

GMS Flash Alert

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New Zealand - Key Residence Programme Undergoes Changes Starting October 12

New Zealand's government has announced changes to the New Zealand Residence Programme (NZRP) for the next two years in response to increasingly high demand for New Zealand residence visas.¹ The NZRP manages residence approvals across different categories pertaining to skilled migrants and family members of New Zealand citizens and resident visa holders. The NZRP is routinely reviewed. As part of the latest review, a decision has been made to reduce the total number of people who will be awarded residency.

The key changes are as follows:

1. Lowering the planning range for residence approvals for the two years between 1 July 2016 and 30 June 2018. The range will be 85,000 to 95,000 compared with 90,000 to 100,000 in the previous two years.
2. Increasing the automatic selection threshold required for residence from 140 to 160 points under the Skilled Migrant Category (SMC).
3. Reducing the number of places for the capped family categories to 2,000 per year (down from 5,500).
4. Stricter English language requirements for applications under the SMC.

WHY THIS MATTERS

The changes will impact both employers and employees. The individuals most impacted are those currently employed in "lower skilled" jobs, e.g., retail managers in the hospitality industry, also individuals who do not have at least a Bachelor's degree or significant relevant work experience. These individuals will struggle to meet the 160-point threshold. Most of these individuals originally came to New Zealand on student visas and have been contributing to the country for a number of years.

Highly qualified and experienced individuals such as engineers, physicians, and information technology specialists should still easily meet the 160-point threshold.

Given the new points threshold affects workers across all industries, employers of expatriate employees may be impacted in the following ways:

- It may be more difficult for New Zealand employers to attract overseas workers.
- Current employees may find it harder to obtain residence and may reconsider whether they commit to a life in New Zealand in the long term.
- If current or prospective employees are unable to qualify for the SMC, employers will have to support their temporary work visa applications on a more frequent basis. (In the past, an employee would have been able to move to a resident visa in a fairly short period of time.) This may be quite costly as depending on the role offered and the work visa category, employers will have to regularly re-advertise the role or engage the assistance of recruitment consultants.

Employers may wish to consider obtaining immigration accreditation status as a way to retain staff and provide them with a pathway to residency.

Key Changes

The SMC is a points-based residence policy for people who wish to live permanently in New Zealand. A person who wishes to apply under the SMC must first submit an Expression of Interest (EOI) to Immigration New Zealand (INZ), claiming points for various factors such as age, qualifications, work experience, and offer of employment.

Previously EOIs with a score of 140 points were automatically selected from the pool and invited to submit an application for residence. EOIs with scores between 100 and 139 were also eligible for selection where points were claimed for a New Zealand job offer or current employment in New Zealand.

From 12 October 2016, only EOIs with 160 points or more will be selected. In addition, there is no longer a concession for individuals who are currently employed in New Zealand or have a job offer.

Changes have also been introduced to the way SMC applicants demonstrate that they **meet the English language requirements, which will require applicants to undertake formal tests**. Previously, applicants were able to demonstrate English language ability if they studied for a recognised qualification where English was the medium of instruction or had at least one year of skilled employment in New Zealand.

From 12 October 2016, applicants must submit a formal English language test. There are limited exceptions for citizens of Canada, the Republic of Ireland, the United Kingdom, and the United States.

KPMG NOTE

Transitional Arrangements

1. **Your EOI has been selected, but you have not received an invitation to apply** – Your application will be assessed on the basis of the points threshold for selection on the date your EOI was selected from the pool, i.e., prior to 12 October the points threshold was 140 for automatic selection.
2. **You have already been invited to apply** – The new points threshold and requirements for English-language evidence do not apply to you. Follow the document checklist and the instructions provided in the “invitation to apply” letter. Your application must be submitted within four months of receiving the invitation to apply.
3. **I have already submitted my application under the SMC** – The requirements that were in place at the time you submitted your application will continue to apply. The new points threshold and the new English-language requirements do not apply to you.

Other Changes – Family Categories

As well as the changes to the SMC, the number of places for the capped family categories is being reduced from 5,500 to 2,000 per year and the Parent Category will be temporarily closed for new applications while it is reviewed. As a result, no Expressions of Interest will be selected from the Parent Category Pool from 12 October 2016.

FOOTNOTE:

- 1 Further information can be found on [INZ's website](#).

Contact us

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* Please note that KPMG LLP (U.S.) does not offer immigration services.

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