



Employer FAQs

ACC

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ACC and Employer Concerns

Some employers are concerned that their ACC levies will increase if they offer work opportunities to youth that subsequently result in a workplace accident claim. ACC insurance levies are calculated from a business payroll and are therefore only applicable to paid employees. Work experience and unpaid internships do not attract ACC levies. ACC levies are set annually according to industry and are not attached to an individual business. If an unpaid work experience or internship person had an accident at your workplace, as they are not considered an 'employee' any ACC claims would be treated as a non-work-related injury and would not automatically increase your levy or affect any no-claims discounts.

For further clarification or enquiries contact ACC 0800 222 776.

Cost of offering opportunities

Many employers are concerned about the lost time or productivity in offering a work experience, internship or training opportunity, however this can be reduced through planning at the outset that once considered can be reused repeatedly. FAN has provided tools, resources and tips to help you easily plan and successfully transition a young person into your workplace to make it a valuable experience for the young person and yourself. There are avenues of funding available to some employers and a variety of cost-effective ways that paid internships, cadetships and apprenticeships can be structured to make bringing a young person into your workplace a viable and attractive prospect (see Youth Training Funding Support). Furthermore the many long-term benefits to your business of offering youth workplace opportunities can ultimately outweigh any short-term costs.

Minimum Wage

Some employers take issue with paying youth the same minimum wage as an adult employee. There are in fact three minimum wage rates (see www.employment.govt.nz/hours-and-wages/pay/minimum-wage-rates/ for up-to-date information):

- The **Adult minimum wage** applies to all employees aged 16 and over who are not starting-out workers or trainees, and all employees who are involved in supervising or training other employees.

- The **Starting-out wage** applies to starting-out workers. Starting-out workers are:
 - **16- and 17-year-old** employees who have not yet completed six months of continuous employment with their current employer. Once they have completed six months continuous employment with a single employer, they will no longer be a starting-out worker, and must be paid at least the adult minimum wage rate.
 - **18- and 19-year-old** employees who have been paid a specified social security benefit for six months or more, and who have not yet completed six months continuous employment with any employer since they started being paid a benefit. Once they have completed six months continuous employment with a single employer, they will no longer be a starting-out worker, and must be paid at least the adult minimum wage rate.
 - **16- to 19-year-old** employees who are required by their employment agreement to undertake industry training for at least 40 credits a year in order to become qualified.
- The **Training minimum wage** applies to employees aged 20 years or over who are doing recognised industry training involving at least 60 credits a year as part of their employment agreement, in order to become qualified.
- N.B. 'Starting Out' and 'Training' minimum wages do not apply to anyone supervising or training other workers. In this instance, the adult minimum wage applies.

Health and Safety (H&S)

Several employers have noted concern about the Health and Safety implications of offering a young person work experience in their business. Provided the young person is adequately trained and informed of H&S issues in your workplace, if your business is already in the practice of minimising risk to its employees with good Health and Safety systems, culture and leadership then this should easily transfer to anyone in the workplace, regardless of their purpose of being there. Many high-risk environment organisations successfully offer youth opportunities under these conditions. If your workplace is a high-risk environment where considerable H&S training is required, young people can still benefit from strictly observational experiences, or hands-on experiences in a controlled environment e.g. simulation or training experiences.

The Health and Safety in Employment Act: Young people gaining work experience or job training must be treated as if they were employees by the person who has agreed to provide the work experience or job training. This means that the employer must take all practicable steps to ensure their safety and provide a safe working



environment. You also have duties to identify, assess and manage hazards, and ensure suitable supervision and adequate training.

There are some particular rules under health and safety legislation that restrict what young people can do:

If an employee is younger than 15:

- *They can't be employed to do any work that is likely to harm them such as using machines, driving or riding tractors or forklifts, or lifting heavy loads.*
- *They can't work on-site in logging, manufacturing or construction.*
- *There is a limited exemption for driving/riding tractors if the young person lives on the farm or works as an independent contractor. This lets them drive or ride tractors for agricultural work if they are over the age of 12, but only if they are fully trained or being trained in the safe operation of the tractor and any implement being towed.*

If they are younger than 16:

- *They can't work at night (10pm-6am) unless this is in accordance with an "approved code of practice" that is in place.*
- *These restrictions do not necessarily exclude young people from experiencing these industries. See the 'Young people in the workplace' information sheet: <https://www.worksafe.govt.nz/managing-health-and-safety/businesses/general-requirements-for-workplaces/young-people-in-the-workplace/>*

Employer responsibilities on-the-job as it applies to unpaid work experience or internship opportunities where the person is not considered an 'employee' (Section 6, Health and Safety at Work Act 2015):

A person on work experience, internships, or trial, is considered a worker whether paid or unpaid. An employer's responsibilities extend to any individual who carries out work in any capacity. Equally, young people have the same responsibilities as any other worker to take reasonable care for their own health and safety and that of others, and to comply with reasonable instructions, policies, and procedures.

In the case of farms and some other businesses with residential accommodation attached, those parts of the property used for domestic accommodation are not considered a "place of work".



Retaining trained employees

Many employers are concerned that they will spend time and money training a young person only to have them leave once they are qualified or be poached by a competitor. While you cannot guarantee any employee's long-term service to your business there are steps and strategies you can take to help you retain skilled staff, or at least get your money's worth out of your investment in their training.

- **Build into the employment contract a training bond or 'return of service' agreement** whereby if a young person leaves the company within a certain period of time that they are to reimburse the costs of their training (see the [FAN Cadetship Contract Sample](#) for an example). *Note this may not be appropriate for an apprenticeship – discuss with your Apprenticeship Coordinator.*
- **Create company policies that support the long-term retention of skilled and talented youth** e.g. Leave without pay policies enabling young people to go on a one or two-year, O.E. leaving their job open to return to, or continued training and development policies to ensure the employee is continually being challenged and developed.
- Have regular (e.g. annual) career conversations with your employee to find out what they want from their career and life. If they are someone who has potential to climb the company ladder have a clear career path for them to aspire to and inform them of what they need to do to get there.
- **If you can't offer short-term career progression in your own company, support your employee's career development in other companies** with the intention of hiring them back in the future. While this may seem counter-intuitive, experience in another work environment can develop an employee's knowledge, skills and experience that can be of benefit to you in the future.

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