

Ariel Farm Ltd

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12/5/17

Submission to MBIE on proposed changes to Essential Skills visa

To whom it may concern

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As a committed members of our rural community, having two competent staff allows us to be engaged with a number of voluntary activities locally.

Our business uses local trades and merchants for farm inputs.

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Over these last 10 years I have come to really value the input that my migrant staff have brought to my business. Prior to them I employed NZ'ers who would stay an average of 5 years. Productivity was always ok but I had to constantly keep my eye on the level of committment. Being located in an area remote from the centres of pig production in NZ is a disadvantage. There is just not a pool of potential pig farm staff in Northland. As I am only able to offer single persons accommodation on the

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farm any potential employee from outside the immediate area has to find rental housing which is in short supply.

Since engaging migrant Filipino staff productivity on the farm has increased every year and we currently are at a level that puts us easily in the top 10% of pig farms in NZ. E.g. pigs weaned per sow per year is over 27 – a key measure of productivity.

We have also been able to introduce technology that is commonly found on the larger units in the Philippines but found on only a handful of NZ farms e.g. on farm collection of boar semen and dilution for Artificial Insemination. This is a key component of our success.

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As a small unit we do not have the resources to spent time training new employees.

My recent experience in replacing the employee who returned home is relevant.

He was engaged as a Grower Herd Manager as that fitted the work that he was engaged to perform. He also needed to be competent across all aspects of pig production as he would be sole charge when his superior was away.

In order to replace him I contacted an immigration consultancy 9(2)(a) and followed their recommendations.

The Labour Market Survey showed that there were no suitable people on WINZ books.

We advertised the position on national media – Trademe, Pork Industry website.

Around 20 people responded.

Around one third were from people overseas who were looking for temporary work opportunities in NZ and a few who had some pig experience. Another third were NZ citizens who saw the word 'pig' and thought that because they liked pigs or had some contact with backyard pigs when growing up they would be suitable. None of these had any relevant experience or any understanding of the technical nature of commercial pig production. When questioned on the more technical aspects of pig farming they were clearly unsuitable.

A further third of applicants were mainly Filipino workers who were in existing positions in NZ and wanted to move. Some had relevant pig experience but others were on dairy farms. Unfortunately I could not satisfy their needs for an improved salary or accommodation. In addition I would be taking them away from their current employ and thereby creating another vacancy.

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Two months of this time we had to operate with only one employee during the Christmas/New Year / January period when the sole staff member was due time off. That was a stressful time!

Since arriving in February he has fitted in extremely well and I am very satisfied.

I am quite adamant that I would not be able to operate the piggery at this time in my life and to the level of productivity we achieve if it were not for the technical expertise that these employees bring

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to the job. A good level of productivity is essential to survive in an industry that is frequently under pressure.

In addition we have come to value them as members of our own family as they are genuinely great people to have around. Perhaps because our farm is not large as pig farms go these days the closeness of our relationship is unique.

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Salary determination as a measure of skill

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Skill level. Pig farming is a mixture of low skilled work e.g. washing out, water blasting and highly skilled tasks e.g. animal health diagnosis, breeding management, farrowing management. And a very high level of stockmanship.

There is also a whole range of other tasks such as repairs and maintenance, managing the effluent system, machine and vehicle operation. On a relatively small farm the staff have to be competent at a whole range of tasks. This is particularly important when key staff are away on leave or weekends. On larger farms staff can specialise.

Salary level is not necessarily a determinant of skill level. Remuneration is based on a range of factors such as a length of time in the job, seniority of position, size of farm business. A position that requires a high skill level in some aspects may have other facets that involve some other rather mundane tasks. 9(2)(a)

Pig Farming has a unique set of labour requirements

As already stated the range of tasks on a pig farm is wide from highly skilled to more mundane and routine.

Lack of available NZ staff

In the mainstream farming sectors such as dairying or beef farming there is a considerable pool of potential young employees. Those sectors feature strongly in the mind-set of young people particularly in rural environments. Either growing up on a farm or spending holidays on a friends or relatives farm gives young people a taste of farming. It is therefore quite likely that farming would be on the list of career choices.

However with less than 100 commercial pig farms in NZ the likelihood of a young person having contact with a serious pig farm operation is very low. It therefore follows that there is no real pool of potential pig farm trainees available to move into the available jobs in the pig industry. Unlike dairy share milking the pork industry does not have a readily available and clear career pathway for young people to follow to possible farm ownership.

In the dairy industry it is quite common for farm workers to move quite freely from season to season as there is a quantity of jobs on offer and one departure triggers a vacancy. As dairy farms expand the need for staff increases. There is limited growth on a few pig farms but not to the same extent as dairy. The need for an ever expanding workforce is just not there. I believe that competent migrant workers on pig farms would be valued employees and their loss either by restricted visa requirements or poaching by other pig farmers would be a real blow to the employer. It will also disrupt the smooth operation of the business with possible staff shortages while a replacement is recruited and lower productivity during training of the replacement.

In my opinion we have to look to the available pool of people in other countries to fill the vacancies on NZ pig farms. It is therefore necessary to make the process of obtaining access to this available pool as straightforward as possible.

I do support the necessary checks on work history, character, police record and health status as part of making sure we get the best possible employees.

Restriction on family and children

In my experience many people in these positions are prepared to make considerable sacrifice being absent from family for a number of years in order to fulfil their commitment to their NZ employer and to create a better future for their family.

Unless both partners qualify for a work visa I would support restrictions on a spouse coming to NZ apart from a temporary basis until both partners are eligible to apply for residency. Then the principal employee would be in a better position to support the spouse and family. They then become a more committed and settled resident with the option of citizenship in the future.

Seasonal Visas

The pig industry is a full time occupation with farms operating at full capacity every week of the year. There is no seasonal flow or slack period. It would be totally inappropriate to issue seasonal visas to pig farm workers.

General comment

A three year cap on work visas will hit the pig industry hard. It seems illogical to restrict an employee to a three year employment period when they are presumably doing a good job, valued by the employer and settling in to NZ life as a law abiding person contributing to the NZ economy. Arbitrary measures such as salary bands, skill level assessment give a false picture of the contribution that many migrant workers make to the productivity of the pork industry. Imagining that the shortage of competent workers in the pig industry is temporary is misleading and unrealistic.

As pig farms are located in rural areas the migrant workers are not contributing to any of the pressures experienced in the major urban areas.

Pig farming is a unique industry quite unlike most other farming sectors. The range of skills are highly specialised and require experience from day one of employment. There is no room for error. There is just not a pool of individuals with the required attributes in NZ. We must have access to overseas countries to fill our labour requirements.

This access must be as easy and straightforward as possible or the industry will suffer.

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Ariel Farm Ltd

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18 May 2017

Additional submission to MBIE consultation on changes to Essential Skills visa criteria.

Recently I employed a new migrant worker to fill a vacancy.

From the time of making the job offer to the person arriving in NZ was a period of 5 months. In addition the process cost my business \$1966 for airfares and consultancy fees. If I had been able to employ a suitable NZ'er I would have avoided those costs.

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