Immigration reform must be colour-blind and without fear or prejudice. Any resident who calls New Zealand home is a New Zealander. We're going to make sure it stays that way. Our priority is to make the system work better for all including new migrants.

The facts

Between 1 July 2018 and 31 December 2019, the Labour/New Zealand First Government instructed Immigration New Zealand to approve between 50-60,000 new residence-class visas. As of 30 May 2020, that target had been exceeded.¹ While a bare majority (52%) were considered skilled, **only 2%** of new residents were approved under the long-term skill shortage criteria.² In reality, most skilled migrants approved under the Labour/New Zealand First Government appear to work in occupations that New Zealanders should be first in the queue for. Many are earning well below the average wage, and some even end up being exploited, which drives down wages for Kiwis.³ These include a large number of cafe, restaurant and retail managers, farm workers and trades workers (see table).

How did we get here?

Back in the 1980's the contribution to population growth from migration averaged around zero and our population was growing about 0.6% pa. In 2016 population was up 2% with 1.5% of that coming from migration. This phenomenon began in earnest in the mid-1990s when the National government took an altogether more welcoming attitude to the contribution that immigrants could make. For a while that was hidden by the droves of Kiwis leaving as the Rogernomics fallout continued. But by the first half of the Naughties that was well over and the next surge in foreign immigration was not offset by Kiwis leaving. For the first time since the early 1970's population growth was back up to 2% pa (back then we were more keen on breeding so natural increase and net migration contributed 1% each to the population growth, as well, Brits and Aussies could come in as they liked).

¹ The total number of residence applications approved as of 31 May 2020 was 61,536.

² 1,136 migrants were approved residence under the Long-Term Skill Shortage criteria in the period July 2018-May 2020.

³ Skilled migrants only need a base salary of \$45,000 per annum.

The big change in immigration policy was brought in during the Rogernomics era in 1987 when it was decided to change the criteria from nationality and ethnic origin to education, age, business skills and assets irrespective of nationality. Then in 1991 points were introduced for employability, funds, age, etc. By 1995 the influx of migrants was up to 1.5% of the population so again change was necessary.

The burgeoning foreign education system was on the one hand a goldmine, but on the other caused all sorts of conflicts for education providers, particularly State-funded ones.

Who is to blame?

It's not migrants. The issue is a lack of planning and foresight by successive governments who have relied on high immigration numbers to drive up consumption and growth. In this sense, immigrants have been exploited by a system that only sees them as a number. We want to be clear that the blame lies squarely with Labour and National but also NZ First. Despite Winston Peters' rhetoric over the years, he has contributed to the present state of affairs through inaction and stoking racial tensions. TOP condemns NZ First's divisive tactics even if we agree that immigration is in need of an overhaul. But unlike NZ First, we are actually going to fix the problem. Immigration reform must be colour-blind and without fear or prejudice. Any resident who calls New Zealand home is a New Zealander. We're going to make sure it stays that way. Our priority is to make the system work better for all including new migrants.

What is to be done

The solution is an evidence-based immigration policy that acknowledges both social and economic realities. With unemployment now forecast to reach double figures, we need to make sure that New Zealanders really are at the front of the queue for jobs. But we also need an immigration policy that will actually fill major long-term shortages.

Royal Commission of Inquiry

Covid-19 has seen our borders close with them unlikely to be opened for at least 6 months. TOP will use this period to undergo a major overhaul of the immigration system, so that we can introduce a system that is for the benefit of New Zealand and New Zealanders.

To ensure that our immigration system is fit for purpose in the 21st century, TOP's first priority will be to establish a Royal Commission of Inquiry. The Commission will evaluate the success of New Zealand's immigration system in addressing skill shortages, consider the social and economic impacts of high net migration, investigate systemic issues and recommend policy changes.

In particular, the skill shortage criteria needs an overhaul. The existing classifications for skilled employment and skill shortages are not fit for purpose. We are also concerned that in some categories, there is no minimum standard of English competence, which in turn places huge resource demands on our infrastructure, especially in our primary schools.⁴

⁴ Essential Workers and Skilled Migrants who apply under the Long-term Skill Shortage List are currently exempt from this requirement.

Furthermore, as pointed out there are many visa applicants that work in jobs receiving less than the average wage. In this case there needs to be a strong business case why migration is beneficial to New Zealand.

At the same time, we will streamline and fast-track the process for those who do meet the updated criteria.

Partnership

A substantial number of residence applications are based on partnership. Under the current rules, a New Zealand Citizen or Permanent Resident may sponsor their partner for a two year residence visa. This entitles the partner to live and work in New Zealand without any conditions. Unfortunately, there is evidence that the Family Partnership category is subject to major risk of fraud.⁵ Couples only have to prove that they have lived together for a minimum of 12 months. To address this concern, TOP proposes to make all Family Partnership residence visas conditional on a three year period during which time the couple will be required to provide evidence the relationship is genuine and stable.

Superannuation

In line with our 2017 policy, TOP supports NZ First's recent law change restricting NZ Superannuation to residents who have lived here for a minimum of 20 years.

Refugees

TOP also wants to establish a new class of "climate change refugees" for people from those Pacific Island countries, such as Kiribati and Tuvalu, that are slowly but surely sinking into the ocean. These are our people; they are from our part of the world and TOP believes that we have an obligation to help them, since we have contributed to the issues they face.

Climate change will have wide ranging effects, particularly across the ditch in Australia. Given the treatment of Kiwis in Australia, and the risk of 25m Australians moving here as climate change worsens, it is time to review our open borders.

⁵ See for example the *Newsroom* report, "Immigration changes give rise to partnership visas", 31 July 2018. <https://www.newsroom.co.nz/171283/visa-change-impacts-not-clear-cut>

International students

TOP acknowledges the value of “export education” to the New Zealand economy. Prior to Covid-19, international students were estimated to contribute around \$5 billion to GDP per annum. However, there is abundant evidence that most international students came here to complete low-level courses and upon graduation have gone on to work semi-skilled service jobs, thus competing with New Zealanders in the labour market.⁶ That is why, in the interim, TOP will end the practice of open-work visas for graduates. Only those that meet the updated skill shortage criteria will be entitled to remain in New Zealand upon completion of studies.

⁶ In 2016, a MBIE report found that 45% of international students received sub-degree qualifications. See “International students 'cheat system, take jobs from NZers' – report”, *NZ Herald*, 7 December 2016.
https://www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=11761594