

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.

On behalf of our company as CEO

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

BEL Group Limited

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?

Herd Manager/ Assistant Herd Managers

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.

Resident Visa, Essential Skills work 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)

11 migrants on Essential Skills Visa's

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

Yes

9(2)(a)

BEL GROUP LIMITED – COMPANY OVERVIEW

BEL Group is a privately-owned large scale dairy farming business located in the Central Hawke's Bay Region. The BEL Group is made up of three companies - BEL Group Limited, Epic Agriculture Limited and Longrow Dairies Limited. Shareholders of these companies include the Barry Family Trust, Andrea Barry and the Peter Barry Estate.

9(2)(a)

Today BEL Group owns nine dairy units milking around 9,600 cows over approximately 2,762ha of owned land and 1191ha of leased land. In addition, BEL Group owns a dairy support business which provides young stock grazing, winter grazing for dry cows and cropping feed for the dairy farms. BEL Group also oversees the management of a 80ha dairy farm milking 400 cows owned by Dairy CHB.

Overall, BEL Group has management responsibility for 10 dairy units milking 10,000 cows on 3,953ha in the Tukituki Catchment Area. BEL Group supplies all of its milk to Fonterra Co-operative Group Limited. To run the individual farms, BEL Group employs a total of 10 onsite Dairy Farm Managers. Overall, BEL Group employs and contracts approximately 65 fulltime staff. The business also utilises seasonal workers when required, including university students during the summer period.

Of our 65 employees we have **11 staff who are work visa holders** meaning **84% of the workforce for BEL Group are New Zealand citizens or residents**. Of our work visa holders the average tenure with BEL Group is 4 years with some staff having service of 8 years. There has been a significant investment by BEL Group in their training. Many have their families here and their children have **only** been educated in the New Zealand school system. These families are contributing to BEL Group in terms of their skills and experience in our business, therefore are highly valued and are contributing economically to our local community.

The proposed changes to the Essential Skills visa would mean that BEL Group for the 2017/2018 dairy season BEL Group may potentially be without almost 16% of the necessary work force, a situation which is simply not sustainable. Trying to recruit for any of these roles is difficult due to the fact that a) most dairy farm workers have already confirmed their contracts for the June 2017 – June 2018 season and b) Hawkes Bay is not a predominant dairy region that results in our business struggling to fulfil roles as the skills required are not available for the work.

At present the work visa holders for BEL are all Herd Managers. This means that the more senior farm roles of Production Manager, Operations Manager, Managers' Assistant, Stock Manager, and AG Works Manager are all undertaken by New Zealand citizens and residents. Also the less skilled roles of Assistant Herd Manager, and any general farm work positions are undertaken by New Zealanders, allowing less skilled New Zealanders the opportunity to train toward the more skilled roles and work their way up the ranks.

BEL Group is absolutely committed to developing our employees, particularly putting staff through AglTO courses and training (including AglTO Milk Quality and FarmSafe courses) however this still does not address the fact that there is an immediate and significant shortage of staff for farms at all levels.

We have been advised of the issues which INZ generally have with the classification and assessment of Herd Managers as “unskilled” level 5 workers, and INZ policy dictating that because of this experience does not matter, however it must be understood that it is simply not acceptable for an untrained person to undertake the work.

These are not tasks that are simply taught to any new employee in a matter of weeks, these are tasks that require minimum 2 years’ experience and to know how to correctly and safely handle the animals.

We acknowledge that the government sees the opportunity to place unemployed New Zealanders and refugees that have found it difficult to be placed in gainful employment into industries where labour shortages have been signalled, such as the Dairy industry.

An important point to note is that many of the industry’s best performing teams and BEL Group teams are made up on migrant labour who now have 3 plus years of experience and BEL Group has made significant investment in their training.

In order to employ New Zealanders that may have had challenges in finding employment, our farm managers will need to be confident that productivity is not compromised while they are providing the level of support the new employee may require. Potential employees with challenging backgrounds require greater levels of support. If those teams have a heavy concentration of visa holders and those visas are not renewed the teams will be depleted of the very skill sets necessary to support new entrants from the New Zealand labour market.

It is not an either or issue, we are reliant on skilled and experienced teams, of which most of the BEL Group are Essential Skills visa holders of 3 years plus, to support New Zealand workers into the industry. Removing that migrant labour may very well undermine the objective of placing New Zealanders into employment.

BEL Group requests that officials review alternative options for those Essential Skills Work Visa holders with existing tenure versus new Essential Skills Visa Applications.

- The current proposal does not consider the investment in training and experience of existing visa holders and the impact on organisations where there is not a strong candidate pool to replace from if any candidate pool at all.
- Alternative pathways for these Essential Skills Visa’s to residency (with bonding) via company accreditation processes – Salary Banding and Job Titles

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.

BEL Group supports the DairyNZ option for officials to consider.

- A 'Mid-skilled' category for occupations at ANZSCO levels 4 & 5 be added. If by the end of 3 years an Essential Skills visa holder is earning between \$23.49-\$35.34, applicants would not be subject to a 12-month stand down and could then have a visa issued for a period up to 3 years. To ensure the signal that the visa is temporary in nature, the ability for partners and children to accompany the visa holder would be as per the lower-skilled category, i.e. only if they are eligible for a visa in their own right.
- The ability to progress to the "Mid-skilled" band provides an incentive for businesses to invest in training and development and to reward employees for their investment in upskilling and added contribution within a time bound period.

The following table outlines the Dairy NZ proposal.

Alternate Option - Essential Skills skill level and associated visa conditions					
Skill Level	Remuneration thresholds		ANZSCO	Visa length & restrictions	Children & partners
Higher-skilled	\$35.24+ per hour	And	1/2/3/4/51	Up to 5 years; Labour market test does not require a Skills Match Report; no 12-month stand-down	Yes
Mid-skilled	\$23.49 - \$35.24 per hour	And	1/2/3	Up to 3 years; Labour market test does not require a Skills Match Report; no 12-month stand-down	Yes
	\$23.49 - \$35.24 per hour	And	4 & 5	Up to 3 years; Labour market test requires a	No

¹ 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.

					Skills Match Report; no 12-month stand-down	
Lower-skilled	Minimum wage - \$23.49 per hour	And	1/2/3		Up to 1 year; Labour market test does not require a Skills Match Report; no 12-month stand-down	No
	Minimum wage - \$23.49 per hour	And	4 & 5		Up to 1 year; Labour market test requires a Skills Match Report; no 12-month stand-down applies	No

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.

BEL Group is concerned that the 3-year cap and consequential 12-month stand down will facilitate an unnecessary loss of skills and experience to industry.

A real scenario exists whereby we may have gone through the Labour Market Test and found that there are no New Zealand citizens or residents suitable for the job, a visa holder of 3 years must still leave the country only to have that job filled by a new migrant.

This may incentivise reduced investment in training, lowering the average skills within the industry, lessen the incentive to increase remuneration and consequently have spill over

effects for New Zealand citizens/residents working conditions within the industry.

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 believe that the 12-month stand down is excessive and may have negative impacts on working conditions.
- If the intent of this measure is to send a strong signal that the visa is temporary, we think the combination of visa lengths, and restrictions on children and partners access accompanied with a Labour Market Test that includes a Skills Match Report is adequate to achieve this.

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.

Bel Group supports this for future holders of the Essential skills visa's but this should be waived or a grace period instigated for existing Essential Skills visa holders

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.

BEL Group does not support this. If there is a situation whereby both parents hold Essential Skills visa's then their children should sit under these visa's as they do today.

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.

Dairy Farming is not seasonal work – We employ our staff on permanent contracts. A number of our farms are also split calving which means herds are calving all year round.

BEL Group would be concerned that further limits were made to the Essential Skills visa's for Dairy Farming.

Consider the list of seasonal occupations being considered.

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

Bel Group does not employ seasonal staff. Our staff are permanent employees

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)?

Bel Group does not employ seasonal staff. Our dairy farm staff are permanent employees