

Submitter information

Please provide your name and phone number, and preferred email address for contact if it is different from the one used to send this form:

s 9(2)(g)(i) Head of People and Safety 9(2)(a)
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In what capacity are you providing feedback?

e.g. on behalf of: your company, the company you work for, an industry organisation, a union, a licensed immigration adviser etc.

On behalf of my employer, Westland Milk Products

If you are representing a company or group, what is the name of that group?

Westland Milk products

What industry or industries does that group work in?

Dairy industry

In your company or industry, what are the most common occupations for migrant workers?

- Staff on shareholders' dairy farms
- Technical and production roles within the company's plant

What visa categories are commonly used by those workers?

I.e. resident visa, Essential Skills work visa, Work-to-Residence work visa (under the Talent or Long Term Skill Shortage List categories), Post-Study work visa (open or employer assisted), open work visa.

Essential Skills work visa

Open work visa

Partnership visa

Student visa

Only answer the following questions if you directly employ migrant workers:

How many migrant workers do you currently employ? (Refer to the visa categories in the question above)

Westland Milk Products currently employs eight migrant workers

In addition, a number of our more than 400 shareholders employ migrant workers. While we do not record this information about our shareholders' businesses, we estimate that at any one time there is a minimum of 125 migrant workers employed across our shareholders' farms, mainly across these categories:

- Farm Managers and Assistant Farm Managers classified as ANZSCO level 1
- Herd Managers and Farm Assistants classified as ANZSCO levels 4 and 5

Have you supported an Essential Skills visa application for any of these workers?

We have supported all eight visas under Work to Residency – Talent as we are an accredited employer.

Additionally, our understanding is that our shareholders have completed these applications in order to employ skilled staff but as these are their own businesses we do not have detailed records.

Using wage or salary information to help determine skill level and access to Essential Skills migrants

Proposal 1: Introduction of remuneration thresholds to determine skill levels and associated visa conditions for Essential Skills visas

Consider the proposal of aligning the remuneration thresholds for the Essential Skills visa with the remuneration thresholds for the Skilled Migrant Category.

What impacts or implications do you foresee from defining lower-, mid- and higher-skilled Essential Skills migrants in this way?

Give details of the occupations or sectors and wage or salary levels you are thinking of.

Overall we support the proposal to require migrants in ANZSCO levels four and five occupations to earn above the remuneration threshold to be classed for highly skilled employment; otherwise they would continue to be defined as lower-skilled.

This proposal will assist the employee who has moved through the ranks to a senior farm or company position. These are people who would otherwise not meet the classifications defined in the current skill shortages list of occupations and so will never be considered under Skilled Migrant category.

We believe this proposal will also help encourage skilled migrant workers to apply for jobs in the dairy industry, where there is a continuing issue of labour shortage by providing a defined and clear pathway toward improvement that can be recognised through advantageous visa conditions.

Our farming shareholders frequently find it very difficult to recruit New Zealand labour into dairying because of the declining number of people living in, or wanting to live in, rural communities; plus the hours, physical work, and the need to work outside in all weathers.

This is made more difficult on the West Coast where the geographical isolation is seen as a disincentive to potential New Zealand applicants.

Our experience is that, unlike some New Zealand workers, none of these issues are barriers to migrant workers seeking on-farm employment.

Reinforcing the temporary nature of the Essential Skills visa and managing the settlement expectations of temporary migrants

Proposal 2a: Introduction of a maximum duration for lower-skilled Essential Skills migrants

Consider the option of three years for a maximum duration for lower-skilled Essential Skills visas.

What impacts or implications do you foresee from the proposed maximum duration for lower-skilled Essential Skills visa holders?

Give details of the occupations and industries you are thinking of.

SUMMARY OF POSITION

We DO NOT support the proposed maximum duration for lower-skilled Essential Skills visa holders and, more particularly, we DO NOT support these proposals applying to on-farm dairy industry roles.

This and the remainder of the proposed changes seem designed to reinforce the 'temporary' nature of the Essential Skills visa because of problems associated with migrants becoming well-settled in New Zealand. We understand that the Government considers this undesirable because an expectation of indefinite residency in New Zealand is established and New Zealand employers are incentivised to avoid employing and training New Zealanders.

However THIS IS NOT OUR EXPERIENCE and in dairy farming this is not the case. We believe the fact that Essential Visas expire – and subsequent visas are only granted after a full labour market test which includes re-advertising the position – is more than emphasise that the visas are temporary in nature.

Taken together, we believe **THESE CHANGES WILL REDUCE THE COMPETITIVENESS OF NEW ZEALAND** as a destination for motivated and skilled workers that are desperately needed to drive the growth in productivity.

THE PROPOSED CHANGES WOULD ALSO BE A CONSIDERABLE COST TO BUSINESS.

We note, particularly, the proposal to include dairy workers in the seasonal occupations list. We believe this is not an appropriate allocation.

While the dairy industry has a work pattern affected by the seasons of the year, **it does not have a seasonal labour market** such as would be found in horticulture or the wine industry. Instead, on-farm dairy work is more permanent by nature with the “busy” milking season followed by a “slower” winter season. This is when a lot of importance maintenance, development work, and other tasks essential to the ongoing operation of the farm, are carried out, and when staff are encouraged to take the bulk of their annual leave.

For most dairy farms it would simply **not be feasible to recruit herd managers and farm assistants for the milking season only**. Such a requirement would dramatically decrease dairy work’s appeal to potential immigrants who are much needed to complement the limited supply of New Zealand workers willing to work in the dairy industry. It would also mean that farmers would potentially be in a position of continuously training lower skilled migrant staff without the reward of that investment in time being paid back through improved employee performance, employee continuity in the role and productivity increases.

Recruitment issue – New Zealanders:

Many of our farmers struggle to recruit suitable local applicants for on-farm roles, especially at the lower end of the skills scale.

New Zealand has become increasingly urbanized and there is a growing reluctance by urban-based people to work in rural communities. **This is compounded on the West Coast** where the geographical and social isolation is a major disincentive to potential New Zealand-resident employees.

Further, farm staff need to be physically fit, be willing to work outside in all weathers and work long days with very early starts. Our experience is that this is a major disincentive to potential New Zealand-resident recruits. **Farmers regularly report no response to repeated job vacancy advertisements in New Zealand**, and the industry is becoming increasingly reliant on migrant workers who are more willing to carry out the work expected of on-farm dairy workers.

The **dairy industry has been working very hard for some years to address domestic labour shortages** including promoting the industry through the Go Dairy programme, introducing the Sustainable Dairying: Workplace Action Plan and being involved in group employment schemes.

However, as noted above, increasing urbanisation reduces the pool of available applicants, **the inherent isolation of living on farms that does not suit everyone**. When seeking employees, farmers are not just asking someone to move to a new job but, more than likely, move to a new area where they have no support network and an inherent difficulty in establishing new links because of a low population base.

By comparison, **immigrant employees have already committed to leaving their home-town support base and have fewer concerns about their location; they are much more focused on the role** and the opportunity to improve their income and lifestyle compared with their existing situation.

Proposal 2b: Introduction of stand down period for lower-skilled Essential Skills migrants

Consider the option for a year-long stand down period following the maximum duration for lower-skilled Essential Skills visas.

What impacts or implications do you foresee from these proposed changes?

Give details of the occupations and industries you are thinking of.

We DO NOT support this stand down period for on-farm dairy workers.

We believe that the proposed changes will significantly impact our shareholders' businesses for the following reasons:

1. As noted earlier in this submission, on-farm dairy work does not have a defined season of work as is typical of other areas of agriculture such as horticulture and viticulture.
2. Loss of skills and experience. Once an on-farm dairy worker has been employed for three years they have gained a lot of skills. Our farmers would lose that experience and have to start again with new recruits.
3. **A stand-down period for on-farm dairy workers would add to farmers' recruitment and training costs to no benefit.** Continuity of employment and the ability for people to work their way up the experience scale is essential in this industry. **In this regard we believe that the Government should adopt an alternative proposal that allows level 4& 5 migrant workers to have the prospect of moving through the farming system in order to be considered mid-skilled and ultimately, potentially high skilled.**
4. **A stand-down requirement would be a disincentive to immigrant applicants for on-farm dairy roles, exacerbating farmers' difficulties in attracting suitable staff.**
5. **Manual labour is a significant requirement in our industry – whilst some automation has been introduced our processes are still very labour intensive and require people to perform often physically demanding tasks. We do not see this changing in the medium future and if farmers do not have enough trained staff, their production will suffer.**
6. Increased immigration costs, if we assume the person will require support with Immigration NZ applications and advice from an Immigration Consultant. It is also unknown whether a visa will be granted for the full 3 years or shorter periods of time which would increase our costs.
7. Acts as a disincentive to workers to advance their knowledge and skill-set and therefore gain an opportunity to enter into the higher levels of skilled migrant categories.

In summary: Restrictions on medium skilled positions such as herd manager and assistant

herd manager, as proposed in the discussion document, will further reduce the dairy industry's ability to attract quality applicants from overseas and, crucially, the ability to retain the skilled migrant workers we already have in the industry. Given the proposal for a three-year cap on the length of time a migrant can stay in New Zealand, it is clear that one of the intentions of the changes is to reduce the ability of New Zealand to retain quality migrant workers, even where labour shortages still exist. We not support this goal and therefore cannot support the proposed changes to achieve it.

In particular, we note the crucially important role dairying plays in the West Coast regional economy. As coal and other traditional extractive industries decline, the growth in dairying on the West Coast has helped stem the loss of people, jobs and skills from the region. It could be argued that the West Coast has a good case for an exemption to this proposed legislation given its potential to detrimentally impact on an already challenged regional economy, production levels, and employment opportunities. Indeed, The Coast is an area where continued immigration of families to boost the population and add energy to the local economy should be encouraged.

Proposal 3: Require the partners of lower-skilled Essential Skills visa holders to meet the requirements for a visa in their own right

Consider the proposal to require the partners of lower-skilled Essential Skills visa holders to meet the requirements for a visa in their own right.

What impacts or implications do you foresee from these proposed changes?

Give details of the occupations and industries you are thinking of.

We believe the current restrictions and rules are adequate and DO NOT support the proposal that partners of lower-skilled essential skills visa holders have to meet the requirements for a visa in their own right. Our comments relate specifically to on-farm dairy workers

This proposal would see the whole idea of living and working in New Zealand as less attractive.

We also note that on-farm dairy work is, for the most part, a very family-focussed role. Workers tend to live on-farm with their families. Their spouses and children become part of the farming community, often performing essential support roles such as cooking for contracted staff (hay-makers and the like), helping at busy times with tasks such as calf feeding and so on.

Migrant families provide much needed critical mass in rural areas and add massive value to local schools, community groups and sports clubs. It is not in the interests of the migrants or the country for us to target globetrotting migrant workers who either have no family or leave them it at home. Among the social negative impacts of such a strategy, it will have also have negative economic impacts such as encouraging remittances of wages back to the country of origins, compared to being spent it in the local economy.

The ability for migrant workers to bring their family is one of the appeals of the dairy industry and this proposal would further restrict farmers' ability to recruit in an already difficult industry facing staff shortages.

Further, our experience is that migrant workers who do come on their own inevitably wish to return home because they miss their families. This is often after their famer employer has

invested considerable time and expense into training them, only to have this investment lost because the pull of family is too strong. So anything that allows these workers to bring their families is a distinct advantage for, and indeed a necessity for, the dairy industry.

The partnership visas are not easy to get and so we believe the current steps and processes are adequate.

Proposal 4: Require the children of lower-skilled Essential Skills visa holders to meet the requirements for a visa in their own right

Consider the proposal to require the children of lower-skilled Essential Skills visa holders to meet the requirements for a visa in their own right.

What impacts or implications do you foresee from these proposed changes?

Give details of the occupations and industries you are thinking of.

We DO NOT support the proposal to require the children of lower-skilled Essential Skills visa holders to meet the requirements for a visa in their own right. Specifically we are submitting for on-farm workers in the dairy industry.

This proposal would see the whole idea of living in New Zealand as less attractive. Some families may not want to live in New Zealand if they have to apply for separate visas. There is also the possibility that families could be split if they are not eligible to gain a visa to live with their family.

It is simply not the "kiwi way" to try to separate families. It is unhealthy from a mental health perspective.

The biggest impact on this proposal is the fact that it may be seen as less attractive for families to come to live and work in New Zealand utilising the Essential Skills Visa. The impact is as previously detailed in this submission.

Reinforce that Essential Skills visas should only be granted for the period for which the employment is offered

Proposal 5: Make it explicit how the 'period of employment' condition applies to seasonal work

Consider the option to reinforce that Essential Skills visas for seasonal work are only for the length of the season and that the offer of employment must match the length of the season.

What impacts or implications do you foresee from these options?

Give details of the occupations or sectors you think are likely to be affected.

As noted previously, **Westland believes that on-farm dairy work should not be included in the definition of seasonal work and should not be subject to the restrictions contained in this proposal**

Consider the list of seasonal occupations being considered.

Are there any seasonal occupations that should be added or removed from this list? Why?

As noted previously, Westland believes that on-farm dairy work should not be included in the definition of seasonal work and should not be subject to the restrictions contained in this proposal

Consider the list of seasonal occupations being considered.

If you employ seasonal staff, or represent a sector with seasonal staff:

- What are the occupations of the seasonal staff within the sector that you are commenting on?
- For each of the occupations that you have identified, what is the typical period that you require seasonal staff to cover (e.g. the peak of the season)?

Not currently applicable to Westland Milk Products. Any "seasonal" staff would be tanker drivers or lower skilled operator roles. We have not looked to employ migrants in these roles.

If we were to look at migrant workers these are the two main groups we would look to employ. This would generally be for a period of 5-7 months over the peak of the milk production season.

Again, as previously noted, our shareholders employ a number of migrant staff and it is our contention that on-farm dairy staff should not be classified as seasonal workers.