

Construction and Infrastructure Sector Agreement Fact Sheet

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. The Minister of Immigration will write to sector bodies and unions specifying these expectations.
- 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. 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 sector agreement will come into effect on 31 October 2022 and be in place until October 2024, with a possibility to renew beyond that date.

What are the final settings for the sector agreement?

Access to below median wage roles without a cap for specified occupations with a \$25 wage threshold, with a review in two years' time.

The wage threshold would be updated each year to reflect changes in the median wage to maintain its relative value. (ie 90 percent of the median wage).

What is the rationale for the wage threshold?

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 wage threshold in the construction sector agreement is set at 90% of the median wage, which is \$25 based on the current median wage of \$27.76. The pay for roles included in this sector agreement varies significantly depending on experience. While many construction roles have fairly high remuneration, immigration data showed that a sizeable number of visa holders were paid less than median wage.

The pay rates are different for each sector because there are different labour market conditions in each.

These rates are the minimum threshold below which a migrant worker cannot be recruited on an AEWV. Job offers for migrants should reflect the market rate for that job.

Full Details:

Sector	Purpose	Duration	Number of migrant workers permitted	Occupations included (ANZSCO)	Wage threshold (per hour)	Maximum visa durations and stand downs
Construction & 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	AC and Refrigeration Mechanic, Bricklayer, Builder's Labourer, Carpenter, Carpenter and Joiner, Drainage, Sewerage and Stormwater Labourer, Fibrous Plasterer, Fitter (General), Fitter-Welder, Floor Finisher, Glazier, Landscape Gardener, Metal fabricator, Painting Trades Worker, Plumber's Assistant, Roof Plumber, Roof Tiler, Solid Plasterer, Stonemason, Wall and Floor Tiler, Welder	\$25.00 (updated each year to reflect changes in the median wage to maintain its relative value, i.e. 90 percent of the median wage)	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.

How did you decide what occupations to include in the construction and infrastructure sector agreements?

Following feedback from stakeholders the list of occupations has been expanded in recognition of the tight supply of construction workers.

For an occupation to be included there must be sufficient demand for these roles, and going rates must span the median wage.

These sector agreements are not about accommodating new demand for lower paid roles where there wasn't any in the first place, and there's no benefit in including roles that pay well above the median wage, such as engineers.

What options do I have for how I 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. New Zealand based employers are still required to meet minimum wage requirements and general employment law.

For roles paid at or above the median wage:

The 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 other sector agreements.

What are the expectations for improvement on the 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.

The Minister of Immigration will write to sector bodies and unions specifying these expectations.

This progress will be monitored and performance against these expectations will influence future decisions around access to migrant workers below the median wage.

How will you monitor progress around expectations for improvement?

The Government will monitor progress and performance against these expectations will influence future decisions around access to migrant workers below the median wage.

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

Why will the sector agreement be reviewed in two years? Is there a chance it could be extended?

The duration is based on how long each sector is likely to need additional support in this form 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.

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.

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.

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 support the Government's goal for employers to work towards the Government's goal of a higher skilled, higher paid migrant workforce.

It also makes 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 incentivizes 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.

Further information on AEWV for employers:

[Why we ask you to be accredited and do a job check](#)

- [The process](#)
- [Employer accreditation: check what you need and apply](#)
 - [Extra requirements for controlling third party accreditation](#)
 - [How we define franchisees and controlling third parties](#)
- [Job check: check what you need](#)
 - [How we calculate pay rates for the Accredited Employer Work Visa \(AEWV\)](#)
 - [Roles exempt from the AEWV median wage threshold](#)
 - [Green List occupations](#)
- [Applying for the Accredited Employer Work Visa](#)

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Checklists and resources are also available to download from INZ website

- [Accreditation checklist \(standard and high-volume\)](#)
- [Accreditation checklist \(franchisee\)](#)
- [Accreditation checklist \(employers who place AEWV holders with controlling third parties\)](#)
- [Video: Overview of the AEWV process for employers](#)
- [Video: Overview of the AEWV process for migrants](#)
- [Infographic: 3-step process to hiring a migrant on an AEWV](#)
- [Factsheet: AEWV information for employers](#)
- [Factsheet: AEWV information for migrant workers](#)
- [Guide: Job advertising guide for employers](#)

Webinar recordings are available on the INZ Youtube channel:



- [Webinar – employer accreditation requirements](#) (standard and high-volume) 13 April 2022
- [Webinar – employer accreditation requirements for franchisees and employers wanting to place AEWV holders with controlling third parties](#) 4 May 2022
- [Webinar – job check requirements and applying for the Accredited Employer Work Visa](#) 18 May 2022