

Submitted by:

s 9(2)(g)(i), s 9(2)(a)

We operate in the Dairy Farming sector and currently 50/50 sharemilk 1600 cows. We employ 5 migrant workers currently on work visas. Their occupations are Assistant Managers (essential skills), Assistant Herd Managers and Dairy Farm Workers. We have supported their applications for visas.

I wish to address the following issues below.

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

We are currently advertising for an Assistant Herd Manager. We are looking for someone who has had up to 2 years dairy experience, preferably but not necessarily in NZ. A person with this level of experience should be on only \$44-46,000. We have received NO applications from a New Zealander (despite advertising at WINZ as well). Anyone who is already in New Zealand on a work visa with any experience has asked for a salary of \$49,000. Anecdotal evidence from others in the industry has said the same thing.

By using this one figure it is having a direct impact of employers being held to ransom by this figure (as the occupations of Assistant Herd Manager and Herd Manager have been removed from the skills shortage list – although when one has NO applications from suitably qualified New Zealanders that seems to have been an inaccurate assumption).

9(2)(a)

The reality is we will do need junior staff. With the pay out dipping down to \$3.90/ms we cannot afford to stack our workforce with highly paid staff. I will have no alternative to either pay this or bring in another junior migrant worker. This is a very blunt tool.

We need to be able to offer them **5 years** before the \$49,000 threshold comes into place. This is an adequate amount of time for them to upskill and allows a natural progression to mid-level skilled jobs. Migrant Dairy staff simply cannot come into New Zealand with a great understanding of a system that is very different to home. They often have an understanding of milking cows, but the rest is very different. They generally have very minimal tractor and machinery skills, and do not

understand the terminology we use and have to learn. The government's own Primary ITO classes at Level 3 and Level 4 constitutes nearly 3.5 years of straight learning. That does not account for the fact that some parts of the dairy season are not conducive to off farm learning and that the training advisors themselves recommend 6 months to a year on a NZ farm just to understand the lingo before attempting a course.

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

This is the most important one for our industry. 3 Years is simply too short. New Zealand Dairy Farming is unique in that it is one of the best examples of pastoral dairy farming in the world. As mentioned above, migrant dairy staff often do not have a good understanding of pastoral farming. They learn a lot of skills here on the job.

We currently have 3 staff that have come to us with extremely minimal skills, as we could not employ an NZers. As outlined below, it takes them a good 2.5 -3 years to become a proficient member of the team.

The majority of us run a system that is seasonal, with a dry period May/June/July. By default, this is when a lot of dairy staff change jobs or arrive. We then head into calving (Aug/Sept) before mating time (Oct/ Nov/ Dec).

So a new migrant staff member employed as a Dairy Farm worker with say an initial pay rate of approx. \$40,000 would generally start and go straight into our busiest time. This is a period of intense learning and settling in. Jan/feb next year if they have settled in well they may look at enrolling in a Primary ITO Level 3 Animal husbandry course for a year. We usually ask our staff to pay the \$620 cost but agree that anytime taken to go to the course is still classed as a paid work day.

So having been with us for approximately 18 months, they will have hopefully completed their husbandry course (with us paying them to attend) and have adapted to and begun to understand how dairy farming in NZ works.

They may then complete Primary ITO 7 month Livestock and Feeding course, costing them \$395 and us the time off work to go. On completion of this they will be straight into calving and mating, so would not be able to continue study at this time.

So 2.5 years in with us they have worked hard, studied, become a valued member of our team. We have put time and money into them and have trained them to understand NZ dairying. They may have received a promotion to Assistant Herd manager and had a pay increase to approx. \$46,000. They have paid tax and become a member if NZ society.

Now at this point they are faced with a choice. They probably want to continue with Primary ITO enrolling into Level 4 for 22 months at a cost to them of \$975 and the employer paying for their time to attend. And note that to be an Assistant Manager according to your own skills shortage list you must have completed Level 4

This brings us to: *Proposal 2b: Introduction of stand down period for lower-skilled Essential Skills migrants*

After 2.5 years of training and work experience with us our staff member will now be faced with a decision – ask us for a pay rise to \$49,000, or look to change jobs and become one of the people ringing up other employers wanting \$49,000. Or they will have to go home for 12 months costing them time and money, before trying to come back in (no doubt still asking to be paid \$49,000 and on an essential skills visa).

Our business in the meantime will suffer as we have to go back to the start and employ someone else, costing us time in recruitment costs, time, money and production with the inevitable costs associated with having someone inexperienced back on the team. Now whilst there is likely to be a natural movement of some staff, this 3 year limit forces the issue for every migrant staff member.

We as their employers will have invested considerable time and effort to get them to a level to make a valuable contribution to our business and NZ dairy farming. They have also taken places in Primary ITO classes to learn so they can become valuable members of the industry. If we could guarantee that they could be stay for **5 Years**, this would give us who are the ones making the effort to bring them in an adequate amount of time to have value added to their business and ultimately their industry. Within 5 years an opening may come up in your own business and you can legitimately promote them, especially if they are getting the opportunity to study level 4, and starting to gain the experience to be a herd manager or assistant manager. Why send home people who are actively training and learning to contribute to our industry. 3 years is simply too short. If they can't make the grade after 5 years then send them home for the 12 months.

There seems to be an idea that we should only welcome skilled migrants in and others should only stay a short time. If they can come in ready trained with easily transferable skills e.g. barista skills I could understand. But when it is an industry screaming out for staff, unable to get them and therefore having to turn to migrant workers, we are then not getting them for long enough to justify our time and effort. The industry cannot run without staff.

Lower skilled New Zealanders plain and simple do not want these jobs. And the New Zealander's in the industry are amazingly talented people. So good in fact they rocket up through the industry. We were managing the family farms of over 2000 cows at 22 straight out of university. Other friends were 50/50 sharemilking within 3 years after changing from sheep and beef. They usually have had previous experience on farms and are tertiary educated. These people are not going to sit in these lower level jobs.

*Proposal 3: Require the partners of lower-skilled Essential Skills visa holders to meet the requirements for a visa in their own right and Proposal 4: Require the children of lower-skilled Essential Skills visa holders to meet the requirements for a visa in their own right*

We agree with this. It puts pressure on our infrastructure when you employ someone who says they are happy for their wife and child to stay at home and then within a year changes their mind and asks if they can come. Generally accommodation for junior staff is smaller and it is hard to fit a family in. It puts pressure on us as we usually want to keep the staff we have invested in.

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

We tend not to employ migrants for seasonal work

Signed: s 9(2)(g)(i)

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