



Minister for Economic and Regional Development

Minister of Forestry

Minister for Small Business

Minister of Tourism

22 September 2021

Kevin O'Leary
General Manager
Business North Harbour
kevin@businessnh.org.nz

Dear Kevin,

Thank you for writing to me about the challenges facing small businesses in Auckland as a result of the global COVID-19 pandemic.

I would like to acknowledge the difficulties that COVID-19 presents for businesses in New Zealand. I am aware that many businesses are continuing to struggle, especially during alert level changes.

I will address each of your concerns separately.

Firstly, you have requested that the number of places in Managed Isolation Quarantine (MIQ) is increased, including for migrant workers and their families. As with all aspects of New Zealand's COVID-19 response, policies and procedures are being reviewed regularly to ensure they remain fit for purpose, with the primary concern being the safety of the wider community. With COVID-19 still prevalent around the world, there will be a need to maintain the MIQ system for the foreseeable future.

The Ministry of Business, Innovation and Employment is in the very early stages of investigating potential options to bring on additional MIQ facilities but no decisions have been made. A key constraint in adding new facilities is the essential workforce who care for returnees. We need nurses, defence personnel and police to run these facilities, and this is a limited workforce. In addition to workforce supply issues, there are a number of complex issues that need to be considered when operating in an Alert Level 4 environment. This includes the limited number of suitable facilities that are in locations where there is also a suitable hospital facility and proximity to appropriate transport hubs. The resource and workforce requirements extend more widely than just the physical premises and every new facility places additional burdens on New Zealand's national healthcare system.

You have suggested simplifying the extension and granting of work visas. The Government recognises that COVID-19 presents a unique set of challenges for New Zealand jobseekers, employers and temporary work visa holders. In consideration of the border restrictions, we have loosened immigration settings for temporary migrant workers who are already onshore to help manage ongoing labour shortages. This includes extending around 10,000 Working Holiday and Supplementary Seasonal Employment (SSE) work visas that are due to expire between 21 June 2021 and 31 December 2021 for six months, and granting existing SSE visa holders open work rights, allowing them to work in any sector.

The Minister of Immigration also recently announced that from 19 July 2021, the maximum duration of an Essential Skills Work Visa (ESWV) for a job paid below the median wage, increased from 12 to 24 months and that employers who retain migrant workers in the same roles, will not need to prove that there are no New Zealanders available to do the role. Changes have also been made to streamline the process for a migrant applying for an ESWV, including removing the requirement to

provide medical and police certificates if these have previously been provided to Immigration New Zealand (INZ) with a visa application, even if they were provided more than 36 months ago. Further information on the ESWV changes is available on INZ's website: www.immigration.govt.nz/about-us/covid-19/in-new-zealand/visa-information.

The exceptions and managed isolation capacity constraints do not currently allow partners and children of most temporary migrants in New Zealand who were not themselves living in New Zealand to enter. The Government is aware that this is creating painful situations where potential migrants intending to follow their partner to New Zealand have been prevented from doing so. The Government will continue to review border settings and make decisions as isolation capacity or changes in the public health risk allow.

The border settings reflect a delicate judgement balancing the priority to keep New Zealanders safe from COVID-19, the protection of the rights of New Zealanders to return home, and the wide range of compelling cases for people with economic, social or cultural reasons to travel. Under current border settings, most employers will need to continue to look onshore for talent and skills while the border remains closed.

You have requested extending the financial support available to businesses. On Friday 10 September, the Government announced that a second Resurgence Support Payment and a third round of the Wage Subsidy will be made available and applications opened on Friday 17 September.

In addition to this, the Minister of Transport announced earlier this month that a new Targeted Hardship Fund will be set up to help small businesses in Auckland that are impacted by the construction of the City Rail Link. You can read more information about the fund here: www.beehive.govt.nz/release/targeted-hardship-fund-city-rail-link-affected-businesses-be-established.

I note your proposal that the government provide incentives to encourage people into minimum wage roles. Minimum wage roles can be a starting point to people transitioning into the workforce, and into entry-level roles. The Government has a number of existing initiatives that support employers to take on workers, in particular supporting employers to employ people receiving a benefit. Some examples of these are the Flexi-Wage (a wage contribution to help employers pay wages, as well as training and ongoing support for employees), and Mana in Mahi (which includes a wage subsidy to help offset the time employers need to invest in the training and ongoing development of workers). As a Government we are also committed to improving wages and conditions for workers. We expect employers to pay market rates, and employers can invest in the domestic labour force to address shortages, for example, improving the terms and conditions of their roles in order to attract workers to their roles, making non-remuneration improvements to make jobs more attractive, and changing recruitment and attraction strategies to find workers from non-traditional sources.

Lastly, I will address your concerns regarding supply chains. The Government's actions to address supply chain congestion have been focused on minimising regulatory barriers, clarifying information, and providing support where possible. This support has included facilitating applications by Ports of Auckland Limited to bring in skilled workers to raise productivity, and granting international shipping lines exemptions from cabotage laws to give them more operational flexibility around the coast. Officials have acted to bring industry participants together to discuss potential collaborations and continue to work on removing barriers for critical imports, reporting on global developments, and linking businesses with supply chain management experts.

The Government is also committed to strengthening New Zealand's supply chain resilience and improving the longer-term strategic direction for New Zealand's freight system. This is reflected in investments like KiwiRail's inaugural Rail Network Investment Programme. This \$1.3 billion

investment is about lifting our national rail network to a resilient and reliable standard to keep freight flowing.

Thank you for taking the time to write about your concerns and I hope this information is useful to you. I want to reiterate that small businesses are a priority for this Government. We know many small business owners have been doing it tough, especially through COVID-19 disruption, and your feedback is important.

Yours sincerely

A handwritten signature in blue ink, reading "Stuart Nash". The signature is written in a cursive, flowing style with a period at the end.

Hon Stuart Nash
Minister for Small Business

