

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)

9(2)(a)

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 the Canterbury Employers' Chamber of Commerce ("The Chamber")

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

Members of The Chamber

What industry or industries does that group work in?

All industries – throughout Canterbury

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

- Trades and construction
- Healthcare (including aged care)
- Hospitality
- Dairy farming
- Crop farming
- Smallgoods manufacturing
- General manufacturing
- Food producing
- Retail
- ICT / Communications

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 visas
- Working Holiday visas

- Partnership visas
- Post-study work visas
- Work-to-residence visas
- Open work visas

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)

N/A

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

N/A

INTRODUCTION

About The Canterbury Employers' Chamber of Commerce (The Chamber)

The Chamber is a private incorporated society owned by its members and governed by a board of 12 directors representing 2,800 businesses in the wider Canterbury region and the West Coast. Core areas of expertise include health and safety, human resources (including employment law), migrant employment support, export and import, and research and development.



The Chamber is a founding member and has national affiliations with Business New Zealand (BusinessNZ) and the New Zealand Chambers of Commerce and Industry. The Chamber is the largest business support and membership organisation in the South Island, and the second largest Chamber of Commerce in New Zealand.

The Chamber has over 12 years' experience in migrant employment and settlement, focusing on both newcomers and employers. It currently successfully delivers two relevant Immigration New Zealand (INZ) - funded programmes: *Connecting Canterbury Employers and Newcomers Skills Programme* (migrant employment) and *Skilled Migrant Business Services* (supporting employers of migrants in Canterbury). In this capacity, as well as acting in a general employer advocacy role, The Chamber has an excellent grasp of the regional immigration and settlement issues in Canterbury.

The Chamber would welcome the opportunity to work the MBIE on how any improvements to the Essential Skills work policy can be made and implemented.

The Chamber is one of the four regional organisations comprising New Zealand's peak business advocacy group, BusinessNZ. The Chamber supports BusinessNZ's submission to the Ministry of Business, Innovation and Employment and wholly endorses BusinessNZ's comments on these proposals. This submission from The Chamber therefore, will be brief and will only comment on issues as they pertain to our members at a regional level (specifically Proposals 2a and 2b).

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, The Chamber considers the application of the Essential Skills thresholds is appropriate, although there should be some consideration of a regional approach to remuneration thresholds.

While the use of salary thresholds makes sense, they are a blunt instrument. There is a case to consider varying levels of remuneration across the country. Median hour earnings differ across regions;

- Canterbury (2016) - \$23.15
- Nelson / Tasman / Marlborough (2016) - \$20.80 *Statistic NZ*

This suggests that an unintended consequence of this proposal would be the potential for employers to be negatively impacted by being unable to afford to attract and / or employ migrant workers where there are persistent localised labour shortages.

Please refer to the BusinessNZ submission for further clarification of our position.

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 a 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.

The Chamber supports moves to reinforce the temporary nature of the Essential Skills visa and manage the settlement expectations of temporary migrants. There is a case however, to consider some Canterbury businesses / industries as exceptions to national policy.

The Chamber is committed to a 'New Zealanders first' employment policy across all industries. In reality however, there are simply not enough New Zealanders in the

Canterbury region available for the low-skilled roles that these proposed Essential Skills changes will target. Evidence of Canterbury's tight labour market includes:

- 69.5% employment rate - this is a record high (*Statistics NZ*)
- 72.2% labour force participation rate - very high by historical standards (*Statistics NZ*)
- 4% unemployment – pretty close to what economists consider full employment (i.e. those that want a job and willing to work will have a job). (*Statistics NZ*)
- The territorial authorities around Canterbury are also experiencing a tight labour market making it hard to attract people from these areas.
- NZIER's most recent *Quarterly Survey of Business Opinion* reports that 24% of all employers are finding it hard to even get unskilled people.

The low unemployment rate in Canterbury is also likely to place a disproportionate burden on some local employers, that already face huge hurdles with recruitment. The cost and time involved in hiring a migrant is considerable, and Canterbury employers are already struggling to fill their skills shortages. An example is a Chamber member in small goods manufacturing in Canterbury that relies on over 100 temporary migrants to fill roles at their factory for which they cannot source New Zealanders locally.

Employers tell us that the barriers to New Zealanders seeking work are:

- shift work,
- ability to source their own transport (as public transport does not service the areas during the night),
- physical fitness,
- numeracy and literacy issues,
- experience in a production / factory environment, and
- pre-employment / on the job screening for drugs.

Examples of the standard actions that our members take in order to recruit New Zealanders include:

- advertising roles on Seek, Trade me jobs and industry-relevant websites,
- engaging closely with the Canterbury Skills and Employment Hub,
- attending work expos (regionally, locally, and in Australia - in a bid to attract New Zealanders back home),
- establishing strong relationships with local WINZ offices,
- connecting with the Department of Corrections to assess the availability of any suitable job-seekers post-release, and
- targeting schools and school-leaver expos.

The success rate for recruiting New Zealanders into these low-skilled jobs is very low. This indicates that the pool of 'employable' New Zealanders is extremely limited in Canterbury. It also indicates a need to invest in upskilling many New Zealanders with more intensive literacy, numeracy, and work-skills training pre-employment, and again once in the workplace.

Other issues that employers in Canterbury have raised in relation to the introduction of a maximum duration for lower-skilled Essential Skills migrants include:

- concern that the integration and successful settlement of their migrant employees will be adversely affected. Employers may be less likely to invest in these workers, and reinforcing the temporary nature of their job will impact on their ability to 'fit in'. This, in turn, will impact on company culture and ultimately productivity.
- Migrant workers will incur costs that will inevitably make New Zealand a less attractive destination. For many employers, this will impact on their productivity, lead to an increase in their prices to consumers, and negatively affect their global competitiveness. For some Canterbury employers, it may also lead to relocating their businesses to places within New Zealand where the unemployment rate is higher, and it is easier to recruit New Zealanders.

Essential Skills visas are integral to boosting the responsiveness of the labour market to changing economic circumstances, enabling employers to access skills and labour when these cannot be met locally. Employers wanting (and needing) to employ migrant workers on Essential Skills policy must clearly follow procedures designed to protect the interests of the local workforce. MBIE's proposal 2 does not set out how the costs incurred by business and New Zealand is offset by the benefits to employers and the country of restricting workers to 3 years and introducing a mandatory stand-down period.

The Chamber supports this proposal in general however, there will be significant variations across regions which will need to be considered. A 'one size fits all' approach to immigration is problematic. The Chamber holds the view that INZ will need to work with significant employers of low skilled labour in Canterbury on a case by case basis to ensure that their needs are met and that they have time to adjust to the proposed changes if they are implemented.

The Chamber would encourage MBIE to consider Canterbury as a regional case requiring special consideration sooner than the 'Phase 2' changes, set for later in 2017, into exploring options for further targeting of immigration settings by region or sectors, including where there are persistent localised labour shortages.

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.

The Chamber recognises the reasoning behind ensuring that settlement expectations are clear for Essential Skills workers. There are some exceptions however, to migrants' expectations.

There seems to be an assumption in the proposals from MBIE that all Essential Skills visa holders are expecting to become eligible for residency. For many businesses in Canterbury (particularly manufacturing and production) there is a reliance on migrant workers who do not expect this pathway to residency, and are satisfied with the possibility of temporary work. There is some concern among these employers that this stand-down period will act as

a deterrent to some of these workers. If a mandatory stand-down is to be imposed, The Chamber would support that there is flexibility to make it shorter for selected industries and regions. We support the BusinessNZ suggestion that:

One option for MBIE to consider is taking a regional or industry approach or providing exemptions in situations where firms have received Approval in Principle to source and employ large numbers of low-skilled migrants. Another option is to create a preferential pool of low-skilled migrant workers so that once their stand-down period ends, they can reapply for a new visa with fewer administrative costs, more timely processing and can best capitalise on their experience and knowledge of New Zealand workplaces and industry, but also regions, cities, and communities.

BusinessNZ submission

We endorse the BusinessNZ position on this proposal. Please refer to the BusinessNZ submission for further clarification of our position.

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 endorse the BusinessNZ position on this proposal. Please refer to the BusinessNZ submission for further clarification of our position.

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 endorse the BusinessNZ position on this proposal. Please refer to the BusinessNZ submission for further clarification of our position.

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.

We endorse the BusinessNZ position on this proposal. Please refer to the BusinessNZ submission for further clarification of our position.

Consider the list of seasonal occupations being considered.

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

We endorse the BusinessNZ position on this proposal. Please refer to the BusinessNZ submission for further clarification of our position.

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)?

We endorse the BusinessNZ position on this proposal. Please refer to the BusinessNZ submission for further clarification of our position.