

Sector Agreements

Sector Agreement Settings

| SECTOR | PURPOSE | DURATION | NUMBER OF MIGRANT WORKERS PERMITTED | OCCUPATIONS INCLUDED (ANZSCO) | WAGE THRESHOLD (PER HOUR) | MAXIMUM VISA DURATIONS AND STAND DOWNS | OTHER SETTINGS |
|----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|---------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| Care Workforce | Support the increasing need for care and support workers given the ageing population as well as need in other healthcare contexts | 2 years – ending October 2024 This is an initial period, may be renewed following a review | Uncapped | Kaiāwhina (Hauora) (Māori Health Assistant), Disabilities Services Officer, Residential Care Officer, Aged and Disabled Carers, Nursing Support Worker, Personal Care Assistant, Therapy Aide, Child or Youth Residential Care Assistant, Diversional Therapist | NZD \$25.39 an hour until 31 October 2022. NZD \$26.16 from 31 October 2022. This is indexed to the level 3 rate of the Ministry of Health’s support worker’s minimum wage rates. This rate may increase over time based on any changes by the Ministry of Health, or changes to the median wage. | Up to 2 years at Level 3 rate in the pay arrangement After two years a stand down period will apply and the migrant won’t be able to apply for another AEWV paying below the Level 4 rate for at least 12 months. | Migrant care workers paid at Level 4 rate provided a 2-year work to residence pathway |
| Construction and Infrastructure | Support immediate labour need for construction and infrastructure projects | 2 years – ending October 2024 This is an initial period, may be renewed following a review | Uncapped | Metal fabricator, Welder, Fitter-Welder, Fitter (General), Painting Trades Worker, Fibrous Plasterer, Solid Plasterer, Wall and Floor Tiler, AC and Refrigeration Mechanic, Bricklayer, Builder’s Labourers, Carpenter, Carpenter and Joiner, Landscape Gardener, Drainage, Sewerage and Stormwater Labourer, Roof Tiler, Glazier, Plumber’s Assistant, Roof Plumber, Painting Trade Workers, Floor Finishers, and Stonemasons | NZD \$25.00 an hour until 27 February 2023. This wage threshold is 90% of the median wage. On 27 February 2023, the median wage will be updated in the immigration system and this wage threshold will increase to NZD \$26.69 per hour. | Up to 2 years at below median wage After two years a stand down period will apply and the migrant won’t be able to apply for another AEWV paying below median wage for at least 12 months. | |
| Meat Processing | Support the seasonal needs for migrant labour below the median wage | 2 years , to be replaced with a Pacific Programme to be set up in 2024 | Capped at 320 per year for two years | Meat Process Worker, including red meat and pork processing | NZD \$24.00 an hour from 31 October 2022. This wage threshold is 86% of the median wage. On 27 February 2023, the median wage will be updated in the immigration system and this wage threshold will increase to NZD \$25.51 per hour. | Up to 7 months at below median wage After 7 months a 4 month stand down period will apply and the migrant won’t be able to apply for another AEWV paying below median wage work until the next season. | Pacific programme from 2024 |

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| Seafood (onshore) | Support the seasonal needs for migrant labour below the median wage | 2 years , to be replaced with a Pacific Programme to be set up in 2024 | Capped at 600 per year for two years | Seafood Process Worker | NZD \$24.00 an hour from 31 October 2022. This wage threshold is 86% of the median wage. On 27 February 2023, the median wage will be updated in the immigration system and this wage threshold will increase to NZD \$25.51 per hour. | Up to 7 months at below median wage After 7 months a 4 month stand down period will apply and the migrant won't be able to apply for another AEWV paying below median wage work until the next season. | Pacific programme from 2024 |
| Seafood (sea-based) | Support a transition to a median wage threshold and stem growth in migrant labour in sea-based roles | Cap to remain indefinitely | Capped at 940 per year | All roles currently covered by the Foreign Fishing Crew (FFC) visa | October 2022: Minimum wage + \$4 per hour (currently \$25.20 per hour) October 2023: Minimum wage + \$5 per hour October 2024: Minimum wage + \$6 per hour October 2025: median wage as at date. | Up to 12 months (status quo) No stand down | |
| Seasonal Snow and Adventure Tourism | Support the seasonal needs for migrant labour below the median wage | Until February 2025 | Uncapped | Snowsport Instructors, Mountain and Glacier Guides, Snow Groomers (within ANZSCO Mobile Plant Operators not elsewhere classified), Outdoor Adventure Instructors, Outdoor Adventure Guides not elsewhere classified, Whitewater Rafting Guides, Parachute Rigger and Ski Technician (within ANZSCO Technicians and Trades Workers not elsewhere classified), and Snow Maker (within ANZSCO Stationary Plant Operators not elsewhere classified) | NZD \$25.00 an hour from 31 October 2022. This wage threshold is currently 90% of the median wage. On 27 February 2023, the median wage will be updated in the immigration system and this wage threshold will increase to NZD \$26.69 per hour. In February 2024, it will increase to 95% of the median wage. In February 2025, it will be the median wage as at date. | Up to 7 months Multiple AEWVs below median wage can be granted to allow for movement between roles across seasons | |



Why has the Government introduced sector agreements?

- › The sector agreement settings provide limited exemptions to the median wage requirement for hiring migrant workers on an Accredited Employer Work Visa (AEWV) in specific occupations and sectors, in exchange for ongoing improvements.
- › This will allow sectors which have traditionally relied on lower-paid migrants time to improve attraction and retention of domestic workers, put significant effort into retaining, training, and upskilling New Zealanders, and invest in technology and new business models where appropriate.
- › The sector agreement outlines the Government's expectations for improvement, and performance against these will influence future decisions around access to immigration.
- › These arrangements are not intended to fully resolve labour shortages, but to provide sufficient support to sectors. Wider structural change and workforce transition are the key mechanisms for addressing systemic shortages.
- › Stand down periods are in place for AEWV roles that are paid below the median wage.
- › Meat process workers and seafood process workers will not be able to obtain another AEWV for the below median wage work until the next season.
- › The AEWV is for skilled workers, and the median wage is used to distinguish between high and lower skilled roles. For lower skilled roles, employers can still hire migrants from other more appropriate visa types such as working holiday, student, and post study work visas.

How did the Government decide the pay rates in each sector agreement?

MBIE looked at wage data for work visa holders in these roles, consulted with relevant government agencies on predicted sector impacts, and consulted with sector representatives. The pay rates are different for each sector because there are different labour market conditions in each. The rates have not been set to reflect the exact market rate for these jobs now or in the future; they are wage thresholds i.e. the minimum rate at which a business can hire a migrant.

How did the Government decide the expiry time on the different sector agreements?

The sector agreements are intended to provide limited transitional support for sectors that have traditionally relied on lower-paid migrants.

They are designed to give these sectors time to improve attraction and retention of domestic workers, put significant effort into retaining, training, and upskilling New Zealanders, and invest in technology and new business models where appropriate.

The duration of each sector agreement is based on how long each sector is likely to need additional support in this form. Government agencies were consulted based on their knowledge of the labour outlook in each sector and the status of Industry Transformation Plans and Workforce Development Plans. Some of the sector agreements will be replaced with Pacific programmes, while others will expire after two years.

With the exception of the seasonal snow and adventure tourism agreement, which is a short-term arrangement, the government will review each sector's needs at the end of the agreement, and consider whether the settings need to be updated, extended or ended.

What are the expectations for improvement on each sector?

These agreements come with an expectation that sectors will demonstrate that they are working towards more productive and resilient workforces, by reducing their reliance on migrant workers. The expectations for improvement vary across the sector agreements, but they broadly require sectors to:

- › Increase investment in worker training, upskilling, and career development
- › Improve domestic worker attraction and retention numbers
- › Increase investment, where appropriate, in new business models and labour-saving technology.

Expectations are also tied to implementation of Workforce Transition Plans and Industry Transformation Plans that are underway in some of these sectors.

How will the Government monitor progress around expectations for improvement?

The Government will monitor progress on the expectations and this monitoring will feed into the 2024 reviews and development of Pacific programmes.

The details of this monitoring are still being worked through with MBIE and the sector agencies, but it could involve six-monthly meetings with sector and union representatives to share monitoring data updates.

What options do employers have for how they recruit migrant labour?

For any role regardless of pay:

Migrants with open work visas (like students and Working Holiday Scheme participants) will be able to work in any role for any pay rate above the minimum wage.

For roles paid at or above the median wage:

The Accredited Employment Work Visa (AEWV) is available for employers who wish to recruit migrant workers for roles paying at or above median wage. This visa type is uncapped and open to migrant workers from anywhere in the world.

For roles paid below the median wage:

The sector agreement will provide a pathway, via the AEWV, for employers to hire migrants in certain roles where they are paying below the median wage. There is a limit on numbers for two of the sector agreements.

Why do stand down periods apply to AEWV roles paying below median wage?

Migrant stand down periods have been a part of immigration policy since 2017 and are in place for AEWV roles that are paid below the median wage to make it clear to potential migrant workers that they cannot work in New Zealand in such a role for any longer than two years. This is important because there is no pathway to residence for migrant workers with roles paying at this level. It also incentivises employers to reduce reliance on lower-skilled migrant labour, which will only be temporary.

However, these migrants won't have to leave the country if they obtain another AEWV by securing another role that is paying the median wage or more, or they could apply for another visa, like a student visa.

If employers wish to continue hiring a migrant worker previously on a AEWV with a stand down, they could do so by recruiting them into a role paying at or above the median wage.

The stand down period will not mean that partners of AEWV holders in roles earning less than the median wage will need to leave the country after two years. They will be able to stay in New Zealand on a visitor visa for the duration of their partner's visa.

How will the sector agreements address staff shortages?

These sector agreements are not intended to fully resolve labour shortages, but to provide sufficient support to sectors, while still continue working towards rebalance immigration settings to support a higher productivity, higher wage economy.

These arrangements will help give these sectors, which have traditionally relied on lower-paid migrants, time to improve attraction improve attraction and retention of domestic workers, put significant effort into retaining, training, and upskilling New Zealanders, and invest in technology and new business models where appropriate.

Wider structural change and workforce transition are the key mechanisms for addressing systemic shortages. The Government is supporting sectors to develop and implement Workforce Transition Plans through cross-agency work.

How will the median wage increase affect sector agreements?

The new median wage is \$29.66 per hour. All wage thresholds that are indexed to the median wage will be updated when the new median wage is adopted in the immigration system on 27 February 2023.

