



Review of Essential Skills in Demand Lists Submission Form

The Ministry of Business, Innovation and Employment (MBIE) has selected occupations to be reviewed on the basis of an Occupation Nomination process. MBIE is now seeking wider submissions on these occupations.

Submissions will only be accepted in relation to the selected occupations. Please refer to the list of occupations being reviewed, in the appendix to this form.

When completing this submission form, please refer to the Preliminary Indicator Evidence Report (PIER) for the relevant occupation. PIERs for each of the occupations under review are on the Immigration New Zealand website <https://www.immigration.govt.nz/about-us/policy-and-law/how-the-immigration-system-operates/skill-shortage-lists/current-skill-shortage-review>

Key dates

8 October 2018	Submissions open
9 November 2018	Submissions close

Enquiries and submissions

All enquiries and submissions should be directed to:

Email: shortages.review@mbie.govt.nz

**Review of Essential Skills in Demand Lists
Submission Form**

Essential Skills in Demand Review

Submission Form

Please complete this form if you would like to make a submission on one of the occupations currently being reviewed by the Ministry of Business, Innovation and Employment. The list of occupations under review is attached as an appendix to this form.

Please complete a separate submission form for each occupation.

Information provided by stakeholders forms a critical part of the review process and complements the statistical data in the Provisional Indicator Evidence Reports (PIERs).

Please answer all questions. Incomplete submissions may not be considered.

Please note that the boxes will auto-extend to accommodate your responses. You may wish to attach supporting documents in addition to the information supplied in this form.

Disclosure

Please note that the information provided in this submission will be made available to interested parties on request. This is to promote maximum transparency and to encourage the exchange of information between all stakeholders who contribute to the review process. If the submission, or some of its content, is provided to others for the purposes of information sharing and/or consultation, personal contact details will be treated as confidential.

Information held by the Ministry, including the information provided in this form, is official information under the Official Information Act 1982. Accordingly, if a request is made for information under that Act, the Ministry may be required to release this information.

Occupational statistics collected during the course of the review may be used by the Ministry for other research purposes, but individual employers will not be identified.

Enquiries and submissions

All enquiries and submissions should be directed to:

Email: shortages.review@mbie.govt.nz

**Review of Essential Skills in Demand Lists
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1. Background and contact information

1a) Who is this submission on behalf of?

Provide name of organisation

New Zealand Aged Care Association

1b) Contact details

Include name, position, phone, email and postal addresses

Alyson Kana
Senior Policy Analyst
alyson@nzaca.org.nz
04 473 3159
PO Box 12481, Wellington 6144

1c) Disclosure

Please confirm that you have read and agree to the terms of the disclosure statement below.

Disclosure statement:

- The information contained in this submission, or some of its content, may be provided to others for the purpose of information sharing and /or consultation. If this is the case, personal contact details (individual names, telephone numbers and email addresses) will be treated as confidential.
- The information provided in this form is official information under the Official Information Act 1982 and, accordingly, the Ministry of Business, Innovation and Employment may be required to release this information if a request is made under that Act.
- Occupational statistics collected during the course of the review may be used by the Ministry of Business, Innovation and Employment for other research purposes, but individual employers will not be identified.

I have read and agree to the terms of this disclosure statement.

Name: Alyson Kana

1d) Briefly describe the main activity and characteristics of the organisation making the submission

If a firm, please describe main business activity and number of employees; if another organisation, please describe your organisation's purpose, functions and membership size.

If you are making this submission as an individual, please briefly indicate your interest in the occupation your submission relates to.

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New Zealand Aged Care Association - employer group

The New Zealand Aged Care Association (NZACA) is the peak body for the ARC industry in New Zealand. We represent 93% of the 39,000 beds in the country's aged residential care (ARC) industry. Our members range from the very small stand-alone care homes to the large co-located sites that include care services and retirement villages. Our members' services include rest home, hospital, dementia and psychogeriatric care, as well as short-term respite care and a small number of YPD (young persons with disabilities) beds.

2. What occupation does this submission refer to?

Occupation job title and ANZSCO code

Please give the job title and 6-digit ANZSCO code (refer to the relevant PIER).

254412 Registered Nurse (Aged Care)

3. What ESID list status do you think this occupation should have?

3a) What ESID list status do you propose this occupation should have?

- | | |
|---|--|
| <input type="checkbox"/> Retain on the ISSL | <input type="checkbox"/> Retain on the LTSSL |
| <input type="checkbox"/> Add to the ISSL | <input type="checkbox"/> Add to the LTSSL |
| <input type="checkbox"/> Remove from the ISSL | <input type="checkbox"/> Remove from the LTSSL |
| <input checked="" type="checkbox"/> Transfer from ISSL to LTSSL | <input type="checkbox"/> Transfer from LTSSL to ISSL |

3b) Does your proposal relate to the whole of New Zealand or only some regions? (ISSL only)

Please tick all that apply:

- Certain regions only:**
- Auckland/Upper North Island
 - Waikato/Bay of Plenty
 - Central North Island (including Taranaki, Manawatu and Hawkes Bay)
 - Wellington (including Wairarapa)
 - Canterbury/Upper South Island (including Westland)
 - Otago/Southland

OR

- All of New Zealand**

3c) Give your reasons for the proposed change to the ESID lists

Please summarise the major reasons for your proposal.

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Note: If you have already provided an Occupation Nomination to the Ministry, you may wish to copy the information provided in response to Question 4(b) on the Occupation Nomination form.

There is a genuine shortage of RNs available to work in the New Zealand ARC industry.

Current immigration policies and visa settings add to the difficulty of recruiting IQNs.

The current annual turnover rate of RNs working in ARC is very high.

Graduate nurses and those on the Nurse Entry to Practice Programme (NETP) require support that many ARC facilities aren't able to provide due to size and environment within which they operate.

The 2018 DHB/NZNO Nursing and Midwifery Multi-Employer Collection Agreement (MECA) signed in August has resulted in a two-tier environment within the nursing profession. ARC providers are not funded appropriately to enable them to pay RNs the same as those in a DHB environment nor offer the same conditions and professional development.

New Zealand has an ageing population and an increasing number of older people requiring hospital care. This is going to increase the number of RNs needed to work in our industry in the short, medium and long-term.

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4. Information and data relevant to the review

We would particularly like to receive information that provides more detail in relation to the indicators reported in the PIER. **Please refer to the relevant PIER when completing this section.**

It is important that the information that you provide is as specific and robust as possible. Please provide details about the source of your information, how many employers or individuals it represents, and when the information was obtained.

As a general guide, the Ministry is looking for evidence that has a **reasonable breadth of coverage** across the industry (i.e. represents the views or situation of a reasonable proportion of employers and/or employees and/or trainers or other stakeholders); and is **specific** (i.e. clearly stated facts in relation to the occupation). Independent industry surveys prepared by reputable agencies are usually the most compelling evidence.

Evidence should be **able to be substantiated** in some way, for example sourced to a survey, administrative data, or employer/employee feedback.

Information that does not meet these standards may not be sufficient to support a submission.

Additional material may be attached in separate documents, if necessary. Where you are appending detailed reports or other information please cite these under the relevant headings below.

4a) Skill level

Please note any comments that you wish to make on the skill section of the relevant PIER.

The NZACA agrees with the information on qualifications as outlined in the PIER. However, we disagree with the level of post graduate experience required to work in the ARC field. The Nursing Council of New Zealand only requires two years of post-registration nursing practice as a registered nurse of at least 2,500 hours within the five years immediately preceding the date of the application to become registered in New Zealand. We struggle to see how three years experience would be necessary if the Nursing Council only requires two years.

We also disagree with the annual salary rates. Annual wage rates are considerably higher than that published in the PIER. The *Aged Residential Care Industry Profile 2017-18*¹ published by the NZACA shows RNs wage rates in the industry range from \$25.22 to \$31.27 per hour (10th to 90th percentile), with a median of \$28.00. This equates to an annual salary of \$52,457.60 to \$65,041.60 with a median of \$58,240.00. The survey this information comes from represents 423 aged residential care (ARC) facilities or 63% of the industry. It was collected in November/December 2017 and is the most up-to-date information available.

Since this data was collected and in light of the August 2018 DHB/NZNO MECA a number of ARC providers have increased their hourly rates to be similar or on par with the rates in this MECA. The rates range from \$27.58 per hour for level 1, through to \$36.00 per hour for the top level. These pay rates for RNs are not typical of the industry. The vast majority of providers are only able to pass on the annual increase they receive from DHBs each year. On 1 July 2018 this was two percent. The level of funding received for each resident is capped by the Government, which determines a provider's income and their ability to pay staff.

4b) Scale

¹ <https://www.nzaca.org.nz/policy/arc-industry-profile-2017-18/>

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Please provide any information that may be relevant concerning the 'scale' of the occupation. This could include information on the total number of people employed in this occupation in New Zealand, or the number of work visas your organisation or its members have sought in the last year.

Please note any other comments that you wish to make on the scale section of the relevant PIER.

We disagree with the estimated number of employees working as RNs in aged care. There are significantly more RNs working in aged care than the 284 estimated in the PIER report. Data supplied to Health Workforce New Zealand (HWNZ), part of the Ministry of Health, from the Nursing Council of New Zealand on the number of nurses registered with an Annual Practising Certificate² in New Zealand as at 31 March 2018 who are employed in continuing care, shows there were 5,048 full and part-time nurses in the industry and 4268 full-time equivalents. The majority of these nurses work in an ARC setting.

The NZACA has estimated the total number of RNs working in ARC by scaling up survey returns from members by resident and/or bed ratios (i.e. total number of residents (beds) from TAS's Quarterly Bed Survey³/residents (beds) in the sample). On this basis we estimate there are 4,500 RNs (full and part-time) working in ARC.

The NZACA feels the number of RNs on Essential Skills work visas is lower than what is actually the case in the industry. Our July 2018 RN Retention Survey⁴ found 24% of those working in ARC were on a temporary visa. This percentage is also likely to increase. The October 2018 RN Turnover and Vacancy Survey shows that in the year to 30 September 2018 two-thirds of vacant RN positions that were filled by someone on a visa, of which 75% were on a Essential Skills work visa.

4c) Shortage

Please refer to the 'Shortage' section of the relevant PIER. We are interested in your response to the information provided, as well as any additional information (such as industry surveys and reports) you can provide.

Describe and provide any additional **evidence** you have on the question of shortage.

For example, if you consider that **there is an occupational shortage**:

- evidence of difficulties employers are having recruiting staff (depending on the occupation, difficulty for a single employer is unlikely to be sufficient)
- estimated apprentice or graduate trainee numbers and the number of workers leaving or retiring from the industry, and reasons for leaving
- forecasts and reports on the growth of the occupation/industry.

Alternatively, if you consider that **there is not an occupational shortage**:

- evidence of suitably trained people available (or soon to be available) to work in the occupation
- forecasts and reports on the growth of the occupation/industry.

The NZACA is surprised to see in the PIER that national data show there are 137 suitable jobseekers for our industry. Our industry and members are not experiencing or seeing any of these people seeking to be employed in the number of RN positions that are increasingly becoming vacant. What we are seeing is an increasing number of RNs leaving our industry to work in other fields.

² <http://www.nursingcouncil.org.nz/Nurses/Annual-practising-certificates>

³ Under the Age Related Residential Care (ARRC) Services Agreement ARC providers are required to report the number of residents and beds at their care facility at the end of each quarter. This information is collected through a survey carried out by Colmar Brunton on behalf of TAS.

⁴ This survey is based on responses from NZACA members that represent 14,598 beds.

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“When I advertised my vacancy on TradeMe I had over 30 applications, all of which were from IQN who had recently completed their CAP courses. I had no applications from any NZ trained RNs.”

“I am a small owner RN operator in the country. I employed one FT IQN in 2017 who continues to work at [facility]. However, I advertised four different times for a year prior to employing this person and had no NZ registered nurses apply for this position.”

Turnover

The NZACA has three recent survey-based estimates of turnover for RNs in ARC turnover above 35% over the last year. The November/December 2017⁵ survey indicated turnover was 38% and the July RN Retention Survey indicated 35%. A further survey in October 2018, NZACA RN vacancy and turnover survey⁶, had turnover levels at 37%. The difference between these three is within the margin of error.

The NZACA’s prior estimate of RN turnover was 22% in December 2014⁷.

These turnover rates, higher than the 27% reported in the Preliminary Indicator Evidence Report (PIER) September 2018 for RNs (aged care), are unlikely to decrease in the near future unless immigration settings and the environment change.

Vacancies

The NZACA RN Vacancy and Turnover survey shows vacancy rates in the industry are currently at eight percent. With the inclusion on people who are currently working out their notice period the combined vacancy rate increases to 11%.

RN workforce forecast

A RN workforce forecast model put together by HWNZ demonstrates a long-term shortage of RNs in ARC under the current conditions.

The HWNZ model for the RN workforce forecast shows that even under the current workforce conditions (where there are currently not enough RNs in ARC) the number of RNs working in aged care is forecast to decrease significantly. Between 2018 and 2028 the HWNZ model forecasts there will be a 20% decrease in the number of RNs per 100,000 aged 60 years and older (Figure 1). That is a decrease from 493 RNs per 100,000 over 60s in 2018 to 391 RNs per 100,000 over 60s in 2028.

⁵ ARC Industry Profile 2017-18, <https://www.nzaca.org.nz/policy/arc-industry-profile-2017-18/>

⁶ This survey is based on responses from NZACA members that represent 16,161 beds.

⁷ 2014 NZACA Member Profiling Survey.

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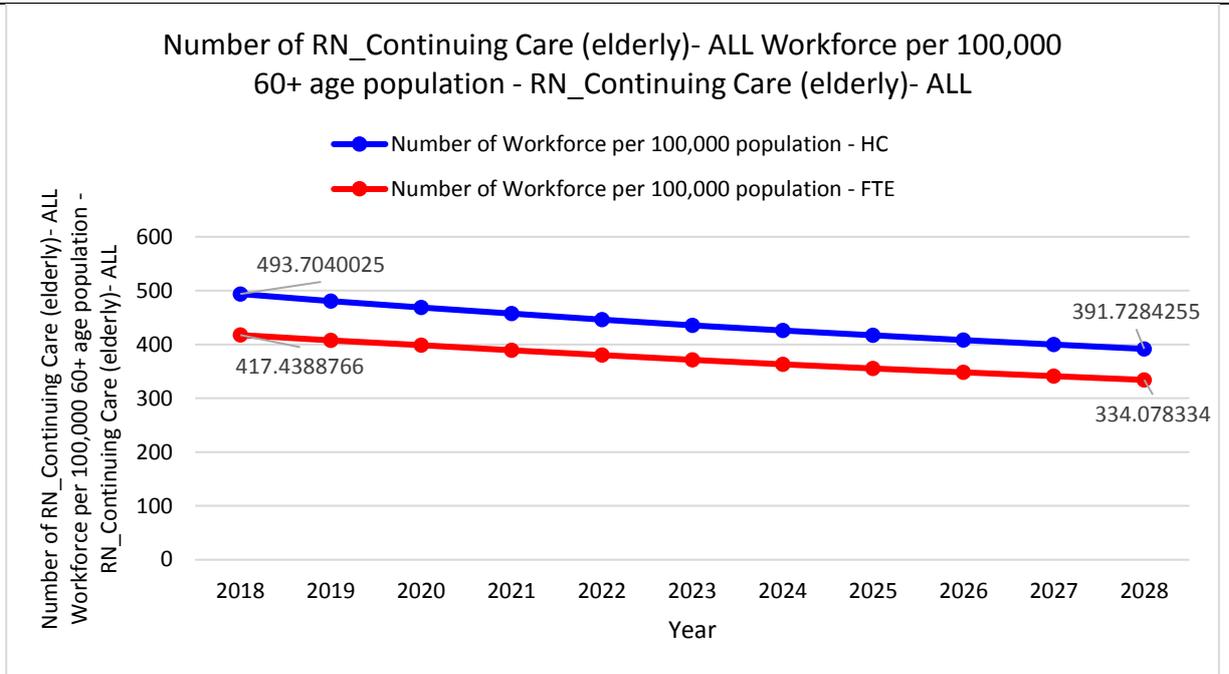


Figure 1: Number of RNs forecast to be employed in aged care per 100,000 people aged over 60 from 2018 to 2028
Source: Nursing workforce forecast model, HWNZ

A reduction in the available RN workforce for our industry will have a significant impact on an industry that is already struggling to sustain the number of RNs currently required to work in the field, without the significant rise in the number of people aged over 60 years, the increased prevalence of dementia and increased resident acuity.

There is also a significant number of RNs exiting the industry each year. Figure 2 illustrates the number of RNs leaving the aged care workforce. The highest percentage of RNs leaving our industry are either over 65 and likely retiring or under 35 years old.

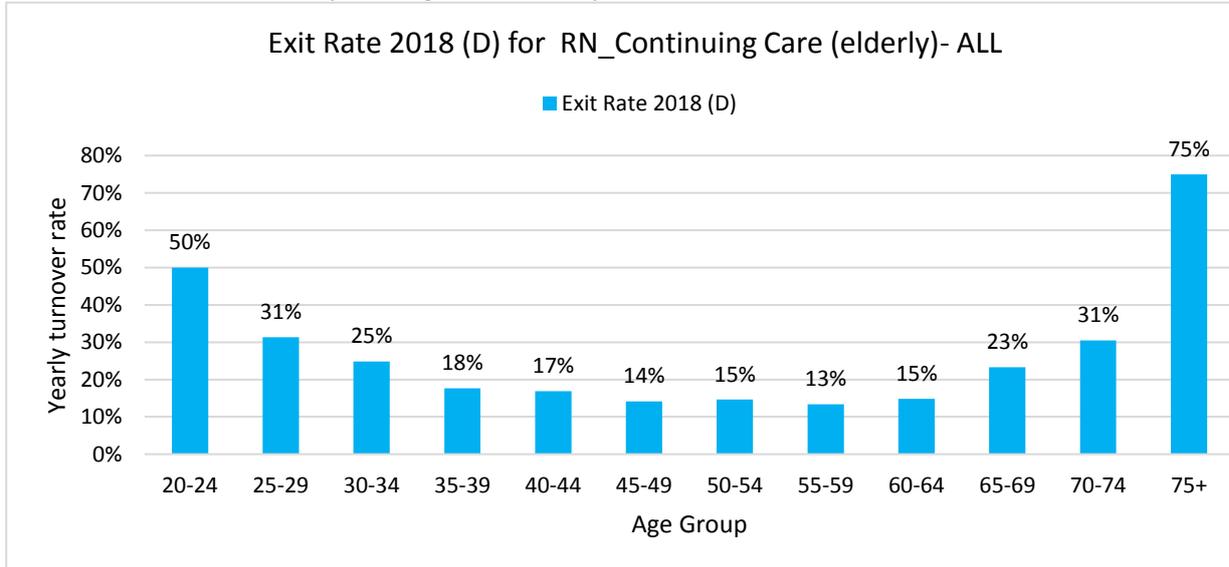


Figure 2: Exit rates of RNs employed in aged care in 2018
Source: Nursing workforce forecast model, HWNZ

In the October 2018 RN Vacancy and Turnover Survey, used to inform this submission, respondents noted only 22% of those that had ceased employment for the year to 30 September 2018 had been retained in the ARC industry. The remainder had left the ARC industry to take up RN roles in other fields, move overseas, leave the RN profession or retire. This included 49% taking an RN position at a DHB setting.

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The high turnover and vacancy rates in the ARC industry are putting strain on the RN workforce that remains. The short-term impacts of this situation are care facilities using their existing workforce to cover vacant shifts and asking RNs to come out of retirement.

“Staff unable to take leave due to poor cover – impacting on workforce fatigue...”

“Our shortage of nursing staff has led to our nurse manager covering many shifts, including night shifts, in addition to her role, RNs on duty covering longer shifts and engaging agency staff where available.”

“Finding it very difficult to fill any RN positions especially night shift. They time frame to get work visas approved is proving to be very taxing on our facility and placing considerable stress on existing RNs to cover the vacancies. The local Agency can provide no RNs.”

“We are asking our retired NZ RN to come back as a casual to help when needed.”

5. Other factors relevant to determining whether a change to the ESID lists is appropriate

In addition to the evidence of shortage, an important aspect of the review process is to consider whether there are other factors that make it appropriate to add or remove an occupation from the lists. These factors may not be included in the PIER assessment, partly because the range of potential factors is broad, and often robust quantitative measures are not nationally available.

However, those directly involved in an occupation or industry often hold valuable quantitative and qualitative information relevant to the decision-making process. It is therefore important that you provide appropriate information in the following three areas: Labour market conditions, Training and industry initiatives and Wider economic factors.

Please provide specific details and the source of your information (e.g. independent report, survey, study, administrative data, collated feedback).

5a) Labour market conditions

The Ministry must be satisfied that the industry has a commitment to the provisions of New Zealand employment legislation available to workers. It is important that the hiring of overseas workers is not being used as a strategy to keep wages or terms and conditions of employment to a minimum.

- i. Provide information on **wage ranges** applicable to this occupation

The *Aged Residential Care Industry Profile 2017-18*⁸ published by the NZACA shows RNs wage rates in the industry range from \$25.22 to \$31.27 per hour (10th to 90th percentile), with a median of \$28.00. This equates to an annual salary of \$52,457.60 to \$65,041.60 with a median of \$58,240.00.

Since this data was collected and in light of the August 2018 DHB/NZNO MECA a number of ARC providers have increased their hourly rates to be similar or on par with the rates in this MECA. The rates range from \$27.58 per hour for level 1, through to \$36.00 per hour for the top level. These pay rates for RNs are not typical of the industry. The vast majority of providers are only able to pass on the annual increase they receive from DHBs each year. On 1 July 2018 this was two percent. The level of funding received for each resident is capped by the Government, which determines a provider's income and their ability to pay staff.

- ii. Provide brief information on **terms and conditions of employment** applicable to this occupation (e.g. working hours, employee benefits)

⁸ <https://www.nzaca.org.nz/policy/arc-industry-profile-2017-18/>

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ARC facilities are a core 24 hours a day seven days a week health service for older people who are no longer able to remain independent in their own home and require the assistance of ARC services to live a safe and fulfilling life.

With that in mind, the terms and conditions of a RN working in the ARC industry vary depending on the type of services provided. For hospital level care a RN is required to be on duty at all times⁹. Therefore, RNs employed in this environment may be required to work a variety of hours from standard hours, to night shift, weekend work as well as on call. This can include full-time and part-time work.

Rest home level of care services are not required to have a RN onsite 24/7 and tend to work day shift, but need to be oncall should other care staff require their clinical skills and direction in the care of a resident.

RNs employed in a ARC setting are employed to but not limited to:

- Delegation of nursing tasks
- Supervision and provision of care according to each resident's care plan
- Monitoring the competence of nursing and care staff to ensure safe practice

iii. You may also wish to provide information on the following, if relevant:

- *information on trends in work hours in response to growing shortages*
- *the breadth and scale of shortage, and whether some regions are facing shortages, while others are not (and why this is the case)*
- *whether there are barriers such as transport, childcare, or work hours, which employers could address to make working in the occupation more attractive to suitably skilled people?*

5b) Training and industry initiatives

The Ministry **must** be satisfied that the industry has a commitment to fully utilising the domestic labour market before the industry considers employing overseas workers.

Your submission **must** include information on the following:

- demonstrated industry commitment to training, and
- industry initiatives to enhance domestic recruitment.

i. What steps are being taken by the industry and employers to address this shortage? In the short-term? In the long-term?

This may include data on trends in firm/industry investments in training, information on trainee numbers and people who are currently nearing completion of qualifications.

ARC providers would prefer to employ New Zealand trained RNs, but given the environment and the two-tier situation that has been created between RNs employed in a DHB setting and all other RNs we are not able to recruit and retain the necessary staff. Those we are able to recruit tend to use the industry as a stepping stone to gain experience in the New Zealand health care setting before progressing to a DHB setting.

There are a number of initiatives and employers in the ARC industry that are running programmes to address the RN shortage both nationally and locally.

⁹ ARRC Services Agreement, D17.4 a

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Currently Careerforce, the Industry Training Organisation for Kaiawhina, are carrying out a Qualification Pathway Review, which includes reviewing the New Zealand Certificate in Health and Wellbeing Level 4. Our industry is advocating to expand this certificate to more credits and introduce elements into it that would encourage those who gain this qualification to look into nursing as a career. There are already stories of caregivers who have taken this career pathway, but by expanding the current Level 4 certificate it would create a more definite pathway, encouraging career progression.

There are also at least two ARC providers who operate Competency Assessment Programmes (CAP) for overseas nursing wishing to gain a New Zealand nursing registration. Nurses on these programmes gain experience in the ARC setting while working towards their New Zealand registration. One such provider is a NZ Nursing Council accredited provider of the CAP. Their programme runs ten six week intakes a year with six overseas qualified nurses in each intake. That means there are 60 overseas qualified nurses graduating from the programme each year. All of the candidates who complete the programme have a minimum of four years post registration experience with many having seven to nine years. They have a long waiting list for their programme mainly because the entire programme is run from their facility and the candidates complete their clinical placement onsite in the high level hospital care unit.

ii. *What strategies are in place to recruit New Zealanders?*

Include examples of training and industry initiatives.

Providers in the ARC industry would prefer to employ New Zealanders in the first instance but they have very little opportunity to do so. In a survey of NZACA members in October 2018 used to inform this submission many respondents noted RNs with New Zealand qualifications are not interested in working in the industry due to pay and conditions being preferable in a DHB setting.

“We are finding it extremely difficult to recruit PT or FT RNs in aged care. Our last advertised 0.4 position had only three applicants, two uncompleted on the CAP programme and one on a work visa who needed full-time. To date we still can’t find a person to fill the 0.4 shifts.”

Also see the question above.

iii. *Does your industry have an agreed skills plan? (i.e. a plan for upskilling the current workforce and/or potential workforce)?*

If yes, describe the expected outcomes of the plan (or attach a copy).

- *What are the **goals** of the plan?*
- *What **processes** are in place to achieve the goals?*
- *What are the **timeframes** for the goals?*

If your industry does not have an agreed skills plan, what plans are in place to develop one? Within what timeframe?

As mentioned in the above two questions, there are a number of initiatives around the country where ARC providers operate local training opportunities and initiatives for RNs, and also Careerforce is looking to develop the New Zealand Certificate in Health and Wellbeing Level 4 to create a career pathway from a caregiver/health care assistant to a registered nurse. However, at this stage there is no agreed skills plan in place across the industry but this is an issue that has been looked at by the HWNZ Nursing Advisory Group. The HWNZ Nursing Advisory Group has put together a paper on the issue of the RN workforce in the field of care for older people to be considered by the HWNZ Governance Board.

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5c) Wider economic factors

Wider economic factors may have an influence on occupational shortages. Is there anything else that you would like to comment on?

For example, are there reasons associated with productivity, innovation or competitiveness that you think the Ministry should take into consideration? Please provide evidence.

There are two wider factors that are affecting the ability to recruit and retain RNs in the aged care industry. First, the DHB/NZNO MECA that was signed in August 2018 has created a two tier environment for nurses working in a DHB setting compared to those in other settings, such as aged care and primary health care. RNs working in non-DHB settings are paid considerably lower than those of their DHB counterparts and their working environment and type of work is a different skill set. These facts have lead to reports from ARC providers of RNs actively seeking employment with the DHB.

Second, the pay equity settlement¹⁰, which came into effect on 1 July 2017, saw the unregulated caregiving workforce receive pay increases that now have their hourly rates beteen \$19.80 and 24.50. The RNs who are responsible for this workforce can be earning as little as \$2.00 more per hour. The median hour wage for a RN is \$28.00¹¹. This has lowered the morale of the ARC RN workforce who in many cases will be earning only marginaly more that those they are responsible for and having higher levels of accountability.

The Ministry of Business, Innovation and Employment would like to thank you for contributing to the review.

¹⁰ Care and Support Workers (Pay Equity) Settlement Act 2017

¹¹ Source: ARC Industry Profile 2017-18, NZACA.

Appendix: Occupations selected for the 2018 ESID review

Occupation	ANZSCO Occupation Code
Construction Project Manager	133111
Cafe or Restaurant Manager	141111
Quantity Surveyor	233213
Early Childhood (Pre-primary School) Teacher	241111
Primary School Teacher	241213
Secondary School Teacher	241411
Registered Nurse (Aged Care)	254412
Building Associate	312112
Fitter (General)	323211
Stonemason	331112
Carpenter	331212
Glazier	333111
Plumber (General)	334111
Wood Machinist	394213

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Background

The Ministry of Business, Innovation and Employment (MBIE) maintains the Essential Skills in Demand (ESID) Lists: the Immediate Skill Shortage List (ISSL) and the Long Term Skill Shortage List (LTSSL). Each list performs a particular immigration policy function, and potential migrants use both lists to understand where opportunities for work lie in New Zealand.

The lists can be accessed at <http://skillshortages.immigration.govt.nz>

Objectives of the Essential Skills in Demand Lists

The ESID Lists aim to facilitate the entry of appropriately skilled migrants¹² to fill skill shortages and to reduce costs and time delays for employers seeking staff. However, this objective must be balanced by the need to ensure there are no suitably qualified New Zealand citizens or resident workers available to undertake the work, and that the shortage is genuine.

An occupation may be considered for inclusion on the lists provided that:

- there are no suitable New Zealand citizens or resident workers available to undertake the work
- terms and conditions in the New Zealand labour market are not undermined
- development opportunities for New Zealanders are not undermined
- a genuine skill shortage exists, and that it is not a recruitment or retention problem
- the government's education, training, employment and economic development policies are supported
- prevailing and anticipated labour market conditions are taken into account (e.g. levels of unemployment), and
- the skill shortage exists across the occupation, despite attempts by industry to train and attract New Zealanders to available jobs.

The ESID lists are **not** designed for lower skilled labour shortages or seasonal labour shortages. Nor are they intended to address recruitment and retention problems arising because the industry cannot, or does not, meet the terms and conditions necessary to recruit sufficient numbers of suitably qualified workers from within the New Zealand workforce.

The lists are reviewed every year to ensure they meet the needs of the changing labour market.

The Immediate Skill Shortage List

The Immediate Skill Shortage List (ISSL) is for skilled occupations that have an immediate shortage of workers in New Zealand, either nationally or in specific regions. It is designed to facilitate the approval of temporary work visa applications. If an applicant provides an offer of employment and meets qualification and work experience requirements for an occupation that is included on the current ISSL, immigration officers will accept that no suitably qualified New Zealand citizens or residents are available.

¹² A skilled occupation is defined as having an Australian and New Zealand Standard Classification of Occupations (ANZSCO) skill level classification of level 1, 2 or 3. More information on ANZSCO can be found here: www.immigration.govt.nz/anzsco.

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The ISSL is grouped into the following regions:

- Auckland/Upper North Island
- Waikato/Bay of Plenty
- Central North Island (including Taranaki, Manawatu and Hawkes Bay)
- Wellington (including Wairarapa)
- Canterbury/Upper South Island
- Otago/Southland.

The Long Term Skill Shortage List

The Long Term Skill Shortage List (LTSSL) identifies those skilled occupations where there is an **absolute** (sustained and ongoing) shortage of workers in New Zealand and globally.

People who gain employment in one of these areas may be granted a work visa under the LTSSL Work to Residence policy. The Work to Residence policy enables an applicant to apply for residence after two years, provided they have remained working in a LTSSL occupation with a base salary of at least NZ\$45,000 and meet standard policy requirements.

Applicants for residence under the Skilled Migrant Category who have an offer of employment or work experience in an area of absolute skill shortage identified on the LTSSL may gain bonus points towards their application for residence.

Alternative visa policies

The ESID lists offer **one** avenue through which employers may recruit skilled migrants to work in New Zealand. Employers may bring in migrant workers for occupations not listed on the ISSL and LTSSL, provided suitable New Zealanders are not available. Other policies that may be used include the Skilled Migrant Category and Talent (Accredited Employers) policy for residence, and temporary work visa policy such as Essential Skills instructions and approval in principle.

Employers wanting to recruit from overseas are encouraged to visit the Immigration New Zealand website www.immigration.govt.nz/employers.

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ESID review process

The MBIE process for reviewing the ESID lists is summarised below:

1) Occupation Nominations

MBIE calls for Industry stakeholder proposals for occupations. The closing date for Occupation Nominations for the current review was **23 July 2018**.

2) Selection of occupations to be reviewed

Occupation nomination proposals are assessed and selected for review. **A list of the occupations selected for review is included in the appendix to this form.**

3) Publication of Preliminary Indicator Evidence Reports

A Preliminary Indicator Evidence Report (PIER) for each occupation selected for the review is prepared. The PIER collates relevant statistical data about the occupation and provides a **preliminary view** on the status of the occupation. The PIERs for this review have been published at www.immigration.govt.nz/skillshortagereview.

4) Call for submissions on occupations selected for review (this process)

Submissions are sought from industry groups and others about the nature and extent of skill shortages in the occupations selected for review. The submission process for this review begins on **8 October 2018** and concludes on **9 November 2018**.

5) Wider sector consultation on occupations

Further consultation with submitters, consultation with government agencies and industry, and additional data analysis that may be required to inform decisions on any changes to the LTSSL and ISSL. The consultation process overlaps with the submission process and is likely to conclude in January 2019.

6) Decisions taken and published

Where there is consensus that an immediate skill shortage exists, the Ministry will recommend that the occupation be added to the ISSL. Where there is a demonstrated absolute (sustained and ongoing) and global long term skill shortage, the Ministry will recommend that the occupation is added to the LTSSL. Occupations will be removed from a list where a shortage no longer exists. There may be cases where the Ministry does not consider the lists to be the most appropriate response to the shortage, and may recommend an alternative solution.

It is expected that final decisions will be published on the Immigration New Zealand website in **January 2019**.

Review of Essential Skills in Demand Lists Submission Form

The Submission process

MBIE has selected occupations to review for the ESID lists. The submission process seeks wider views on the occupations being reviewed.

MBIE has prepared Preliminary Indicator Evidence Reports (PIERs) for each occupation under review. These reports draw together statistical data about the occupation around three indicators – skill levels, scale of the occupation, and evidence of shortage. On the basis of this information, the Ministry may have formed a **preliminary view** on the status of the occupation. This view is expressed at the beginning of the PIER. In some instances the Ministry has not formed a preliminary view because evidence available includes statistical data relating to a wider occupational group than the specific occupation under review (which may have narrowly defined qualifications and experience requirements). The Ministry welcomes any information held by industry that relates to a specific occupation being reviewed, particularly independent industry surveys prepared by reputable agencies.

Who can make a submission?

The submission process is an opportunity for stakeholders to provide additional information and (potentially) different perspectives on the nature and extent of skill shortages in occupations selected for review. Stakeholder submissions are a vital source of information, helping to inform the Ministry's final assessment of the status of occupations.

Submissions should be made by coordinated groups and industry stakeholders (e.g. employer groups, trade unions and industry training bodies) and should represent the shared views of those groups and stakeholders. **You must show evidence of consultation as part of your submission.**

Note: Those who made the original Occupation Nomination in May are also expected to provide further information through the submission process – this should include evidence already provided in the nomination and may respond to the PIER .

Where no submissions are received for an occupation under review, MBIE may decide not to continue with the review process.

Information requirements

The information that you provide is important to our assessment process. You are encouraged to be as specific and detailed as possible when providing information.

We would like to receive information that provides more detail in relation to the indicators reported in the PIER. You may have more up-to-date evidence or other data (e.g. industry surveys and reports relating to the specific occupations being reviewed).

We are also interested in any other factors that you consider are appropriate to add or remove an occupation from the lists. For example, you may have information on recruitment and retention difficulties or changes in relevant training.

Review of Essential Skills in Demand Lists Submission Form

What will happen to the submissions?

MBIE will consider all submissions received within the stated timeframe. The Ministry will also undertake any necessary follow-up with submitters and consultation with government agencies and industry groups.

At the end of the consultation process, MBIE will make recommendations about each of the occupations to the Deputy Chief Executive – Immigration New Zealand (for the ISSL) and to the Minister of Immigration (for the LTSSL).