



# **REVIEW OF CONSULTATION RESPONSES**

## **WORK PERMITS**

**JUNE 2023**

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# Introduction

Over the spring of 2023 the Department for Enterprise undertook a consultation on proposals relating to further reforms of the Work Permit system. The consultation ran for 6 weeks and 253 responses were received (250 through the Government Consultation Hub and 3 separate written responses).

This consultation report summarises the responses received and sets out the next steps the Department intends to take following the consultation which concluded with a significant majority of respondents expressing the view that further reforms to the work permit system were required, with the specific proposals set out by the Department also receiving majority support.

Subject to the will of Tynwald, the Department intends to implement the revised process as soon as practicable following approval and clear guidance will be made available for both employers and employees, with the changes widely publicised ahead of implementation.





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# Question 1 Responses



**“In bringing forward the proposals as set out in this consultation, do you consider that are there any specific employments, occupations, or economic sectors for which the requirement to obtain a work permit (i.e. to maintain the current process) should be retained rather than temporarily being replaced by a registration requirement?”**

Overall, **170 respondents (67%) expressed their views that there were no specific sectors or occupations where the requirement for a work permit needs to be retained**, with a number of these respondents also commenting that the whole process (including registration requirement etc.) should be removed.

From the remaining respondents who expressed their view that the requirement for work permits should be retained in some form, there was a varied set of responses with no clear consensus on specific occupations or economic sectors for which the current work permit process should be retained.

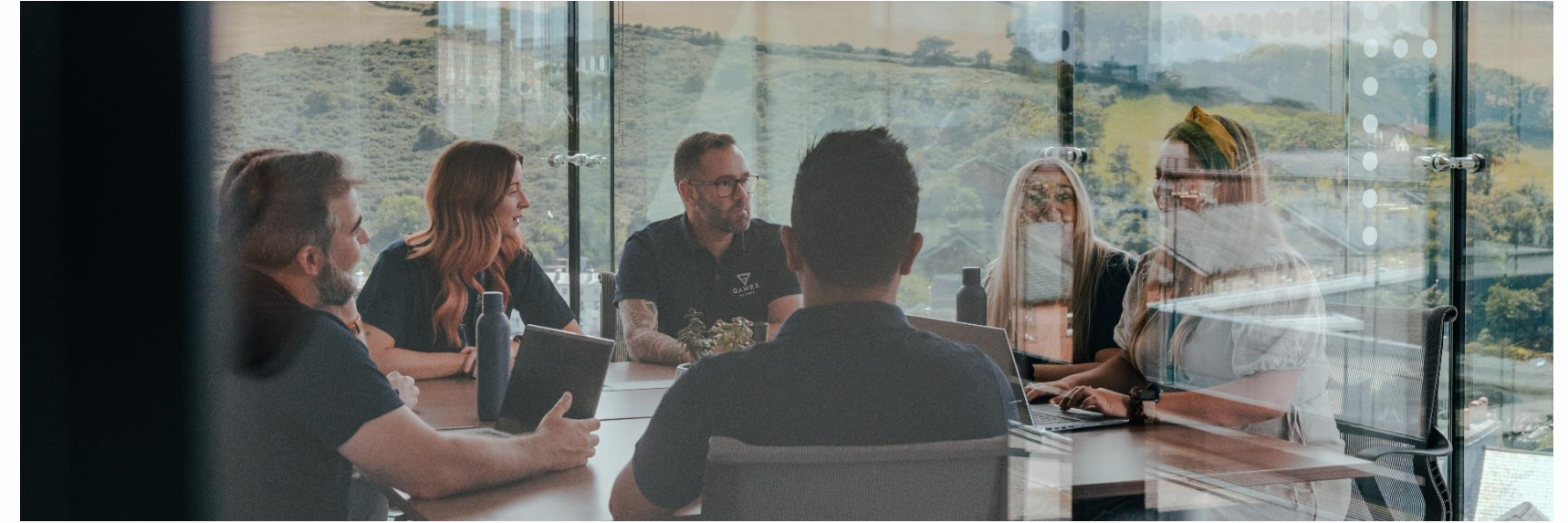
As an example, a number of respondents suggested healthcare and teaching roles should have a requirement for work permits, despite the fact that presently large numbers of employments in these sectors are already exempted and, therefore, already follow a limited ‘registration’ requirement in line with current legislation.

The respondents who were more generally against the Department’s proposals took the opportunity to cite various reasons why the requirement for work permits should be maintained with no employments or sectors excluded from a full application process. Whilst a number of these reasons were directly relevant to the proposal, stating their view that there was an ongoing need to ensure protection / advantage for Isle of Man Workers, there was also a broad range of comments not directly relevant to work permits – such as the availability of housing, schools, healthcare and suitability of general infrastructure.

Whilst the need to ensure the Island has the necessary infrastructure and services to support an increased population is acknowledged, these are matters which are addressed elsewhere in the Island Plan and Economic Strategy, with actions in this space owned across a number of different Departments.

The Chamber of Commerce supported the proposal to remove the requirement for work permits across all economic sectors, noting the ability to re-introduce such requirements for specific roles or sectors should economic circumstances change.

# Question 2 Responses



**“Do you support the principle of requiring an employer to register non-Isle of Man Workers to provide key information for both monitoring purposes and to provide labour market intelligence? If NO, please provide further information. ”**

Total responding to question	253	Percentage
Yes	205	81%
No	48	19%
Not answered	0	0%

The proposal to require an employer to register non-Isle of Man Workers was widely supported, with 81% of respondents agreeing with this principle, including the Chamber of Commerce representing the views of a wide range of businesses.

Notwithstanding the broad support for a registration requirement, there was some concern from respondents, notably employers, as to the nature of any registration requirement and the need to ensure that any process was simple and did not simply replace one perceived bureaucratic process with another.

Similarly, some respondents suggested that information was already collected by Government (i.e. tax registration) and therefore a registration requirement in replacement of a work permit application was not justified.

Conversely, a number of respondents expressed concern that a registration process was insufficient and that there should either be no changes to current work permit requirements, or some form of robust process in place.

Given the broad support, together with the feedback from respondents, the Department believes that achieving the right balance in approach to any registration requirement is an essential part of the broader proposals and will seek to ensure that, subject to necessary approvals of the final proposals, any registration process is sufficient to ensure effective monitoring without being overly burdensome on employers.



# Question 3 Responses



**“Do you support the principle of maintaining the existing provisions in respect of persons with certain criminal convictions? If NO, please provide further information.”**

Total responding to question	253	Percentage
Yes	233	92%
No	19	7.6%
Not answered	1	0.4%

There was overwhelming support for this proposal, with **233 (92%) of respondents supporting the approach** of maintaining existing provisions.

Nevertheless, there were some comments provided by respondents suggesting that the current provision does not go far enough and stating there should be full criminal record checks for anyone relocating.

For clarity, criminal record checks have never been routinely undertaken as part of the work permit application process, although further checks can be made in light of additional information being received or through the Department’s routine enforcement activities which will continue following the introduction of any reformed process.

Conversely, there was some concern from a number of employer respondents on where the responsibility falls in a situation where an individual may not declare a conviction to an employer prior to the employer completing any registration process.

Generally, however, there was significant support for the proposal for a declaration, which seeks to maintain the existing process in place for both work permit applications and exemption registrations.

This process appears to have worked reasonably well, with no significant reported issues, for almost 6 years since the previous reforms and any legislative amendments brought forward will ensure adequate provision for recourse in the event of false declarations being made.

Additionally, further clarity will be provided in guidance routinely issued by the Department to assist employers in understanding the registration process and their obligations.

# Question 4 Responses

**Do you support the retention of a fee, which would be paid at the time of registration by the employer for all new roles requiring off Island workers including those occupations and roles previously subject to exemptions? If YES, please provide feedback on whether this should be at the same level as currently charged, or an alternative rate. If NO, please provide further explanation for your answer.**

Total responding to question	253	Percentage
Yes	163	64%
No	87	34%
Not answered	3	2%



**163 respondents (64%) supported the levying of some form of fee**, however, feedback as to the amount that should be charged varied.

A small number of respondents suggested a higher fee (in one case as high as £500), however, a greater number of respondents who were in support of the broader proposals suggested that the fee should be lower based on the reduction in administration resources likely required by the Department should the proposals proceed.

Additionally, there was general comments made about any form of fee being a barrier to business and Government economic population growth ambitions.

The Department recognises the need to achieve a balance with regards to the levying of a fee payable upon the submission of a registration by an employer.

Whilst the current position of the Department is that a fee in some form will be levied, this is expected to be lower than currently charged and will be reflective of the reduced administration costs expected to be borne by the Department. Further analysis will be undertaken prior to proposing a final fee, with this being announced in line with other legislative amendments required to give effect to the broader proposals.



# Question 5 Responses

**On balance, after considering the Department’s vision for the work permit system and subsequent proposals, do you support the proposed approach? If NO, please provide further explanation for your answer.**

Total responding to question	253	Percentage
Yes	151	60%
No	101	39.6%
Not answered	1	0.4%

This was the key question in the consultation and asked specifically whether the overall proposals were supported.

**151 respondents (60%) answered YES** in support of the Departments proposals overall.



In a written submission to the Department’s consultation, Mr Callister MHK, expressed his concern at the proposals, whilst recognising that there may be a number of areas such as extension of automatic permits, transferrable permits and permits to allow secondary employment which could be brought forward to further simplify the system.

The Department has given consideration to a number of these areas previously and further minor amendments have been discussed, however, there was concern that any further amendments would continue to build on the complexity of the current system making it potentially more bureaucratic and increase the perception of a challenging, complex administrative process.

This ultimately led to the current proposals being brought forward which will greatly simplify and streamline the process for employers and provide greater certainty for prospective employees, whilst ensuring the ability to reintroduce work permit requirements is retained.

Analysing the responses further, of those respondents who answered NO, **26 expressed views that the proposals either did not go far enough** (i.e. the system should be scrapped entirely and Act revoked) or that they supported further reform but wished to see further clarity on how the process of ‘turning on/off’ would work in practice.

In summary, therefore, a significant majority of respondents supported further reforms to the work permit system, with the specific proposals set out by the Department also receiving majority support.



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# Question 6 Responses

**Please provide any further information and feedback on the Department's proposals.**

**Total responding to question**

**118**

This question provided an opportunity for respondents to give more general feedback and, as anticipated, there were a wide variety of comments. Whilst comments made largely followed the broad view of the respondent to the proposals, there were some consistent themes which emerged, including:

- Concerns that removing work permit controls would cause an 'influx' of workers, perhaps in lower skilled roles and the impact this may have on wages;
- The need for clear information and guidance as to the new process and any future process for turning work permit requirements back on in certain sectors or job roles;
- What the revised process will mean for existing work permit holders;
- The need to similarly review the broader Immigration process for workers relocating from outside of the Common Travel Area;
- Acknowledgement that some further changes could be made to the work permit system, but disagreeing with the proposal to remove the permit requirement in such a broad manner.

The Department welcomes and appreciates this additional feedback on the proposals set out in the consultation.

With consistently low levels of employment, and employers citing ongoing labour shortages, work permits have been routinely granted in many economic sectors, including those which may be perceived as 'lower skilled' as employers have demonstrated regularly that there is simply not enough supply in the resident labour market.

Subject to any final proposals being brought forward and approved, it is recognised that there will need to be clear guidance available to both employers and employees, including those both relocating and already on the Island but who are not Isle of Man Workers.

Whilst the proposal centres on the ability to 'turn on/turn off' the requirement to obtain a work permit, should there be a change in economic circumstances either broadly or in specific employment sectors, then crucially the retention of the Control of Employment Act itself will provide the ability to mitigate any perceived risks by retaining the ability to reintroduce controls if required.

The Chamber of Commerce, the representative body of several hundred businesses, supported the Department's overall proposed approach.

The Department also recognises some of the challenges faced in respect of broader Immigration processes and whilst these are not subject of this consultation, can reassure respondents that the Department works closely with colleagues in Cabinet Office on these matters.



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# Next Steps

Given the broad support for the proposals as set out in the consultation, the Department intends to progress with the necessary legislative and administrative changes required to bring the proposed reforms into practice.

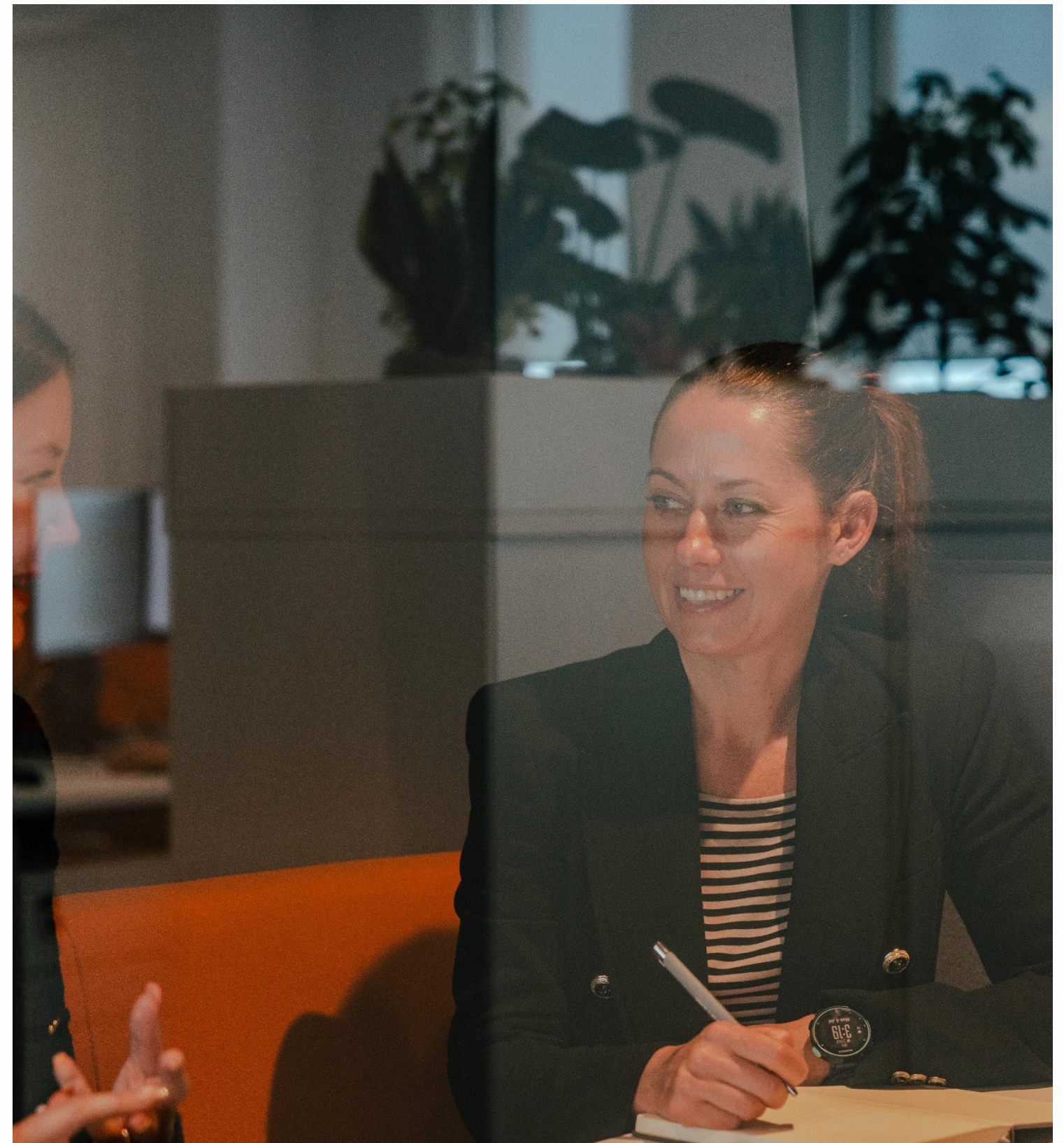
This will require secondary legislation, which will be subject to the approval of Tynwald, and the Department aims to bring this forward for consideration at the October 2023 sitting.

Given the specific consultation feedback in respect of the fee to be charged for registering a non-Isle of Man Worker, further consideration and analysis will be undertaken over the summer to determine the level of fee.

The Department's broad position is that the fee levied at the time of registering a non-Isle of Man Worker will be lower than that currently charged to be reflective of the lower reduced cost of administering the revised work permit process, and will be reviewed after the first year of operation.

Final proposals in respect of the fee will be published in line with the broader legislative amendments.

Subject to the will of Tynwald, the Department intends to implement the revised process as soon as practicable following approval and clear guidance will be made available for both employers and employees, with the changes widely publicised ahead of implementation.





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