



PEOPLE
BUSINESS
EMPLOYMENT LAW

600 more workers to support recovery

The new Recovery Visa to help bring in additional migrant workers to support cyclone and flooding recovery has attracted over 600 successful applicants within its first month.

“The Government is moving quickly to support businesses bring in the workers needed to recover from Cyclone Gabrielle and the Auckland floods,” Minister of Immigration [Michael Wood](#) said on 29 March 2023.

“In the short term we are likely to need additional workers like builders, infrastructure and utilities engineers, and heavy machine operators to support the skilled workers we already have in country. The Recovery Visa is less than five weeks old, so the numbers are very encouraging as we build the workforce to reconstruct affect regions.

“A total of 602 Recovery Visa applications have been approved to date, another 287 are being processed and 75 have been declined or withdrawn. Immigration New Zealand is fast tracking applications and the average processing time is four days, which is a fantastic result.

“Within the approved Recovery Visas the most common occupation was labourer with 253, followed by cleaners with 108 applicants, and carpenters with 42. So far 161 people whose applications have been approved have arrived in New Zealand, but it’s important to note that it takes time for people to arrange their travel to New Zealand. This number is expected to increase over the coming days and weeks.

“In addition to these numbers 66 weather related special purpose visas were granted before the creation of the Recovery Visa, and 55 people have arrived.

“As we gain a greater understanding of the scope and specialist skills required for the recovery, we will look to introduce further initiatives to support access to additional offshore labour. Similar visa pathways were used for the responses to the Christchurch and Kaikoura earthquakes.

“However, the Recovery Visa will not change global workforce shortages that are still at play. We need to accept the visa may not see the same level of uptake of those in the past – but we understand how important it is to do all we can to have a wide range of tools to deal with the unprecedented situation, and support the recovery,” Michael Wood said.

Source: [Beehive.govt.nz](https://www.beehive.govt.nz)

Law changed to protect subcontractors

Changes have been made to legislation to give subcontractors the confidence they will be paid the retention money they are owed should the head contractor’s business fail, Minister for Building and Construction [Megan Woods](#) announced on 30 March 2023.

“These changes passed in the Construction Contracts (Retention Money) Amendment Act safeguard subcontractors who are often the first to miss out in the event a construction company becomes insolvent,” Megan Woods says.

“While it is not a requirement to hold retention money, many head contractors choose to withhold part of their payment to specialist tradespeople for up to 12 months. This is one way to help ensure building work is done right first time, and acts as an insurance that the subcontractor will return if there are any defects.

“The changes made today provide important protections for subcontractors so they can be certain their payment is kept safe, can’t be used for any other purpose, and will be paid out should the head contractor’s business fail” the Minister said.

Companies and directors who choose to hold retention money against subcontractors will now be required to hold retention money on trust in a separate bank account, which is unable to be mixed with other company money or assets. Information about the retention money held must be reported to subcontractors on a regular basis, at least once every 3 months.

Where retention money is kept, there will be a strict liability offence for failing to hold retention money properly: for every breach of the retentions regime directors will face fines of up to \$50,000 and companies will face fines of up to \$200,000. It will also be an offence to intentionally provide false information about retentions money held for a subcontractor, with a fine of up to \$50,000 for each breach.

The Ministry of Business, Innovation and Employment will have the ability to investigate and enforce retentions money offences, and further penalties will be incurred if head contractors fail to provide the Ministry with information necessary to support investigations.

“Everyone should have the confidence they will be paid for their work. The changes announced today ensure that there are strict penalties in place for companies who fail to meet their obligations to those who carry out work for them,” Megan Woods says.

Contractors looking to hold retention money have six months to ensure processes are established and standard contracts are amended before the new offences and penalties apply.

The changes to the retention money regime will apply to new commercial construction contracts and existing contracts if they are amended from six months after the Act is passed.

Source: Beehive.govt.nz

This article is brought to you by AdviceWise People, who provide WGANZ’s free employment helpline 0800 692 384. If you have any questions or would like to discuss the article, please call Philip or Anthony.