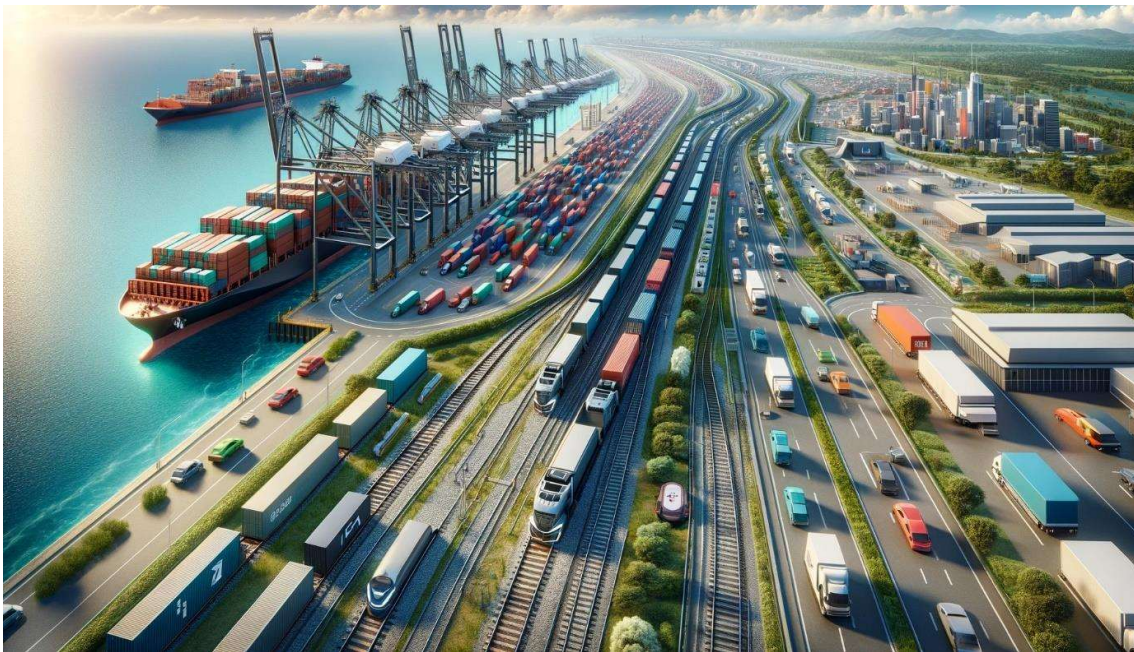




National Road Carriers Association (NRC) submission on

Accredited Employer Work Visa Review: Phase Two



About National Road Carriers Association

National Road Carriers Association (NRC) is New Zealand's progressive nationwide organisation representing 1500 supply chain company members, who collectively operate over 16,000 trucks throughout New Zealand. NRC advocates on behalf of members and works with central and local government on road transport infrastructure and regulations.

NRC members are committed to providing an efficient, productive, resilient, safe, and value-for-money service that supports the wider economy. To achieve this, transport operators need a safe, efficient, and sustainable operating environment that enables the efficient and safe movement of goods. Our members primarily operate road freight however a number also operate air, sea and rail freight services.

Some 54% of NRC's membership comprises single-vehicle operators, and 89% employ 10 or fewer workers.

General Comments

NRC welcomes the opportunity to participate in the review of the Accredited Employer Work Visa (AEWV).

Our members' preference is to employ New Zealand residents who have experience working in New Zealand. This provides them with clearer options for background checks and a shorter recruitment timeline, provided there are applicants.

As the unemployment level drops it becomes increasingly difficult to fill any vacancies with New Zealand based workers and employers need a robust process to recruit overseas workers.

The bulk of our industry sector are small businesses. There are over 40,000 Transport

service licences with an average fleet size of four vehicles (NZTA). The last dataset from Ministry of Transport showed that as of 2022 there are 176422 trucks and buses in New Zealand. In 2023 these vehicles travelled 2,571,010,786 kilometres (NZTA RUC Data).

Many employers have trucks that can only be driven by holders of class four or five licences and many require skills that are beyond simply having a drivers licence.

Without truck drivers, the economy stops. It is essential that all options to ensure employers have quality candidates available to fill vacancies are available.

Accreditation - opportunities to streamline

NRC supports the options of having tiers that provide employers that have robust established recruitment processes to have longer accreditation and prioritised allocation. We support allowing these employers to skip job checks.

Introducing tiers will encourage employers to adopt and demonstrate best-practice employment processes. We recommend that alongside the tiers, there is clear guidance on what is required to move up the levels.

Requiring MSD certification will not be an issue for our members, as we actively engage with MSD to place job seekers in our industry.

While acknowledging it is out of scope of this review, we would also recommend that employers that meet the higher tiers be provided a pathway to residency that will allow them to recruit long term employees.

Accreditation - defining and managing risk for accreditation

NRC would like to see the tiered approach extended to recruitment companies so that employers can easily identify those that meet or exceed their legal requirements.

This will assist in identifying nefarious actors that exploit both migrants and employers.

As the labour market tightens these nefarious actors appear so we would support any labour hire or recruitment company to require certification from a credible third party.

For our sector we recommend that suppliers of labour are required to be endorsed by the industry associations that are in a better position to validate if there is genuine demand and if the quality of the candidates meets the requirements.

Job Check – wage threshold options

NRC would prefer that wage thresholds not be used. If there is a wage threshold that it be set at the minimum wage.

Using market rate adds unnecessary subjectivity as the market rate fluctuates and varies by location, sub sector and experience.

Feedback from members that were recruiting using the pathway to residency sector agreement was the roles they were recruiting for were above minimum and median wage. Having a threshold complicates recruitment when the wage rate changes.

NRC would prefer the assessment of the Job Check focus on the validity of the need

to recruit from overseas and the legitimacy of the recruitment process.

Job Check – labour market test

NRC and our members have a long history of working with MSD to place job seekers into our industry.

Hiring suitable New Zealanders is the preferred option for the members we have consulted. It is a faster process.

It is easier to validate skills, competency, and previous employment history.

NRC will continue to work with MSD to identify and rectify any barriers that New Zealand job seekers have to fill roles.

Job Check – additional options

NRC would support a longer AEWV duration as we anticipate demand for workers will continue to outstrip the capacity of the domestic supply should the economy recover to a period of sustained growth.

NRC knows of instances where AEWV has been used to recruit family members. This is not necessarily a bad thing provided robust checking of the AEWV process has been applied.

The concerns raised in the consultation document can be addressed if INZ robustly follow their process for validating the employer has met the requirements of AEWV.

Seasonal visa pathway options

There is no identified need for our members to need seasonal workers. Transport businesses do have peaks and troughs however they are not at the level that creates a seasonal labour shortage.

Sector or region-specific settings

NRC believes there is potential for regional and sector specific shortages.

The most obvious sector of the workforce is the shortage of heavy truck drivers (class 4 & 5) that resulted in the sector agreement pathway to residency. This has only been alleviated by the abysmal state of the NZ economy and as soon as that reverses the shortage will return.

With the recommencement of infrastructure projects, we can see potential for regional shortages of drivers.

Other sectors within the wider needs of our members would be shortages in the following sectors:

- Heavy diesel mechanics
- Mechanical and certifying Engineers
- Specialist engineers associated with the innovative technology being adopted by our industry as it decarbonises

NRC does not believe these shortages would be in entry level roles as we expect these roles to be filled in the medium term by New Zealanders looking to enter the workforce or transition from another sector of the economy.

System compliance and assurance – preventing migrants being charged excessive fees by agents

NRC supports the proposals aimed at preventing migrant exploitation.

While these may make becoming an AEWV accredited employer more difficult the long-term benefit in stamping out nefarious actors in the recruitment sector and bad employers that undermine New Zealand's reputation will lead to a more stable recruitment process.

We support greater effort in preventing exploitation and the design of a system that rewards employers that can demonstrate good practice.

System compliance and assurance – settings for migrants whose employment has ended

NRC supports the step towards a more structured process to manage AEWV holders whose employment ends with their original employer.

We support clearly stating the requirement to apply for a new visa or job change within three months and having well defined consequences for failing to do so within the three months.

We would also like to see a process to identify employers that frequently terminate employment of AEWV holders so that the reasons for termination can be understood.

eliminate nefarious actors from the recruitment and transport industries.

Closing Comments

In summary, NRC is supportive of measures that strengthen the processes used to manage the flow of migrants into the New Zealand workforce.

We are also supportive of measures that make the detection and eradication of nefarious actors that exploit both migrants and our members.

The work our members do supports the New Zealand economy and the wellbeing of every New Zealander.

They need access to willing and capable workers to both replace staff lost through attrition and for the new roles that will be generated as the economy returns to growth.

Most employers in our sector are small family-owned businesses with many only operating trucks that require experienced skilled drivers.

While NRC will continue to work with MSD, domestic recruiters, training providers and members that have roles suitable for New Zealanders wishing to start a career in our sector, we also require a robust stable pathway to recruit migrants.

NRC would recommend that this pathway is set up in such a way that encourages and rewards good employers.

We believe that reintroducing a pathway to residency is also required to encourage drivers from overseas to settle in New Zealand providing our members with a competitive advantage over employers in other countries that will be competing from the same labour pool.

As always, we encourage further engagement from MBIE on any measure to improve employment relations and to

Contact

James Smith
General Manager Policy and Advocacy
National Road Carriers Association
PO Box 12 100
Penrose
Auckland
Phone: 09 953 3853
Email: james.smith@natroad.co.nz