

## 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), s 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.

For NZPork (the operating name of the New Zealand Pork Industry Board) whose statutory requirement is to represent the interests of New Zealand's commercial pig farmers.

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

NZPork (the operating name of the New Zealand Pork Industry Board).

What industry or industries does that group work in?

New Zealand pig farming.

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

Most commonly stock persons and senior stock persons, unit managers and herd managers. The actual roles will vary depending on the size of the farm including the number of staff employed.

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. Note however that while the Essential Skills visa is temporary, some migrant workers also have the opportunity to progress through skill /occupational roles through training and performance, and this progression may put some migrant workers on a pathway to residency. In this way New Zealand can retain skilled workers which the New Zealand labour market is not able to provide.

**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)

NZPork is not an employer but has supported farmers in making contact with the appropriate agencies to source migrant workers in those cases where they are unable to employ appropriately skilled and reliable workers. (Refer our detailed response to Proposal 1.)

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

See response to question above.

## 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.

NZPork supports the use of remuneration thresholds to help determine lower-, mid- and higher-skilled Essential Skills migrants. We believe it will be a help to address some of the drawbacks arising from the use of the current ANZCO occupational classification system for pig farming categories. Among other things it is useful to better align Essential Skills visa categories with the Skilled Migrant Categories.

However we strongly recommend that there are adjustments to both the mid-skill and low-skill category as proposed in the MBIE Discussion document. Such adjustments are consistent with the proposal in the Discussion document that remuneration is the main determinant of skill category.

**Recommendation 1.1:** That the mid-skill category is extended, as shown in bold in the table overleaf, to include all ANZCO classification categories; and that the low-skill category is a single category, which includes all ANZCO classification categories on the same basis.

(Note this table also illustrates our request (also shown in bold) regarding associated visa conditions which are discussed further in later sections of our submission, in regard to Proposals 2,3, and 4.)

NZPork request - Essential Skills skill level and associated visa conditions					
Skill Level	Remuneration thresholds		ANZSCO	Visa length	Children & partners
Higher-skilled	\$35.24+ per hour	And	1/2/3/4/5 <sup>1</sup>	<ul style="list-style-type: none"> <li>Up to 5 years</li> </ul>	Yes
Mid-skilled	\$23.49 - \$35.24 per hour	And	1/2/3/4/5	<ul style="list-style-type: none"> <li>Up to 3 years</li> </ul>	Yes
Lower-skilled Pig Farm Worker	Minimum wage - \$23.49 per hour	And	1/2/3/4/5	<ul style="list-style-type: none"> <li>Up to 1 year</li> <li>No 12-month stand-down</li> </ul>	Partners- No Children – Yes

**Broadening the mid-skill category:** Our request for the broader definition of the mid-skill category as inserted above (to include the full ANZCO classification) addresses the bluntness of the ANZCO classification which distinguishes only between farm managers and farm workers. It enables recognition of the range of skill levels (and value to the farming business) that lies between the categories of farm manager and farm worker in the context of the type of farm that they may be employed on, and that can be appropriately differentiated by remuneration levels. The remuneration thresholds (as shown in the table above, which are indexed and aligned with SMC policies) serve as a proxy for 'mid – skill' roles.

Broadening the mid-skill category would provide for occupations / occupational roles such as Senior stock person, Team Leader, Unit Manager, Herd Manager.

We have appended a description of these roles to illustrate that they do indeed span a range that are appropriately classed as mid-skilled. (Note that depending on farm type and farm size the roles may differ.)

**Simplifying the low-skill category:** Our justification for simplifying the low-skill category (to span all ANZCO classifications) within the lower salary range is analogous. Overlaying remuneration levels across the whole ANZCO classification serves two purposes: it enables these occupational roles to progress, based on performance and responsibility from the low-skill category to mid-skill category. In addition it enables a small farm to appoint an assistant to the owner, for example as an Assistant Farm Manager. Such a title reinforces that there are particular responsibilities when the Farm Owner / Manager has time off, but the scale of the operation limits the ability to pay at a higher level, at least initially.

We would be pleased to work with MBIE to confirm an appropriate level of New Zealand-based qualification within the NZQA framework of National Certificate of Pork Production that could be overlaid on the above, as skill level requirement or as a determinate of skill level.

For the avoidance of any doubt we seek confirmation on how remuneration is assessed.

<sup>1</sup> ANZSCO 4 & 5 Essential Skills applicant will be required to provide additional information about work experience and qualifications to reduce the incidence of falsified employment agreements.

**Recommendation 1.2:** Remuneration levels are assessed in a manner that recognises equivalence, based on variations in payment types such as time and a half for weekend work.

We have a further **additional** recommendation for MBIE's consideration:

**Recommendation 1.3:** A special category of Essential Skills visa should be created for a Pig Farm Worker as defined under the ANZCO system in recognition of the skill levels required by pig farm workers (in occupations such as Senior stock person, Team Leader, Unit Manager, Herd Manager) who do not qualify as a 'Pig Farmer' (ANZCO system) but who are considerably more skilled than Pig Farm Workers.

(Refer to description of these roles appended.)

This recommendation is to address the current challenges faced by New Zealand pig farmers in acquiring appropriately skilled staff to enable them to continue to deliver, and strive to improve, good practice farming outcomes for their animals, the productivity of the industry as a whole, and to meet their regulatory obligations for welfare and environment.

Our reasoning for this **additional** recommendation is explained below.

#### **REASONS FOR NEW ZEALAND PIG FARMING REQUIRING SPECIAL RECOGNITION TO SOURCE MIGRANT WORKERS**

NZPork and pig farmers have committed considerable resources over recent years to:

- Increase the attractiveness of pig farming to New Zealanders, including beneficiaries and school leavers. For example:
  - we have developed a suite of teaching resources and farmer case study videos to show case the industry to school children (refer <http://www.nzpork.co.nz/teaching-resources>);
  - farmers and NZPork staff provide talks to college students and support them with school projects;
  - we provide guest lectures at Universities;
  - support industry training with New Zealand Qualification Authority (NZQA) Certificate In Pork Production at Level 2, Level 3 and Level 4;
  - Massey University Pork Production Scholarship, awarding of a stipend for a summer student project;
  - recent provision of scholarship support for a PhD Candidate studying a welfare subject around farrowing systems of particular importance to the pork industry;
- Invest in training and showcase high achieving trainees within the industry. For example, we present an award to the Stockperson and Herd Manager of the Year, including a \$500 prize, at the NZPork Annual Conference;
- Increase the sophistication and use of technology in farming that has reduced reliance on low skilled workers. For example, the use of fully slatted floors with automated flushing and cleaning systems, automated ventilation for environmental control and computer controlled feeding systems. These technological enhancements have drastically reduced the requirement for staff to be involved

with non-productive areas on the farm and instead allow staff to concentrate on the skilled husbandry and management areas around mating and farrowing that contribute to productivity. In addition, attention can be given to the regulatory requirements around welfare and environmental management essential for sustainable farming.

But despite all the industry's efforts currently there is still a critical shortage of New Zealanders who are able, or even willing, to take up positions in rural areas as pig farm workers. For a number of years, pig farmers around the country have struggled greatly to source, employ and train good staff.

The shortages are very specific and are for workers with stock handling skills and empathy, and willing to work with large, sometimes dangerous animals. The numbers of persons required are very small in total (refer section **Small numbers of specialist staff required** below) and the shortages exist only in particular rural locations.

We cannot emphasise enough that expert skilled stockmanship is a critical area to ensure the pigs are well cared for and the farming system is operating productively. For example, a recent study, based on a series of farmer case studies to determine management factors that help reduce piglet mortality on outdoor herds universally identified the requirement for skilled staff and attention to detail as the most important factors.

**New Zealand pig farming – it is not a common, well known or considered occupation by New Zealanders**

Pig farming is a very small industry compared to other countries. There is not a large pool of specialist 'home grown' pig farmers in the work force. Similarly, there is not the specialist personnel readily available in New Zealand to provide specialist 'on the job' training or supervision, particularly on smaller farms.

Equally as critically as not being able to source experienced stock persons, farmers around the country have consistently provided feedback that there is not a pool of persons who are even prepared to consider pig farming, and have the basic attributes of reliability and animal empathy, that offer the potential to be supervised and trained 'on the job' and via further learning opportunities.

All in all, it is the combination of specialist skills required, that are not readily available and exchangeable with other types of livestock farming, plus the small number of pig farms in New Zealand, that defines a unique set of circumstances for the supply of a sufficient (but very small) number of an appropriately skilled labour force for pig farming in New Zealand.

In contrast, other countries such as the Philippines and some European countries have significant pig farming sectors and therefore potential to produce staff trained in stockmanship skills and to the high technical level required on New Zealand pig farms.

It is critical that New Zealand pig farmers have access to such migrant workers if and when they are unable to obtain appropriate New Zealand employees. As well as providing skills in stock care these skilled employees can then contribute 'on the job' training and supervision to any entry level New Zealanders that may wish to take advantage of pig farm employment.

(Note other more generic occupational categories required on pig farms such as maintenance staff and drivers are relatively easily filled by New Zealanders although also subject to commonly expressed requirements for reliability etc.)

Please note that NZPork has now been invited to work with Ministry for Social Development to investigate the feasibility of putting in place training initiatives to introduce pig farming as an occupation to New Zealanders needing employment. We welcome this opportunity as a further way to promote the industry to New Zealanders and ideally contribute to a future pool of work-ready New Zealanders. However this does not address the current and ongoing need.

### **Specialised nature of pig farming**

To understand the unique set of circumstances faced by the New Zealand pig farmers in sourcing and /or training skilled, reliable committed stock people it is important for MBIE to understand the specialised nature of New Zealand pig farming, and thus the special nature of employment needs that pig farmers are having difficulty satisfying.

The New Zealand pig industry is a highly productive specialised livestock sector, well integrated within New Zealand's primary production economic base. It draws on both downstream and upstream inputs and economic activity from New Zealand's rural sector including feed inputs, equipment and animal health supply, transport, slaughterhouse facilities plus further processing. Currently New Zealand's pig farmers produce around 45,350 tonnes of pig meat per year for New Zealand consumers. This represents around 42% of pig meat consumed by the domestic market, with the other 58% provided by imported pig meat from a range of countries.

Farming pigs is very different from farming other livestock. Stockpersons are far more intimately involved with the care of pigs than other livestock. Pigs have a greater need for shelter and their social and dietary requirements are more complex than sheep and cattle. The modern pig has been selectively bred over a large number of years to be highly productive. These modern efficient pigs require specialist operators skilled in stock handling, and specialist facilities to care for big litters from a large animal, and to manage a fast growing, lean meat-producing animal, efficiently converting feed in an environmentally sustainable way. Animal care is a daily responsibility, as pigs are not like ruminants which derive their nutrition from grass: pigs are monogastric like humans, and require a balanced diet fed daily. Expert stockmanship, with the knowledge and technical skills to provide for all aspects of animal care covering nutrition, health care, welfare, hygiene and provision of an appropriate environment is essential. Stock understanding and empathy are necessary qualities for good stock persons.

New Zealand pig farms are very diverse in their operation. For example, New Zealand's temperate climate means that it is suited to outdoor breeding and 40% of the sow herd is farmed outdoors.

Farm size also varies greatly. While the average farm is around 400 sows (about 4000 pigs) operating with 4 staff, farms vary from owner operators to the largest farm having around 5,000 sows (50,000 pigs) and employing over 50 staff.

Despite the variation in farm size, the same technical skills are required across farms, all operating on a regular (often weekly) production cycle with births, weanings, matings and sales occurring all year around. Ninety percent of farms use artificial insemination, where staff inseminate a cohort of sows regularly (many weekly). Some farms and breeding units will be collecting and processing semen prior to inseminating sows.

Pig farms in general are structured into five areas of operation.

These are:

- Mating, gestating (pregnant) sows and replacement stock facility

- Farrowing facility with lactating sows and newly born piglets
- Nursery facility where newly weaned pigs are cared for
- Growing and finishing facility
- Feed preparation and distribution facility

All of these areas require staff with specialist skills and knowledge, to ensure that the farm remains highly productive and all animals are well cared for.

On smaller farms the 'pig farmer' role requires the person to operate in all areas of the farm, including providing for 7 day a week coverage. As the farms grow in size the 'pig farmer' role may specialise more in one of the five main facilities on the farm and may operate as part of or manage a 'team' in that area.

Because of the level of technology used on pig farms, including systems such as computer controlled feeding and electronic sow feeders, computer skills are essential. In addition, pig farms operate extensive computer recording packages as part of the precision farming, monitoring and accurate management data required to maintain a successful pig farming business. The level of regulatory and compliance requirements in both the environmental and welfare areas are continually being stepped up and farm staff need to be skilled in these fields as well, if the business is to remain financially viable in a sustainable manner.

One key limitation of the ANZCO system highly relevant to pig farming is that it does not recognise 'skill level' in terms of stockmanship: rather ANZCO determines 'skill level' for farming based only on progressing to managerial /business responsibility. Recognising skill level in terms of skilled stockmanship is particularly important for pig farming. Defining a mid-skill category as a combination of the ANZCO classification overlaid by remuneration level provides a mechanism to enable employers to differentiate between essentially entry level staff and more highly skilled employees across a range of dimensions of skill type, including skilled stock persons (maybe termed Senior stock persons) and those progressing to classes such as Team leader, Unit Manager, and Herd Manager.

#### **Small numbers of specialist staff required**

Pig farming is a 'niche' sector in New Zealand. Notably, pig meat production is concentrated on a very small number of specialised farms /farm units (some pig farms / farm units are components of multi-species farms) compared to the dairy, beef and sheep livestock sector. As at 2017, there are around 100 commercial pig farms in New Zealand, with a total commercial sow herd of around 28,000. As a guide, one stockperson is required per 100 sows, so the total labour force employed directly in stock care on New Zealand pig farms is a modest 300 in total. While very small in total number, the skills and commitment of these people as skilled stock people, including in leading stock person teams as Team Leader, Unit and Herd Manager, is critical to ensure the effective operation and appropriate level of pig care on New Zealand's pig farms.

**Given a total stock person labour force of around 300 it is important to note that the total supply of migrant labour employed in the New Zealand work force at any one time will be considerably less than this total number.**

**NZPork will survey the industry to establish an estimated range: please note the short consultation period provided for this submission did not allow for this undertaking.**

## 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.

**Recommendation 2a:** We do not support the 3-year cap.

The annual labour market test is the appropriate and very effective method of reinforcing the temporary nature of the Essential Skills visa.

A 3 year cap is unnecessary, and we believe counter-productive.

Given that the labour market test must be applied yearly (which we support), if an appropriate New Zealander is not available it makes no sense to simply replace one migrant worker with another. We believe the annual labour market test clearly communicates the temporary nature of the visa.

Staff turnover is highly disruptive to the operation of the farm, both to the modus operandi of the staff and team systems established, and also its economic performance.

Considerable orientation and training in a particular farming system is required for any new staff member regardless of stockperson skills.

Staff turnover places an additional burden on existing staff, as it is likely they may be required to manage with lesser personnel for an interim, and then work through the stages of acclimatising a new staff member to procedures and practices. If one migrant worker is simply replaced with another (because the labour market test must be met before considering seeking a migrant on an essential skills visa) there are also all the administrative costs in working through all stages of recruitment that are unnecessary.

It is also counter-productive. It will dissuade any investment in up-skilling such staff and thus enhancing the performance of the farming business.

In addition there is the social support required to settle the migrant worker into a whole new social and work environment.

We believe such a measure would diminish the appeal of New Zealand for migrant workers that New Zealand needs, compared to other countries.

### *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.



**Recommendation 2b:** We do not support the option for a year-long stand down period following the maximum duration for lower-skilled Essential Skills visas.

Our reasoning is explained above in response to *Proposal 2a*.

*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.

**Recommendation 3.1:** We support this proposal.

It appropriately reinforces that lower skilled Essential Skills visa holders are filling labour gaps only where there are not New Zealanders to fill these positions.

We believe partners need to meet the labour market test in their own right.

We would even go further and suggest that an alternative for consideration is that all partners of essential skills visa holders (low-skill, mid-skill, high-skill) should be required to meet the requirements for a visa in their own right.

We see that this is a method of targeting migrant workers to those specific areas of skill shortage in New Zealand.

**Recommendation 3.2:** We request that the time limit of visitors' visas for partners is aligned with the time limit of the Essential Skills visa holder.

We believe it is appropriate that partners of Essential Skills visa holders, regardless of skill category, have the opportunity to accompany their partner. While not all Essential Skills visa holders will have / bring a partner, we believe that this condition will add to the pool of potential migrant workers attracted to New Zealand, to also include more mature persons who may settle and integrate better into New Zealand society. We believe that the remuneration levels offered along with overall conditions of employment are such that migrant workers will be able to support a partner.

*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.

**Submission 4:** We strongly oppose.

The ability for lower-skilled Essential Skills visa holders to bring children has considerable benefit for the types of migrant (mature, family-oriented) workers who may choose to seek temporary employment in New Zealand.

Some migrant workers will contribute great value on-farm. Their performance may mean they progress through skill /occupational roles with appropriate training and this progression may put some migrant workers on a pathway to residency. In this way New Zealand can retain skilled workers which the New Zealand labour market is not able to provide.

Migrant families contribute vibrancy and economic inputs to rural communities. They can strengthen rural communities including spending money in rural communities rather than sending money back to families in their home country.

**Proposal 5 is not relevant to NZPork: Pig farming is a non seasonal year around business.**

**Please refer to APPENDIX: Examples of New Zealand pig farming occupational roles currently classified by ANZCO as Pig Farm Worker (overleaf)**

## APPENDIX: Examples of New Zealand pig farming occupational roles currently classified by ANZCO as Pig Farm Worker

(Note variability to provide for farm type and farm size)

### Senior /Skilled Stockperson

*This will be a person with more than 2 years on farm experience plus some formal training. They may be a section head in charge of the farrowing, mating or grower area. Duties include organising day to day care of pigs and supervision of stock people. Data input is a key role. The actual work undertaken will depend to some degree on the size of unit. General duties include stock work feeding, cleaning or maintaining the outdoor environment of the pigs and will vary during the week depending to what is happening on farm. On larger units with more than 300 sows, staff tend to specialise in one area of operation. This role requires some leadership skills and sound knowledge of pork production practices. Their day to day work roles and duties performed are likely to include:*

- **Farrowing facility:** involved with the day to day care of lactating sows and piglets. Duties may include health management, feeding, cleaning, data collection, monitoring the environment, performing routine husbandry treatments on sows and piglets and other duties as required. Requirement for good observation skills and a knowledge of sow and piglet behaviour.
- **Mating/ Dry Sow facility:** involved in the day to day care and management of dry sows, boars, and replacements in the mating area. Duties include feeding, cleaning, health care, recording of data and assisting in mating and artificial insemination. Assist with replacement stock, monitor the environment, handle sows and boars, perform pregnancy tests, use identification system, monitor stock condition and other duties as required. Requirement for good observation skills and a knowledge of pig courtship and mating behaviour.
- **Weaner/Grower Facility:** involved with the day to day care, well-being and management of weaner and grower pigs. Duties include feeding, cleaning, health and environment monitoring, data collection, sorting, transfer and loading pigs. There is a requirement for good observation skills and being able to undertake facility maintenance.
- **Feed preparation facility:** on larger units, the stockperson may be in a support role to the above or operating in a mixture of the above roles depending on the weekly work load. In addition, the stockperson may be required to undertake duties in feed preparation, repairs and maintenance and other 'go for' duties as requested.
- **Weekend Work:** in general a roster will be set up on farm requiring work on weekends and public holidays.

### Assistant Farm Manager/ / Herd Manager / Unit Manager

*This is a person with day to day responsibility for the operations of the farm, the herd, the unit, or a team. The duties include day to day organisation and management of staff, ordering feed, freight and arranging sale of pigs. Analysis and interpretation of performance data is a key role. In addition, the stock manager will have an 'active' role in the day to day working across all areas of farm operation (as described in the skilled stockperson role above), assisting in areas of peak work load, filling in when staff are absent. This person reports directly to the owner or manager. Knowledge of environmental management, welfare, and health and safety*

issues is an asset. The size of the operation will determine the amount of day to day 'hands on' involvement.

For smaller farms the Assistant Farm Manager /Pig Farm Manager may be responsible for the operations of the farm as covered above and report directly to the farm manager /farm owner.

The Unit Manager is a person responsible for all aspects of running the operating unit on a day to day basis as well as long term planning. The Unit Manager may have a team of 3 – 5 staff to manage and ensure that all practices and policies are adhered to. They would take responsibility for performance/production in the Unit and staff development and training. Requirements for this role include experience in facility and staff supervision, pork production management and husbandry, and data collection and monitoring. The Unit Manager will report to the owner or manager. The size of the operation will determine the amount of day to day 'hands on' involvement. Knowledge of environmental management, welfare, and health and safety issues is an asset.

We believe these occupational roles sit together appropriately to allow flexibility to source skilled and experienced staff with both skilled stockmanship qualifications and experience and also the level of team managerial qualities appropriate to the scale of operation. The salary range for these varied occupational categories can vary to fit within either the low-skill or mid-skill categories.