

Employer Accreditation 2022 – The Process (Part 1)

Rules for being a valid accredited employer have changed. If a company has a previous affiliation, then it's time for the business to get re-accredited to comply with the new rules.

Employer Accreditation and AEWV become mandatory on 04 July 2022 for those companies wishing to employ migrant workers.

Before hiring migrants, businesses are encouraged to train, upskill and hire New Zealanders. Employers who cannot find New Zealanders suitable for a job can apply for the Accredited Employer Visa (AEWV) to hire migrants.

What is the new Process?

The so called 3-check system is part of the new Accredited Employer Work Visa policy. It is a three step process.

1. **Employer check / Accreditation:** The employer must be accredited to hire a migrant as a worker from overseas.

Note – this includes both those still overseas, and those currently in New Zealand who wish to change roles (unless they are on an Interim Visa), or those needing to renew their visas.
2. **Job check:** A Labour Market Test is required. This involves demonstrating that the employer pays the market rate.
3. **Migrant check:** The visa applicant must meet health and character requirements and have skills and experience in relation to the job check.

Employer Check / Accreditation

It's a new type of accreditation, so even if the company was previously accredited under the older system, it will have to re-apply.

Every employer must comply with a minimum set of accreditation requirements.

- Being compliant with the employment, immigration, and business regulatory standards
- Completing activities to support the settlement of migrant workers

When approved for the first time the company will receive employer accreditation for 12 months.

At renewal, franchisees and employers placing migrants on AEWVs with controlling third parties will get accreditation for a further 12 months. All other employers will get accreditation for 24 months when they renew, providing their previous accreditation has not lapsed for 12 months or more.

The application requires payment of a fee (see below).

Types of Accreditation and fees

Each type of accreditation has the same minimum requirements. For most employers, accreditation is easy and does not require much documentation. However, additional requirements may be required for specific business models.

➤ **For Standard Businesses**

There are two levels of accreditation available for standard business models, depending on the number of migrants the business anticipates employing in any one year. Standard accreditation and high volume accreditation have the same accreditation requirements.

Standard accreditation – If a company needs to employ up to five migrant workers on AEWVs at any one time during the year.

Fee: \$740

High Volume accreditation – If a company needs to employ 6 or more migrants on AEWVs at any one time during the year. There is no maximum number of jobs that can be associated to employers holding High Volume Accreditation.

Fee: \$1220

Employers must pay a fee for upgrading from Standard to High Volume accreditation should they require more than 5 migrants on AEWVs at any one time.

Fee: \$480

If a company's accreditation is declined it can reapply for reconsideration.

Fee: \$240

➤ **For Employers Using 3rd Party Agencies for Hiring**

Franchisees, and employers wanting to place migrants on AEWVs with controlling third parties (including labour hire companies), must apply for the accreditation suited to their business model. Due to the increased risk to migrant workers with these business models there are additional standards they have to meet.

Franchisee accreditation

Fee: \$1980

Controlling Third Party accreditation – if a company hires via a labour hire company (aka Triangular employment arrangements). These include labour hire companies, employers who send migrant employees on secondment to a third party, or parent and umbrella companies who place their migrant employees with a third party such as a subsidiary company or branch that is a separate legal entity.

Fee: \$3870

➤ **Exceptions**

Employers who only hire migrants on a visa with open work rights (those which don't specify an employer) do not need to become accredited. This includes visas granted under partnership, working holiday visas or students with work rights.

Employers of current Talent and Essential Skill visa holders do not need to be accredited in the new system until they need access to additional migrant labour on the new AEWV, or when the current visa holder's visa expires and they need to apply for the new AEWV.

How long does the Immigration NZ Accreditation process take?

The INZ website states that Accreditation applications should take 10 working days to process. (Anecdotally I've heard that turnaround times can be much less, but as volumes increase we can expect processing times to increase.)

Minimum requirements that must be met

Employers who wish to hire migrants via AEWVs must meet the minimum accreditation requirements. This is done to ensure that only those employers that meet New Zealand's employment, immigration, and business standards are allowed to access AEWVs.

- Profitable (before depreciation, tax over the past 24 months)
- Positive cash flow in each of the past 6 months
- Have sufficient capital and access to external funding or investment (for instance, from a parent or founder)
- Have a plan in place to ensure that the business is viable
- Register as an employer with Inland Revenue
- Companies that have been in business for less than 12 months must submit evidence to support their application
- You cannot be bankrupt or subjected to a No Asset Procedure if you are a sole trader or partnership.

The business or its key people must not have:

- Employed a migrant worker who didn't have the visa conditions or visa requirements to work in this role
- Furnished incorrect or false information was provided to INZ
- Been barred from being a director

“Before you can be granted AEWV accreditation, you must have rectified the situation and taken steps to prevent it.”

A business that has suffered from compliance problems cannot be closed down and re-opened under a new name to avoid these failures.

Completed Employer Learning Modules

Everyone who makes recruitment decisions must complete the most current Employment New Zealand online employer modules about employment rights. This includes hiring managers, human resources managers, sole traders, partners, and other professionals. This applies only to those who are involved in the hiring of AEWV holders.

Those involved in recruitment decision making must complete the modules within each accreditation period and then finish them before the period ends.

Costs of Recruitment

All recruitment costs must be paid in New Zealand and outside New Zealand. [ie The cost of recruitment cannot be passed on to the migrant worker]. This includes but isn't limited to:

- Advertising
- Fees for recruitment agencies
- Employer accreditation fees
- Application fees for job checks
- Trade testing
- Tools where the employer retains ownership
- Induction and compulsory training

This does not include airfares for migrant workers (although some authorities may require it in certain countries).

Fees outside New Zealand

You must not charge fees outside New Zealand which would be illegal if charged in New Zealand. This Includes:

- Payment to secure a job
- Bonding agreements that illegally bind workers to a company
- Unfair / unreasonable deductions, or those that are not agreed in writing.

Offer Settlement Support

Within one month of an employee starting work, the company must give information about the worker's workplace settlement.

- How to obtain an IRD number
- Information and options for industry-relevant training and qualifications

- Particular hazards in particular jobs or industries
- Accommodation options
- Transport options
- Cost of living
- How to get healthcare services
- Citizens Advice Bureau services
- Information about the relevant community groups