



Factsheet: KiwiBuild

The Government is consulting on changes to the immigration settings that will make it easier for the construction and housing sector to attract workers from overseas to help fill critical skilled labour shortages. These changes include:

- a **KiwiBuild Skills Shortage List** to provide an expedited process to fill specific roles for which we know demand exceeds domestic supply;
- an **employer accreditation or alternative pre-approval model for the construction sector** to provide certainty and flexibility for employers who exhibit good practices to recruit overseas workers and allow for simplicity and speed of processing visa applications; and
- **specific requirements to accredit labour hire companies** to manage the risk of worker exploitation and the potential for under-cutting of wages and conditions of New Zealand workers that may result and to incentivise good employment practices

Why these changes are needed?

The immigration system has an important role to play in helping to facilitate the supply of skilled workers who are needed, particularly in the short term, before efforts to increase the skilled workforce locally take effect.

In late 2017, MBIE indicated that there could be shortfall of around 30,000 workers due to increasing demand for new housing and infrastructure.

The shortfalls are anticipated across all skill levels in construction. The occupations expected to have the largest growth in demand from 2016 to 2022 are: plumbers (15 per cent growth over the period); electricians (14 per cent); builders (12 per cent); civil engineers (12 per cent); and project managers (12 per cent).

It is unlikely that the construction sector will be able to draw on workers not employed in the sector, as it has in the past, to meet the peaks of demand that include KiwiBuild and other forecast activity.

Why a KiwiBuild Skills Shortage List and how might it work?

The Long Term Skill Shortage List, Canterbury Skills Shortage List and the Immediate Skills Shortage Lists are valued by the construction sector as they provide certainty and reduce cost and delay for both employers seeking labour and migrants seeking work.

These lists reduce the need for Immigration New Zealand to conduct a labour market test to determine if an employer has made a genuine attempt to recruit New Zealand citizens and residence visa holders and that none are available.

A dedicated KiwiBuild Skills Shortage List, which signals regional shortages, would allow the successful innovations from the current Canterbury Skills Shortage List to be adopted nationwide; and provide a mechanism to boost overseas interest in work opportunities in New Zealand.

How might an employer accreditation or pre-approval model work?

The changes would allow for pre-approval specifically for good employers in the construction sector to offer simplicity and better speed of processing visa applications.

This could provide pre-approved employers with certainty and flexibility regarding their ability to hire overseas workers and the ability to plan their workforce.

There would be a high bar for employer accreditation. A good employer would be required to adhere to certain standards in areas that might include:

- health and safety at work;
- employment conditions, pay, training and skills development;
- pastoral care; and
- robust business practices.

Specific requirements for labour hire companies and reducing risks of exploitative practices.

The current requirements for labour hire companies accredited according to the Canterbury Skills Shortage List would cover all construction sector roles nationwide, to reduce the risk of migrant exploitation and the associated undercutting of wages and conditions of New Zealand workers.

Mandatory accreditation of labour hire companies operating within Canterbury and in the construction sector was introduced in July 2016. There has been an 'opt-in' accreditation policy in place nationwide since July 2015.

Specific requirements for labour hire companies to be accredited could include:

- paying at least the market rate for the occupation;
- offering employment terms and conditions equivalent to the hire companies employees;
- meeting all upfront costs of worker recruitment under the Essential Skills instructions; and
- ensuring contracted third parties have good workplace practices.

To ensure compliance, Immigration New Zealand could be empowered to rescind accreditation if the company does not meet its specific conditions and obligations.