



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HĪKINA WHAKATUTUKI

National Survey of Employers 2015/16

Summary Findings





ISSN: 2382-1493
Revised May 2018

For more information contact: Sharon Boyd or Dr Alice Cleland

Contents

Executive summary	7
1 Introduction	13
1.1 The NSE monitors employer practices and perspectives	13
1.2 The NSE results are representative of all employers in New Zealand	14
2 Profile of New Zealand businesses	16
2.1 About two-thirds of New Zealand businesses operate from a single site	16
2.2 Most New Zealand businesses have fewer than 20 employees	16
2.3 One in five businesses are in the retail trade, and accommodation and food services sector	17
2.4 Two-thirds of businesses have been operating in New Zealand for 10 years or more	18
2.5 Seven out of ten New Zealand businesses are located in the North Island	19
3 Employment relations and non-standard working arrangements	20
3.1 Nearly all employers have written employment agreements for all employees	20
3.2 A minority of employers were using non-standard working arrangements	22
3.3 Employers were more aware of some of the changes introduced in the <i>ERA Act 2014</i> than other changes	27
4 Minimum employment standards	30
4.1 Most employers processed their payroll in-house	30
4.2 Three out of ten employers had a formal policy to manage parental leave	31
4.3 Employers accessed information about employment rights and obligations from a range of sources	34
5 Minimum wages	36
5.1 About one in five employers were using the adult minimum wage	36
5.2 Few employers were using the starting-out or the training minimum wage	37
5.3 Over half of employers reported flow-on effects for other employees, in response to increases in minimum wage rates	39
5.4 About one-quarter of employers were aware of the change to compliance with the <i>Minimum Wage Act 1983</i>	40
6 Health and safety: systems, practices and perspectives	42
6.1 Health and safety expertise and leadership is most commonly provided by business owners or managers	42
6.2 Almost half of employers were meeting their general duties under the <i>HSE Act 1992</i>	45
6.3 About half of employers had a formal system for employees to participate in managing health and safety	48
6.4 More employers made significant changes to health and safety in 2015/16 than in previous years	52
6.5 The majority of employers agreed that good health and safety systems are good for business	53
7 Employment of recent migrants	55
7.1 Similar to previous years, one in four businesses had at least one recent migrant on staff	55
7.2 Migrants were hired primarily because they were the best candidate or because of their skills and qualifications	57
7.3 As in previous years, employers were positive about migrant staff performance	58
7.4 Around half of employers had at least one recent migrant leave the business in the last 12 months	60
7.5 Employers agreed that various types of assistance from INZ would help their business to attract migrants	63

7.6	Most employers agreed that assistance from INZ would help their business to employ and retain migrants	65
7.7	Six out of ten employers supported their migrant employees by providing closer supervision on the job	66

List of figures

Figure 1: Number of employees by industry.....	17
Figure 2: Proportion of businesses that had been operating in New Zealand for 10 years or more	18
Figure 3: Proportion of employers with written employment agreements for all employees – by business size and by industry	21
Figure 4: Proportion of employers using non-standard working arrangements by business size	23
Figure 5: Proportion of employers using non-standard working arrangements by industry	23
Figure 6: Main reasons for using non-standard working arrangements by type of arrangement used.....	24
Figure 7: Proportion of businesses that used zero-hour contracts by business size and industry sector	27
Figure 8: Proportion of employers aware of changes introduced in the <i>Employment Relations Amendment Act 2014</i> by business size	28
Figure 9: Proportion of employers aware of changes to the <i>Employment Relations Amendment Act 2014</i> by industry.....	29
Figure 10: Proportion of employers aware of MBIE’s online guidance for assessing payroll systems for compliance with the <i>Holidays Act 2003</i>	31
Figure 11: Proportion of businesses with a formal policy or system to manage parental leave	32
Figure 12: Proportion of businesses that had at least one employee return from parental leave in the last two years	33
Figure 13: Proportion of businesses using top five sources to find out about minimum employment rights and obligations by business size.....	35
Figure 14: Proportion of businesses using top five sources to find out about minimum employment rights and obligations by industry	35
Figure 15: Proportion of employers with at least one employee on the adult minimum wage	37
Figure 16: Proportion of employers with employees aged 20 years or over who were required by their employment agreement to undertake recognised industry training of at least 60 credits a year	38
Figure 17: Proportion of all employers reporting flow-on effects from minimum wage increases	40
Figure 18: Proportion of all employers who were aware of the change to compliance with the Minimum Wage Act	41
Figure 19: Top five sources of health and safety leadership and advice by business size.....	43
Figure 20: Top five sources of health and safety leadership and advice by industry sector	44
Figure 21: Proportion of employers meeting ‘all of their duties’ under the <i>HSE Act 1992</i>	46
Figure 22: Proportion of all employers with a formal system for employee participation in health and safety.....	49
Figure 23: Types of employee involvement in health and safety by business size.....	50
Figure 24: Types of employee involvement in health and safety by industry sector	51
Figure 25: Proportion of all employers whose business made significant changes to its health and safety systems or practices in the last 12 months	52
Figure 26: Employers’ perspectives on workplace health and safety.....	54
Figure 27: Proportion of all employers with a recent migrant on staff	56
Figure 28: Proportion of all employers who hired a recent migrant in the last 12 months	56
Figure 29: Employers’ reasons for hiring a recent migrant employee.....	57
Figure 30: Perceptions of overall performance of migrant employees	59

Figure 31: Most frequently cited reasons for rating migrant employees’ performance as good or very good	60
Figure 32: Proportion of businesses that hired any recent migrants in the last 12 months who subsequently left the business.....	61
Figure 33: Most frequently cited reasons for recent migrants leaving the business	62
Figure 34: Employers’ ratings of usefulness of resources to help the business attract migrant staff	64
Figure 35: Perceived usefulness of resources to employ and retain migrants	65
Figure 36: Assistance provided to support recent migrants in the workplace	66

Executive summary

The NSE results provide insights into workplace practices in New Zealand businesses within the context of current employment-focused legislation

This report summarises the findings from the 2015/16 Ministry of Business, Innovation and Employment's (MBIE's) National Survey of Employers (NSE). The purpose of the annual NSE is to monitor employer practices and perspectives on recruitment, workplace relations and employment standards, health and safety, employing recent migrants and migrant settlement in New Zealand. The information is used to improve MBIE's evidence base for developing and evaluating policies and programmes, answering contemporary policy questions and monitoring workplace practices.

For the 2015/16 NSE, 1,528 employers in New Zealand were interviewed. Employers were given the option to be interviewed by telephone (381 completed responses), or complete an online (381 completed responses) or paper (766 completed responses) version of the questionnaire. The contact/response rate for the survey was 36 per cent.

Where a business establishment selected for the survey was part of a larger enterprise operating from more than one site in New Zealand, the employer (business owner or senior manager) responding to the survey was asked to answer the questions about the business site they were currently working at.

Most New Zealand businesses are small and operate from a single site

Eighty-nine per cent of New Zealand businesses have fewer than 20 employees, with 62 per cent of businesses employing 1 to 5 employees. Only 4 per cent of businesses have 50 plus employees. About two-thirds of business establishments (68 per cent) were operating from a single location in New Zealand.

One-in-five businesses are in the retail trade, and accommodation and food services sector

Apart from the 'other' category (45 per cent), the largest industry grouping was businesses in the retail trade, and accommodation and food services sector (19 per cent), followed by those in the agriculture, forestry and fishing (12 per cent) and construction sectors (11 per cent). Seven per cent of businesses were in the manufacturing sector and 6 per cent were in the health care and social assistance sector.

Two-thirds of businesses have been operating for 10 years or more and seven out of ten are based in the North Island

Compared with all businesses (66 per cent), those with 20 or more employees and those in the health care and social assistance sector were more likely to have been in business for 10 years or more (87 per cent and 79 per cent, respectively). The North Island accounted for 69 per cent of all business establishments, and one-quarter (26 per cent) were based in Auckland. Thirty per cent of businesses with 20 or more employees were based in Auckland, followed by Canterbury where 16 per cent of larger businesses were located.

Employment relations and non-standard working arrangements

The majority of employers had employment agreements for all of their employees

Consistent with previous years' surveys, most employers (91 per cent) had written employment agreements for all employees. Compared with all employers, larger employers (with 20 or more employees) and those in the health care and social assistance sector were more likely to report having employment agreements for all employees.

Seven per cent of employers said they did not have employment agreements for all of their employees, and this result is a decrease from the 14 per cent of employers in 2014/15 who said they did not have employment agreements for all employees.

A minority of employers were using 'non-standard' working arrangements

About one-third of employers (34 per cent) had one or more current employees on casual agreements, one-fifth had one or more current employees on fixed-term agreements and 11 per cent were using self-employed contractors who, to the best of the employer's knowledge, worked only for their business and not for any other business. Compared with all employers, larger employers (with 20 or more employees) were more likely to report using each of these employment arrangements.

The most common reasons for employing staff on casual and fixed-term agreements were *fluctuating labour demands/seasonal work* and/or *to cover staff absence*. Employers using self-employed contractors who worked solely for their business most commonly did so *to meet a specific skill need* and *because of fluctuating demand/seasonal work*.

One in ten employers had one or more employees on zero-hour contracts.

Employers were more aware of some of the changes introduced in the *ERA Act 2014* than other changes – few employers said the changes had impacted on their business

The *Employment Relations Amendment Act 2014* came into effect in March 2015. The NSE asked employers about their awareness of specific changes implemented in the Act, as follows:

- changes to rest and meal breaks – 64 per cent of employers were aware of this change
- changes to requests for flexible working arrangements – 50 per cent were aware
- changes to collective bargaining – 35 per cent were aware
- changes to employment if an employee's work is affected by restructuring – 33 per cent were aware.

Larger employers (with 20 or more employees) were more likely to be aware of each of these changes to the Act than were all employers. However, very few of the employers who were aware of these changes said that the changes had affected their business.

Minimum standards

Most businesses processed payroll requirements in-house

Most employers reported that their business processes payroll in-house (75 per cent), while 22 per cent outsourced payroll requirements to an external provider. Of those employers who processed pay in-house, 39 per cent said that their payroll system had been audited or checked for compliance with the *Holidays Act 2003* in the last 12 months.

Of employers who outsourced their payroll requirements, two-thirds had been advised by their payroll provider in the last 12 months that the business's payroll system complied with the *Holidays Act 2003*.

About one quarter of all employers (27 per cent) were aware of MBIE's online guidance for assessing payroll systems for compliance with the Act and, of these employers, just over half (54 per cent) had used this guidance.

Three out of ten employers had a formal policy for managing parental leave

Twenty-nine per cent of employers had a formal policy or system to manage parental leave for employees when a child is born or adopted. Larger employers (with 20 or more employees) were more likely to have a formal policy or system (51 per cent) than were all employers.

One-quarter of employers said their business had employees who had returned to work after taking parental leave in the last two years (24 per cent). About three-quarters of employers in these businesses said that employees who had returned to work were offered flexible or reduced hours on their return (76 per cent), while 42 per cent of employers with staff who had returned to work said these staff were given additional days of paid or unpaid leave on top of statutory requirements.

Nearly half of employers with staff who had returned from parental leave (45 per cent) said that it was difficult or very difficult for the business to manage the overall impact of employees taking parental leave on staffing arrangements and business continuity.

One-third of employers used MBIE to find out about minimum employment rights and obligations

Employers most frequently used the following sources of information to find out about minimum employment rights and obligations in the last 12 months:

- the Ministry of Business, Innovation and Employment (34 per cent)
- lawyers or accountants (29 per cent)
- professional bodies or industry and trade associations (26 per cent).

About one in five employers were using the adult minimum wage, while very few used the starting-out or training minimum wages

Twenty-two per cent of employers were paying the adult minimum wage of \$14.75 per hour to at least one employee.¹ The proportion of employers who were paying the adult minimum wage in 2015/16 is similar to that reported in the 2014/15, 2013/14 and 2012/13 surveys.

Of the 35 per cent of employers who had hired someone aged 16 to 19 years in the last 12 months, 9 per cent were paying the starting-out wage of \$11.80 per hour to one or more of these employees. This equates to 3 per cent of all employers paying one or more of their staff the starting-out wage. This result is consistent with the results from 2014/15 and 2013/14 NSEs of 2 per cent and 3 per cent, respectively.

Of employers with staff eligible to be paid the training minimum wage, only 7 per cent were paying the training minimum wage or a rate between the training and adult minimum wage to

¹ The adult minimum wage at the time of surveying was \$14.75 per hour. From 1 April 2016 the adult minimum wage increased from \$14.75 to \$15.25.

one or more of these employees. This equates to 1 per cent of all employers paying the training minimum wage or a rate between the training and adult minimum wage.

This question was asked differently in the 2015/16 NSE from in previous years and therefore the 1 per cent result is not directly comparable with previous results. In previous NSEs employers were asked if they had paid *the training minimum wage* to any of their employees, with 1 per cent of employers in 2014/15, 5 per cent in 2013/14 and 1 per cent in 2012/13 saying they had done so.

The most frequently cited reason given by employers for not using the starting-out or training minimum wage for employees was *it is unfair to pay less on the basis of age*, followed by *it would affect their ability to attract high-quality applicants*.

Over half of employers reported flow-on effects for employees paid above the minimum wage, in response to increases in minimum wage rates

54 per cent of employers said they usually increase wages or salaries for employees paid above the minimum wage in response to an increase in minimum wage rates. This result is significantly lower than the comparable result from the 2013/14 survey (64 per cent), but similar to the result from the 2014/15 NSE (48 per cent).

About one-quarter of employers (26 per cent) said they were aware that from June 2014 the period over which the pay of salaried employees must be assessed for compliance with the *Minimum Wage Act 1983* changed from one to two weeks. Of those who were aware of this change, the majority (74 per cent) said it had no impact on their business.

Health and safety systems, practices and perspectives

Health and safety expertise and leadership was most commonly provided by managers or the business owners

Most employers (79 per cent) said that management or the business owner(s) provided health and safety (H&S) leadership and expertise in the business. Sixteen per cent of employers said that this expertise and leadership was provided by employee health and safety representatives or a health and safety committee, up from 10 per cent in 2014/15.

Seven out of ten employers said that the business's owners or directors make 'a lot' of the decisions of about the business's H&S policies and systems, and the majority (83 per cent) said they would know where to get more expert advice on health and safety if this was wanted.

Almost half of all employers were meeting the general duties for employers under the *HSE Act 1992*

The NSE asked a series of questions to assess whether employers were meeting their general duties under the *Health and Safety in Employment Act 1992* (HSE Act) by including the following elements in their health and safety system:²

- a documented system for managing hazards that was actively used (in place for 62 per cent of employers)
- a documented process for investigating workplace accidents (in place for 66 per cent of employers)

² On April 1 2016 the *Health and Safety at Work Act 2015* replaced the HSE Act.

- health and safety inductions for all new employees, with records kept of every induction (in place for 53 per cent of employers).

In 2015/16, 44 per cent of employers had all three of the above elements in their H&S system. This is similar to results from previous years' NSEs (38 per cent in 2014/15, 43 per cent in 2013/14, and 48 per cent in 2012/13).

Half of employers had a formal system for employees to participate in managing H&S

Fifty-one per cent of employers had a formal system for employees to participate in managing H&S, and the likelihood of having a formal system increased with business size. Other common ways to involve employees included H&S being included as a regular team meeting item, having a regular system for H&S communications, having informal H&S representatives, and having elected H&S representatives.

More employers made significant changes to their H&S systems and practices in 2015/16 than in previous years

About one-third of employers (34 per cent) had made significant changes to their H&S systems or practices in the 12 months before the survey, up from 24 per cent in 2014/15. The most common reasons for making the biggest change were *ongoing improvements to workplace health and safety* (60 per cent of all employers who made a change), and *to comply with current or anticipated changes to health and safety legislation* (55 per cent).

Most employers agreed that having good H&S systems and practices is good for their business

Eighty-four per cent of employers agreed or strongly agreed that *having good health and safety systems is good for their business* and 70 per cent agreed that *their business owners or managers had a good understand of their obligations under the HSE Act*. Less than half (45 per cent) agreed that *government is effective at enforcing obligations under the HSE Act*, although only 11 per cent of employers disagreed with this statement.

Employing migrants

One-in-four employers had a recent migrant on staff and one-in-five had hired a recent migrant in the last 12 months

Twenty-five per cent of all employers had at least one recent migrant on staff, and 21 per cent had hired a recent migrant in the last 12 months. Of those employers who had hired a recent migrant in the last 12 months, the most common reasons for doing so were *because they were the best candidate* (49 per cent) and/or *because of their skills and qualifications* (47 per cent).

Most employers were very positive about the job performance of their migrant staff

In line with previous years' surveys, 93 per cent of employers who had a recent migrant employee on staff rated their migrant employee's overall job performance as either 'very good' or 'good'. The main reasons given for rating migrant employees' job performance as 'good' or 'very good' included:

- right attitude/willing to learn/work ethic/go above and beyond their role (58 per cent)
- do what is required/fulfil that role (52 per cent)
- work is very good quality (45 per cent)

- have the required skills and experience (41 per cent).

About half of employers had at least one recent migrant leave the business in the last 12 months

Among employers who had hired a recent migrant in the last 12 months, about half (49 per cent) said that at least one recent migrant employee had subsequently left the business. The most common reasons given by employers for the migrant who left most recently were *because the migrant employee had got a job with another New Zealand employer* (42 per cent) or because the migrant returned to their country of origin (29 per cent).

Employers agreed that various types of support from INZ would help their business to attract migrants

Employers with a recent migrant on staff most commonly said that the following assistance from Immigration New Zealand (INZ) would be 'useful' or 'very useful' in helping their business to attract migrant staff:

- direct contact with Immigration New Zealand for advice on immigration policy and process (58 per cent)
- websites or services such as webinars connecting their business to prospective migrants (57 per cent)
- information on migrant behaviour and needs (51 per cent).

Most employers agreed that assistance from INZ would help their business to employ and retain migrants

The top three types of assistance from INZ that employers of migrants said would be 'useful' or 'very useful' in helping their workplace to employ and retain migrants were:

- information for new migrant employees about living in New Zealand (63 per cent)
- information for new migrant employees about working in the employers' industry (63 per cent)
- information for migrant employees and businesses about overcoming communication challenges in the workplace (61 per cent).

Six out of ten employers supported their migrant employees by providing closer supervision on the job

Employers of migrants were asked whether they provided various types of help to support migrant staff employed in their business. Employers most commonly provided:

- closer supervision on the job, eg a buddy or mentor (61 per cent)
- information about living in New Zealand (44 per cent)
- information about cultural differences in New Zealand workplaces (36 per cent).

1 Introduction

1.1 The NSE monitors employer practices and perspectives

This report summarises findings from the Ministry of Business, Innovation and Employment's (MBIE's) National Survey of Employers (NSE) 2015/16. This is the fourth in a series of reports summarising findings from the annual NSE. In this report comparisons are made with results from previous NSEs, where questions have remained consistent from year to year.

The purpose of the annual NSE is to:

- monitor employer practices and perspectives on recruitment, workplace relations and employment standards, health and safety, employing recent migrants and migrant settlement in New Zealand
- improve MBIE's evidence base for developing and evaluating policies and programmes and answering contemporary policy questions.

This summary of findings provides a snapshot of workplace practices in New Zealand within the context of current employment-focused legislation. It also presents employers' views on topics ranging from the government's effectiveness at enforcing obligations under the *Health and Safety in Employment Act 1993* to employing migrants and migrant staff performance. This report is a useful resource for monitoring trends in New Zealand workplaces by business size and industry, and developing and evaluating employment-related policies and programmes.

The 2015/16 survey asked employers questions on the following topics:

- the use of employment agreements
- the use of 'non-standard' employment arrangements to meet business needs
- awareness and effect of changes to the Employment Relations Act
- payroll systems and compliance with the Holidays Act
- managing parental leave
- accessing information on employment rights and obligations
- the use of minimum wage rates and the effect of minimum wage increases
- changes to assessing compliance with the Minimum Wage Act
- health and safety leadership, decision making and advice
- workplace health and safety systems and practices
- employers' perspectives on workplace health and safety
- employing migrants, and migrant staff performance and retention
- the usefulness of Immigration New Zealand's services.

MBIE contracted Research New Zealand to develop the survey in collaboration with MBIE, contact sampled respondents, undertake the field work and coding of responses, and report high-level findings. This report has been produced jointly by MBIE and Research New Zealand.

1.2 The NSE results are representative of all employers in New Zealand

For the 2015/16 NSE, 1,528 New Zealand employers were interviewed between 15 September 2015 and 10 March 2016, with surveying suspended between 9 December and 14 January due to the known trend of increased refusal rates during the Christmas and New Year holiday period. The contact/response rate for the survey was 36 per cent.³

Of the 1,528 employers who completed the survey by the close-off date, 381 were interviewed by telephone, 766 completed and returned a paper questionnaire, and 381 responded via the online version of the survey. The average telephone interview length was just over 19 minutes.

The target population for the NSE is New Zealand business establishments employing one or more staff besides the owner(s). The sample for the survey was drawn from Statistics New Zealand's Business Frame (now referred to as the Business Register).

Responding employers were asked to answer the survey questions about the business establishment/site where they were currently working – that is, for their establishment only rather than for the total enterprise (in multi-site businesses).⁴ Telephone calls were made to all businesses selected for the survey (where a phone number was identified through the tele-matching process) to identify the name of the business owner or senior manager at each workplace responsible for employing staff and for health and safety matters, ie the person most appropriate to respond to the survey on behalf of the business. Survey invitation letters were then sent to these named respondents.

The survey data has been weighted by industry category and business size so that the results are representative of all New Zealand businesses. The survey results represent the 178,494 employers in New Zealand as at February 2015.⁵ Eighty-nine (89) per cent of these employers were in smaller businesses, and the remaining 11 per cent were in larger businesses.⁶

The maximum margin of error (MoE) for the total achieved sample is ± 4.2 per cent at the 95 per cent confidence level. Maximum MoEs for sub-groups – for example, by industry – are larger. This summary report provides commentary on statistically significant differences in the results by business size (defined by number of employees) and by industry sector compared with results for all employers. Comparisons are also made with findings from the 2012/13, 2013/14 and 2014/15 surveys, where questions have remained consistent. Changes that are not statistically significant are referred to as being “in line with”, “similar to” or “consistent with”. The report mainly presents results in terms of ‘proportions of employers/businesses’, with weighted population numbers reported in some cases.

³ The contact/response rate of 36 per cent was for all tele-matched businesses where a survey invitation letter was sent to the business. The telephone survey response rate, where a named respondent was successfully contacted by telephone was 24 per cent. See Appendix for further details on the survey methodology.

⁴ Thirty-two per cent of responding employers reported that their organisation operated from more than one site in New Zealand.

⁵ Source: Statistics New Zealand's 2015 Business Frame.

⁶ Larger employers/businesses are defined in this report as those with 20 or more employees and smaller employers/businesses are those with 1 to 19 employees.

The figures in the report include ‘error bars’ – these provide the reader with indicated confidence intervals for specific findings. A confidence interval gives a level of certainty about a survey estimate, as it indicates a range of values that would be likely to include the true result for the total population if we were to repeat the same survey with different samples. Confidence intervals can also be used to compare results between two groups of interest (eg by business size or industry).

In this report, where there is no overlap in the confidence intervals when comparing two groups, we can be 95 per cent confident that the observed difference is statistically significant. Conversely, overlapping confidence intervals indicate that a difference between two results is not statistically significant. In cases where no error bar is shown, this is because the MoEs and confidence intervals cannot be accurately calculated where the proportions are close to 0 per cent or 100 per cent, or for very small sub-sample sizes.

The Appendix to this report provides more detailed information about the survey methodology, as well as tables showing the survey results by business size and by industry, including MoEs. The MoEs in the Appendix can be used to calculate confidence intervals.

2 Profile of New Zealand businesses

Businesses were sampled from Statistics New Zealand's Business Frame based on industry and size. A random stratified sample was drawn from the Business Frame where businesses were grouped into five broad industry categories (agriculture, forestry and fishing; manufacturing; construction; retail trade, and accommodation and food services; health care and social assistance) plus 'other,' and four size categories: 1 to 5 employees, 6 to 19 employees, 20 to 49 employees and 50 plus employees.

The survey started by asking employers some questions about their business structure, including:

- whether the business operated from more than one site in New Zealand
- the number of employees working at the employer's business site
- the length of time the business had been operating in New Zealand.

This information helps contextualise the survey findings by providing a weighted demographic profile of responding employers and their business establishments.⁷

2.1 About two-thirds of New Zealand businesses operate from a single site

Most employers (68 per cent) reported that their business operated from a single site in New Zealand, while the rest (32 per cent) said that their organisation operated from more than one site.

The likelihood of the organisation operating from more than one site increased with business size: 24 per cent for businesses with 1 to 5 employees, 40 per cent for those with 6 to 19 employees, 50 per cent for those with 20 to 49 employees and 63 per cent for those with 50 or more employees.

2.2 Most New Zealand businesses have fewer than 20 employees

Smaller businesses (as defined by number of employees) are very common in New Zealand. Almost nine out of ten businesses employed fewer than 20 employees (89 per cent). More specifically, 62 per cent of businesses employed fewer than six employees, 12 per cent employed 6 to 9 employees, and 15 per cent employed 10 to 19 employees.⁸ Conversely, 7 per cent of businesses employed between 20 to 49 employees, 2 per cent had 50 to 99 employees, and a further 2 per cent had 100 or more employees.

⁷ See Appendix Tables 1 to 5, and 101 to 105.

⁸ Respondents whose businesses operated from more than one site in New Zealand were asked to report the number of employees working at the site where the employer presently worked. Employers were asked to include full-time and part-time employees, and to exclude business owners and any contractors.

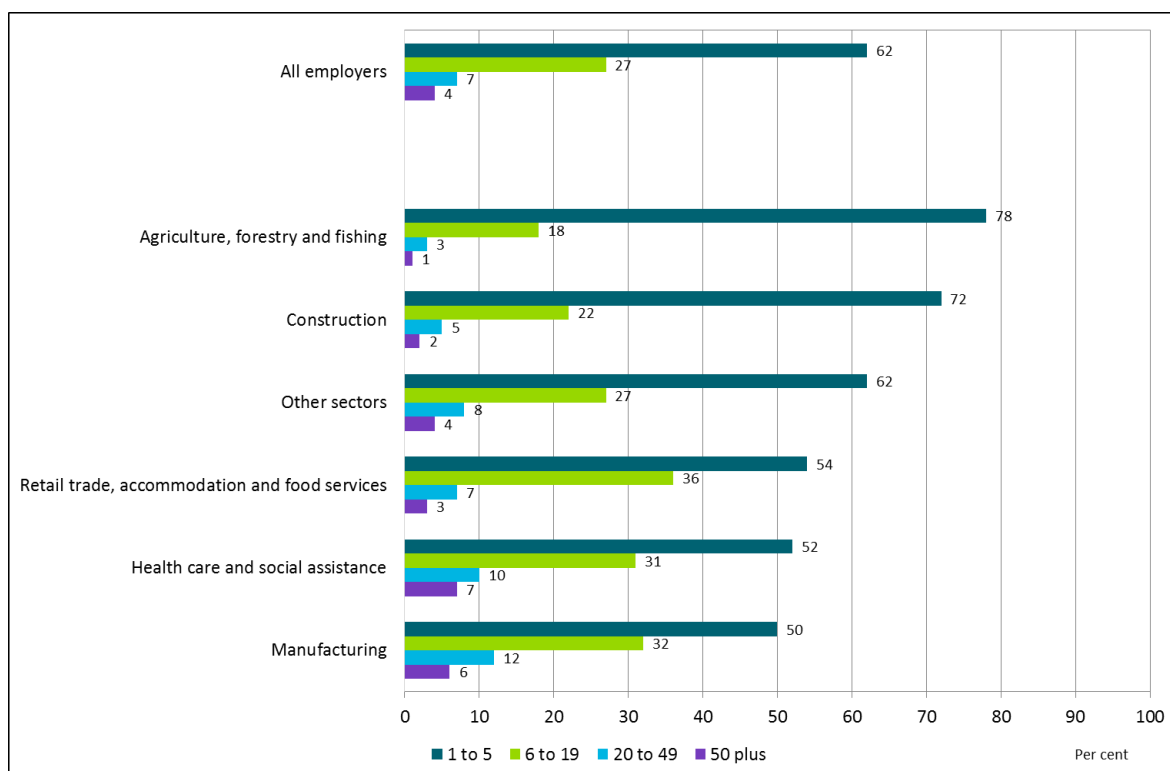
2.3 One in five businesses are in the retail trade, and accommodation and food services sector

Information on industry was provided as part of the 2015 Business Frame sample from Statistics New Zealand. As noted above, the survey results were weighted back to the Business Frame to ensure the results represent all business establishments in New Zealand.⁹

The largest industry group comprised businesses in the retail trade, and accommodation and food services sector (19 per cent), followed by businesses in the agriculture, forestry and fishing (12 per cent) and construction (11 per cent) sectors. Seven per cent of businesses were in the manufacturing sector and 6 per cent were in the health care and social assistance sector. The 'other' category accounted for 45 per cent of New Zealand business establishments.

The smallest New Zealand businesses were those in the agriculture, forestry and fishing sector and the construction sector, where 78 per cent and 72 per cent of employers, respectively, had fewer than six employees (compared with 62 per cent of all businesses). In comparison, the largest businesses were in the health care and social assistance sector and the manufacturing sector, where 7 per cent and 6 per cent of employers, respectively, had more than 50 employees (compared with 4 per cent of all businesses). Figure 1 shows the proportion of businesses in each business size category (by the number of employees) and by industry.

Figure 1: Number of employees by industry



Note: Totals may not sum to 100 per cent due to rounding.

Note: As the results have been weighted by industry and size to reflect New Zealand businesses in 2015, margins of error do not apply to this chart. Error bars have not been provided.

⁹ See Appendix for further details.

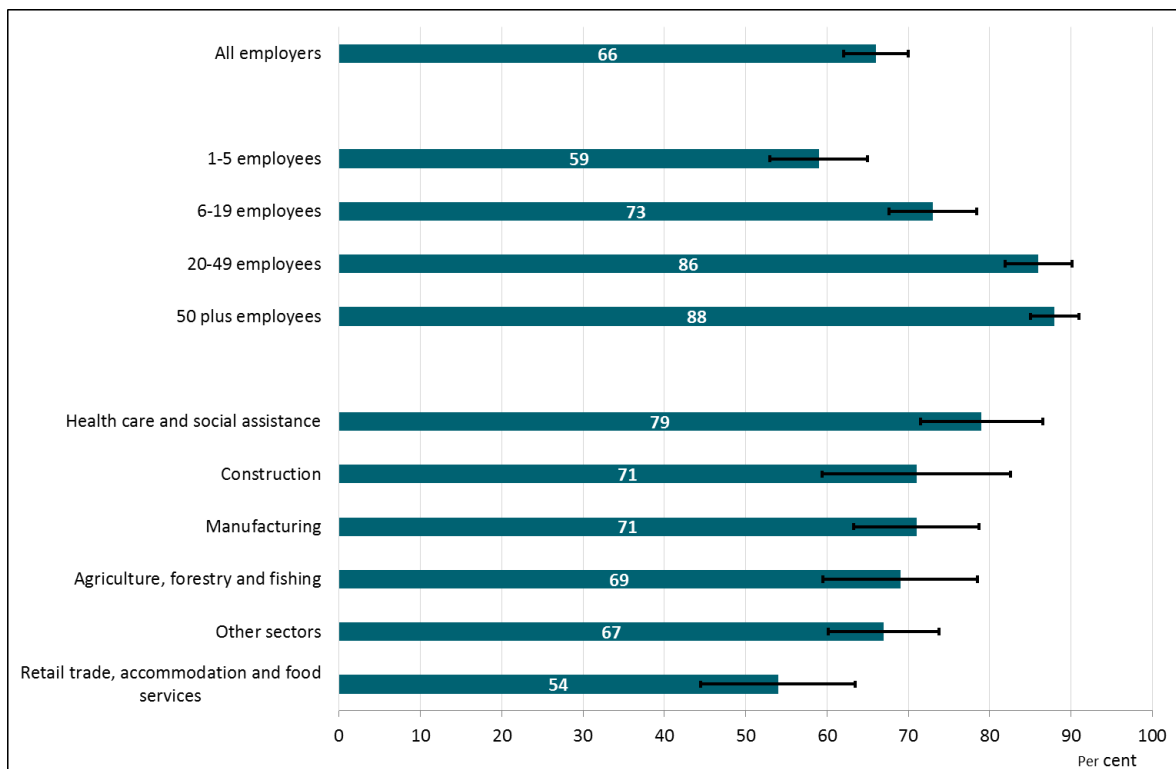
2.4 Two-thirds of businesses have been operating in New Zealand for 10 years or more

As found in previous NSEs, two thirds of businesses (66 per cent) had been operating in New Zealand for 10 years or more. Another 30 per cent had been operating in New Zealand for between two and ten years and just 3 per cent of employers reported that the business had been operating for less than two years.

Figure 2 below shows the proportion of businesses that had been operating for 10 years or more, by industry group and size. There are some significant differences in these results by employer size and industry. Compared with all businesses (66 per cent):

- larger businesses with 20 to 49 employees (86 per cent) and those with 50 or more employees (88 per cent) were more likely to have been in business for 10 years or more
- businesses in the health care and social assistance sector were more likely to have been operating for 10 years or more (79 per cent).

Figure 2: Proportion of businesses that had been operating in New Zealand for 10 years or more



2.5 Seven out of ten New Zealand businesses are located in the North Island

The North Island accounted for 69 per cent of all New Zealand business establishments. A quarter of all businesses were based in Auckland (26 per cent), Canterbury accounted for 15 per cent of businesses and 9 per cent were based in Wellington.

A further 8 per cent of businesses were in the Waikato and another 8 per cent were in Manawatu-Whanganui. The remaining North Island regions accounted for 18 per cent of businesses. The other main locations for South Island businesses, aside from Canterbury, were Otago (6 per cent) and Southland (5 per cent).

The likelihood of being located in Auckland increased with business size – 25 per cent of New Zealand businesses with 1 to 5 employees were based in Auckland compared with 35 per cent of New Zealand businesses with 50 or more employees.

3 Employment relations and non-standard working arrangements

The 2015/16 NSE continued to monitor the use of employment agreements and various non-standard working arrangements by employers. In addition, employers were asked about their awareness and the impact on their business of changes to employment relations legislation.

The results presented below cover:

- the use of employment agreements
- the use of some types of non-standard working arrangements
- awareness and impacts of specific changes implemented in the *Employment Relations Amendment Act 2014*.¹⁰

3.1 Nearly all employers have written employment agreements for all employees

Good employment relationships begin with both parties having clear expectations about the role of the job, working conditions and employment rights and obligations. There are some provisions that must be included in employment agreements by law, and employers and employees must not agree to terms and conditions that are less than minimum entitlements. Every employee must have a written employment agreement, and employers are required to retain signed copies of employment agreements for all employees.

Most employers (91 per cent) said they had written employment agreements for all of their employees (Figure 3). This result is similar to previous NSE results: 85 per cent of employers reported having written employment agreements for all employees in 2014/15, 89 per cent in 2013/14 and 88 per cent in 2012/13.

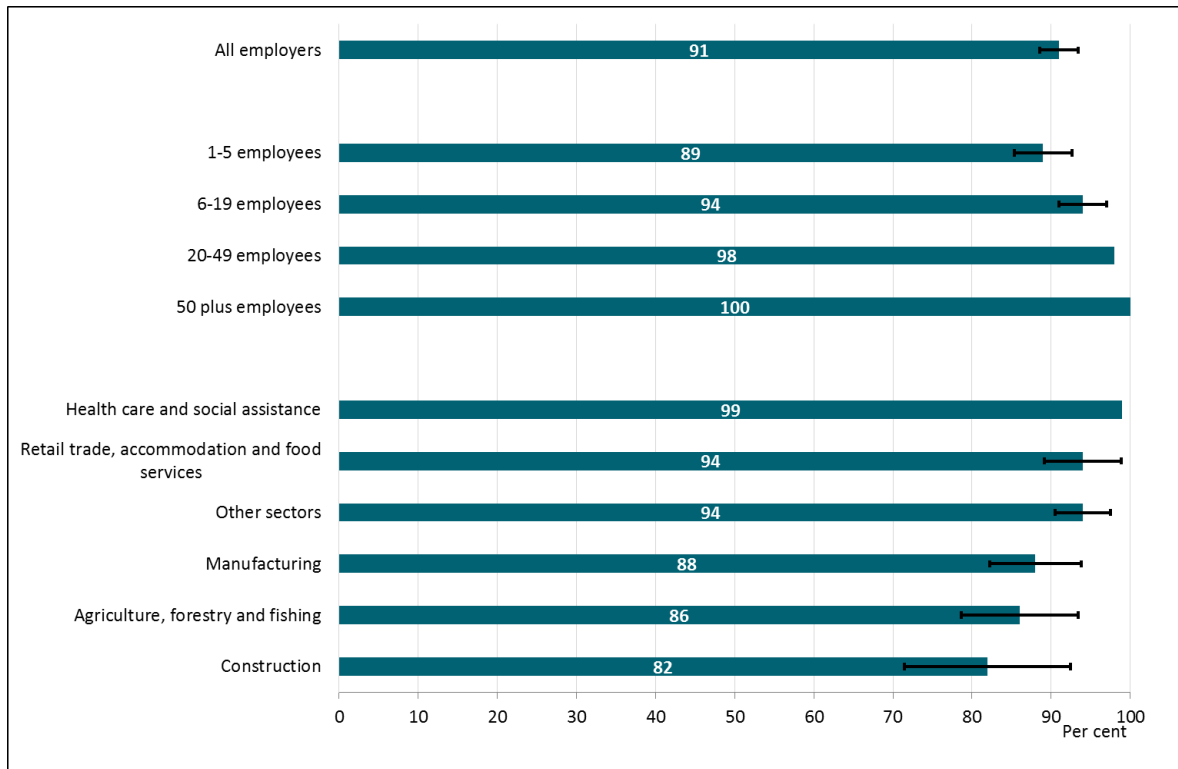
Compared with the result for all employers (91 per cent), there were some significant differences in this result by business size and industry:

- Larger employers with 20 to 49 employees and those with 50 or more employees were more likely to report having written employment agreements for all employees (98 per cent and 100 per cent, respectively).
- Employers in the health care and social assistance sector were more likely to report having employment agreements for all employees (99 per cent).

Seven per cent of employers said they did not have written employment agreements for all employees. This result is a decrease from the 14 per cent of employers in 2014/15 who said they did not have employment agreements for all employees. However, both of these results are similar to the 2013/14 NSE result of 10 per cent, ie there was no statistically significant difference when comparing the 2013/14 result with the 2014/15 result or with the 2015/16 result.

¹⁰ See Appendix, Tables 32 to 40, 64 to 75, 132 to 140, and 164 to 175.

Figure 3: Proportion of employers with written employment agreements for all employees – by business size and by industry



3.2 A minority of employers were using non-standard working arrangements

Employers were asked about their use of particular non-standard working arrangements and the main reasons for using these arrangements. The questions focused on employing staff on casual and fixed-term agreements and the use of self-employed contractors. The questions were not mutually exclusive, ie employers could have been using none of these arrangements, one arrangement only, two non-standard working arrangements or all three of these arrangements for at least one staff member.

Casual employees were defined in the survey as employees on casual agreements with no guarantee of regular continuing work. The question on self-employed contractors asked specifically about contractors who, to the best of the employers' knowledge, only worked for the employer and were not currently working for any other business.

Approximately one-third of employers (34 per cent) had one or more current employees on casual agreements, one-fifth (20 per cent) had one or more current employees on fixed-term agreements and one in ten (11 per cent) were had at least one self-employed contractor on staff who worked solely for the employer's business (Figure 4). These results are in line with the 2014/15 survey results where 30 per cent of employers had current employees on casual agreements, 18 per cent had staff on fixed-term agreements and 13 per cent were using self-employed contractors who worked solely for the employers business.

3.2.1 Larger employers were more likely than smaller employers to use these non-standard working arrangements

There were some significant differences by business size and industry in the use of these non-standard working arrangements for at least one staff member. Compared with all employers:

- larger employers with 20 to 49 employees and those with 50 or more employees were more likely to report using casual agreements (51 per cent and 68 per cent, respectively) fixed-term agreements (43 per cent and 66 per cent, respectively), and self-employed contractors who worked solely for their business (20 per cent and 23 per cent, respectively)
- small employers with 1 to 5 employees were less likely to report using fixed-term agreements (11 per cent, compared with 20 per cent of all employers)
- it was more common for those in the agriculture, forestry and fishing sector to have current employees on casual agreements (52 per cent) and less common for those in the manufacturing sector to have employees on fixed-term agreements (12 per cent)
- employers in the retail trade, accommodation and food services sector were less likely to use self-employed contractors who worked solely for their business (4 per cent, compared with 11 per cent of all employers).

Figure 4: Proportion of employers using non-standard working arrangements by business size

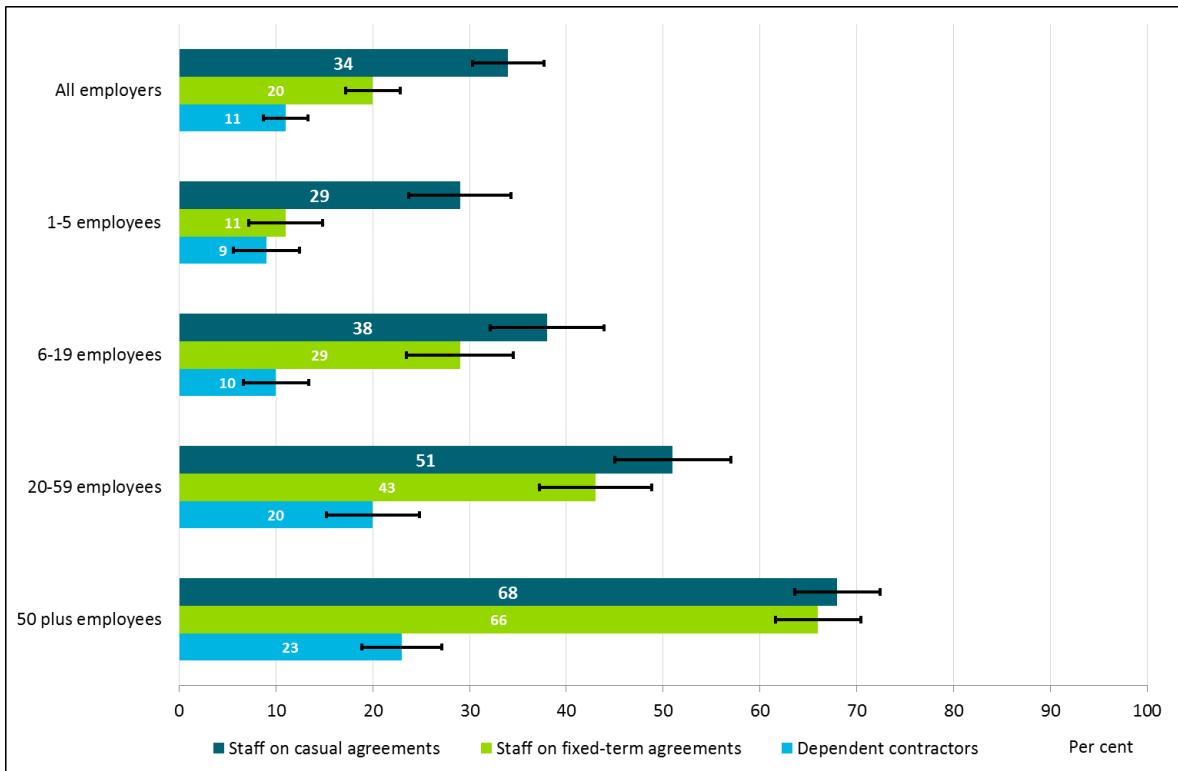
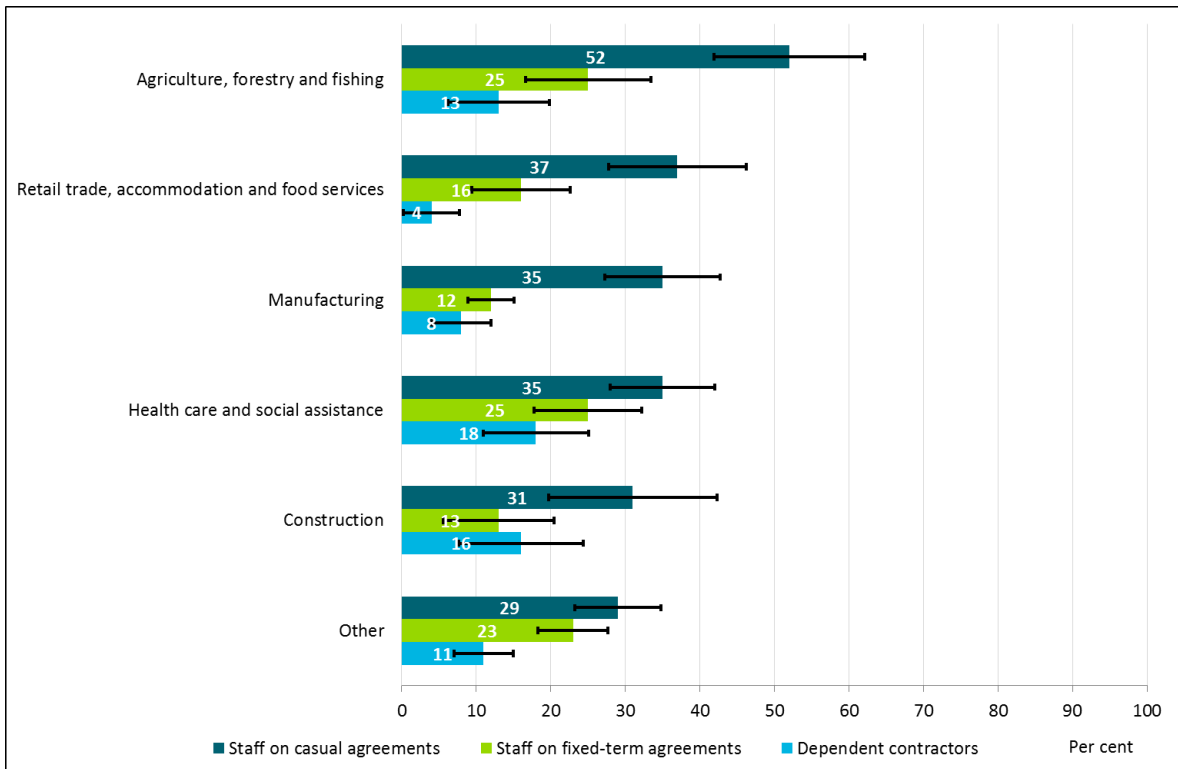


Figure 5: Proportion of employers using non-standard working arrangements by industry



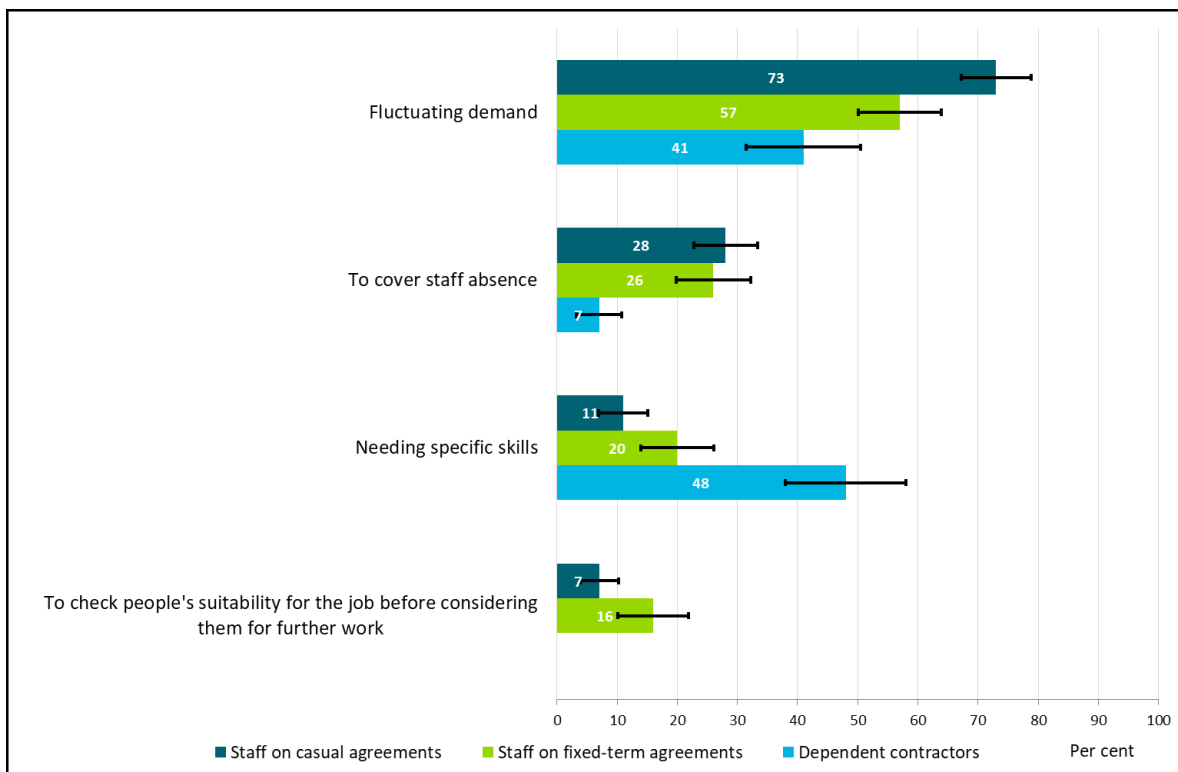
3.2.2 The main reasons for using non-standard working arrangements were to deal with fluctuating demand and to cover staff absence

Similar to results from the 2014/15 NSE, the majority of employers who had one or more employees on casual agreements did so because of fluctuating demand/seasonal work (73 per cent). Another 28 per cent said their main reason for using casual agreements was to cover staff absence (Figure 6), while fewer used casual agreements because they needed specific skills (11 per cent) and to check people’s suitability for the job before considering them for further work (7 per cent).

Just over half of employers who used fixed-term agreements for at least one employee said they did so due to fluctuating demand/seasonal work (57 per cent, up from 41 per cent in 2014/15). One-quarter used fixed-term agreements to cover staff absence, one in five did so because they needed specific skills, and 16 per cent used fixed-term agreements to check someone’s suitability for the job before considering them for further work.

Employers who had one or more self-employed contractors on staff (who, to the best of the employer’s knowledge, worked solely for their business) gave two main reasons for doing so: needing specific skills (48 per cent) and fluctuating demand/seasonal work (41 per cent). These results are similar to those from the 2014/15 NSE.

Figure 6: Main reasons for using non-standard working arrangements by type of arrangement used*



* Sub-samples based on those employers who had employed dependent contractors or staff on casual or fixed-term agreements.
 Note: Totals may exceed 100 per cent because of multiple responses.

There were some significant differences by business size in the main reasons given by employers for using specific non-standard working arrangements:

- Compared with all employers (28 per cent), those with 50 or more employees were more likely to use casual agreements to cover staff absence (51 per cent).
- Larger employers with 50 or more employees were more likely to use fixed-term agreements to cover staff absence (52 per cent) than were all employers (26 per cent), and less likely to use fixed-term agreements to check people's suitability for the job before considering them for further work (2 per cent) compared with all employers (16 per cent).
- Employers with 50 or more employees who used self-employed contractors who worked solely for their business were more likely to report doing so because they needed specific skills (68 per cent) than were all employers (48 per cent).

Employers' reasons for using different types of non-standard working arrangements also varied by industry:

- Those in the health care and social assistance sector who used casual agreements were more likely to do so to cover staff absence (61 per cent) than were all employers (28 per cent), while those in the agriculture, forestry and fishing sector were less likely to use casual agreements for this reason (9 per cent).
- Employers in the health care and social assistance sector (20 per cent) were less likely to use fixed-term agreements due to fluctuating demand/seasonal work than were all employers (57 per cent).
- Those in the health care and social assistance sector were more likely to use fixed-term agreements to cover staff absence (53 per cent) compared with all employers (26 per cent), while those in the agriculture, forestry and fishing sector were less likely to do so (4 per cent).
- Employers in the construction sector were more likely to use dependent contractors due to fluctuating demand/seasonal work (76 per cent) than were all employers (41 per cent), while employers in the retail trade, accommodation and food services sector (22 per cent) were less likely to do so.

3.2.3 One in ten employers were using zero-hour contracts

In the 2015/16 survey, employers were asked if their business had any current employees with an employment agreement that required them to be available for work with no guarantee of minimum hours of work. This type of arrangement is commonly known as a zero-hour contract.¹¹

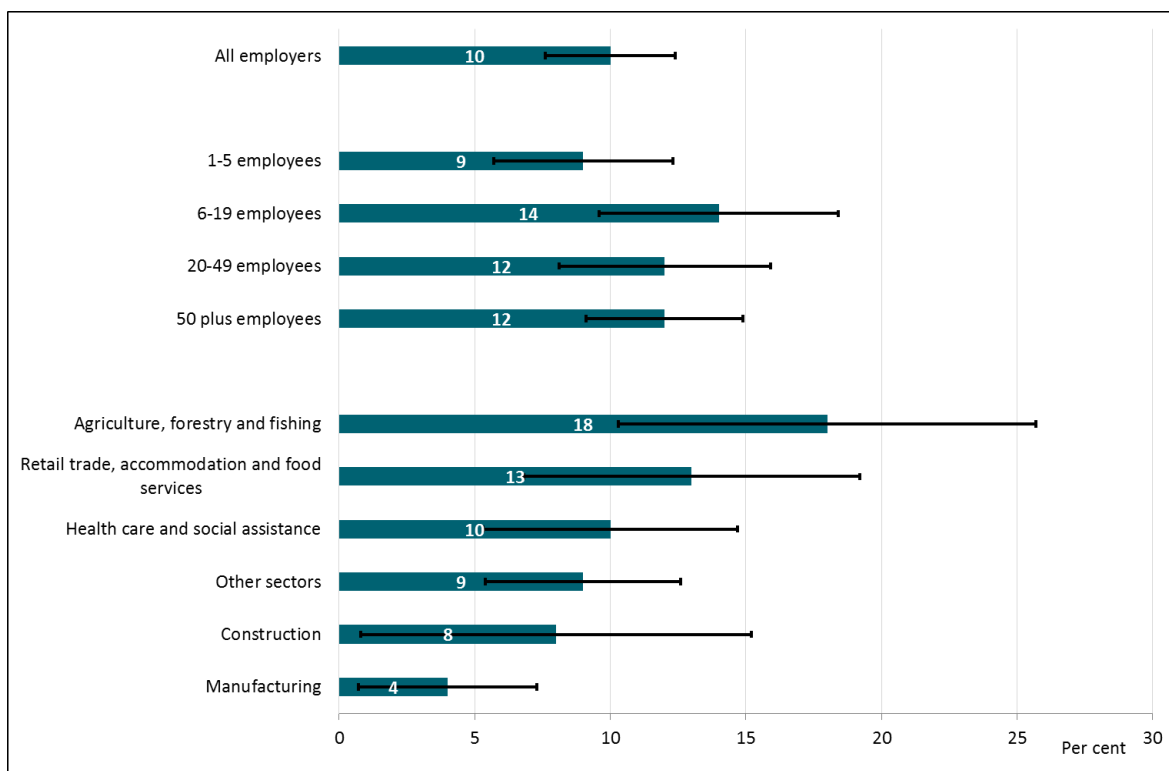
In April 2016, changes to the *Employment Relations Act 2000* came into effect introducing restrictions on zero-hour contracts. The changes mean that where the employer and employee agree to hours of work, they are required to state those hours in the employment agreement. Among other changes, employers must also have good reasons to require employees to remain available for work, and must provide those employees with reasonable compensation.

Ten per cent of employers reported that their business currently had one or more employees on a zero-hour contract (Figure 7). While there were no significant differences in the use of zero-hour contracts by business size compared with all employers (10 per cent), those in the manufacturing sector (4 per cent) were less likely to report having employees on this type of such a contract than were all employers.

Employers who said they used zero-hour contracts were asked what types of employment agreements these employees were on. Most commonly these employees were on casual agreements (44 per cent of employers who used zero-hour contracts said these employees were on casual agreements), permanent full-time agreements (31 per cent) and permanent part-time agreements (25 per cent). It was less common for employers to use zero-hour contracts for employees on fixed-term agreements (8 per cent).

¹¹ On 1 April 2016, changes to the *Employment Relations Act 2000* came into effect introducing restrictions on zero-hour contracts. The changes aim to retain flexibility where it is desired, by both employers and employees, but also to increase certainty by ensuring that both parties are aware at the beginning of the working relationship of the mutual commitment that they have made. The changes mean that where the employer and employee agree to hours of work, they are required to state those hours in the employment agreement. Among other changes, employers must also have good reasons to require employees to remain available for work, and must provide those employees with reasonable compensation.

Figure 7: Proportion of businesses that used zero-hour contracts by business size and industry sector



3.3 Employers were more aware of some of the changes introduced in the ERA Act 2014 than other changes

The *Employment Relations Amendment Act 2014 (ERA Act 2014)* came into effect on 6 March 2015. The 2015/16 NSE asked employers about their awareness, and the effect on their business, of the following changes implemented in the Act:

- changes to rest and meal breaks
- changes to requests for flexible working arrangements
- changes to collective bargaining
- changes to employment if an employee’s work is affected by restructuring.

Almost two-thirds of employers were aware of the changes to rest and meal breaks (64 per cent), and half were aware of the changes to requests for flexible working arrangements (50 per cent). Fewer were aware of the changes to collective bargaining (35 per cent) or changes to employment if an employee’s work is affected by restructuring (33 per cent).

3.3.1 Larger employers were more likely to be aware of various changes introduced in the ERA Act 2104

There were some significant differences by business size and industry in employer awareness of changes introduced in the new Act. Compared with all employers:

- larger employers with 20 to 49 employees and those with 50 or more employees were more likely to be aware of changes to rest and meal breaks (77 per cent and 85 per cent, respectively), changes to requests for flexible working arrangements (67 per cent and 79 per cent, respectively) and changes to employment if an employee’s work is affected by restructuring (47 per cent and 64 per cent, respectively).

- those with 50 or more employees were more likely to be aware of changes to collective bargaining (67 per cent)
- employers in the agriculture, forestry and fishing sector were less likely to report they were aware of the changes to collective bargaining (21 per cent).

Figure 8 and Figure 9 provide breakdowns of these results by business size and industry, respectively.

Figure 8: Proportion of employers aware of changes introduced in the Employment Relations Amendment Act 2014 by business size

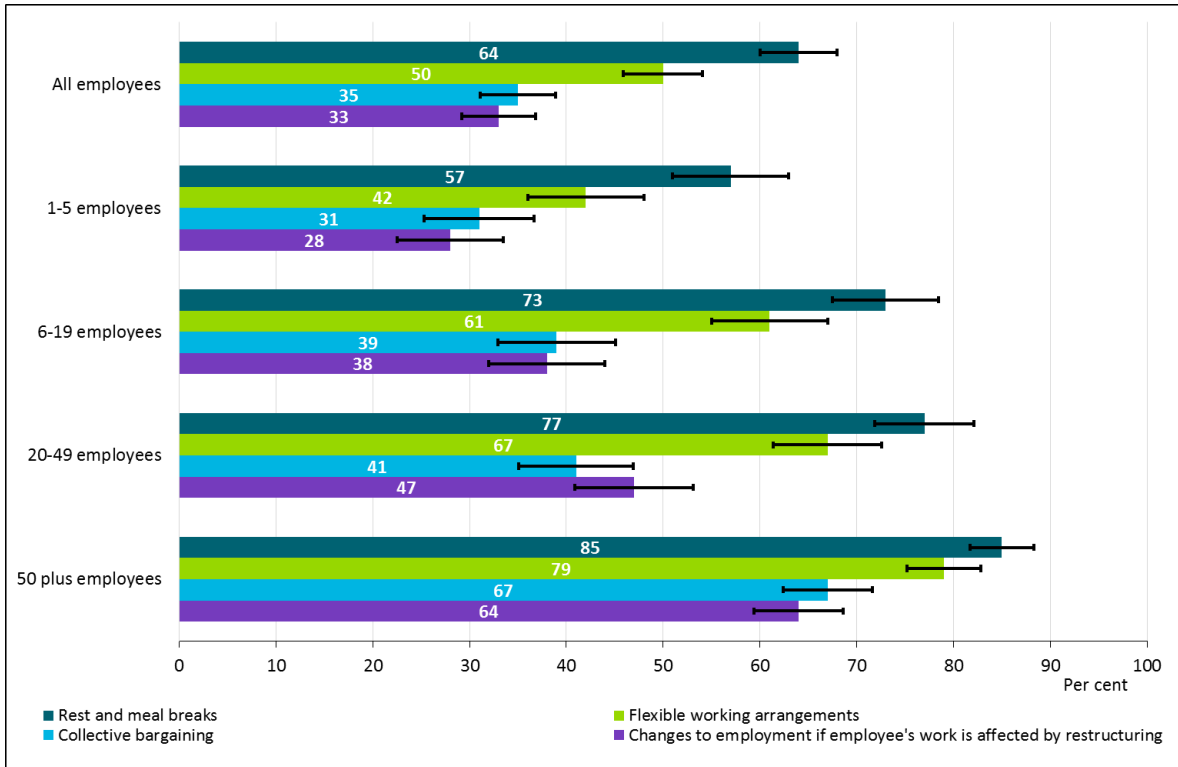
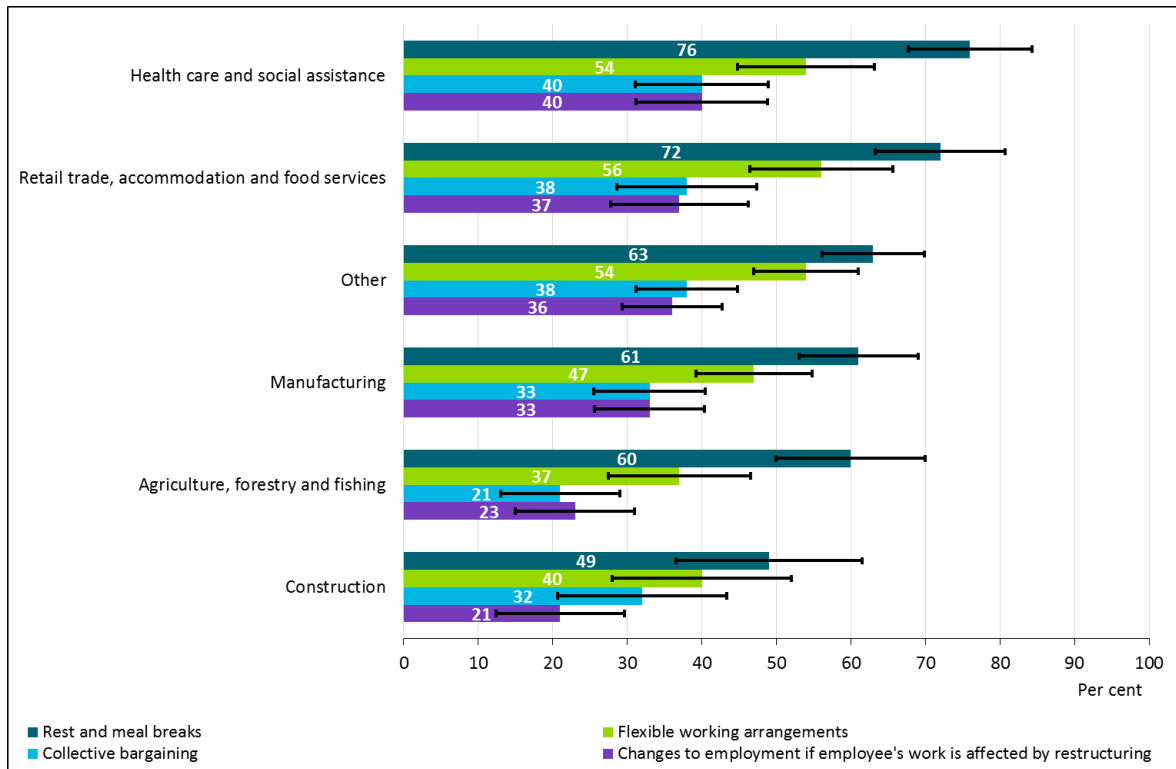


Figure 9: Proportion of employers aware of changes to the Employment Relations Amendment Act 2014 by industry



3.3.2 Few employers said that the changes introduced in the ERA Act 2014 had impacted on their business

Respondents who said they were aware of specific changes introduced in the ERA Act 2014 were asked whether these changes had impacted on their business or workplace and, if so, what impacts their business had experienced. Few employers reported that the changes introduced in the Act had affected their business (between 3 per cent and 7 per cent, depending on the area of change in the legislation). There were no significant differences by business size or industry in the extent to which employers reported that specific changes had impacted on their business.

Most employers who were aware of the changes to rest and meal breaks reported that the changes had not had any effect on their business or workplace (95 per cent). Of the 4 per cent of employers who were both aware of the changes to rest and meal breaks and who said these changes had impacted on their business, the majority (74 per cent) reported that the changes had increased flexibility for the business. Among the 7 per cent of employers who were aware of the changes to requests for flexible working arrangements and who also said the changes had impacted on their business or workplace, 63 per cent reported that the changes had increased flexibility for employees.

Of the 3 per cent of employers who were aware of the changes to collective bargaining and who said these changes had affected their business, 46 per cent reported that these changes had resulted in more effective bargaining. Of the 3 per cent of employers who were both aware of the changes to employment where an employee's work is affected by restructuring and who said these changes had affected their business, 62 per cent reported that the changes had led to a better balance of fairness for the business and its employees.

4 Minimum employment standards

Employers are required by law to meet minimum employment standards such as paying the minimum wage, providing annual holiday entitlements and keeping written employment agreements. These standards protect vulnerable workers and help to ensure workplaces are fair and competitive.

The 2015/16 survey included questions on the following topics related to minimum employment standards:

- minimum wages (see Section 5)
- payroll systems and compliance with the *Holidays Act 2003*
- managing parental leave
- accessing information on employment rights and obligations.

Results from these survey questions are presented below.¹²

4.1 Most employers processed their payroll in-house

Most employers reported their business processed payroll in-house (75 per cent), while 22 per cent said they outsourced their payroll requirements to an external provider. There were no significant differences by business size or sector in relation to businesses outsourcing payroll requirements to an external provider.

4.1.1 Employers who outsourced their payroll requirements were more likely to have had their system audited for compliance with the *Holidays Act 2003*

Two-thirds of the employers that outsourced their payroll requirements to an external provider (66 per cent), had been advised their payroll system had been audited or checked for compliance with the *Holidays Act 2003* within the last 12 months. Of those that processed payroll in-house, 39 per cent reported that their payroll system had been audited or checked for compliance with the *Holidays Act* within the last 12 months.

Larger employers with 50 or more employees who processed pay in-house were more likely to report that their payroll system had been audited or checked for compliance with the *Holidays Act 2003* within the last 12 months (57 per cent) compared with all employers who processed pay in-house (39 per cent).

There were no significant differences by industry sector in whether employers' payroll systems had been audited or checked for compliance with the *Holidays Act 2003* within the last 12 months.

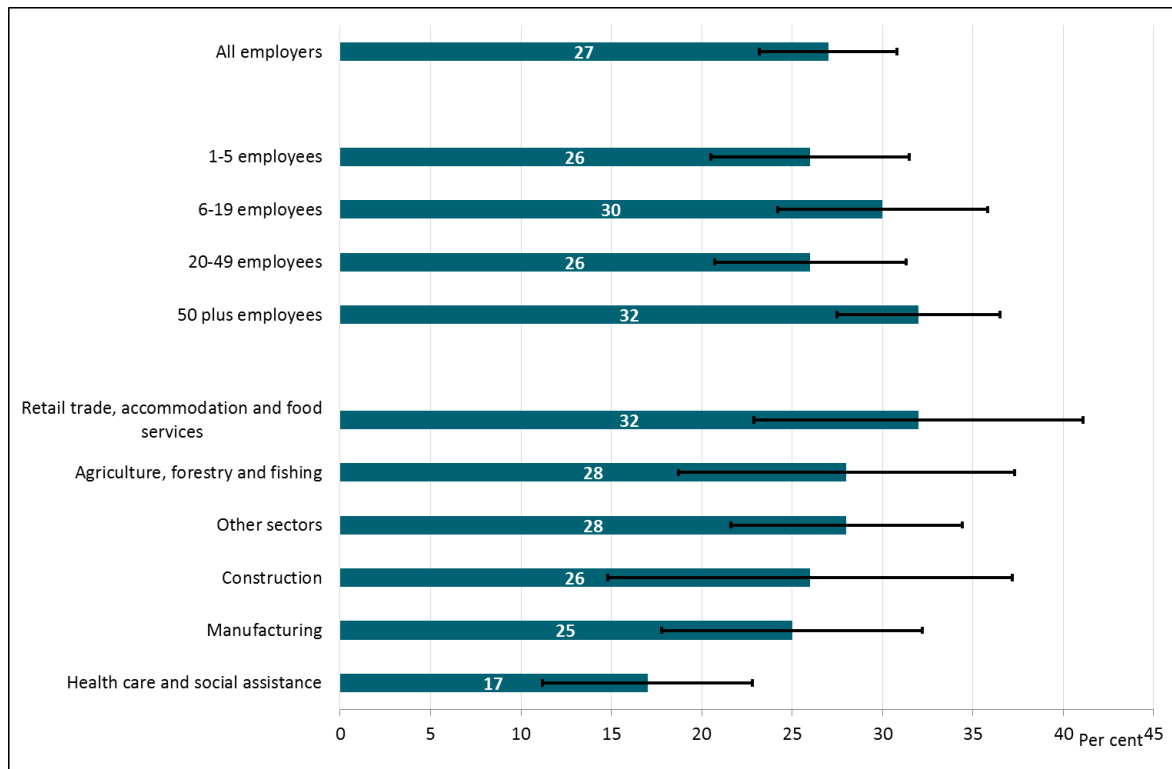
4.1.2 Just over one-quarter of employers were aware of MBIE's online guidance for assessing payroll systems for compliance with the *Holidays Act 2003*

All employers were asked if they were aware of MBIE's online guidance for assessing payroll systems for compliance with the *Holidays Act 2003*. Twenty-seven (27) per cent of employers said they were aware of this online guidance. There were no significant differences in levels of awareness of MBIE's online guidance for assessing payroll systems for compliance with the

¹² See Appendix, Tables 54 to 63, Table 76, Tables 154 to 163, and Table 176.

Holidays Act 2003 by business size. However, those in the health care and social assistance sector were less likely to be aware of MBIE’s online guidance (17 per cent), compared with all employers (27 per cent).

Figure 10: Proportion of employers aware of MBIE’s online guidance for assessing payroll systems for compliance with the *Holidays Act 2003*



4.1.3 Fifteen per cent of employers had used MBIE’s online guidance for assessing payroll systems for compliance with the *Holidays Act 2003*

Of the 27 per cent of employers who were aware of MBIE’s online guidance for assessing compliance with the *Holidays Act 2003*, 54 per cent had used this resource. This means that, overall, 15 per cent of employers had used MBIE’s online guidance.

Among those employers who were aware of MBIE’s online guidance for assessing payroll systems for compliance with the *Holidays Act 2013*, employers with 20 to 49 employees (33 per cent) and those in the health care and social assistance sector (31 per cent) were less likely to have used this resource compared with all employers (54 per cent).

4.2 Three out of ten employers had a formal policy to manage parental leave

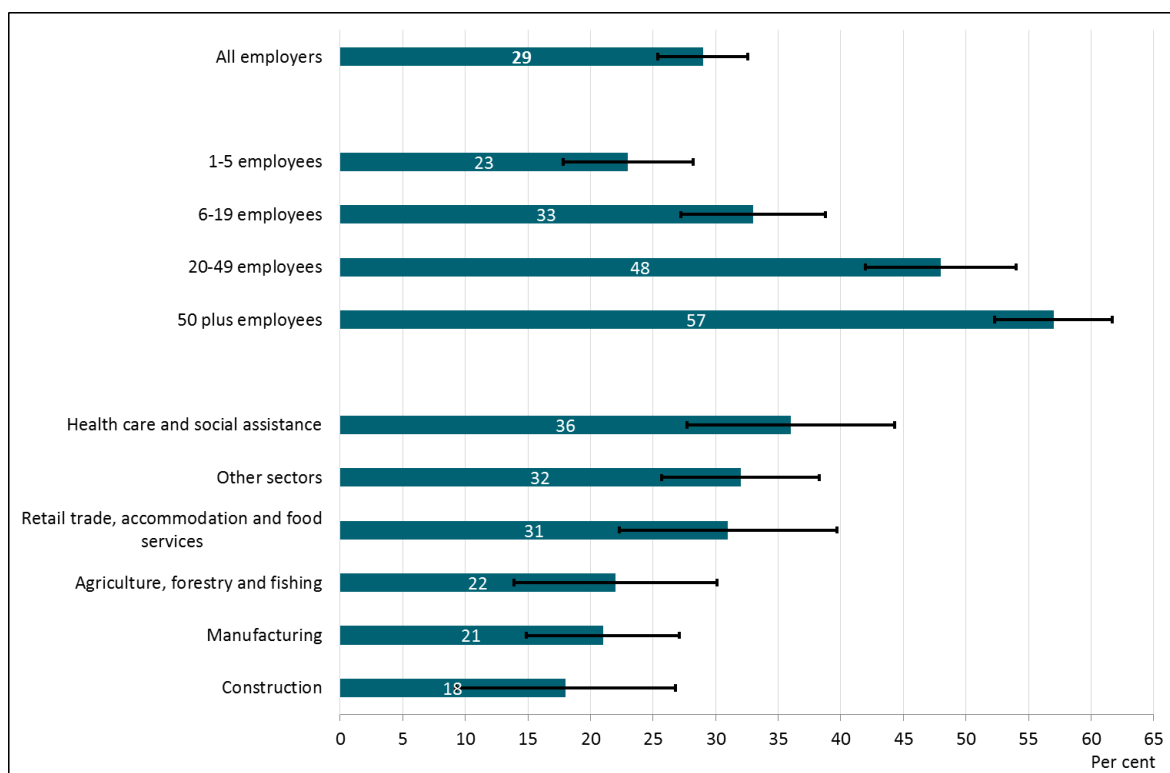
The *Parental Leave and Employment Protection Act 1987* enables New Zealand parents to take leave from employment on the birth or adoption of their child. At the time of surveying, New Zealand legislation entitled eligible parents to 16 weeks of paid parental leave, their partners to two weeks of unpaid parental leave, and a further 36 weeks of unpaid leave that could be shared between parents. There is up to 52 weeks of unpaid parental leave that can be used regardless of whether paid leave is taken. Recent amendments to legislation will increase paid

parental leave to 18 weeks, and extend eligibility to include seasonal and casual workers, people who have recently changed jobs, and workers with more than one employer.

In the 2015/16 NSE, employers were asked if their business had a formal policy or system to manage parental leave for employees when a child is born or adopted. Twenty-nine per cent of employers said their business had a formal policy or system for managing parental leave (Figure 11).

Compared with all employers (29 per cent), larger employers with 20 to 49 employees (48 per cent) and those with 50 plus employees (57 per cent) were more likely to report having a formal policy or system to manage parental leave. There were no significant differences by industry sector in whether employers had a formal policy or system to manage parental leave, when compared with all employers.

Figure 11: Proportion of businesses with a formal policy or system to manage parental leave



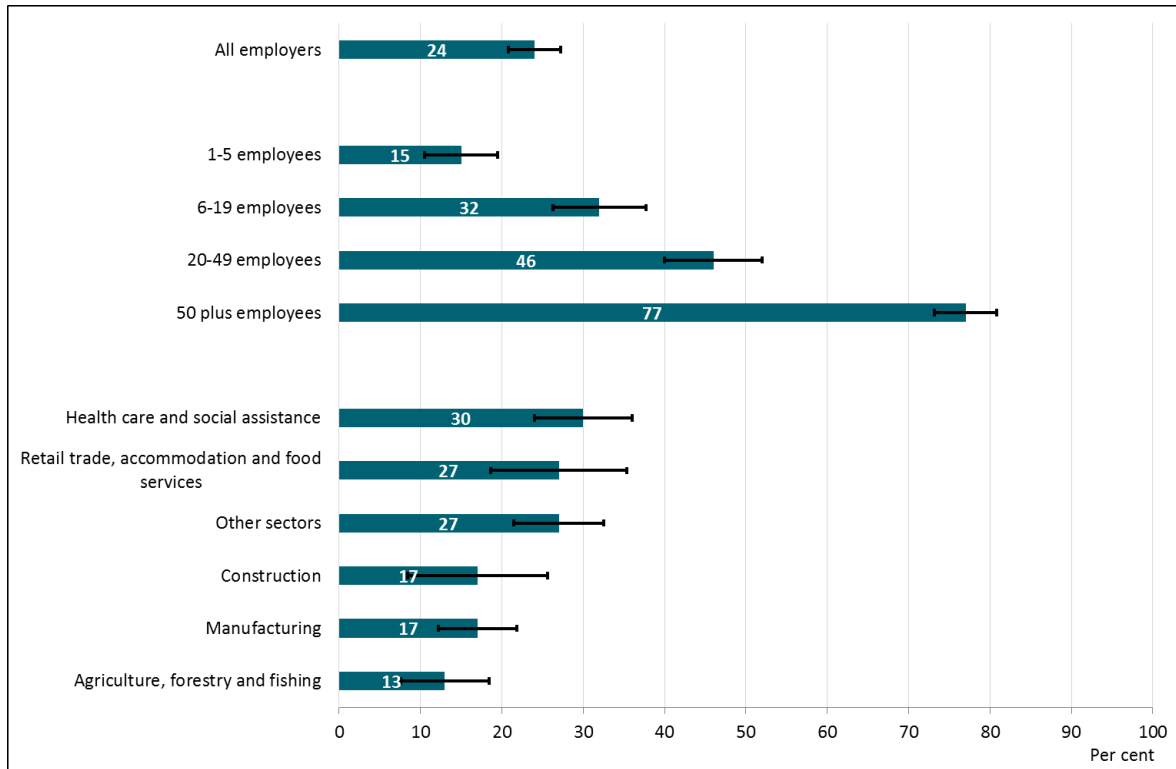
4.2.1 Most employers with staff who had returned from parental leave had offered flexible or reduced hours to these employees on their return

Twenty-four per cent of employers said their business had one or more employees (either female or male) who had returned from parental leave in the last two years (Figure 12).

There were some variations in this result by business size and industry. Compared with all employers:

- larger employers with 20 to 49 employees (46 per cent) and those with 50 plus employees (77 per cent) were more likely to report that at least one employee had returned from parental leave in the last two years
- those in the agriculture, forestry and fishing sector were less likely to report at least one employee had returned from parental leave in the last two years (13 per cent).

Figure 12: Proportion of businesses that had at least one employee return from parental leave in the last two years



Of the 24 per cent of employers who had employees that returned to work after taking parental leave:

- 76 per cent offered these employees flexible or reduced hours on their return to work
- 42 per cent gave these employees extra days of paid or unpaid parental leave on top of statutory requirements

There were no significant differences in the above results by business size or by industry.

4.2.2 Almost half of employers with staff who returned from parental leave said it was difficult for the business to manage the impact of employees taking this leave

Employers with staff who had returned from parental leave in the last two years were also asked how easy or difficult it was for the business to manage the overall impact of employees taking parental leave on staffing arrangements and business continuity. While 23 per cent of these employers said that it was 'easy' or 'very easy' for the business to manage the impact of employees taking parental leave, 45 per cent said it was 'difficult' or 'very difficult' to do so. Three out of ten employers with staff who had returned from parental leave said it was neither easy nor difficult to manage the impact of employees taking parental leave on staffing arrangements and business continuity (31 per cent). There were no significant differences by business size or industry in these results.

4.3 Employers accessed information about employment rights and obligations from a range of sources

Employers were asked about the sources of information they had used in the last 12 months to find out about minimum employment rights and obligations. The most frequently used information sources were:

- the Ministry of Business, Innovation and Employment (34 per cent)
- lawyers or accountants (29 per cent)
- professional bodies or industry and trade associations (26 per cent)
- other government agencies (20 per cent)
- colleagues, friend or family (19 per cent)
- general media (15 per cent) – see Figure 13.

About one in five employers (22 per cent) said they had not accessed any sources of information about minimum employment rights and obligations.

Compared with all employers:

- larger employers with 20 to 49 employees and those with 50 or more employees were more likely to have used professional bodies or industry and trade associations (45 per cent and 48 per cent, respectively)
- larger employers with 50 or more employees were more likely to have used MBIE (54 per cent) and lawyers or accountants (44 per cent)
- larger employers with 20 to 49 employees and those with 50 or more employees were more likely to have used unions (12 per cent and 16 per cent, respectively, compared with 3 per cent for all employers)
- employers with 6 to 19 employees (12 per cent), 20 to 49 employees (12 per cent) and 50 or more employees (9 per cent) were less likely to have used no information sources
- those in the health care and social assistance sector were more likely to report sourcing information about minimum employment rights and obligations from unions (13 per cent, compared with 3 per cent for all employers)
- those in the construction sector were less likely to report sourcing information from other government agencies (8 per cent).

Of those employers who used MBIE as a source of information on minimum employment rights and obligations, 95 per cent said the Ministry's information was useful (59 per cent) or very useful (36 per cent). There were no significant differences by business size or industry in this result.

Figure 13: Proportion of businesses using top five sources to find out about minimum employment rights and obligations by business size

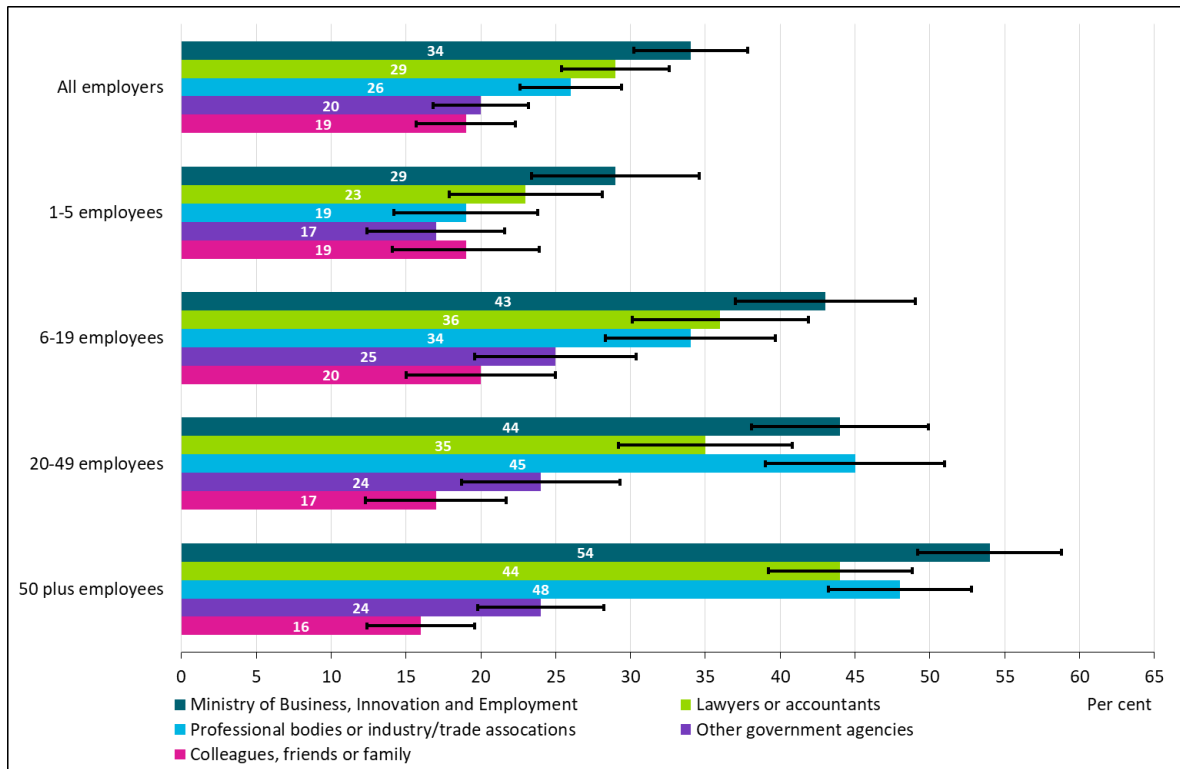
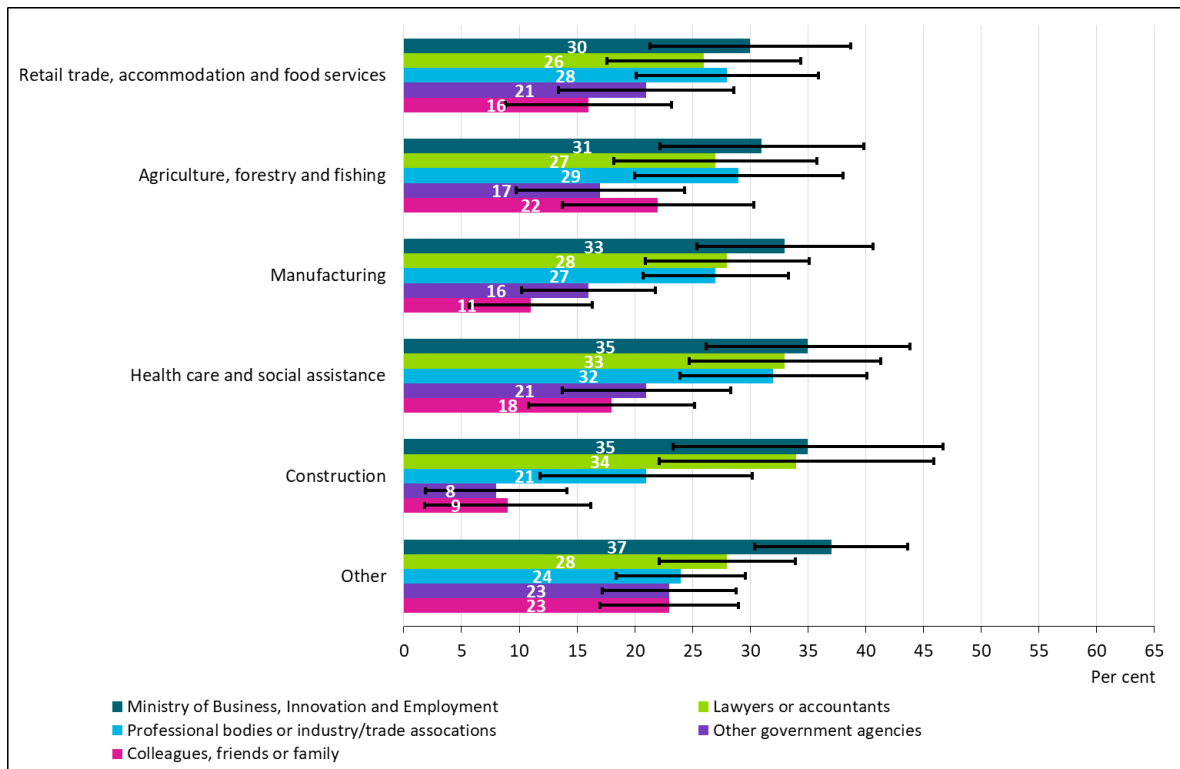


Figure 14: Proportion of businesses using top five sources to find out about minimum employment rights and obligations by industry



5 Minimum wages

The minimum wage is reviewed annually. Setting this rate requires balancing the benefits of any changes, such as protecting the lowest-paid workers in society, against the costs, such as the possible restraint on employment growth. To help determine the likely effects of changing the minimum wage rate, MBIE monitors the use of minimum wage rates by employers and the likelihood of flow-on effects from minimum wage increases.

The starting-out wage is designed to encourage employers to take a chance on a young person, enabling these employees to earn money, gain skills, and get work experience. This can help young people get a foothold on the employment ladder. Similarly the training minimum wage incentivises employers to take on employees aged 20 years and over who are engaged in training but not yet qualified.

The 2015/16 NSE included questions on:

- use of the adult minimum wage
- use of the starting-out and training wages
- flow-on effects of minimum wage changes
- changes to legislation for assessing compliance with the *Minimum Wage Act 1983*.¹³

5.1 About one in five employers were using the adult minimum wage

Twenty-two per cent of employers said they were paying the adult minimum wage of \$14.75 per hour to at least one employee (Figure 15).¹⁴This result is similar to previous years' survey findings: 18 per cent of employers were paying the adult minimum wage to at least one employee in 2014/15, 17 per cent in 2013/14 and 22 per cent in 2012/13. These differences are not statistically significant.

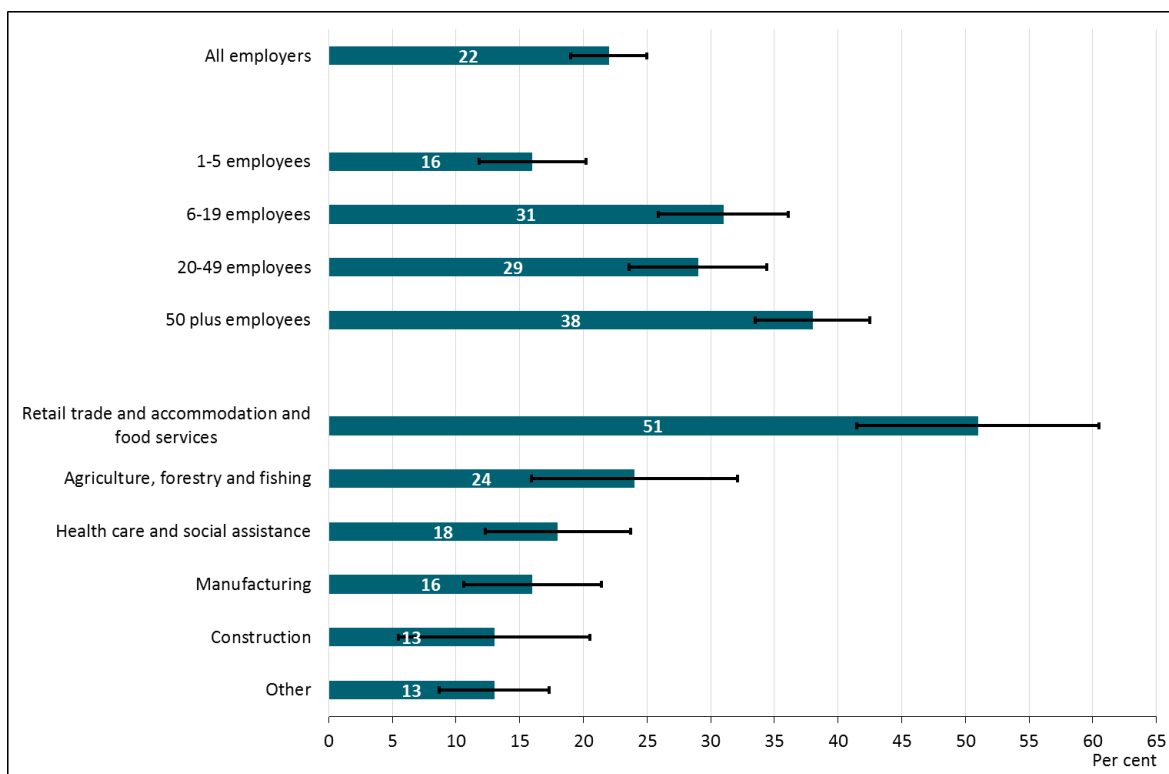
There were significant differences by business size and industry in the use of the adult minimum wage. Compared with all employers:

- those with 6 to 19 employees, 20 to 49 employees and those with 50 or more employees were more likely to have employees on the adult minimum wage (31 per cent, 29 per cent and 38 per cent, respectively)
- employers in the retail trade, accommodation and food services sector were more than twice as likely to have employees on the adult minimum wage (51 per cent).

¹³ See Appendix, Tables 41 to 53, and 141 to 153.

¹⁴ The adult minimum wage at the time of surveying was \$14.75 per hour. From 1 April 2016 the adult minimum wage increased from \$14.75 to \$15.25.

Figure 15: Proportion of employers with at least one employee on the adult minimum wage



5.2 Few employers were using the starting-out or the training minimum wage

One-third of employers (35 per cent) said they had hired someone aged 16 to 19 years in the last 12 months and, of these employers, 9 per cent were paying the starting-out wage of \$11.80 an hour to one or more of these employees. This equates to 3 per cent of all employers paying one or more of their staff the starting-out wage, compared with 2 per cent of all employers in 2014/15 and 3 per cent in 2013/14. The changes in this result from year to year are not statistically significant.

Compared with all employers (35 per cent), those with 6 to 19 employees (44 per cent), 20 to 49 employees (57 per cent) and those with 50 or more employees (63 per cent) were more likely to have employed at least one worker aged 16 to 19 years in the last 12 months. When viewed by industry sector, compared with all employers:

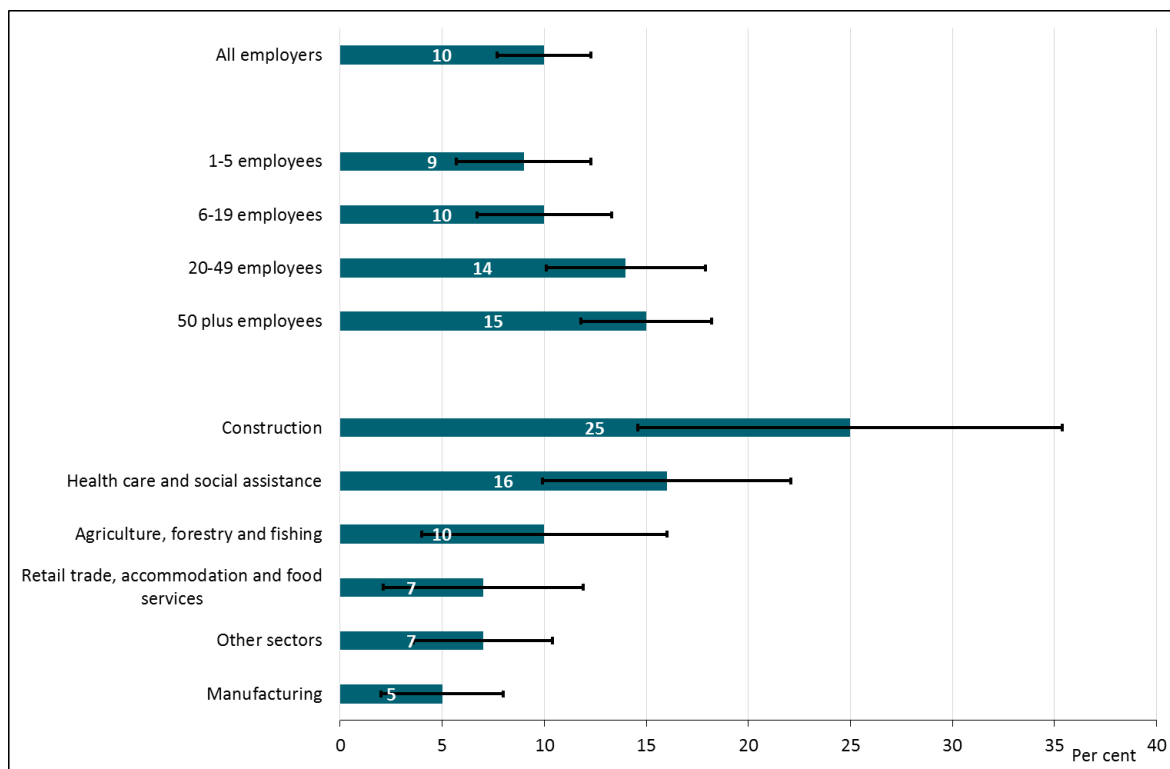
- those in the retail trade, accommodation and food services sector (58 per cent) were more likely to have employed at least one worker aged 16 to 19 years in the last 12 months
- those in the health care and social assistance (21 per cent) and other sectors (24 per cent) were less likely to have employed at least one worker aged 16 to 19 years in the last 12 months.

However, there were no significant differences in employers' use of the starting-out wage by business size or by industry sector.

Ten per cent of employers had one or more current employees aged 20 years or over who were required by their employment agreement to undertake recognised industry training of at

least 60 credits a year.¹⁵ There were no significant differences in this result by business size. However, compared with all employers, those in the construction sector (25 per cent) were more likely to have employees aged 20 years or over who were required to undertake recognised industry training (Figure 16).

Figure 16: Proportion of employers with employees aged 20 years or over who were required by their employment agreement to undertake recognised industry training of at least 60 credits a year



Of those employers with staff aged 20 years or over who were required by their employment agreement to undertake recognised industry training, 7 per cent reported paying one or more of these employees the training minimum wage of \$11.80 an hour or a rate between the training and adult minimum wage. This equates to just 1 per cent of all employers who were paying *the training minimum wage or any rate between the training and adult minimum wage to one or more employees*.

This question was asked differently in the 2015/16 NSE from in previous years and therefore the 1 per cent result is not directly comparable with previous survey results. In previous NSEs employers were asked if they had paid *the training minimum wage* to any of their employees, with 1 per cent of employers in 2014/15, 5 per cent in 2013/14 and 1 per cent in 2012/13 saying they had done so.¹⁶

There were no significant differences in employers' use of the training minimum wage by business size or industry.

¹⁵ In previous NSEs, employers were not asked whether they had any current employees who were required by their employment agreement to undertake recognised industry training of at least 60 credits a year (ie employees who were eligible to be paid the training minimum wage), therefore no direct comparisons can be made here with earlier survey results.

¹⁶ The question on the use of the training minimum wage was asked differently in the 2015/16 NSE from in previous years, and therefore caution should be used in comparing these results.

5.2.1 The main reason for not using the starting-out or training minimum wage was that it was considered to be unfair

Of the 35 per cent of employers with employees aged 16 to 19 years, most (90 per cent) were not paying them the starting-out wage. When asked why they did not use the starting-out wage for these employees, the most frequently cited reason was *it is unfair to pay less on the basis of age* (50 per cent), followed by *it would affect their ability to attract high-quality applicants* (27 per cent). Another 14 per cent said they were unaware of the starting-out wage, 14 per cent said that no employees in the business met the criteria for the starting-out wage and 6 per cent were unclear of the criteria for applying the starting-out wage.

Similarly, of the 10 per cent of businesses with employees required to undertake industry training, most (88 per cent) were not paying these staff the training minimum wage or any wage rate between the training and adult minimum wage. When asked why they were not doing so, the most frequently cited reason was *it is unfair to pay less to employees of this age who are doing training* (52 per cent), followed by *it would affect their ability to attract high-quality applicants* (30 per cent).

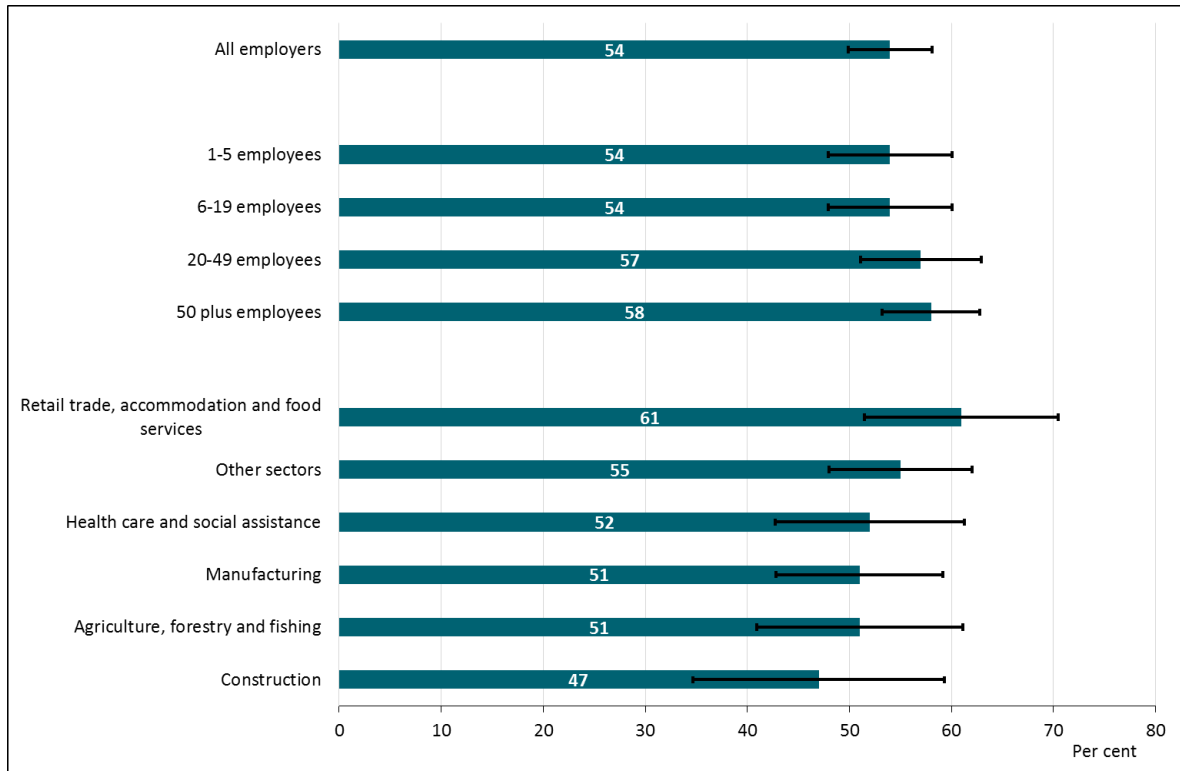
5.3 Over half of employers reported flow-on effects for other employees, in response to increases in minimum wage rates

Employers were asked whether, after an increase in minimum wage rates, their business usually increases the wages or salaries of employees who are already being paid above the minimum wage. Fifty-four per cent of employers said they usually increase wages or salaries for employees paid above the minimum wage, in response to an increase in minimum wage rates (Figure 17).

The 2015/16 result of 54 per cent is a statistically significant decrease from the 2013/14 result of 64 per cent, but it is similar to the proportion of employers who reported flow-on effects from minimum wage rate increases in 2014/15 (48 per cent).

There were no significant differences in this result by business size or industry.

Figure 17: Proportion of all employers reporting flow-on effects from minimum wage increases



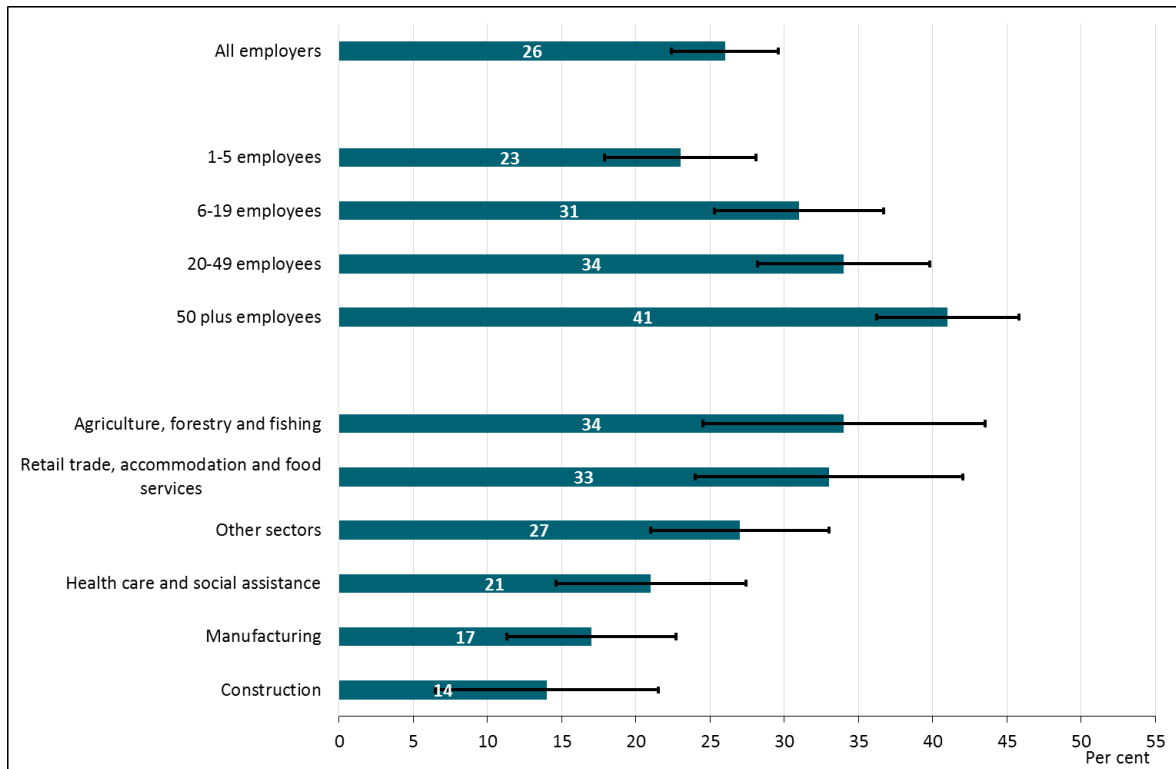
5.4 About one-quarter of employers were aware of the change to compliance with the *Minimum Wage Act 1983*

In June 2014, the period over which the pay of salaried employees must be assessed for compliance with the *Minimum Wage Act 1983* increased from one week to two weeks. When asked whether they were aware of this change, 26 per cent of employers said they were aware (Figure 18).

There were some significant differences in this result by business size and industry sector. Compared with all employers:

- those with 50 or more employees (41 per cent) were more likely to say they were aware of this change to compliance with the Minimum Wage Act
- employers in the construction sector (14 per cent) were less likely to report they were aware of the change regarding compliance with the Minimum Wage Act.

Figure 18: Proportion of all employers who were aware of the change to compliance with the Minimum Wage Act



5.4.1 Three-quarters of employers who were aware of the change to compliance said this change had no impact on their business

Employers who were aware of the change to legislation, whereby the period over which the pay of salaried employees must be assessed for compliance with the Minimum Wage Act changed from one week to two weeks, were asked how this change had affected their business. Twelve per cent said it had a positive impact and 10 per cent said it had a negative impact, but the largest proportion (74 per cent) said it had no impact on their business. These results were similar for employers in different industry sectors and business sizes.

All employers were asked if they had any salaried employees whose effective hourly rate over a two-week period is sometimes less than the hourly minimum wage, due to them working more than their usual number of hours in that period. Only 2 per cent of employers reported having at least one salaried employee where this was sometimes the case. There were no significant differences in this result by business size or sector.

6 Health and safety: systems, practices and perspectives

Understanding employer practices and attitudes towards health and safety is vital to improving workplace health and safety and achieving better results for working people in New Zealand. The NSE collects information on workplace health and safety systems and practices, including compliance with aspects of New Zealand legislation and employers' views on workplace health and safety. This information is used by MBIE and WorkSafe New Zealand to monitor the state of workplace health and safety and to assess progress towards the government's target to reduce workplace injuries by 25 per cent by 2020.

The 2015/16 NSE included questions on the following topics:

- health and safety leadership
- workplace health and safety systems and practices
- employers' perspectives on workplace health and safety.¹⁷

6.1 Health and safety expertise and leadership is most commonly provided by business owners or managers

Employers were asked who provides health and safety expertise and leadership in the business. Similar to results from previous NSEs, in most businesses management or the business owner(s) provide this leadership and expertise (79 per cent). Other sources of health and safety expertise and leadership were:

- employee health and safety representatives or a health and safety committee (16 per cent)
- a health and safety specialist in the business (10 per cent)
- a contracted health and safety specialist from outside the business (10 per cent)
- human resources department (7 per cent)
- head office (6 per cent)
- an industry group or association (5 per cent).

In 2015/16 more employers said that employee health and safety representatives or a health and safety committee provided health and safety leadership and expertise (16 per cent) compared with in 2014/15 (10 per cent).

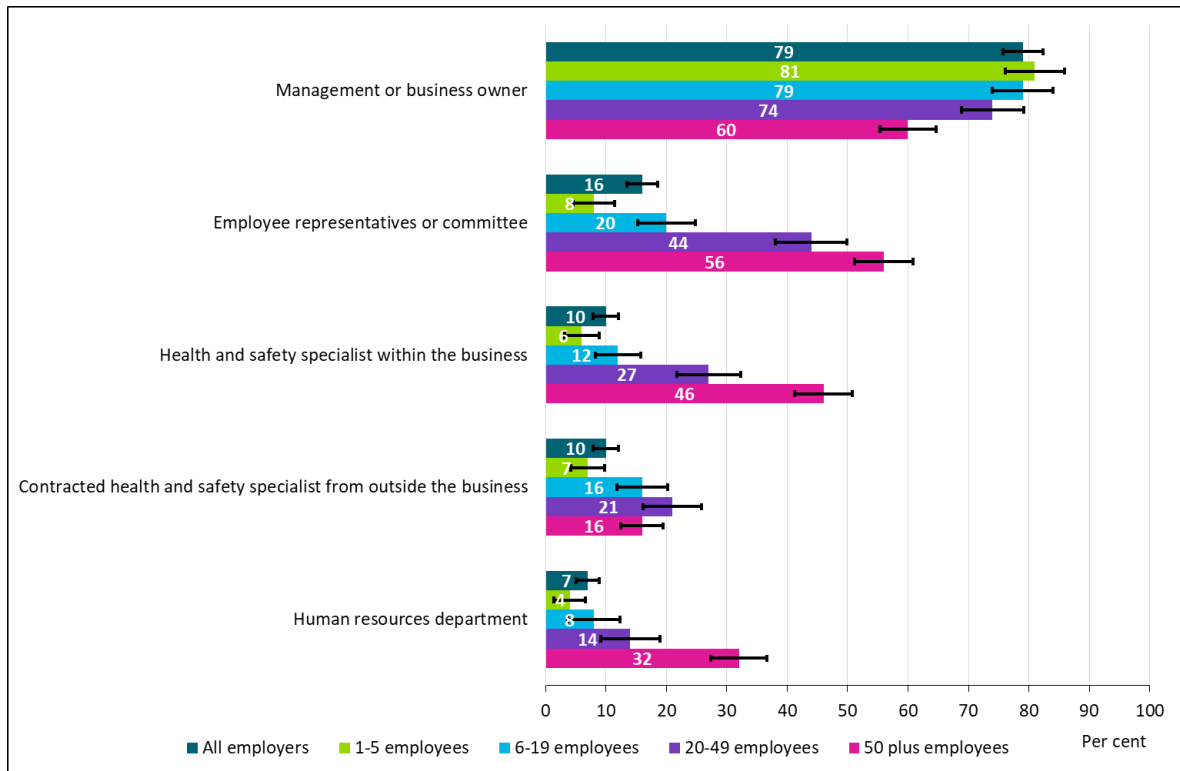
There were some differences by business size in the use of these sources of health and safety expertise and leadership (Figure 19). Compared with all employers (79 per cent), larger employers with 50 or more employees were less likely to say that management or the business owner provided health and safety expertise and leadership to the business (60 per cent). Again, compared with all employers, larger employers with 20 to 49 employees and those with 50 or more employees were more likely to report that the following parties provided health and safety expertise to the business:

- employee health and safety representatives or a health and safety committee (44 per cent and 56 per cent, respectively)
- a health and safety specialist in the business (27 per cent and 46 per cent, respectively)

¹⁷ See Appendix, Tables 6 to 31, and 106 to 131.

- a human resources department (14 per cent and 32 per cent, respectively)
- a contracted health and safety specialist from outside the business (21 per cent and 16 per cent, respectively).

Figure 19: Top five sources of health and safety leadership and advice by business size

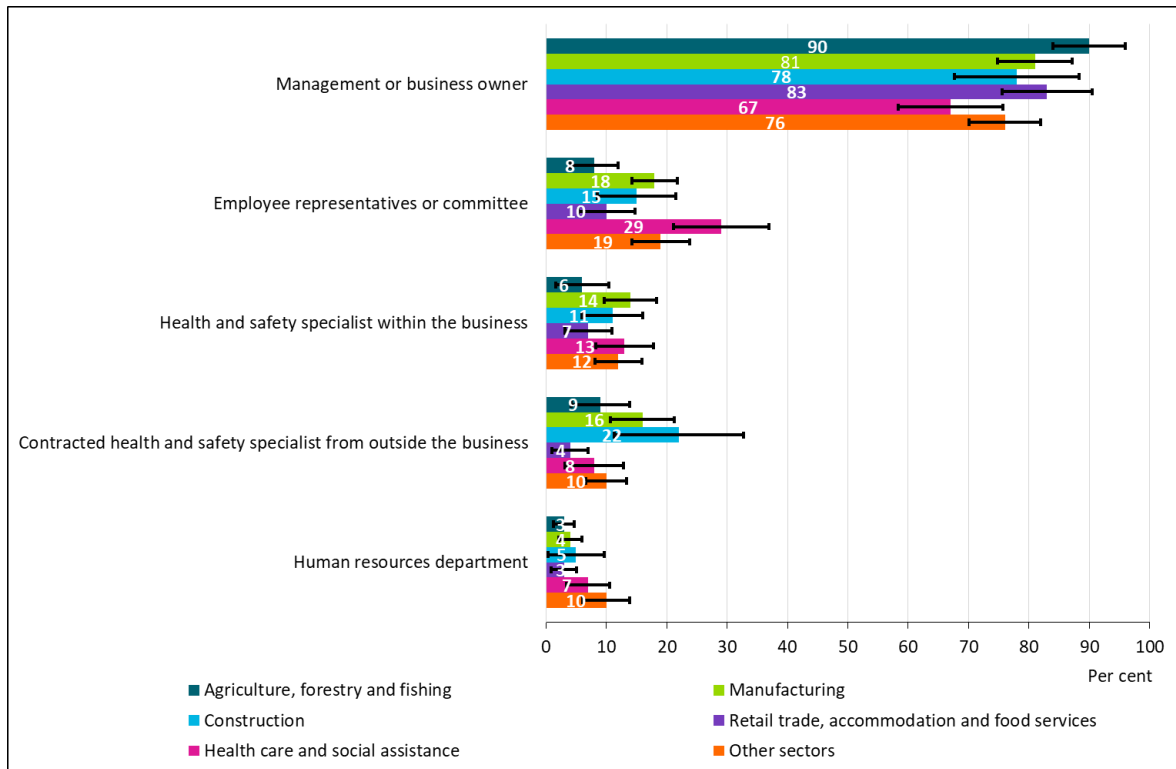


Note: Total exceeds 100 per cent due to multiple responses.

Compared with all employers (16 per cent):

- those in the health care and social assistance sector more commonly said that health and safety leadership and expertise was provided by employee health and safety representatives or a health and safety committee (29 per cent)
- fewer employers in the agriculture, forestry and fishing sector said that health and safety expertise and leadership was provided by representatives or committees (8 per cent) – see Figure 20.

Figure 20: Top five sources of health and safety leadership and advice by industry sector



Note: Total exceeds 100 per cent due to multiple responses.

6.1.1 Most employers said that owners or and directors of the business made ‘a lot’ of decisions about the business’s health and safety policies and systems

Respondents were asked about the extent to which owners or directors of the business make decisions about the business’s health and safety policies and systems. Seven out of ten employers (70 per cent) said that this occurs ‘a lot’ and another 16 per cent said ‘somewhat’. Only 12 per cent said that the owners or directors made decisions about health and safety in the business ‘a little’ and 1 per cent said ‘not at all’. These results are similar to those reported in the 2014/15 NSE.

Compared with all employers, there were no statistically significant differences in these results by business size. However, employers in the construction sector were more likely to report that the business’s owners or directors made ‘a lot’ of decisions about the business’s health and safety policies and systems (87 per cent) compared with all employers (70 per cent).

6.1.2 The majority of employers said they would know where to get more expert advice on health and safety if this was needed

As in 2014/15 and 2013/14, the most employers (83 per cent) said that if they wanted more expert advice on health and safety for their business than they currently received, they would know where to get this advice. Compared with all employers, larger employers with 20 to 49 employees (94 per cent) and those with 50 or more employees (94 per cent) were more likely to say they would know where to source this advice if needed. There were no statistically significant differences in this result by industry sector.

6.2 Almost half of employers were meeting their general duties under the *HSE Act 1992*

Under the *Health and Safety in Employment Act 1992 (HSE Act)*, employers had a number of general duties to ensure the safety of employees in the workplace. The *HSE Act* applied to all New Zealand workplaces and placed duties on employers, the self-employed, employees, principals and others in a position to manage or control hazards.¹⁸ The NSE asked a series of questions to develop an aggregate measure of the proportion of employers who were meeting their general duties under the *HSE Act* by including all three of the following elements in their health and safety system:

- a documented system for managing hazards that was actively used (in place for 62 per cent of employers)¹⁹
- a documented process for investigating workplace accidents (66 per cent of employers)²⁰
- health and safety inductions for all new employees, with records kept of every induction (53 per cent of employers).^{21, 22}

In 2016, 44 per cent of employers had all three of these elements in their health and safety system (Figure 21). This result is similar to the results from previous years' surveys (38 per cent in 2014/15, 43 per cent in 2013/14, and 48 per cent in 2012/13).

Compared with all employers (44 per cent):

- larger employers were much more likely to have all three of these elements in their health and safety system (73 per cent of employers with 20 to 49 employees and 78 per cent of employers with 50 plus employees)
- those in the construction sector were more likely to have all three of these elements in their health and safety system (61 per cent).

The following sections look at each of the three elements of this aggregate measure in more detail.

¹⁸ The new *Health and Safety at Work Act 2015* came into effect on 4 April 2016. It replaces the *Health and Safety in Employment Act 1992*.

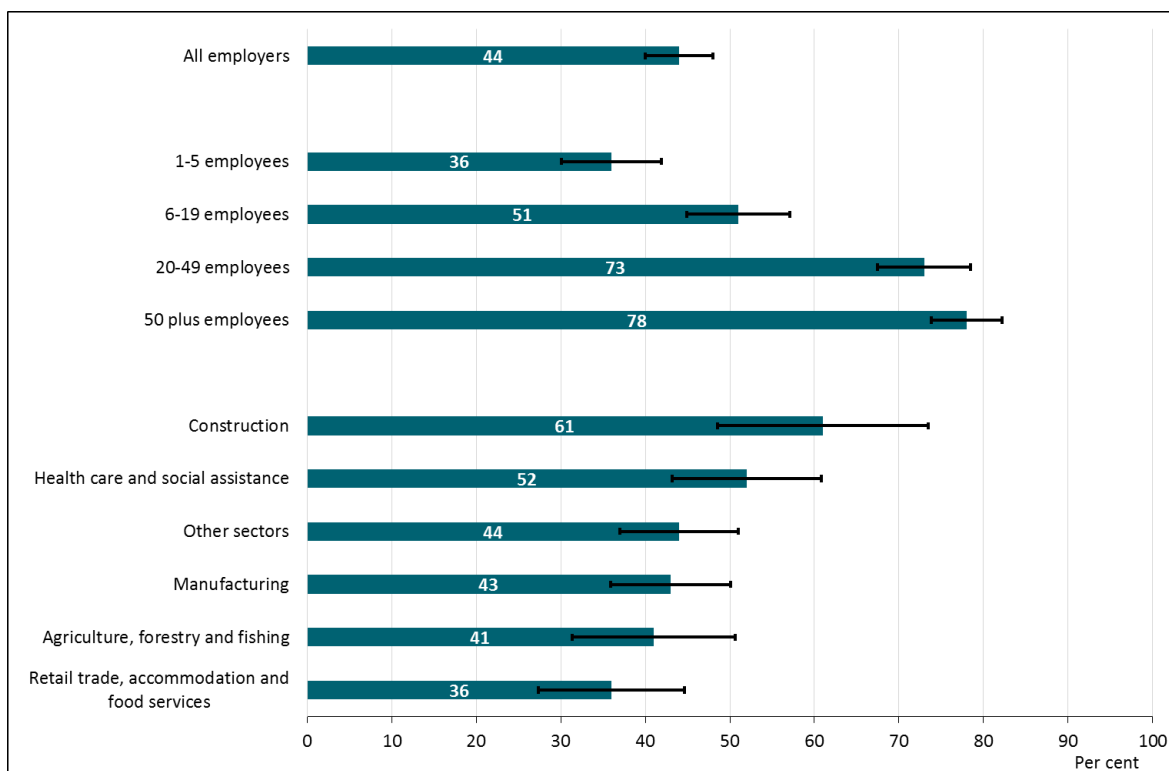
¹⁹ See: Identification of hazards, section 7(1) HSE Act.

²⁰ See: Identification of hazards, section 7(2) HSE Act.

²¹ See: Information for employees generally and health and safety representatives, section 12(1) HSE Act.

²² The HSE Act does not specify a requirement for documentation and written records, but the survey uses documentation as a proxy for having a systematic approach to managing workplace health and safety.

Figure 21: Proportion of employers meeting 'all of their duties' under the HSE Act 1992



Note: Meeting 'all of their duties' is defined here as having all three of the following elements in the business's health and safety system:

- a documented system for managing hazards that was actively used
- a documented process for investigating workplace accidents
- health and safety inductions for all new employees, with records kept of every induction.

6.2.1 Most employers, in particular larger employers, had effective methods for identifying and managing hazards

As noted above, one of the general duties for employers under the HSE Act was to have effective methods in place for identifying and actively managing hazards.

Eight out of ten employers (82 per cent) reported having a system for identifying and managing workplace hazards. Of these, 82 per cent of employers said their hazard management system was documented and 79 per cent said that new hazards are recorded in the system as they are identified or if an existing hazard changes.

This equates to 62 per cent of all employers having a system for identifying and managing hazards that was both documented and actively used. This result is similar to the result from the 2014/15 NSE (61 per cent) and the 2013/14 NSE (68 per cent). However, compared with the 2012/13 NSE result of 70 per cent, significantly fewer employers met all three criteria for managing hazards in 2015/16.

Compared with all employers (62 per cent), larger employers with 20 to 49 employees (90 per cent) and those with 50 or more employees (94 per cent) were more likely to have a system for identifying and managing hazards that was both documented and actively used. There were no statistically significant differences in this result by industry.

Those employers who had a system for identifying and managing workplace hazards were asked some further questions about their hazard management system and whether it involved:

- regular meetings to discuss hazards – 71 per cent of employers with a system said this was the case
- having a nominated person to deal with hazard management – 80 per cent of employers with a system said this was the case.

These results are similar to those from the 2014/15 NSE (63 per cent and 75 per cent, respectively).

Although there were no statistically significant differences in these results by industry, differences by business size are as follows:

- Compared with all employers (71 per cent), larger businesses with 20 to 49 employees and those with 50 plus employees were more likely to report that their hazard management system involved regular meetings to discuss hazards (83 per cent and 93 per cent, respectively).
- Compared with all employers (80 per cent), larger businesses with 20 to 49 employees and those with 50 plus employees were more likely to have a nominated person to deal with hazard management (89 per cent and 88 per cent, respectively).

6.2.2 Two-thirds of employers had a documented process for investigating workplace accidents

Another general duty for employers under the *HSE Act* was to maintain a register of accidents and serious harm, and to investigate workplace accidents. Two-thirds of employers (66 per cent) reported having a documented process for investigating workplace accidents. This result is similar to those from 2014/15 NSE (69 per cent), 2013/14 NSE (68 per cent) and 2012/13 NSE (73 per cent).

Compared with all employers, employers with 6 to 19 employees, 20 to 49 employees and those with 50 or more employees were more likely to have a documented process for investigating workplace hazards (79 per cent, 91 per cent and 95 per cent, respectively).

There were no statistically significant differences in this result by industry sector.

6.2.3 Most employers provided health and safety inductions for all employees

The third key duty for employers under the *HSE Act* was to conduct health and safety inductions for all employees. In 2015/16, three-quarters of employers (75 per cent) said that all new employees received a health and safety induction. This is similar to the 2014/15 NSE result of 68 per cent, and the 2013/14 and 2012/13 NSE results of 76 per cent each.

Compared with all employers:

- larger employers were more likely to provide all new employees with a health and safety induction (92 per cent of employers with 20 to 49 employees and 93 per cent of employers with 50 plus employees)
- employers in the manufacturing sector were more likely to report conducting health and safety inductions with all employees (87 per cent).

Of those employers who provided inductions for all new employees, 71 per cent said they kept a record of every induction. This equates to 53 per cent of all employers who both provided health and safety inductions and kept records of these inductions. This result is similar to previous years' NSE results (45 per cent in 2014/15, 52 per cent in 2013/14, and 56 per cent in 2012/13).

As seen with previous years' NSE results, business size is a factor in whether a business is providing health and safety inductions to all new employees and keeping records of these inductions. Compared with all employers (53 per cent), employers with 20 to 49 employees and those with 50 plus employees were more likely to both provide inductions and keep records (79 per cent and 80 per cent, respectively). There were no statistically significant differences in this result by industry sector.

6.2.4 Just over half of employers who used contractors provided them with health and safety inductions

Among the 63 per cent of employers who used contractors or subcontractors, 53 per cent said that all contractors and subcontractors received health and safety inductions. This result is similar to that reported in 2014/15 (44 per cent) and 2013/14 (46 per cent).

Compared with all employers:

- larger employers with 50 plus employees were more likely to provide inductions for their contractors and subcontractors (78 per cent)
- employers in the construction sector and manufacturing sector were more likely to provide inductions for their contractors and subcontractors (65 per cent and 60 per cent, respectively)
- employers in the retail, accommodation and food services sector were less likely to provide inductions for their contractors and subcontractors (33 per cent).

Including the additional element of 'inductions for contractors', where contractors were used, in the aggregate measure reported in section 6.2 (ie the proportion of employers who were meeting their general duties under the HSE Act), results in a figure of 36 per cent. Statistically, this figure is similar to the 2014/15 result of 30 per cent, the 2013/14 result of 35 per cent, and the 39 per cent result in 2012/13.

Compared with all employers (36 per cent), employers with 20 to 49 employees and those with 50 or more employees were more likely to have all four elements in their health and safety system (55 per cent and 68 per cent, respectively). There were no statistically significant differences in this result by industry sector.

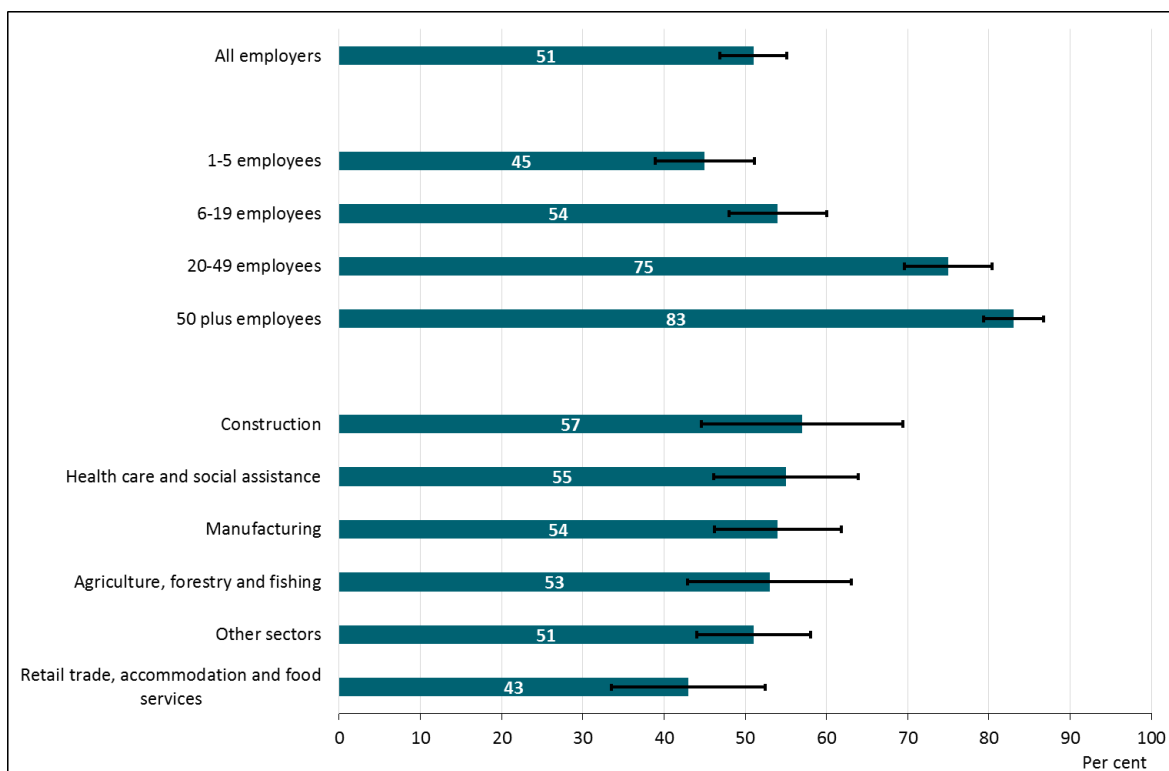
6.3 About half of employers had a formal system for employees to participate in managing health and safety

Employers were asked whether the business had a formal system for employees to participate in managing health and safety.²³ Fifty-one (51) per cent of employers reported having a formal system in place, which is similar to the results reported in the 2014/15 survey (48 per cent), the 2013/14 survey (56 per cent) and the 2012/13 survey (58 per cent).

²³ As in previous years' NSEs, the term 'formal system' was not defined for respondents.

Reflecting the requirement under the *HSE Act* for employers with 30 or more employees to have a formal system for employee participation in managing workplace health and safety, the likelihood of having a formal system increased with business size (Figure 22).²⁴ Compared with all employers, larger employers with 20 to 49 employees and those with 50 or more employees were more likely to report having a formal system for employee participation in managing health and safety (75 per cent and 83 per cent, respectively). There were no statistically significant differences in this result by industry sector.

Figure 22: Proportion of all employers with a formal system for employee participation in health and safety



6.3.1 Similar to previous years, employers involved their staff in health and safety in various ways

Employers were asked about other types of employee involvement in health and safety systems, both formal and informal. Consistent with the results from the 2014/15, 2013/14 and 2012/13 NSE surveys, employers in 2015/16 most commonly:

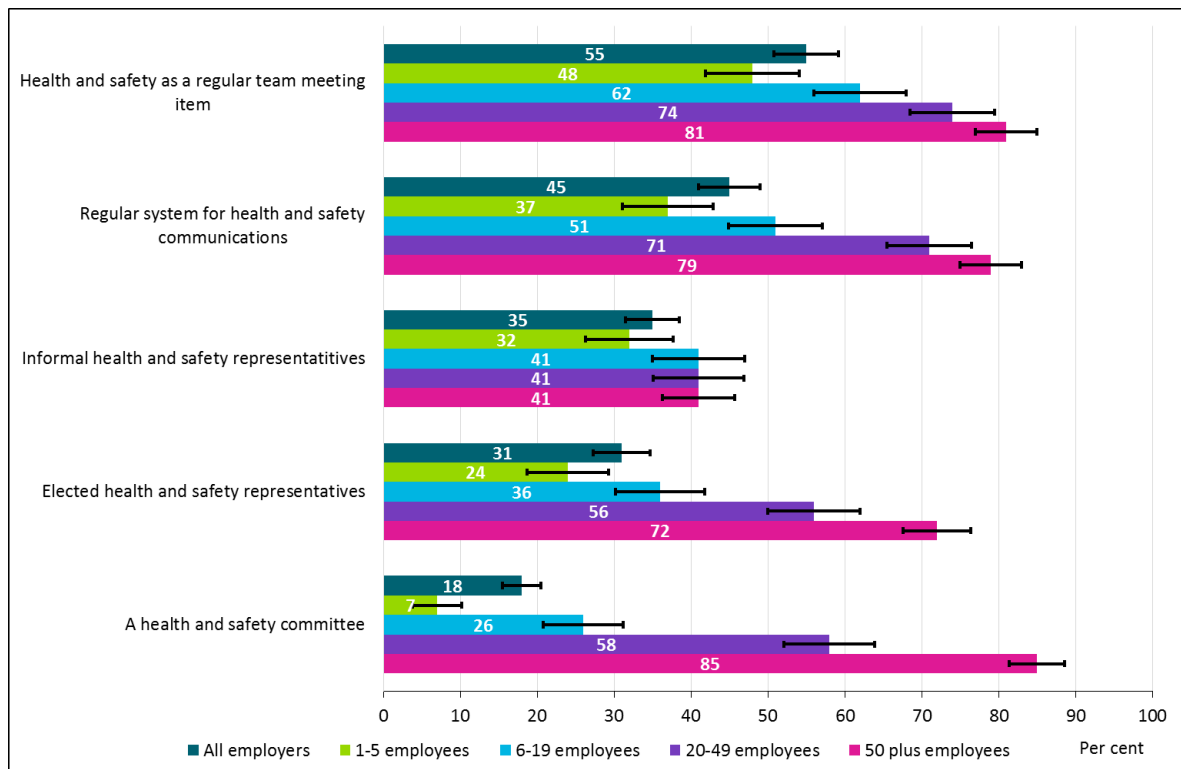
- included health and safety as a regular team meeting item (55 per cent)
- had a regular system for health and safety communications (45 per cent)
- had informal health and safety representatives (35 per cent)
- had elected health and safety representatives (31 per cent).

²⁴ The requirement under the *HSE Act* for an employee participation system also applies “if an employer employs fewer than 30 employees, whether or not at a single location, and one or more of the employees or a union representing them requires the development of a system for employee participation”.

About one in five employers (18 per cent) said they had a health and safety committee. Similar to last year (25 per cent), 22 per cent of employers in 2015/16 said they did not have any of the above types of employee involvement in health and safety.

Compared with all employers, those with larger businesses of 20 or more employees were more likely to have each of these types of employee participation (Figure 23). The exception to this was the likelihood of having informal health and safety representatives in the business – there was no statistically significant variation in this result by business size.

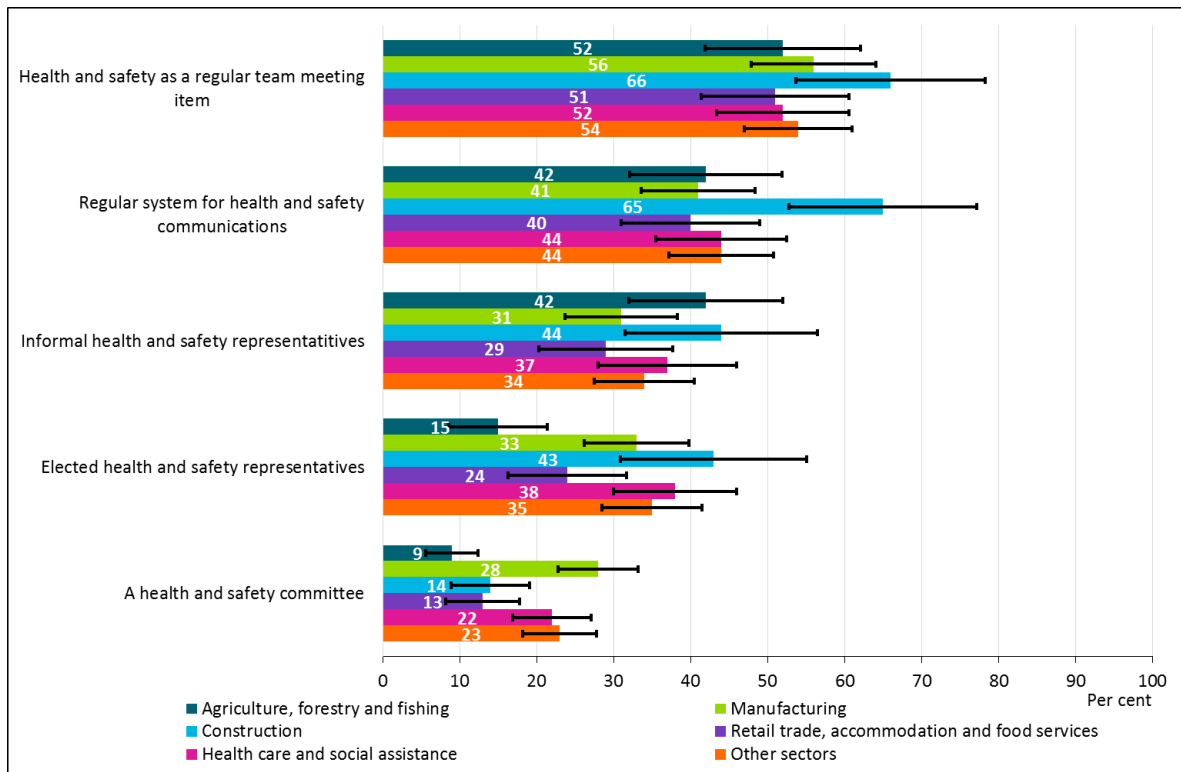
Figure 23: Types of employee involvement in health and safety by business size



When viewed by industry sector:

- employers in the agriculture, forestry and fishing sector (15 per cent) were less likely than all employers (31 per cent) to report having elected health and safety representatives
- employers in the agriculture, forestry and fishing sector (9 per cent) were less likely than all employers (18 per cent) to report having a health and safety committee
- employers in the construction sector (65 per cent) were more likely than all employers (45 per cent) to report having a regular system for health and safety communications
- employers in the manufacturing sector (28 per cent) were more likely to use a health and safety committee than all employers (18 per cent).

Figure 24: Types of employee involvement in health and safety by industry sector



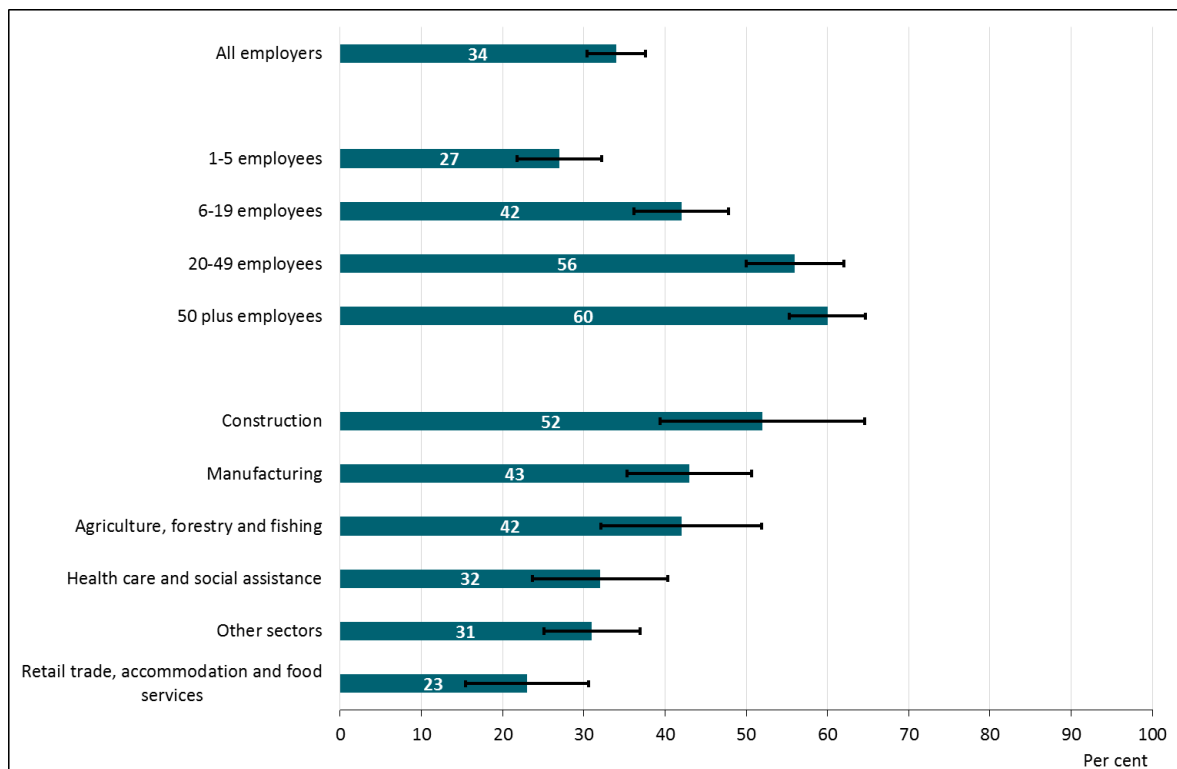
6.4 More employers made significant changes to health and safety in 2015/16 than in previous years

About one-third of employers (34 per cent) said they had made significant changes to their health and safety systems or practices in the 12 months before the survey. This result is significantly higher than the 24 per cent of employers in 2014/15, 20 per cent in 2013/14 and 24 per cent in 2012/13 who said they made significant changes. The 2015/16 NSE was conducted after the passing, but before the enactment of the Health and Safety at Work Act 2015. This increase in the proportion of employers who had made changes in part reflects that employers were preparing for the introduction of the new legislation.

Compared with all employers:

- employers with 20 to 49 employees and employers with 50 plus employees were more likely to report making significant changes to their health and safety systems or practices in the last 12 months (56 per cent and 60 per cent, respectively)
- employers in the construction sector were more likely to report making significant changes to their health and safety practices in the last 12 months (52 per cent).

Figure 25: Proportion of all employers whose business made significant changes to its health and safety systems or practices in the last 12 months



6.4.1 The main reasons for making changes were to improve to health and safety and to comply with current/future changes to legislation

Of those employers who had made changes, the most common reasons for doing so were:

- making ongoing improvements to their workplace health and safety/to improve staff safety in general (60 per cent – similar to 66 per cent in 2014/15, and up from 41 per cent in 2013/14)
- complying with current or anticipated future changes to health and safety legislation (55 per cent – up from 40 per cent reported in 2014/15, and 26 per cent in 2013/14)
- improvements in industry practice (29 per cent – similar to 31 per cent in 2014/15, and up from 15 per cent in 2013/14).

Compared with all employers who made significant changes to health and safety systems or practices in the last 12 months, larger employers with 50 plus employees were more likely to have made changes due to one or more of the following reasons:

- Making ongoing improvements to workplace health and safety (72 per cent, compared with 60 of all employers who made significant changes)
- complying with current or anticipated changes to health and safety legislation (68 per cent, compared with 55 per cent of all employers who made significant changes)
- improvements in industry practice (42 per cent, compared with 29 per cent of all employers who made significant changes)
- a near miss (12 per cent, compared with 5 per cent of all employers who made significant changes).

Employers in the health care and social assistance sector were less likely to report making significant changes due to improvements in industry practice (16 per cent) compared with all employers (29 per cent).

6.5 The majority of employers agreed that good health and safety systems are good for business

Similar to in previous years, the NSE asked employers whether they agreed or disagreed with the following statements about workplace health and safety (Figure 26):

- *Having good health and safety systems is good for your business* – 84 per cent of employers agreed
- *Your business owners or managers have a good understanding of their obligations under the HSE Act* – 70 per cent of employers agreed.
- *Government is effective at enforcing obligations under the HSE Act* – 45 per cent of employers agreed.

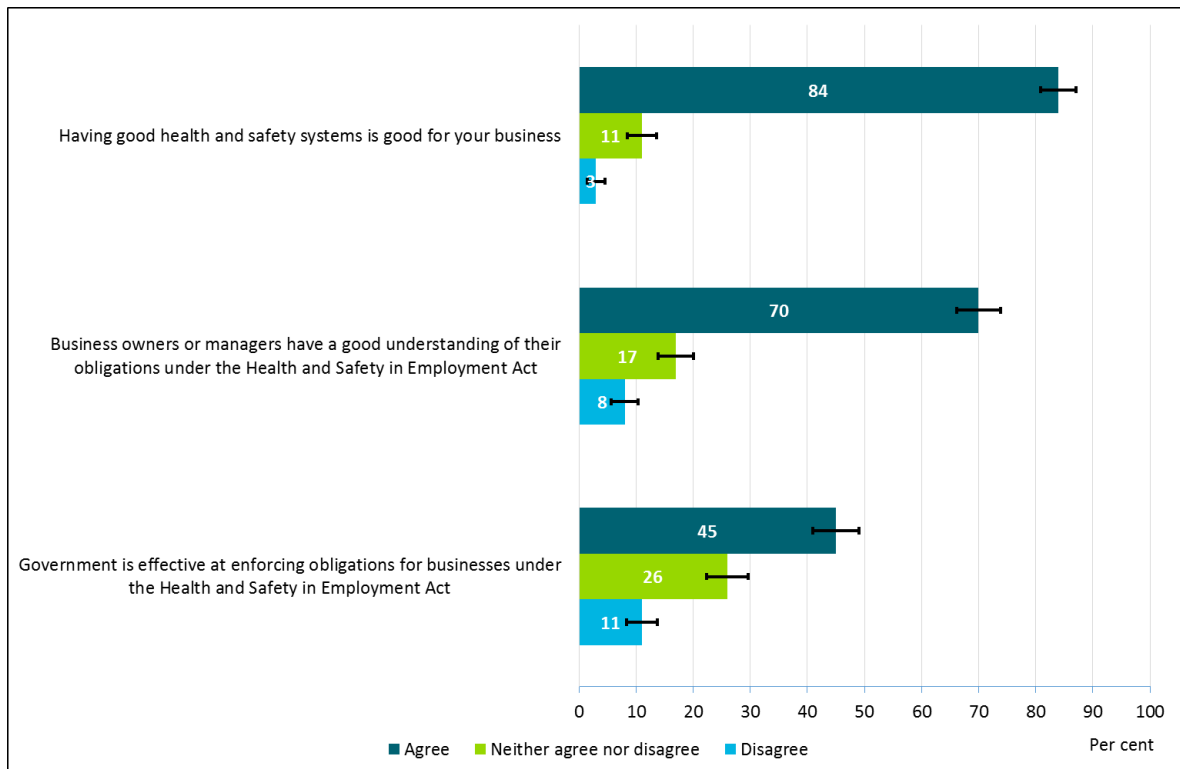
For the most part, the above results are similar to those reported in the 2014/15, 2013/14 and 2012/13 NSEs. However, in 2013/14 and 2012/13 larger proportions of employers agreed that *government is effective at enforcing obligations under the HSE Act* (58 per cent and 60 per cent, respectively) compared with 45 per cent of employers in 2015/16. It is notable that one-quarter of employers neither agreed nor disagreed with this statement (26 per cent) and 17 per cent said 'don't know'. Only 11 per cent of employers disagreed that *government is effective at enforcing obligations under the HSE Act*.

Compared with all employers:

- larger employers with 20 to 49 employees (91 per cent) and those with 50 plus employees (95 per cent) were more likely to agree that *having good health and safety systems is good for their business*
- larger employers with 20 to 49 employees and those with 50 plus employees were more likely to agree (both at 79 per cent) that their *business owners or managers had a good understanding of their obligations under the HSE Act*.

There were no statistically significant differences in these results by industry.

Figure 26: Employers' perspectives on workplace health and safety



Note: Totals may not sum to 100 per cent due to rounding and the exclusion of unspecified and 'don't know' responses.

7 Employment of recent migrants

Migrants are critical to New Zealand's population growth and workforce. Foreign nationals can work in New Zealand if they are residents or hold temporary visas enabling them to work. Information on employing migrants is important in assessing the benefits and issues associated with employing migrants and ensuring policy settings are right.

MBIE has a role in supporting employers to help migrants to settle into work in New Zealand. The aim is to retain migrants with the skills that New Zealand businesses need to grow.

The 2015/16 NSE included questions on the following topics:

- whether employers had migrants on staff
- employers' reasons for hiring migrants
- migrant staff performance and retention
- the usefulness of potential support to attract, employ and retain migrant staff
- the types of support provided by employers to migrant employees.

This section of the report presents results from these questions.²⁵

7.1 Similar to previous years, one in four businesses had at least one recent migrant on staff

Employers were asked if their business had any migrant employees on staff who had arrived in New Zealand in the last five years (ie 'recent migrants'). One in four (25 per cent) had at least one recent migrant currently on staff (Figure 27) and one in five (21 per cent) had hired a recent migrant in the last 12 months (Figure 28). These results are similar to those reported in the 2014/15²⁶, 2013/14 and 2012/13 NSEs.

As detailed in both Figure 26 and Figure 27, compared with all employers, larger employers with 20 to 49 employees and those with 50 plus employees were more likely to have:

- recent migrants on their staff (54 per cent and 75 per cent, respectively)
- employed a recent migrant in the last 12 months (44 per cent and 68 per cent, respectively).

In contrast, employers with fewer than six employees were less likely to have a recent migrant on staff (12 per cent) or to have employed a recent migrant in the last 12 months (11 per cent).

Compared with all employers (21 per cent), employers in the retail trade, and accommodation and food services sector were more likely to have hired a recent migrant in the last 12 months (33 per cent, respectively).

²⁵ See Appendix, Tables 78 to 100, and 178 to 200.

²⁶ In 2014/15, 'don't know' and 'would rather not say' responses were excluded from some of the survey results relating to the employment of migrants. For the 2015/16 survey, these responses are included in the reported results. Any comparisons in this chapter to the equivalent results for the 2014/15 survey have included the 'don't know' and 'would rather not say' responses from that survey, therefore some historic results reported in this chapter may differ from those published in the 2014/15 NSE Summary Report.

Figure 27: Proportion of all employers with a recent migrant on staff

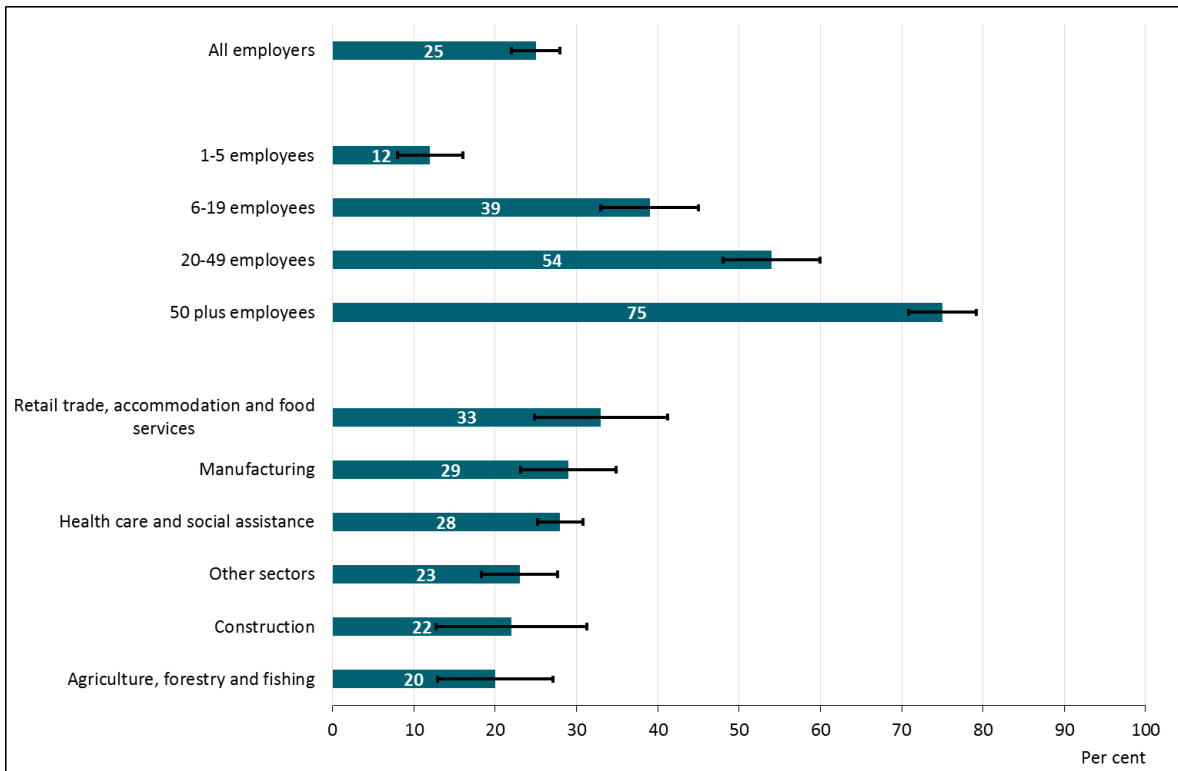
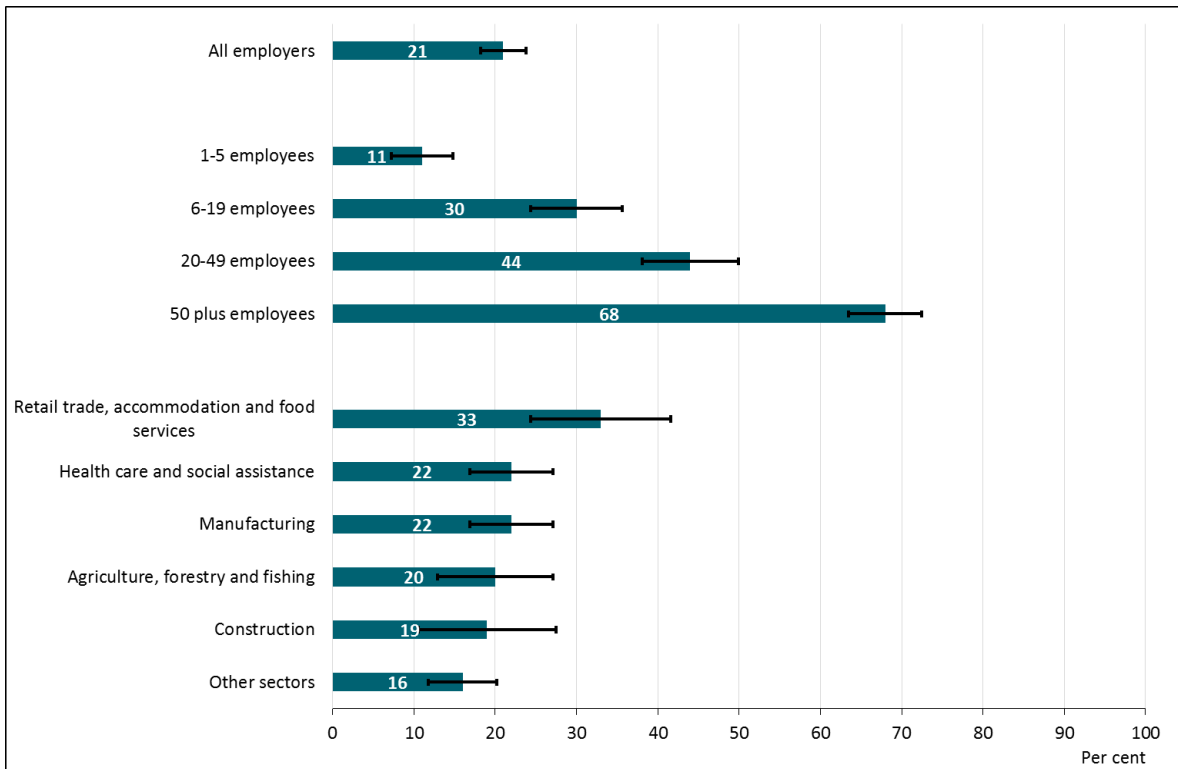


Figure 28: Proportion of all employers who hired a recent migrant in the last 12 months

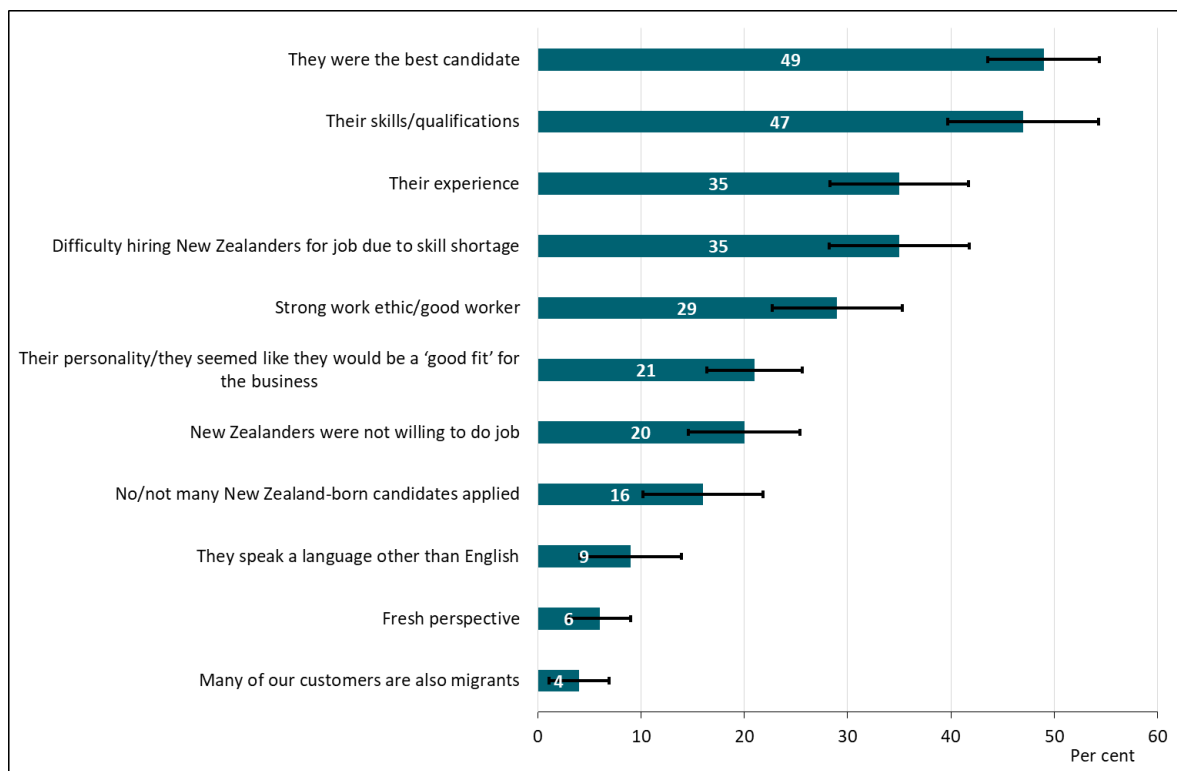


7.2 Migrants were hired primarily because they were the best candidate or because of their skills and qualifications

The two most common reasons given by employers who had hired a recent migrant in the previous 12 months were that they were the best candidate and/or because of their skills and qualifications (49 per cent and 47 per cent, respectively, Figure 29). These results are similar to those from the 2014/15 NSE.

Other frequently-noted reasons included comments relating to their experience (35 per cent), difficulty hiring New Zealanders due to skill shortages (35 per cent), and/or migrant employees' strong work ethic (29 per cent).

Figure 29: Employers' reasons for hiring a recent migrant employee*



* Sub-sample based on businesses that had hired recent migrants in the last 12 months.

Note: Total may exceed 100 per cent because of multiple responses.

Those with 50 or more employees were more likely to cite the following reasons for hiring a recent migrant:

- they were the best candidate (64 per cent, compared with 49 per cent of all employers)
- their skills/qualifications (63 per cent, compared with 47 per cent of all employers)
- their experience (48 per cent, compared with 35 per cent of all employers).

Employers in certain industries were more likely to cite specific reasons for hiring a recent migrant:

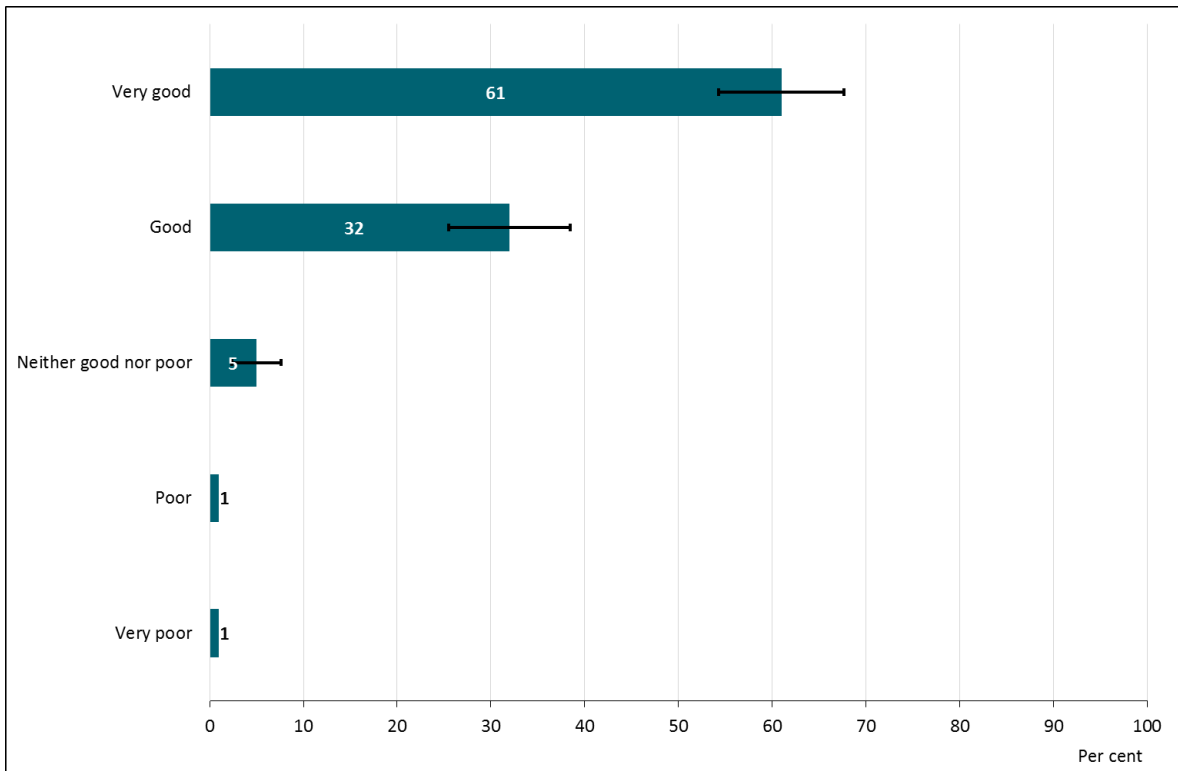
- Employers in the health care and social assistance sector were more likely to hire a migrant for their 'skills and qualifications' (75 per cent, compared with 47 per cent of all employers).
- Employers in the construction sector were more likely to hire a migrant because 'they were the best candidate' (70 per cent) and 'their personality/they seemed like a good fit for the job' (48 per cent) compared with all employers (49 per cent and 21 per cent, respectively).
- Employers in the agriculture, forestry and fishing sector were more likely to say they hired a migrant because 'New Zealanders were not willing to do the job' (46 per cent, compared with 20 per cent of all employers).
- In contrast, employers in the agriculture, forestry and fishing sector were less likely to hire a recent migrant because 'they were the best candidate' (23 per cent, compared with 49 per cent of all employers).

7.3 As in previous years, employers were positive about migrant staff performance

Employers were asked about their perceptions of their migrant employees' overall job performance and reasons for rating them as they did. To explore issues about the retention of new migrant employees, the survey also included questions on whether any recent migrants had subsequently left the business, and migrants' reasons for leaving.

Employers with a recent migrant employee on their staff were asked to rate their migrant employee's job performance using a five-point scale from 'very good' to 'very poor' (Figure 30). In line with previous years' survey results, 93 per cent of the sub-sample rated their migrant employee's overall performance as either 'very good' (61 per cent) or 'good' (32 per cent).

Figure 30: Perceptions of overall performance of migrant employees*



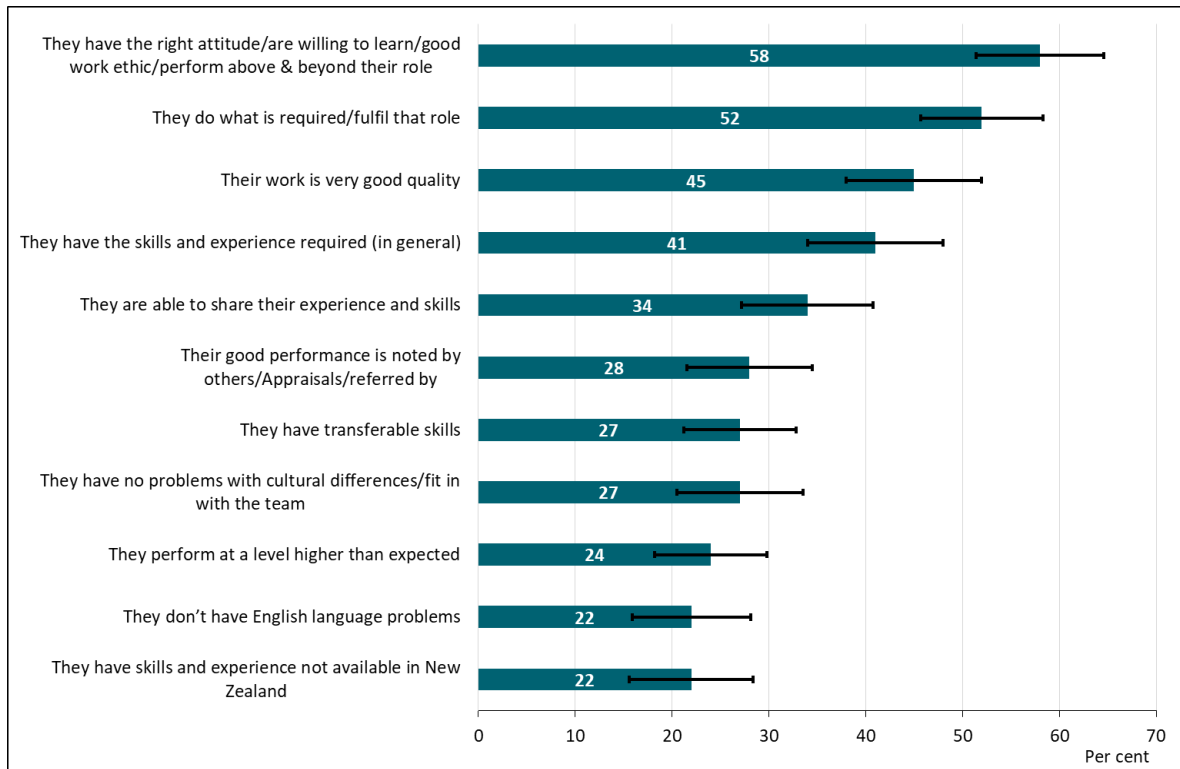
* Sub-sample based on those businesses that had recent migrant employees on staff.
Note: Totals may not sum to 100 per cent due to rounding.

The main reasons given for rating migrant employees' performance as 'good' or 'very good' (Figure 31) included:

- migrants having the right attitude/willing to learn/good work ethic/performing above and beyond their role (58 per cent)
- migrants doing what is required/fulfilling the role (52 per cent)
- migrants' work being very good quality (45 per cent)
- migrants having the required skills and experience (41 per cent).

There were no significant differences in employers' satisfaction ratings or their reasons for rating migrant employees' performance as 'good' or 'very good' by business size or by industry sector.

Figure 31: Most frequently cited reasons for rating migrant employees' performance as good or very good*



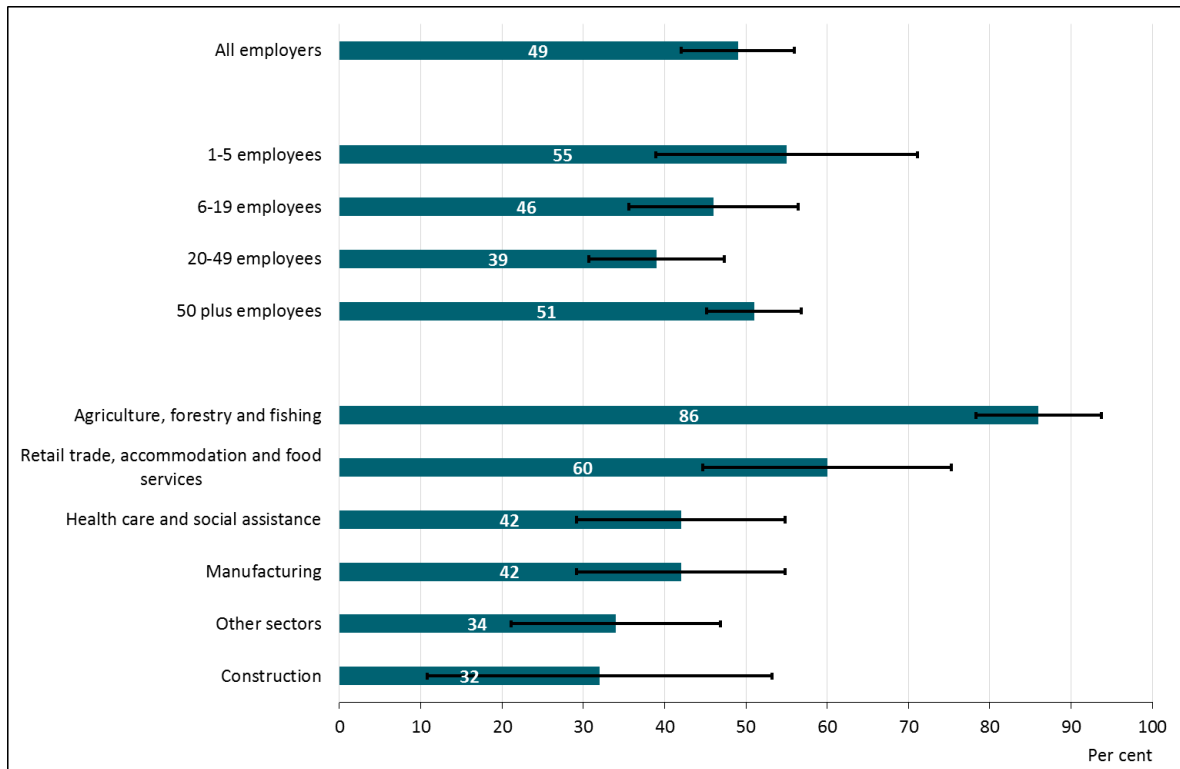
* Sub-sample based on businesses that rated the performance of the businesses' recent migrant employees as 'good' or 'very good'.
Note: Total may exceed 100 per cent due to multiple responses.

7.4 Around half of employers had at least one recent migrant leave the business in the last 12 months

Among employers who had hired a recent migrant in the last 12 months (21 per cent of all employers), 49 per cent reported that at least one recent migrant employee had subsequently left the business (Figure 32). There is no statistically significant difference between this result and results from the 2014/15 and 2012/13 NSEs (42 per cent and 39 per cent, respectively), but it is significantly higher than the result from the 2013/14 NSE (31 per cent).

Compared with all employers (49 per cent), employers in the agriculture, forestry and fishing sector were more likely to report that at least one recent migrant employee hired in the last 12 months had left the business (86 per cent). There were no significant differences in this finding by business size.

Figure 32: Proportion of businesses that hired any recent migrants in the last 12 months who subsequently left the business*



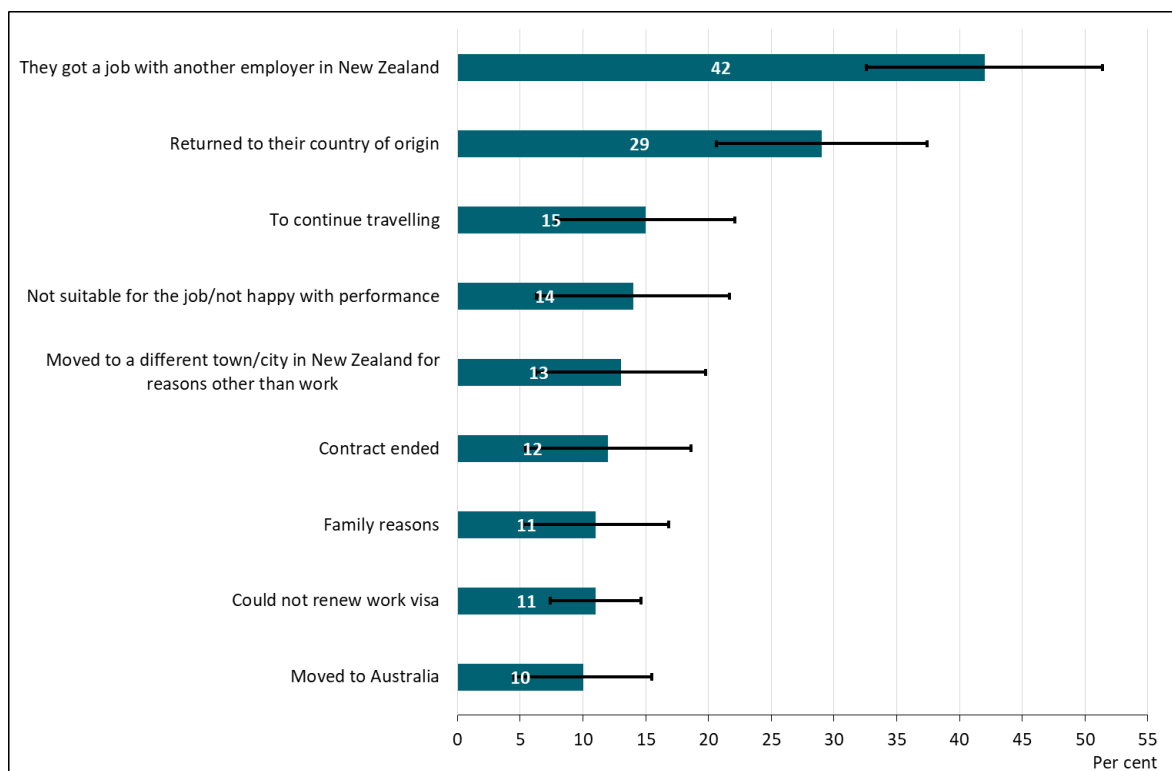
*Sub-sample based on those respondents whose business had hired recent migrants in the last 12 months.

7.4.1 Employers gave a range of different reasons for recently hired migrants subsequently leaving the business

Employers who reported that a recent migrant had left the business were asked why the most recent migrant employee had left. The most common reasons given (Figure 33) were that the employee:

- got a job with another employer in New Zealand (42 per cent)
- returned to their country of origin (29 per cent)
- decided to continue travelling (15 per cent)
- was not suitable for the job/employer not happy with performance (14 per cent)
- moved to a different town/city in New Zealand for reasons other than work (13 per cent)
- contract ended (12 per cent)
- left for family reasons (11 per cent)
- could not renew their work visa (11 per cent)
- moved to Australia (10 per cent).

Figure 33: Most frequently cited reasons for recent migrants leaving the business*



* Sub-sample based on businesses that hired migrants in the last 12 months who subsequently left the business.
 Note: Total may exceed 100 per cent due to multiple responses.

7.4.2 Compared with last year, fewer employers said migrants left the job because they could not renew their visa

For the most part, the frequency with which employers noted these different reasons for migrants leaving the business was similar to in 2014/15. However, in 2015/16 fewer employers reported that a recent migrant had left the business due to the migrant not being able to renew their work visa than in 2014/15 (11 per cent and 24 per cent, respectively).

Compared with all employers:

- employers in the health care and social assistance sector were more likely to report that a recent migrant left the business because they got a job with another employer in New Zealand (69 per cent, compared with 42 per cent of all employers)
- employers in the construction sector were more likely to report that a recent migrant left the business to continue travelling (38 per cent, compared with a result of 15 per cent for all employers) or because they could not renew a work visa (41 per cent, compared with 11 of all employers).

There were no significant differences by business size in the reported reasons for recent migrant leaving the business.

7.5 Employers agreed that various types of assistance from INZ would help their business to attract migrants

Employers with recent migrants on staff were asked to comment on the perceived usefulness of different types of assistance or support from Immigration New Zealand (INZ) in helping their business to attract migrant staff (Figure 34).

The types of assistance from INZ that employers said would be most useful in helping their business to attract migrant staff were:

- direct contact with INZ for advice on immigration policy and process (58 per cent said this would be 'useful' or 'very useful', with 19 per cent rating it as 'very useful')
- websites or services (eg webinars) connecting the business to prospective migrants (57 per cent of employers, with 17 per cent rating this assistance as 'very useful').

About half of employers said they would find information on migrant behaviour and needs and specialist advice on settlement services for migrant employees 'useful' or 'very useful' (51 per cent and 48 per cent, respectively). Fewer employers said they thought that support for employers at overseas job fairs would be 'useful' or 'very useful' (34 per cent).

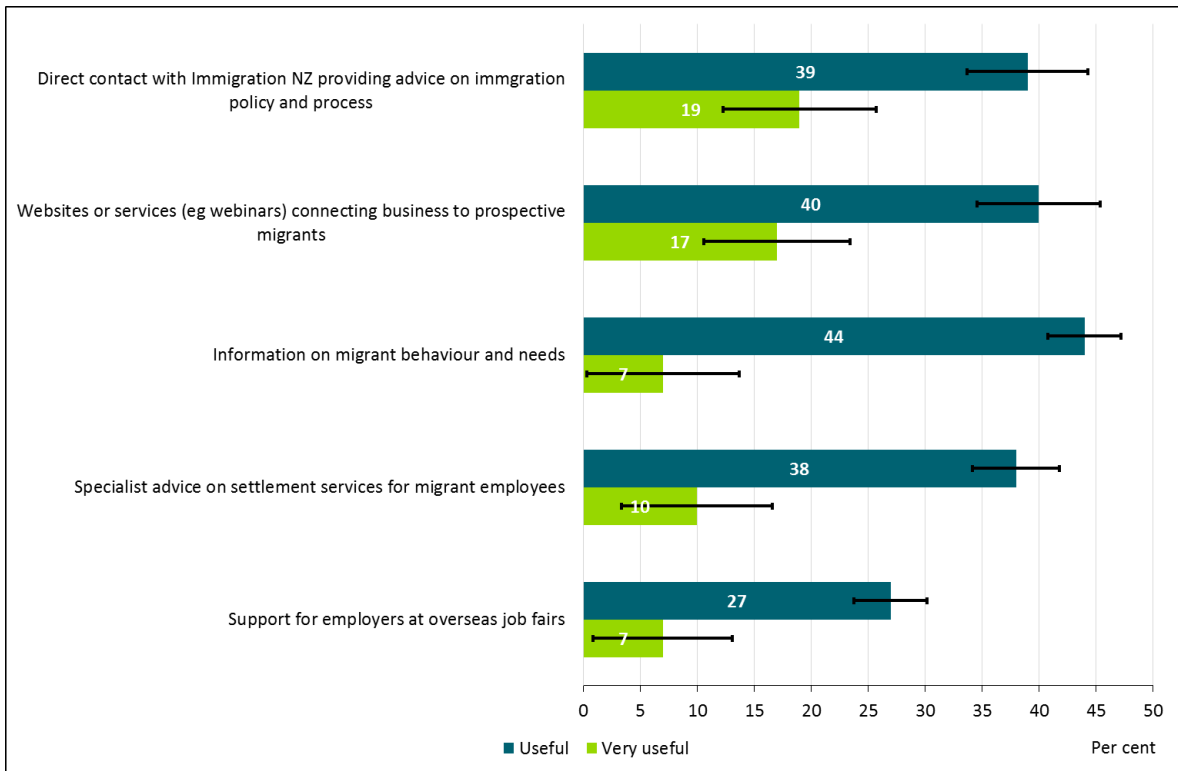
These results are similar to findings from the 2014/15 NSE.

Compared with all employers:

- employers in the health care and social assistance sector were less likely to regard information on migrant behaviour and needs as being 'useful' in helping their business to attract staff (24 per cent, compared with a result of 44 per cent for all employers)
- employers in the agriculture, forestry and fishing sector were less likely to regard specialist advice on settlement services for migrant employees as 'useful' (10 per cent, compared with 38 per cent of all employers).

There were no significant differences in the perceived usefulness of the above types of assistance from INZ by business size.

Figure 34: Employers' ratings of usefulness of resources to help the business attract migrant staff*



* Sub-sample based on businesses that had at least one recent migrant on staff.

7.6 Most employers agreed that assistance from INZ would help their business to employ and retain migrants

Employers with a recent migrant on staff were also asked how useful various resources or assistance would be to help their workplace employ and retain migrants (Figure 35). More than half of employers rated each type of assistance as ‘useful’ or ‘very useful’. Of particular usefulness would be:

- information for new migrant employees about living in New Zealand, regarded by 63 per cent of employers of migrants as ‘useful’ or ‘very useful’
- information for new migrant employees about working in employer’s industry, regarded by 63 per cent as ‘useful’ or ‘very useful’
- information for migrant employees and businesses about overcoming communication challenges in the workplace, regarded by 61 per cent as ‘useful’ or ‘very useful’.

Other ‘useful’ or ‘very useful’ resources for employers of recent migrants would be:

- information for new migrant employees about cultural differences in the workplace (58 per cent regarded this as ‘useful’ or ‘very useful’)
- support for partners of migrant staff to settle in New Zealand (55 per cent regarded this as ‘useful’ or ‘very useful’)
- information about learning English language skills for the workplace (55 per cent regarded this as ‘useful’ or ‘very useful’).

These results are similar to findings from the 2014/15 NSE. There were no significant differences in the perceived usefulness of the above resources or assistance from Immigration New Zealand by business size or industry sector.

Figure 35: Perceived usefulness of resources to employ and retain migrants*



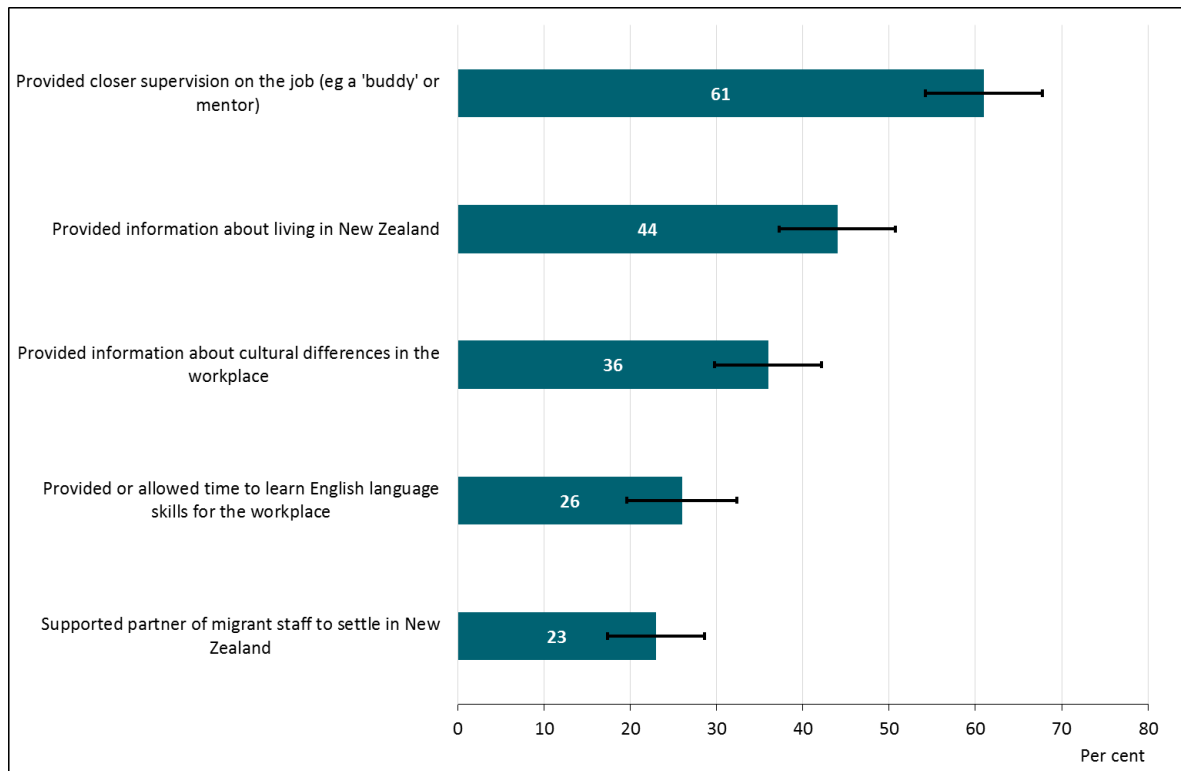
* Sub-sample based on businesses that had at least one recent migrant on staff and excludes non-responses and refusals.

7.7 Six out of ten employers supported their migrant employees by providing closer supervision on the job

Finally, employers with recent migrants on staff were asked if they had used or put into place various practices to support migrants employed by their business (Figure 36). Most frequently, employers reported that they had provided closer supervision on the job (eg a 'buddy' or mentor) to migrants employed by their business (61 per cent), information about living in New Zealand (44 per cent) and information about cultural differences in New Zealand workplaces (36 per cent). About one-quarter of employers provided or allowed time for migrants to learn English language skills for the workplace (26 per cent) and supported partners of migrant staff to settle in New Zealand (23 per cent).

These findings are similar to results from the 2014/15 NSE. There were no significant differences in these results by business size or industry sector.

Figure 36: Assistance provided to support recent migrants in the workplace*



* Sub-sample based on businesses with at least one recent migrant on staff.

