

ANZSCO

Retaining the ANZSCO categories is an issue due to the poor alignment of ANZSCO with New Zealand dairy farming. The ANZSCO level one job description of Dairy Farmer does not reflect the tasks likely to be performed by the most experienced and highly skilled dairy sector workers (e.g. loan management and tax management). Despite the fact that a role is only required to substantially match the ANZSCO job description, the dairy sector has seen multiple highly skilled and valuable team members decline residence on the basis that their role does not match the ANZSCO description because they do not manage tax and loans.

The ANZSCO level five Dairy Farm Worker category is the only alternative ANZSCO category available to a dairy sector employee. There is no mid level ANZSCO level (e.g. Level 3) which recognises that there are positions within the dairy sector which sit between the highly skilled level 1 roles and the novice level 5 roles.

We recommend that Immigration work with dairy sector stakeholders (e.g. DairyNZ and Federated Farmers) to define the factors which will be considered when assessing roles against the ANZSCO descriptions to ensure Immigration Officers are able to accurately assess the appropriate skill level and ANZSCO alignment of a role.

We also recommend the introduction of a mid-level (level 3 ANZSCO) role which matches the mid-skill roles in the dairy sector. The level 3 ANZSCO role for dairy farming would likely include a requirement for 2-3 years of experience on a NZ dairy farm and a qualification at Primary ITO level 2 or 3 but should be articulated in consultation with key stakeholders (Dairy NZ and Federated Farmers).

Remuneration Thresholds

The alignment of the Essential Skills ("ES") visa remuneration thresholds with the remuneration levels in the Skilled Migrant Category ("SMC") policy will provide a more certain pathway going forward.

The introduction of remuneration thresholds for the Essential Skills visa provides a more certain metric to identify whether a role is skilled or unskilled and recognises that while a role may traditionally be determined to be low skill, the incumbent may be highly skilled due to experience and knowledge which does not align with traditional measures of skill.

We understand that the SMC remuneration thresholds have already been agreed by government and this submission therefore assumes that they are not up for discussion. However, we do think that the hourly rate of remuneration in the dairy sector should be assessed against actual hours worked over the annual season i.e. to allow seasonal averaging of hours when determining the hourly rate. As we will explain below, there is some seasonal variation in hours worked in the dairy sector due to the fluctuation of seasonal demands. It is still common practice in the sector to pay an annual salary (although industry bodies are advocating for the introduction of hourly rates with some success) which reflects the annual hours worked. In order for the hourly rates to reflect the actual remuneration per hour, we recommend that annual averaging is permitted for the purposes of identifying the remuneration thresholds for immigration purposes (subject, obviously, to the requirements to pay at least minimum wage for each and every hour worked in a pay period).

Seasonal Occupations.

Dairy farming is not a seasonal occupation. Although some elements of the role (for example milking and calving) are seasonal, and work patterns are affected by the seasons of the year, it does not have a seasonal requirement for labour as might be found in horticulture or the meat processing industry. While there are fluctuations throughout the seasons in the workload on farm, there is no significant seasonal variation in the need for a skilled, stable on farm team with the skills and experience to manage the workload during the traditionally quieter times of the season (during which annual leave is prioritised). The increase in technology on farm means that the wide historical variations in workload (which would have been similar to a bell curve, with low workload in winter, peaking to a high workload during spring and summer, and falling again in Autumn) is no longer typical in the dairy sector. There is now a more consistent workload throughout the season. For this reason, the dairy sector should not be considered a seasonal labour market.

Transition Arrangements – South Island work to residence visas.

We commend the introduction of a South Island work to residence visa which recognises the contribution of the migrant workers who have been working in the South Island for over four years and are integrated into our communities and workforce. The retention of these skilled, valuable people is crucial to the productivity of the dairy sector. These people have developed skills which contribute to the productivity of our teams in the dairy sector. They also sustain the rural communities in which they live, contributing to schools, churches and volunteer associations (e.g. Freemasons) which had been suffering due to the declining rural population.

Having a skilled and experienced pool of workers is essential to the dairy sector which has experienced significant growth over the past twenty years, during which time the size of the industry has doubled. The locations in which the dairy sector has grown most significantly are those where the human population has been stable or there has been a decrease in population. Migrant workers have enabled the dairy sector to fill the gaps in their teams due to the lack of available Kiwis. In Southland, for example, we have a very low rate of unemployment and whilst we are working on our own solutions to encourage Kiwis to enter the agricultural sector (e.g. Youth Futures) there is still a need for migrant workers to fill the gaps. We need migrants and Kiwis – it is not an either or situation.

It is also important for the dairy sector to retain the skilled migrants we have trained over the past few years and who add significant value to our farms and communities. This is a win for Kiwis wanting to work in the dairy sector – the stable, skilled teams that migrants have enabled us to create mean that we have teams with the skills and capacity to train and develop new entrants to the sector and maintain the productivity gains that we have made over the past few years. Without these skilled, stable teams we can not put the time and energy into training and developing new entrants.

Pathway to Residence

The contribution policy which provides a pathway to residence for long term Essential Skills migrant workers in the South Island is a necessary but not sufficient step. We would like to advocate for a second “pathway” to be introduced to capture those who may not be eligible this time around (for example because they have been in NZ or in the South Island for less than 5 years on an Essential Skills Visa) but who will fall into the transitional provisions (annual visas from the date of their next visa renewal, subject to a 3 year cap). These migrants will have been in New Zealand for a period of 4+ years by the time they reach the three year cap and 12 month stand down period. As the

pathway to residence visa recognises, by this time their contribution to NZ will have been significant and their families will be well settled in NZ. There is a strong social justice argument for providing a pathway to residence in line with the current pathway for those in this category. It will also enable NZ to retain these highly skilled and well integrated people, who contribute to our economy and the vibrancy of our communities and fill the gaps in our workforce which exist due to growth of the dairy sector and declining/stable rural populations.

12 month Stand Down Period

There is no value in the mandatory stand down of 12 months following the maximum three year duration work visa for lower skilled ES migrants. If the labour market test is still met, what value is there for anyone in requiring the migrant to leave NZ for 12 months (taking their skills with them) and enabling a new migrant (without NZ skills and experience and not integrated into NZ) to be introduced in their place? The employer would then need to start from scratch to train and integrate a new migrant.

It seems the sole rationale for this rule is to ensure migrants do not become well settled in NZ and develop an unrealistic expectation of ongoing residence in NZ. We believe the policy settings requiring a one year visas (and requiring the labour market test to be satisfied annually and a new essential skills application to be made) and preventing the migrant from bringing their family (unless they can obtain their own visa) send this message loud and clear. The 12 month stand down period adds not additional value.

Regional/Sector Immigration Settings

I would like to strongly advocate for further targeting of immigration settings by regions and/or sectors, including where there is persistent localised labour shortage. This is crucial where there is such wide variation in population growth across the regions, particularly as most policies seem set to address the population growth in Auckland, with the unintended consequence that regions with the opposite problem (trying to attract new people to meet the demands of the workforce and sustain their rural communities and schools etc.) are hampered. There could be a good opportunity to review the process for occupations being added to and remaining on the Essential Skills in Demand Lists e.g. to recognise regional shortages of particularly occupations, for example herd managers in Southland.

Accredited Employer programme

The existing Accredited Employer (Labour Hire) programme should be expanded. It is important to ensure that the administrative requirements of this scheme make it sustainable for smaller businesses and employers to become accredited.