

BRIEFING

Accreditation in the new employer-assisted gateway framework

Date:	24 May 2019	Priority:	High
Security classification:	In Confidence	Tracking number:	3486 18-19

Action sought		
	Action sought	Deadline
Hon Iain Lees-Galloway Minister of Immigration	Agree to the details of accreditation standards outlined in this paper.	31 May 2019

Contact for telephone discussion (if required)				
Name	Position	Telephone		1st contact
Siân Roguski	Manager, Immigration Policy	04 901 3855	Privacy of natural persons	✓
Ged Hiscoke	Senior Policy Advisor	04 901 1572		

The following departments/agencies have been consulted

Minister's office to complete:

Approved

Noted

Seen

See Minister's Notes

Declined

Needs change

Overtaken by Events

Withdrawn

Comments



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Purpose

This briefing follows your agreement to implement employer accreditation in briefing 3095 18-19, and seeks your decisions on details of the accreditation system and how it will assess employers who hire migrants. These decisions will inform a Cabinet paper being prepared, which seeks Cabinet agreement to the final shape of the reforms to the employer-assisted temporary work visa system.

Executive summary

In December 2018, Cabinet agreed to consult on a new approach to employer-assisted temporary work visa settings and regional workforce planning with the objective to:

- increase incentives on employers to employ and train New Zealanders;
- minimise the risk of migrant exploitation and maintain the integrity of the immigration system;
- trigger integrated responses to demand for temporary migrant workers from the skills/education and welfare/employment systems to improve domestic labour supply; and
- simplify immigration processes, making it easier for employers and migrants to use the system.

Following consultation, you have agreed to progress the proposed gateway framework, subject to Cabinet agreement. [briefing 3095 18-19 refers]. You also agreed to a number of other reforms of the immigration settings.¹

This briefing seeks decisions related to the employer gateway, the migrant gateway, and income thresholds. You will separately be briefed on changes to the job gateway, including sector agreements, regionalisation of labour market testing, and skills shortage lists.

Public consultation was supportive of accreditation, but raised concerns about appropriate distribution of costs and benefits

Public consultation set out three levels of accreditation:

- A minimum standard that all employers would be required to meet; and
- Specific requirements for Labour Hire companies; and
- A higher standard of requirements on high volume recruiters and employers that wanted access to greater benefits.

¹ For example, remuneration thresholds, the ability for lower-skilled workers to bring immediate family to New Zealand, and the 12-month stand down period.

Fifty seven per cent of those who submitted on the proposal to introduce compulsory accreditation fully or partly supported it. The main issues that were raised centred on the increased compliance burden of accreditation (particularly for small employers) and the 12-month length of the standard accreditation duration being too short.

Officials advise retaining three levels of accreditation, but that higher standards focus on high volume recruitment

Taking into account concerns raised during consultation, and an all of system view of the costs and benefit distribution across the entire set of proposals, officials advise that the most effective approach to delivering on policy objectives is to retain three levels of accreditation; but focus the high level of requirements only on managing labour market impacts of high volume recruiters, rather than as a tool for incentivising employers to meet a higher labour market standard in return for a suite of benefits.

We note that while the policy outcomes sought are the same, designing an accreditation standard that both encourages 'good' employer behaviour and manages the potential labour market risks posed by high volume recruiters is difficult to achieve. In particular, managing the array of risks in a way that provides sufficiently clear and transparent rules for employers to meet, but allows sufficient decision making discretion to account for variation across employers risks has proven problematic.

While focussing the higher standards only on high volume recruiters could be viewed by some employers as a reduction in the benefits offered across the system and by other stakeholders as the removal of necessary compliance activities across the system, we consider that:

- Benefits are being redistributed in a way that is linked to the policy rationale and the outcomes that are sought, while ensuring that unnecessary complexity is reduced; and
- Interventions and compliance activities are being targeted at the areas where they will genuinely achieve a lift in behaviour, with less needless administrative cost to the overall system.

If you wish to retain the proposal to implement a premium accreditation then we recommend directing officials to work with employer and industry groups on the subsequent design of the premium accreditation standard, which may have industry variation. We would also recommend that high volume recruitment be treated separately, in order to appropriately manage the labour market risks posed.

We also note that the benefits offered as part of any premium accreditation would need to reflect the policy rationale:

- work to residence pathway and no labour market test for higher-skilled workers who meet the remuneration threshold of 150% of the New Zealand median income (currently \$78,000 per annum).
- three year visas for lower-skilled workers. We recommend changing the focus of this benefit from employers in tight labour markets, to employers in all regions.

The proposed standards would include:

All employers would be required to meet minimum regulatory standards, and would have their commitment to recruiting and training New Zealanders, and to lifting wages and conditions demonstrated at the job check stage. In addition:

- **Standard:** Would be primarily focussed on managing regulatory risk, and that employers are meeting their obligations.

- **Labour hire:** Would require additional scrutiny of their applications, and post-decision verification activity. They would also be required to demonstrate commitments upfront regarding recruitment and training, and wages and conditions.
- **High volume recruitment:** Would be required to demonstrate commitments upfront regarding recruitment and training, and wages and conditions.

This would mean that the accreditation standard required of the majority of employers would be focused on maintaining integrity of the immigration system and minimising risks of migrant exploitation, rather than broader labour market risks. Focusing standard accreditation in this way would mean that labour market risk is managed in the job gateway for these employers. We consider that this provides a more balanced approach of managing risks across the new gateway framework as a whole, and enables the design of the most efficient and meaningful checks at the employer gateway. If you wish to also include checks related to labour market risk in employer gateway of standard accreditation, you have choices as to the level of labour market risk checked at this stage.

Across the levels, employers would be given a range of ways in which they could demonstrate the labour market standard in their initial accreditation application, which would either be checked at accreditation, at the job check, at re-accreditation and/or through post-decision assurance.

Length of Accreditation

Pre-decision process controls and post-decision verification and assurance will be an integral part of the system, and its level for each type of accreditation and employer would be driven by robust risk profiles and triaging. Site visits and post-decision assurance would be in place for higher-risk employers. In order to ensure this approach and manage the transition to the gateway model and employer gate, we recommend that accreditation initially last for 12 months for all accreditation standards and then set the renewal period as per the risk profile of each accreditation standard: 12 months for labour hire; 2 years for standard and high volume; and three years for premium (if retained).

Migrant gate

We recommend that migrant capability checks still be required in some cases to ensure that migrants are doing the job that employers have had approved through the job check, and not a different or lower-skilled job. We consider that migrant checks may not be required through the high salary pathway in the job gateway, or in jobs that are lower-skilled and do not require any qualification or experience.

Officials propose that the income threshold be raised for existing Talent visas

We propose that the income threshold for the existing Talent (Accredited Employer) policy be raised immediately after Cabinet agreement (from \$55,000 to \$78,000²). If an increase in the salary threshold is instead implemented from mid-2020 when the broader gateway changes are implemented, we expect that this could result in an additional 9,000 migrants obtaining work visas under the category, most of them lower-skilled. While not all will pursue a pathway to residence under this category, many will as they are unable to meet requirements under the skilled migrant category.

² 150 per cent of the New Zealand median income

Recommended action

The Ministry of Business, Innovation and Employment recommends that you:

a. **Agree** to either:

- i. focus the high standard of requirements only on high volume employers (recommended)

OR:

- ii. progress the proposal to include a focus on both high volume and premium employer behaviour.

Option i / Option ii

If agree to a) i:

b. **Agree** that temporary migrants earning 200% of the median income would have a pathway to residence regardless of their employers level of accreditation

OR

c. **Agree** that that the Skilled Migrant Category is the pathway to residence for skilled/business stream of the New Zealand Residence Programme.

Option b / Option c

If agree to a) ii:

d. **Agree** that premium accredited employers be required to have longer history of regulatory compliance than standard accreditation requires, and be able to demonstrate best practice on recruitment and training and pay, including by having robust workforce, recruitment and training strategies or plans which they can demonstrate that they implement

Agree/Disagree

e. **Agree** that the benefits of premium accreditation include:

- i. work to residence pathway and no labour market test for higher-skilled workers who meet the remuneration threshold of 150% of the national median income (currently \$78,000 per annum);

Agree / Disagree

- ii. applying a reduced level of scrutiny to an employer's job checks and migrant checks, in recognition of their overall demonstration of commitments and the lower regulatory risk that they pose;

Agree/Disagree

iii. three year visas for lower-skilled workers in:

- i. all regions (recommended), OR
- ii. only regions with tight labour markets.

Option i / Option ii

f. **Agree** to either:

- i. increase the remuneration threshold for the existing Talent (Accredited Employer) policy immediately after the Cabinet decisions in mid-2019 in advance of the full implementation of the gateway framework (recommended);

OR

- ii. delay increasing the remuneration threshold for the existing Talent (Accredited Employer) policy until implementation of the new gateway system from mid-2020.

Option I / Option II

Standard Accreditation

- g. **Agree** that standard accredited employers be required to, either:

- i. meet minimum regulatory standards (recommended);

OR

- ii. meet minimum regulatory standards and demonstrate their commitment to training and upskilling New Zealanders, and improving pay and conditions.

Option I / Option II

High-volume employers of temporary migrant workers

- h. **Agree** that high-volume employers be required to:

- i. meet the same regulatory standards as standard accreditation; and
- ii. demonstrate their commitment to recruiting and training New Zealanders; and
- iii. improving pay and conditions (see Annex One).

Agree/Disagree

- i. **Agree** that assessment of a high volume employer's commitments under f) ii. would be assessed at the application stage where assessment is most effective, including:

- i. their first application for accreditation; and/or
- ii. being agreed at first application, and checked on application for re-accreditation; and/or
- iii. the job check; and/or
- iv. through post-decision verification and assurance.

Agree/Disagree

Labour Hire employers

- j. **Agree** that labour hire employers be required to:

- i. meet minimum regulatory standards; and
- ii. demonstrate their commitment to recruiting and training New Zealanders; and
- iii. improving pay and conditions (see Annex One); and
- iv. meet additional requirements to reduce exploitation risks, for example employers must have:
 - i. a history of contracts for the supply of labour and for placing New Zealand workers; and
 - ii. good systems in place to monitor employment and safety conditions on site.

Agree/Disagree

MBIE notes:
reference to f)ii
should refer to h)ii.

- k. **Agree** that labour hire employers be required to undergo more in-depth assessment and verification up-front before they can be accredited, including being site visited.

Agree/Disagree

- l. **Agree** that in order for a migrant to undertake work under a labour hire arrangement, both the labour hire company directly employing them, and the business contracting their services, must be accredited.

Agree/Disagree

Managing regulatory risk

- m. **Agree** in principle that an employer's accreditation, and therefore their ability to employ migrants, could be revoked if they are found to be in breach of broader regulatory standards.

Agree/Discuss

- n. **Agree** that officials begin work to make the use of a New Zealand Business Number compulsory for employers seeking to gain accreditation for immigration purposes.

Agree/Discuss

- o. **Agree** in principle that third party standards or assessments that have been assessed as robust could be used as evidence of employers meeting and demonstrating their commitments.

Agree/Disagree

- p. **Agree** that a robust verification and assurance framework that focuses on higher-risk employers and includes more resources for site visits be implemented to support the new accreditation system.

Agree/Disagree

- q. **Agree** that only direct employers can be accredited in the employer gate to hire migrants, not industry representative organisations, franchisors, contractors or other arms-length business models.

Agree/Disagree

- r. **Agree** that either:

- i. accreditation would last one year initially for each type of accreditation, followed by one year for labour hire, two years for standard and high-volume, and three years for premium (recommended);

OR

- ii. accreditation would last one year for standard, high-volume and labour hire, and two years for premium.

Option I / Option II

- s. **Agree** that migrant capability checks would still be required in some cases to ensure that migrants are doing the job that employers have had approved through the job check (and not a different or lower-skilled role) except for applications:

- i. through the high salary pathway; or
ii. in jobs that are lower-skilled, and the employer has indicated that they do not require any qualifications or experience.

Agree/Disagree

- t. **Agree** in principle that migrant work visas continue to be linked to the specific employer, occupation and pay rate in the job check, but that migrants should be able to move to other employers so long as these factors remain.

Agree/Disagree

Siân Roguski
Manager, Immigration Policy
Labour, Science and Enterprise, MBIE

Hon Iain Lees-Galloway
Minister of Immigration

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Context

1. Cabinet invited you to report back in June 2019 with final proposals following public consultation on a new approach to employer-assisted temporary work visa settings and regional workforce planning. Consultation closed on 18 March, and resulted in a total of 947 submissions received across all the proposals. Following analysis of submissions, officials are preparing advice across four streams of work that span the following proposals:
 - i. the employer gateway framework, including implementation and a range of smaller policy issues;
 - ii. Sector Agreements;
 - iii. regionalisation of the labour market test and skills shortage lists; and
 - iv. domestic alignment between labour market agencies.
2. This briefing focuses on the first stream of work on the employer gateway framework. In the first briefing from this work-stream [briefing 3095 18-19 refers] you agreed to, subject to Cabinet agreement:
 - i. Implement employer accreditation, the high-level design of the employer-assisted gateway framework, including disestablishing the visa categories it will replace;
 - ii. introducing a highly-paid remuneration threshold in order to bypass the labour market test;
 - iii. re-defining 'mid-skilled' by changing the mid-skilled remuneration threshold; and
 - iv. retaining the stand-down period and reinstating family entitlements for lower-skilled workers.
3. As indicated in the previous briefing, the following advice provides you with details of accreditation, including:
 - i. the high-level design and commitments required for accreditation;
 - ii. the benefits available; and
 - iii. details on migrant capability checks.
4. Further advice will be provided to you on:
 - i. transitioning from the existing system to the agreed options;
 - ii. a proposed fee structure, and the costs of implementing the new system; and
 - iii. implementing a mandatory New Zealand Business Number (NZBN).

Accreditation standards

Cabinet agreed to consult on the proposal to have three tiers of accreditation, each requiring businesses to meet certain standards

5. In the Cabinet paper on a new approach to employer-assisted temporary work visas, it was proposed that employers would need to meet accreditation standards before they could recruit temporary migrant workers. This would require employers to demonstrate that their business practices:
 - i. incentivise training and upskilling of New Zealanders;
 - ii. put upwards pressure on wages and conditions;
 - iii. meet minimum immigration and employment regulatory standards; and
 - iv. maintain the integrity of the immigration system.
6. It was proposed that there would be three accreditation groups, as follows:
 - i. standard accreditation would be available for employers recruiting five or less migrant workers in a 12-month period;
 - ii. labour hire company accreditation would be compulsory for labour hire companies; and
 - iii. premium accreditation would be voluntary for employers who want to access more benefits, and compulsory for high volume employers recruiting six or more migrants in a 12 month period.

Employers would be required to meet different standards depending on the type of accreditation

7. The immigration system is managing two types of risk when accrediting employers: regulatory risk (for example, non-genuine employers, minimum standards breaches, criminal activity and exploitation) and labour market risk (for example, displacement of New Zealand workers, suppressing wages and conditions).
8. In designing the new system, it is important to manage these risks in a way that focuses checks and resources on the highest-risk employers, and does not significantly increase the compliance burden, or increase processing times for most employers. This is consistent with one of the key objectives of this work: to simplify immigration processes and make it easier for low-risk employers to use the system.
9. The new proposals enable these risks to be managed with different 'intensity' across the whole system. For example, the employer gateway (and the underlying risk and assurance model) is well placed to manage regulatory risk at a higher 'intensity', whilst the job gateway is best placed to manage the labour market risk at a higher 'intensity'.
10. In order to manage regulatory risk, employers across the types of accreditation would be required to demonstrate that their business practices:
 - i. maintain immigration system integrity and are compliant with regulatory standards; and
 - ii. minimise the risk of exploitation
11. In order to manage labour market risk, employers could be required to demonstrate that their business practices:
 - i. incentivise training and upskilling of New Zealanders; and

- ii. put upwards pressure on wages and conditions.
12. However, whether all of the standards apply and to what extent, and the level of checks required against those standards, would be different depending on the type of accreditation and the level of risk posed by the employer. For example, high-volume employers and labour hire employers would have higher standards and more checks than employers with standard accreditation, because the labour market risks are higher if these employers do not meet the standards.
13. The commitments for both standard and high-volume employers would be checked at the job check, at re-accreditation, and/or through pre-decision processes and post-decision verification and assurance.

Just over half of submissions supported compulsory accreditation, but employers were concerned about increased compliance burden

14. Fifty seven per cent of those who submitted on the proposal to introduce compulsory accreditation fully or partly supported the proposal. Of those who supported the proposal, their main reasons were to reduce migrant exploitation, and to encourage employers to recruit and train New Zealanders.
15. Of those who were not supportive of compulsory accreditation, the main reasons cited were: high cost of accreditation, adverse effects on small businesses, financial and administrative burden of enhanced pastoral care and workforce development, and that the increased wage thresholds (highly-paid job check pathway, work to residence and mid-skilled thresholds) were too high.
16. Many submitters also thought the standard accreditation duration of 12 months was too short. Both those who supported and didn't support the proposal wanted more detail on what the accreditation standards would entail, and expressed concerns about the effects of this proposal on smaller businesses, and whether Immigration New Zealand (INZ) would be able process these applications quickly and efficiently.

We recommend removing the premium accreditation standard and achieving the objectives of this proposal via other means in the new system

17. A premium accreditation standard was consulted upon as a means of incentivising employers to meet a higher labour market standard, in return for a suite of benefits (examples included a pathway to residence and three-year visas for lower-skilled migrants for employers in tight labour markets).
18. After considering consultation feedback regarding the complexity of the accreditation standards, and based on INZ's experience of the current Accredited Employer policy, we do not consider that the system and employer benefits offered by introducing the premium accreditation outweigh the costs and risks.

The suite of benefits does not fit with the objective of premium accreditation and introduces additional risks.

19. There are risks associated with continuing with a work-to-residence policy under the premium accreditation proposal, primarily with regard to the exploitation risks arising from the status of the employer being the key factor as to whether the migrant is able to access this pathway to residence.
20. Residence settings should be used to attract genuinely higher-skilled workers who can grow New Zealand's skill base and increase productivity, for which the Skilled Migrant Category (SMC) is the main skilled residence policy to achieve this.

21. If you wish to retain a separate pathway to residence, we consider it should be designed to supplement the SMC, by targeting genuinely highly-skilled migrants (as proxied by their pay rates) who may not be able to score highly enough through the SMC points system (for example, they may be an IT worker without a formal qualification, or may be older and therefore get fewer points). We consider the best option for continuing a separate pathway is by attaching it to the 'highly-paid' threshold in the job gateway (200% of the national median salary) as it focuses on the skills of the migrant, rather than the employer.
22. The salary threshold for premium accredited employers is proposed to be increased from \$55,000 per annum to 150 per cent of the national median income, which is currently \$37.50 per hour, or \$78,000 per annum. Assuming the salary threshold will be increased in line with the proposals, the occupations most impacted by removing the pathway to residence in the premium accreditation policy and attaching it to the 'highly-paid' threshold are:
 - i. truck Driver (General), ANZSCO 4, with 25 visas issued under the Essential Skills policy and paid between 150% and 200% of the median wage in the year to May 2019.
 - ii. carpenter, ANZSCO 3, with 20 visas issued under Essential Skills policy and paid between 150% and 200% of the median wage in the year to May 2019.
23. Wage data under the Accredited Employer policy is collected in increments of \$5,000, with the highest bracket collected being 'more than \$85,000' so there is no exact measure of the occupations that would fall between 150% and 200% of the median wage, and which occupations would likely be over 200% of the median wage.
24. While we are unable to provide exact estimates of the occupations that fall in the 'over 200% of median wages' bracket, we can estimate which occupations these are likely to be, and the likely numbers of visas based on Essential Skills visas, as well as those occupations earning over \$75,000. Importantly:
 - i. the occupations in the over 200% bracket are primarily ANZSCO skill level 1;
 - ii. the occupations between 150% and 200% of the national median wage are primarily ANZSCO level 1 and 2, and given they would be earning 150% of the median wage, the migrants would still have a pathway to residence under SMC.
25. Providing a three-year visa for lower-skilled migrants for premium employers will likely change the profile of the premium employer cohort towards those who employ predominantly lower-skilled migrants. This is likely to raise the labour market risk profile for the policy. We consider that this benefit would be better offered as a potential benefit in sector agreements or in tight labour markets (where these are identified through the regional differentiation approach).

The risks will be difficult to manage via policy settings for the premium accreditation standard

26. The risks identified above could potentially be addressed through tightly managing the standard set for an employer to achieve premium accreditation. Immigration New Zealand's (INZ's) experience of the current policy is that this is very difficult to design and achieve – it is much easier to design processes to detect 'bad' behaviour than it is to design assessments for what is 'good'. While a number of 'good' employers are accredited through the current policy, there are a number that we consider are simply meeting the current requirements to achieve an immigration outcome³.
27. Having a completely rules-based system to determine what best practice looks like is challenging, as an employer's specific context (such as their industry and size) can differ significantly in each case. This also means that some employers that exhibit all the right

³ For example, buying an 'off-the-shelf' HR policy in order to demonstrate that the employer has one in place, with no evidence of it actually being implemented.

behaviours in principle, but are unable to demonstrate the mandated piece of evidence, are unable to be recognised.

28. As an alternative, designing a system with the discretion to make judgements about what 'good' looks like is prone to inconsistent decisions, is often reliant on specialist skillsets, and creates difficulty in declining applications from employers that meet the evidentiary requirements but not the intended outcomes (for example, they have a policy, but that policy is ineffective, or poorly implemented).
29. In addition, ensuring the standard is set higher than currently to mitigate against these known responses could result in the standard being set so high that few employers achieve accreditation.
30. We would also expect that site visits and additional verification would be required for borderline cases, to ensure that only genuinely premium employers are able to become accredited at a premium level.

It is unclear what impact the policy will have in achieving the objective of premium accreditation, given it is unclear what the take-up of the policy will be, and whether it will shift behaviour across the system.

31. Achieving the policy objective of more employers meeting higher market standards, resulting in a system-wide lift in employer practices, relies on: the policy being taken up by a sizeable number of employers; employers undertaking a meaningful lift in their practices; and that this lift is as a result of the policy (as opposed to something they would do anyway).
32. It is unclear whether enough employers will be incentivised to take up the policy and be able to meet the standard, to justify the system and employer costs of setting up the accreditation. Under current settings there are:
 - i. Approximately 1,100 employers that take up accreditation under current settings – this is the group that are attracted to accreditation by the current work to residence policy; and
 - ii. Approximately 650 employers under the current Essential Skills policy settings that employ more than five lower-skilled temporary migrant workers – this is the group that may be incentivised to apply for premium accreditation to access three year visas.
33. We consider that the improvements being recommended at the job gateway (such as the strengthened and more regionalised labour market test) are a more targeted and better way of achieving the desired lift in labour market standards, rather than trying to achieve this through the upfront check at the employer gateway.
34. If you wish to retain the proposal to implement a premium accreditation, then we recommend directing officials to work with employer and industry groups on the subsequent design of the premium accreditation standard, with regard to the risks outlined above, and to report back to you (Annex One contains more detail on how the premium accreditation could be further developed). It is likely that the premium assessment would need to consist of a more holistic assessment of the employer's systems and processes across the standards. Employers would be expected to demonstrate best practice across all of the standards, including by having robust workforce, recruitment and training strategies or plans which they can demonstrate that they implement.

If you wish to retain the premium accreditation proposal you have choices as to the benefits to offer...

35. The consultation document proposed that the benefits of premium accreditation would primarily be:

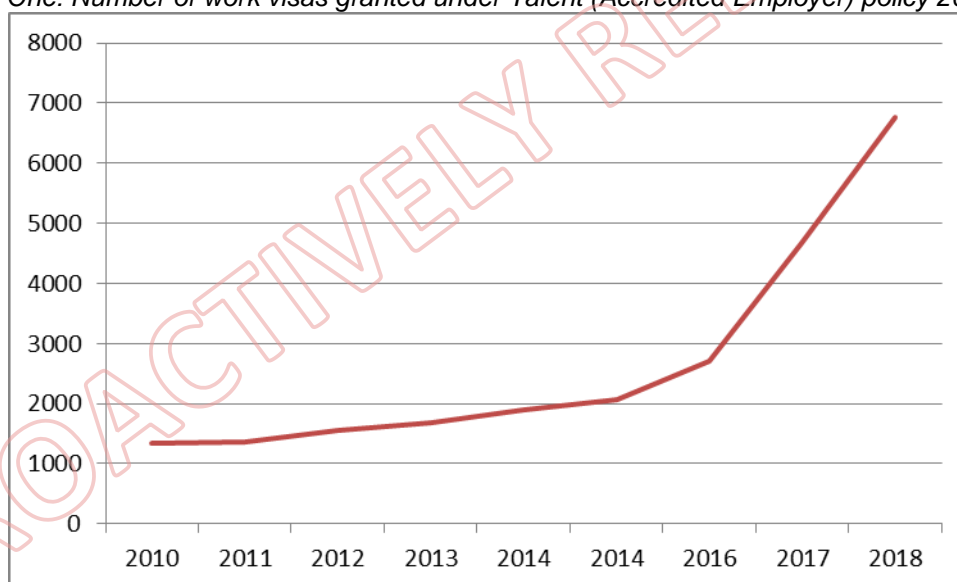
- i. a pathway to residence and no labour market test for migrants who are paid more than 150% or the median wage (currently \$78,000 per annum); and
 - ii. three year visas for lower-skilled staff in areas with a tight labour market.
36. In addition, as premium employers have already received a high level of scrutiny as part of their accreditation application, they would benefit from a reduced level of scrutiny at the job check and migrant check stages. This recognises that while faster processing is difficult to guarantee due to a variety of factors⁴, the employer's overall demonstration of commitments and the lower regulatory risk that they pose means that more of their applications can be accepted at face value, which is likely to lead to faster processing once an application goes to an immigration officer to consider.
37. Most submitters supported longer visas for lower-skilled workers and faster processing as benefits of premium accreditation. However, most submitters thought that the proposed salary threshold for the pathway to residence was too high for small employers, and for some sector-specific occupations (for example, truck drivers and scaffolders) that were previously able to meet the current Talent (Accredited Employer) threshold.
38. We do not recommend lowering the proposed remuneration threshold for the residence pathway. As detailed earlier, residence settings should be used to attract genuinely higher-skilled workers who can grow our skill base and increase productivity and, if a separate work to residence pathway be retained, it should supplement the SMC.
39. If the residence threshold is set lower, it could undermine the SMC and make it difficult to manage the planning range in the New Zealand Residence Programme. Unlike the SMC, there is no expression-of-interest system for the highly-paid threshold pathway to residence. If migrants meet the requirements, then INZ must accept their applications. A lower threshold would also put more pressure on the premium accreditation system, as more employers would seek to become accredited, and many of them would likely be borderline cases, or would not meet the standards.
40. We do, however, recommend that consideration be given to expanding the ability of premium employers to obtain three year visas for their lower-skilled staff outside of regions identified as having tight labour markets.
41. Option are to allow three year visas for employees of premium employers in:
- a) all regions, or
 - b) just regions with tight labour markets.
42. We recommend option (a). Our regional analysis indicates that there is likely to be little labour market difference across the regions, and incorporating this differentiation within the premium accreditation policy would be difficult to implement, and difficult for employers to understand. As an employer will already be required to demonstrate that they are committed to training and upskilling workers in order to attain premium accreditation, and employers will need to test the local labour market via the regionalised labour market test, we consider the system is well placed to manage the labour market risks. Allowing three-year visas for these employers would reduce the compliance burden for them, and would result in processing efficiencies for INZ, as well as simplifying the proposed system.

⁴ Most of the time an application spends with INZ is time waiting in a queue, which is driven by overall application volumes. Other factors can include: the completeness of information provided, and consultation with other parties such as Worksafe, the Labour Inspectorate and Unions.

... and there are choices about the transition for the current Talent (Accredited Employer) salary threshold

43. In terms of the transition to the new gateway framework, and the different accreditation standards at the employer gate, we recommend that the remuneration threshold for the current Talent (Accredited Employers) Work to Residence Visa policy be increased from \$55,000 to 150 per cent of the New Zealand median income (currently \$37.50 per hour or \$78,000 per annum) immediately, and implemented in advance of the implementation of the new gateway system.
44. As expected, submitters did not support an increase to the existing salary threshold, citing that the proposed salary threshold for the pathway to residence was too high for small employers, and for some sector-specific occupations⁵ that will not be able to meet the proposed higher threshold.
45. The number of migrants being approved under the existing policy has continued to increase rapidly. In 2018, 6,678 migrants were granted work-to-residence visas, a 250% per cent increase on 2016 (2,601 of those were paid between \$55,000 and \$60,000 and 4,408 were paid less than the proposed new threshold of 150% of the median salary).

Figure One: Number of work visas granted under Talent (Accredited Employer) policy 2010-2018



46. Most of the growth in the category is from migrants in lower-skilled occupations who do not meet the requirements of the SMC. Over time, the annual income threshold for this category has become achievable for lower-skilled migrants, as it has remained at \$55,000 since 2008. The threshold is now not representative of the wages of genuinely skilled workers, and does not align with the original intent of this policy.
47. The current growth in work visas will also have a significant impact on the residence programme over the next two years. If the salary threshold is not increased straight away, we expect that this could result in an additional 9,000 migrants obtaining residence (based on an estimated rate of dependent applicants). We therefore recommend increasing the salary threshold in advance of the implementation of the new gateway framework.

⁵ The main occupations approved that earned below the proposed new salary threshold were scaffolders, motor mechanics, truck drivers, carpenters, and metal fabricators.

We recommend introducing a standalone 'high-volume' accreditation and focusing standard accreditation on managing regulatory risk

48. In response to feedback from submissions, we recommend introducing a standalone accreditation for employers hiring more than five migrants in any 12-month period, rather than requiring these employers to be premium-accredited. This is for two key reasons:
- i. Requiring high-volume employers to meet the premium standards would have risked either diluting the quality of the premium accreditation, if retained (i.e. to ensure borderline employers were able to be accredited), or resulted in a significant number of employers not meeting the standard with a resulting impact on their businesses. This arises from the underlying differences in each employer type: a 'premium' employer, (who may be high-volume or not), that the system wishes to incentivise via a suite of benefits to meet a higher accreditation standard; and high-volume employers, that the system specifically wants to recognise as presenting different labour market risks.
 - ii. The requirement would have also doubled the expected volumes of employers needing to apply for premium accreditation, which could have an impact on processing timeliness, given the in-depth checks expected for premium employers.
49. We therefore recommend creating a separate category for these high-volume employers. They would be required to meet standards higher than those of standard accredited employers, but not as stringent as premium accreditation standards. They would not receive the same benefits as premium accredited employers.
50. The numbers expected to need to apply for each type of accreditation per year are approximated below.
- i. standard accreditation: 18,000 employers;
 - ii. high-volume accreditation (more than five migrants per year): 1,000 employers;
 - iii. labour hire accreditation: 50 Labour Hire companies;
 - iv. premium accreditation: approximately 1,100 employers (based on the current accredited employer system⁶). If the category is retained, otherwise these employers will likely add to both the standard and high-volume accreditation.⁷

Standard accreditation employers would be lower-touch, with the emphasis on managing regulatory risk

51. For standard employers, we propose that the initial process for accreditation would be fairly light-touch (some low-risk applications may be able to be automated). Employers would be required to be a genuinely operating business, and have no recent history of regulatory non-compliance.
52. The new system would enable INZ to build a more complete picture of each individual employer, based on their interactions with the immigration and other regulatory systems, in order to better target riskier employers and identify non-compliance.
53. We expect a significant number of employers (around 18,000 based on 2018 numbers) are likely to apply for standard accreditation, many of whom will be small or micro businesses

⁶ Note that the different suite of benefits on offer mean that this is difficult to precisely estimate. For example, a benefit of three-year visas for lower-skilled employers may attract more employers than the current accredited employer policy, while on the other hand, the increase in the remuneration threshold for the work to residence policy may mean fewer employers who are/have been accredited will continue to do so.

⁷ We estimate approximately 750 employers will be standard accredited, and 650 would be in high volume accreditation.

(for example, individual farmers). More than 15,000 of these employers recruited either one or two migrants over the past 12 months. The strong feedback we received in consultation is that the process needs to be fast and efficient, and to not set unrealistic standards that these small or micro businesses could struggle to meet.

54. You have choices and options about how tightly you calibrate the standard accreditation in relation to labour market risk - that is, the requirements to incentivise training and upskilling New Zealanders, and putting upwards pressure on wages and conditions. Requiring all employers to meet higher standards of training, and pay and conditions, would increase the amount of assessment required by INZ (potentially increasing processing times) and could make the standards unachievable for some employers, particularly small to medium enterprises. The level of effort on managing the labour market risk in the employer gateway also needs to be calibrated against the level of effort and role in managing this type of risk in the job gateway.
55. The two options are:
- a) standard (low-volume) employers will only be required to meet minimum regulatory standards; or
 - b) standard (low-volume) employers will be required to meet both minimum regulatory standards, and demonstrate their commitment to training and upskilling New Zealanders and to increasing wages and conditions over time. Employers would be required to indicate how they propose to meet each labour market standard in their initial accreditation application. We would provide a list of examples and options (a drop-down box in the online form) and employers would choose the ones that best meet their circumstances. The indicative options for each labour market commitment are provided at Annex One.
56. We recommend option (a) for the following reasons:
- i. this would set the standard at an achievable level for most employers on day one, whilst still ensuring that we are able to exclude non-compliant employers.
 - ii. the option would enable the system to be relatively simple and quicker for INZ to process, and impose lower compliance costs for the vast bulk of smaller employers.
 - iii. INZ would be able to target effort and resources at those employers who pose more labour market risks via other mechanisms in the new system (such as in the job gateway).
 - iv. option (a) would also respond to the concerns raised in consultation.
57. It is important to note that some of these labour market risks will be managed through other parts of the proposed changes: for example, by strengthening the labour market test and implementing Sector Agreements. The standards could be raised over time once the new system has been fully implemented, if Ministers want to raise employer standards.

High-volume accreditation would require employers to demonstrate their commitment to training and pay and conditions

58. High-volume employers are those that employ more than five migrants per year. Around 1,000 non-accredited employers employed more than five migrants last year.
59. We recommend that high-volume employers be required to meet both minimum regulatory standards, and make demonstrate their specific commitments on training and upskilling New Zealanders, and to increasing wages and conditions. As outlined above, employers would be required to indicate how they propose to meet each labour market standard in their initial accreditation application. The commitments would be checked at accreditation, the job check, at re-accreditation and/or through post-decision audit and assurance.

60. We would provide a list of ways that high-volume employers can demonstrate the commitments (a drop down box in the online form) and employers would choose the ones that best meet their circumstances. To ensure that the rules are clear and transparent, and quick to assess, the options would be rules-based as much as possible, and require minimal judgement to assess.
61. If you wish to require standard employers to make commitments on training and pay, then we would then need to raise the bar for high-volume employers.
62. The indicative options for each labour market commitment are provided in Table one, below. More detail is provided at Annex One.

Table One: Examples of training and pay commitments

Demonstrate they are committed to training and upskilling	Demonstrate that they are committed to increasing wages and conditions over time
<p>Must make a commitment to training and upskilling by committing to one of the following:</p> <ul style="list-style-type: none"> • Puts staff through work relevant formal education leading to an NZQA qualification; or • Has taken on an apprentice in last 2 years; or • Has a structured in-house training programme, i.e. cadetships, managerial programmes etc.; or • Engagement with industry/sector training schemes; or • Has a graduate or internship programme; or • Spends 1-2% (TBC) of their payroll on formal training. 	<p>Must make a commitment to improving wages and conditions across their business i.e. New Zealanders by committing to one of the following:</p> <ul style="list-style-type: none"> • Provides evidence that they pay above industry standard wages, for example: <ul style="list-style-type: none"> ○ is a certified living wage employer; or ○ evidence from payroll records and industry surveys etc.; or • Provides evidence that they increases wages for employees over time, for example: <ul style="list-style-type: none"> ○ Has a collective agreement in place at the workplace; or ○ Pay equity settlement or other formal pay agreement; or • increases wages of migrant workers each year in line with the percentage increase in the median wage or relevant collective or pay equity or other formal pay agreement.

63. We recommend that Cabinet be asked to agree to the high-level framework, and that further consultation be undertaken with industry and unions prior to implementation of the system to ensure that these commitments are achievable, and to identify any additional options. It would be possible, for example, to use third party standards or industry accreditations if they are determined to be robust enough. We would also expect that these options would be flexible and could be added to or removed over time.

There would be upfront assessment and higher standards for labour hire

64. For premium accreditation and labour hire companies, assessment up-front would be required, rather than commitments made. We recommend that labour hire employers be required to meet the same standards as high-volume employers, but would be subject to more robust verification and assurance. To mitigate against the higher risk these employers pose of exploitation, they would also need to demonstrate that they:
- have a history of contracts (at least 6 months) for the supply of labour i.e. they are not just stockpiling labour without any contracts;
 - have good systems in place to monitor employment and safety conditions on site;
 - pay workers for a minimum of 30 hours per week, whether work is available or not (existing requirement); and

- have a history of placing/employing Zealand workers i.e. can't have been set up for the purpose of recruiting migrants.

65. We would expect that all or most labour hire companies would also be subject to additional verification, and a site visit. Their fee would be set accordingly.

Third party standards and accreditation would also be accepted

66. We recommend that you seek an in-principle agreement from Cabinet that industry accreditation or other third party standards could be evidence that employers are meeting the standards. Accepting such evidence would streamline the immigration process for those employers who are part of these schemes.

67. More work would need to be done to establish what industry or other accreditations exist and whether they are robust enough. However, if assessed as a similar standard as accreditation, there is no reason why they could not be recognised.

Union involvement

68. The New Zealand Council of Trade Unions (CTU) has indicated that they generally support the changes. Their submission indicates that they want to be consulted on accreditation applications and we have discussed with them:

- i. how to engage with the CTU in a way that balances the ability to use any adverse information that they may have on employers (which they indicate only relates to a small proportion of employers) and not unduly slow the process down for all employers; and
- ii. how to ensure that their engagement is meaningful, and can be used in the decision-making process by INZ.

Constitutional conventions

Verification and assurance will be an integral part of the system

70. The level of verification and assurance for each type of accreditation and employer would be driven by robust risk profiles and triaging. The extent to which the commitments would be assessed would be determined by the risk profile INZ has assigned the employer. Site visits and post-decision assurance would be in place for higher risk employers. Specific risk factors would include:

- specific concerns raised by organisations such as Employment Services, Worksafe, Unions, industry bodies;
- the type of industry or business model for example labour hire, franchises;
- the sector;

- the length of time the business has been operating; and
- previous non-compliance, for example whether the employer has been on the stand-down list.

Direct employers would need to be accredited, not representative/industry bodies

71. We recommend, that in order to minimise risk, direct employers must be accredited, not industry organisations, contractors or franchisors or other such groups on behalf of members.
72. Allowing multiple business to have one accreditation would create problems trying to establish accountability if one business was non-compliant. This is the status quo for the current Accredited Employers policy. However, in some cases INZ has allowed industry organisations to apply for an Approval in Principle on behalf of members (for example, the Meat Industry Association and Rural Contractors). In the future, it might be possible to have a parent company apply on behalf of all of their individual subsidiaries, or to allow the same information to be used across multiple accreditations, for example if the parent company sets the employment, training and recruitment policies. Sector Agreements could also be a potential option for some of these industries.

Mandated use of the New Zealand Business Number (NZBN)

73. To facilitate the provision of information by employers, and future-proof the new system, it is proposed that employers be required to provide an individual NZBN.
74. In order to mandate the use of an NZBN, the Minister for Small Business must agree that it is a merited use of the NZBN, and undertake consultation with the Privacy Commissioner. If you agree in-principle that this should be mandated, officials will undertake work to jointly brief yourself and the Minister for Small Business, and gain Cabinet agreement to proceed, subject to consultation with the Privacy Commissioner.

Duration of accreditation

75. Cabinet agreed to consult on 12-month accreditation periods for standard and labour hire companies, and two year periods for premium and high-volume employers. However, concerns were raised by employers that annual renewals would impose a significant compliance burden on smaller employers.
76. The two options are:
 - a) accreditation to last one year for standard, high volume and labour hire accreditation, and two years for premium (if retained); or
 - b) accreditation to last one year initially for each type of accreditation, followed by one year for labour hire, two years for standard and high-volume, and three years for premium (if retained).
77. We recommend option (b), for the following reasons:
 - i. the longer duration would respond to the concerns of employers about the potential compliance burden arising from the original proposals;
 - ii. the initial shorter period of re-accreditation would ensure a short duration between an unknown/new employer becoming accredited, and the compliance checks that would be carried out at re-accreditation. Once they have established a history with INZ, the period of accreditation can be longer;and
 - iii. higher-risk employers would still be able to be audited outside of their reaccreditation applications.

78. For standard, high volume and labour hire accreditation, we recommend that the duration of initial accreditation is for one year, followed by two-year periods after re-accreditation and verification checks that the employer has met the commitments they have signed up for.
79. If retained, we recommend that one of the benefits of premium accreditation will be a longer accreditation period. Initial accreditation will last one year, followed by three-year periods after initial re-accreditation.

Complaints or appeals process

80. We recommend that you seek Cabinet agreement to developing a complaints and appeals process for the new accreditation system. Currently there is a limited complaints process for the Talent (Accredited Employer) policy. During the further design phase officials will investigate whether this process is fit for purpose and provide you with further advice.

Migrant capability checks

81. Under the current system, employer and migrant checks are both undertaken through the migrant's visa application. We have proposed to separate out these checks, providing an opportunity to streamline them.
82. Cabinet agreed to consult on whether any changes were needed for the checks and evidence that should be required at the migrant gate to see whether a migrant has the skills and experience to do the job being offered. Migrant capability checks (i.e. skills, qualifications and experience checks) are undertaken to ensure that the migrant is "suitably qualified by training and experience to do the job they have been offered" (assessed based on ANZSCO or skill shortage list requirements) and that they have occupational registration, if required.

Consultation

83. In response to the question asking whether there are situations where Immigration New Zealand should not need to review whether a migrant has the qualifications needed to do a job. Fifty three per cent said yes, 31 per cent said no and 12 per cent were unsure. The themes that came through for those people who agreed were:
 - i. proposed gateway framework provides sufficient checks;
 - ii. accredited employers deserve to be trusted to hire a suitably skilled candidate;
 - iii. employers can verify/assess qualifications - no need for double-handling;
 - iv. INZ do not have the expertise to judge whether qualification fits the job or not;
 - v. experience/transferable skills should be able to substitute/complement qualifications; and
 - vi. unnecessary for INZ to question capability where this has already been assessed (in the case of candidate holding professional registration/qualifications checked by relevant NZ registration body).

We recommend that migrant capability checks not be required in every case

84. There are situations where INZ would not need to assess the capability of migrants, for example:
 - i. where a migrant is applying for a further visa for the same or similar position and skill and experience have already been assessed;
 - ii. where the position is lower skilled and does not require any qualifications or previous experience; or

- iii. where the migrant already holds occupational registration.
85. There are also opportunities to place more trust in some employers to ensure that the migrants they recruit are suitably skilled for the job. However, if migrants are not required to meet any skills requirements this could undermine the integrity of the system as employers could then set different (higher) standards for New Zealanders than for migrants with no consequences, or bypass the labour market test by incorrectly claiming a job is on the skill shortage lists. Post-decision assurance can minimise, but not eliminate, these risks, as only a small proportion of employers would be able to be checked.
86. It is therefore recommended that employers be required to ensure that any migrant recruited meets any skills and experience requirements stipulated as part of the job check. If they do not specify any skills requirements then this wouldn't be required at the migrant gate. Outside of the skill shortage list and occupational registration, it would be up to employers to determine what skills they need for their particular role (ANZSCO would still need to be used as a guide).

Work visa conditions

87. A significant number of submitters indicated that having migrants' visas tied to individual employers increased the risks of exploitation. There was a lot of support from unions and migrants for granting 'open' work visas to migrants.
88. We do not recommend that migrants be granted 'open' work visas, because it would undermine the intent of the employer and job gates if migrants were able to work in a job with a different employer, occupation or region that had not been accredited or passed a job check. This would create a risk that they could work in a job that is not in shortage, potentially competing with New Zealanders. It may also create an incentive for employers to avoid accreditation if they can employ migrants on open work visas. We also note that migrants on open work visas are not immune to exploitation, especially if they are working for employers who have not been checked.
89. In order to reduce the risks of exploitation with employer-linked visas, we recommend that the variation of conditions process be streamlined in the new system. Where migrants are moving between accredited employers, this should be able to be done very quickly, or even be an automated process.

Next steps

90. Further advice on funding implications, and implementation and transitions between the old and new system, is being worked through, and will be provided to you for the development of the Cabinet paper.

Annexes

Annex One: Detailed accreditation standards

Annex Two: International comparisons

Annex One: Proposed Accreditation Standards

Standard Accreditation

- Expected number of employers each year = 18,000.
- All employers would need to be compliant with employment and immigration regulatory standards.

Key choices and trade offs

- Ministers have choices about how tight they want the accreditation system to be calibrated with regards to assessing labour market risks for standard employers: i.e. assessing whether employers are meeting regulatory standards (option (a)) or requiring additional commitments above minimum standards on pay and training (option (b)).

Accreditation standards				Verification/assurance	Benefits	Duration
Option (a): just assess whether they meet minimum regulatory standards		Option (b): assess both minimum regulatory standards and commitments on training and pay				
Compliant with regulatory standards	Reduces exploitation risk	Demonstrate they are committed to training and upskilling	Demonstrate that they are committed to increasing wages and conditions over time			
<ul style="list-style-type: none"> • The business must be a genuine ongoing concern with a financial presence. • The organisation and key office holders must: <ul style="list-style-type: none"> ○ not be on the stand down list; ○ be compliant with any relevant industry specific or other regulatory standards; ○ have no history of non-compliance with immigration system, including: <ul style="list-style-type: none"> ▪ convictions under the Act; ▪ false or misleading information; ▪ employing unlawful migrants; or ▪ not paying migrants in line with visa application. 	<ul style="list-style-type: none"> • Employer commits to provide off the shelf INZ info to migrants on employment rights and settlement. • The employer commits to paying all costs and fees for recruitment of migrant workers 	<p>Must make a commitment to training and upskilling by committing to one of the following:</p> <ul style="list-style-type: none"> • puts staff through work relevant formal education leading to an NZQA qualification; • has taken on an apprentice in last 2 years; • has a structured in-house training programme, i.e. cadetships, managerial programmes etc; • engagement with industry/sector training schemes; • has a graduate or internship programme; or • spends 1-2% (TBC) of their total payroll on formal training. 	<p>Options</p> <p>a. Must make a commitment to improving wages and conditions across their business i.e. New Zealanders by committing to one of the following:</p> <ul style="list-style-type: none"> • Provides evidence that they pay above industry standard wages, for example: <ul style="list-style-type: none"> • is a certified living wage employer; or • evidence from payroll records and industry surveys etc. or, • Provides evidence that they increases wages for employees over time, for example: <ul style="list-style-type: none"> • Has a collective agreement in place at the workplace; or • Pay equity settlement or other formal pay agreement. <p>OR</p> <p>b. Must make a commitment to improving wages and conditions for migrant workers by committing to increase wages of migrant workers each year in line with the percentage increase in the median wage or relevant collective or pay equity or other formal pay agreement.</p>	<ul style="list-style-type: none"> • Site visits and post-decision assurance for higher risk employers • Risk factors would include: <ul style="list-style-type: none"> ○ specific concerns raised by Employment Services, Worksafe, Unions, industry bodies etc. ○ the type of industry e.g. labour hire, franchises ○ the sector, ○ brand new businesses, ○ previous non-compliance i.e. stand down list. 	Can recruit migrants on an employer-assisted visa	<p>Options:</p> <p>a. Initially one year then two years (shorter for higher risk employers).</p> <p>OR</p> <p>b. Must renew accreditation every year.</p>

Accreditation for employers recruiting more than 5 migrants per year (high volume)

- Expected number of employers each year = 1,100.
- Employers would need to be compliant with regulatory standards and make commitments on training and improving pay and conditions.
- For initial accreditation employers would need to make tick box commitments on training and pay which would be checked at accreditation, job check, or re-accreditation, and/or through post decision verification and assurance.

Accreditation standards				Verification/assurance	Benefits	Duration
Compliant with regulatory standards	Reduces exploitation risk	Demonstrate they are committed to training and upskilling	Demonstrate that they are committed to increasing wages and conditions over time			
<ul style="list-style-type: none"> • The business must be a genuine ongoing concern with a financial presence. • The organisation and key office holders must: <ul style="list-style-type: none"> ○ not be on the stand down list; ○ be compliant with any relevant industry specific or other regulatory standards; ○ have no history of non-compliance with immigration system, including: <ul style="list-style-type: none"> ▪ convictions under the Act; ▪ false or misleading information; ▪ employing unlawful migrants; or ▪ not paying migrants in line with visa application. 	<ul style="list-style-type: none"> • Employer commits to provide off the shelf INZ info to migrants on employment rights and settlement. • The employer commits to paying all costs and fees for recruitment of migrant workers. 	<p>Must make a commitment to training and upskilling by committing to one of the following:</p> <ul style="list-style-type: none"> • puts staff through work relevant formal education leading to an NZQA qualification; • has taken on an apprentice in last 2 years; • has a structured in-house training programme, i.e. cadetships, managerial programmes etc.; • engagement with industry/sector training schemes; • has a graduate or internship programme; or • spends 1-2% (TBC) of their payroll on formal training 	<ul style="list-style-type: none"> • Must make a commitment to improving wages and conditions across their business i.e. New Zealanders by committing to one of the following: <ul style="list-style-type: none"> • Provides evidence that they pay above industry standard wages, for example: <ul style="list-style-type: none"> • is a certified living wage employer; or • evidence from payroll records and industry surveys etc; or • Provides evidence that they increases wages for employees over time, for example: <ul style="list-style-type: none"> • Has a collective agreement in place at the workplace; or • Pay equity settlement or other formal pay agreement; or • increases wages of migrant workers each year in line with the percentage increase in the median wage or relevant collective or pay equity or other formal pay agreement. 	<ul style="list-style-type: none"> • Site visits and post decision assurance for higher risk employers • Risk factors would include: <ul style="list-style-type: none"> ○ specific concerns raised by Employment Services, Worksafe, Unions, industry bodies etc.; ○ the type of industry e.g. labour hire, franchises; ○ the sector; ○ brand new businesses; ○ previous non-compliance i.e. stand down list. 	Can recruit migrants on an employer-assisted visa.	<p>Options:</p> <p>a. Initially one year then two years (shorter for higher risk employers);</p> <p>OR</p> <p>b. Must renew accreditation every year.</p>

Labour Hire Accreditation

- Expected number of employers each year = 50.
- Employers would need to be compliant with regulatory standards and would need to make the same Labour market commitments as high volume with some additional base requirements i.e. can't have been set up just to recruit migrants.
- Compliance and LM commitments would be checked up front (i.e. no tick boxes) - all or most would be site visited by INZ and Employment Services.

Accreditation standards				Verification/assurance	Benefits	Duration
Compliant with regulatory standards	Reduces exploitation risk	Demonstrate they are committed to training and upskilling	Demonstrate that they are committed to increasing wages and conditions over time			
<ul style="list-style-type: none"> • Same as standard accreditation. • Commits to not contracting labour to employers who are on the stand down list. 	<ul style="list-style-type: none"> • Employer commits to provide off the shelf INZ info to migrants on employment rights and settlement. • Employer must have a history of contracts (at least 6 months) for the supply of labour i.e. they are not just stockpiling labour without any contacts. • Must have a history of placing/employing Zealand workers i.e. can't have been set up for the purpose of recruiting migrants. • Must have good systems in place to monitor employment and safety conditions on site. • Must pay workers for a minimum of 30 hours per week whether work is available or not. • The employer commits to paying all costs and fees for recruitment of migrant workers. 	<ul style="list-style-type: none"> • Same as high-volume accreditation. 	<ul style="list-style-type: none"> • Same as high-volume accreditation. 	Site visits and verification done up front for all employers, and post-decision assurance where issues identified.	Can recruit migrants on an employer-assisted visa.	Must renew accreditation every year.

Premium Accreditation

- Expected number of employers each year = 1,000.
- Voluntary for employers who want to access more benefits or as a quality mark.
- Would set higher regulatory standards than standard and high-volume employers.
- Labour market commitments and standards would all be checked up front (i.e. no tick boxes).
- A more holistic assessment of the employers systems and processes across the standards i.e. employer must demonstrate a high standard across all of the areas (i.e. higher than bulk) – officers would use a matrix assessment model.
- Site visits and additional verification for borderline cases.
- Well trained and experienced immigration officers and INZ would contract in specific skill sets if necessary.

Accreditation standards (illustrative)					Verification/assurance	Benefits	Duration
Compliant with regulatory standards	Reduces exploitation risk	Commitment to recruit New Zealanders	Commitment to training and upskilling	Increases wages and conditions over time			
<ul style="list-style-type: none"> • Employer must be operating for at least two years, or has independently verified evidence that they will have sufficient revenue and/or capital to cover costs, including the employment of any migrants for the next 18 months. • Business and key office holders must: <ul style="list-style-type: none"> ○ not be on ES stand down list and haven't been on it in the past 5 years; ○ be compliant with any relevant industry specific or other regulatory standards. ○ have no history of non-compliance with immigration system, including: <ul style="list-style-type: none"> • convictions under the Act; • false or misleading information; • employing unlawful migrants; or • not paying migrants in line with visa application. • The employer participates in Safe+ scheme or has an equivalent third party assessment of health and safety standards. 	<ul style="list-style-type: none"> • Employer commits to provide off the shelf INZ info to migrants on employment rights. • The employer has and follows a settlement/pastoral care strategy for new migrants. • The employer commits to paying all costs and fees for recruitment of migrant workers. 	<ul style="list-style-type: none"> • Must have a workforce strategy or plan that identifies their future workforce needs over next 2-3 years and how they will meet them. • Must provide evidence that satisfies an officer that they are demonstrating best practice in terms of recruiting New Zealand workers. This includes evidence of programmes in place to meet their future workforce needs such as internship/graduate programmes engagement with education providers and MSD partnerships. • Has identified barriers to recruitment and actively changed their employment practices to make their jobs more attractive to NZers e.g. provided flexible working, transport and accommodation. 	<ul style="list-style-type: none"> • Has a workforce development strategy in place that identifies capability gaps and a plan to meet future workforce development needs. • Invests at or above their industry standard in training programmes either delivered in house or through training providers at a sufficient level to meet their future workforce needs, for example: <ul style="list-style-type: none"> ○ apprenticeships; ○ evidence from industry body and receipts letters from education providers; or ○ in-work training course available free of charge for existing employees. 	<ul style="list-style-type: none"> • Increases wages over time and can demonstrate that they pay above industry averages (evidence from Hays or industry survey etc), for example: <ul style="list-style-type: none"> ○ has support of a union; or ○ is a living wage employer etc.; or ○ offers non-salary benefits on top of wages. 	<ul style="list-style-type: none"> • Verification done up front for all employers. • Site visits for borderline employers. • Post decision assurance on a proportion of employers. 	<p>Options</p> <p>a. Can offer a pathway to residence for higher paid staff and no LMT;</p> <p>AND/OR</p> <p>b. Three year visa for lower skilled staff (in tight LM) or in all regions;</p> <p>c. Streamlined processing for job and migrant checks;</p>	<p>Options:</p> <p>a. Initially one year then three years;</p> <p>OR</p> <p>b. Two years.</p>

Annex Two: Comparison of proposed accreditation with Five Eyes countries

Australia

1. The Australian temporary work visa which most closely aligns with our new proposed employer-assisted temporary work visa is the Temporary Skill Shortage (TSS) visa (subclass 482). Employers wishing to hire migrants must become an approved sponsor and nominate the visa applicant.
2. In order to be approved as a sponsor for the TSS visa, businesses must:
 - a. be actively and lawfully operating (whether in or outside of Australia)
 - b. has no relevant adverse information against the business, or it is reasonable to disregard this information
 - c. Employers must pay application costs depending on visa category, as well as the “Skilling Australians Fund Levy” which is based on size of business and visa type.
3. They must also make a declaration committing to:
 - a. employing local labour and engaging in non- discriminatory recruitment practices, and
 - b. complying with sponsorship obligations throughout the life of its sponsorship
4. The sponsorship period generally lasts 18 months for start-ups and overseas businesses, and five years for established businesses in Australia. The Australian government monitors compliance during and for up to five years after the sponsorship ends.
5. Employers can also apply to be an accredited employer. Accredited employers receive streamlined processing and priority treatment. The following types of business may apply for accreditation:
 - i. Commonwealth, state and territory government agencies
 - ii. Australian Trusted Traders
 - iii. Low volume usage and high percentage of Australian workers (at least 85%)
 - iv. High volume usage and medium percentage of Australian workers (at least 75%)
 - v. Major investment in Australia
6. In order to nominate an applicant once a business becomes an approved sponsor, the job must meet specific criteria. These include undertaking a labour market test, being on the skilled occupation list (unless subject to an employer or labour agreement) meet the minimum salary threshold and market rate.

Canada

7. The majority of employers seeking to employ temporary migrant workers must apply for and be granted a positive Labour Market Impact Assessment (LMIA) by Employment and Social Development Canada (ESDC) which will grant a positive LMIA if satisfied there is no Canadian citizen or permanent resident available to do the work.
8. The LMIA process differs depending on whether the targeted employee is classified as “high-wage” or “low-wage”. Generally speaking, all Canadian employers must provide evidence that they have attempted to find qualified Canadian citizens or permanent residents to fill job positions. In addition, employers may be inspected for compliance to government regulations after their employee has started working in Canada.

9. The temporary work visa which most closely aligns with our proposed employer-assisted temporary work visa is Canada's Temporary Foreign Worker Program (TFWP). The TFWP enables employers to address short-term skills and labour shortages, in cases where qualified Canadians are not available. An LMIA must be obtained and work permits are employer-specific. Employers are required to pay provincial/territorial median hourly wages and comply with workplace legislation. The TFWP is administered by ESDC.
10. Employers of temporary foreign workers are expected to be aware of their responsibilities and obligations and ESDC may conduct checks, including inspections and reviews, to ensure employer compliance.

United States

11. Employers must seek labour certification through the U.S. Department of Labour (DOL). Foreign Labour certification can be obtained in cases where it can be demonstrated that there are insufficient qualified U.S. workers available and willing to perform the work at wages that meet or exceed the prevailing wage paid for that occupation in the area of intended employment. Employers must prove they have attempted recruitment in the US first, before seeking temporary workers.
12. Hiring of foreign workers in the U.S. is highly regulated and employers can expect to be audited. Employers who violate conditions of temporary Labour Certificates can be disqualified from certification for up to three years.
13. Employers must pay the prevailing wage and provide working conditions that will not adversely affect other similarly qualified workers. Workers may stay for one year increments up to a maximum of three years, after which time a 3-month stand-down period applies. Families of the worker may seek admission to the US, but are not eligible for employment.

United Kingdom

14. Eligible employers are able to apply for a sponsorship licence to employ foreign workers. To be approved they cannot have:
 - i. unspent criminal convictions for immigration offences or certain other crimes, such as fraud or money laundering
 - ii. any history of failing to carry out your sponsorship duties
15. Applications, which require documentation proving the veracity of the business, can be made online. Fees vary (from approx. £500 to over £1000) depending on type and size of the business. Sponsorship licenses generally last for four years. Businesses may have to pay an additional charge for each foreign worker employed, the "immigration skills charge".
16. If the application is approved, businesses are given an A-rating full sponsor licence. The business will be included in a register of sponsors.
17. Businesses with A-rating are then able to issue sponsorship certificates for suitable jobs. These are online records which must be assigned to each foreign worker employed. Each certificate has its own number which a worker uses to apply for a visa.
18. Following this, if a business is negligent in meeting employer responsibilities, they may be downgraded to a B-rating. If downgraded, businesses are unable to issue new certificates of sponsorship. On being notified of downgrading, businesses must pay for an action plan (£1476) within ten days, or lose their sponsorship licence. The action plan must be completed to upgrade back to an A-rating. If an employer loses their licence, sponsored employees will need to make a new visa application or leave their job and the UK.