IMMIGRATION AND THE NEW ZEALAND DAIRY INDUSTRY

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Introduction

The aim of this discussion paper is to evaluate the latest Immigration New Zealand residence and temporary entry policy change proposals with a specific focus on the dairy industry. We evaluate the potential impact they have on both dairy farm staff requirements; and likely social impacts.

Current trends in NZ dairy industry

We first review key trends in the dairy industry to give context to the likely effects of the Immigration changes.

Change in dairy farming model

The last three decades have seen a significant shift to larger herd sizes and reduced numbers of herds.

![Trend in the number of herds and average herd size for the last 30 seasons](image)

Source: New Zealand Dairy Statistics 2015/16 report by Dairy NZ and LIC.

Notes:
This is important in the context of immigration policy as larger herds and more technically advanced dairy farms require higher skill levels from staff. Dairy NZ’s recent submission to MBIE notes something that most farmers will attest to - the skill requirements of a Herd Manager on a 1000 cow farm is quite different to that on a 400 cow farm. They cite a study completed in 2012 by Dairy NZ and Lincoln University indicating that the difference in skills levels between a Farm Assistant and a Herd Manager in the top third of farms was about 25% (Source Dairy NZ submission to MBIE dated 19 May 2017, Carol Barnao)

**Pool of New Zealand dairy workers static or falling:**

Having been involved in rural banking since 2002 and then dairy farm recruitment since 2006, my experience is that the pool of suitably skilled New Zealand dairy staff is either static or falling. The 2017 remuneration survey by Federated Farmers corroborates this; 46% of the respondents in the dairy industry have found it “not at all easy” or “not very easy” to find employees.

In our opinion, the key reasons include:

- The rapid growth in the dairy industry in the last two decades.
- The continued growth of the New Zealand economy and reduction in unemployment rates (currently 4.7%) provides young New Zealanders with an increasing choice of occupations.
- The reduction in sharemilking opportunities has contributed to a lack of clear pathway to cow and/or farm ownership. This used to be a strong motivator for young New Zealanders entering the farming industry.
- Rising farm prices in relation to profitability have made the pathway to farm ownership more difficult.
- The long hours of work and weekend work on farms, compared to other industries, although my experience is that this has improved substantially over the last 5 years, especially with MBIE’s focus on employee time sheets.
- The isolation of dairy farms in many regions.
- An increasing number of New Zealand employees unable to pass drug tests required by employers as a result of stricter Health & Safety requirements on farm.

Without an increase in available New Zealand staff to fill growing shortages, the dairy industry is relying more and more on migrant workers at most levels, not only to keep farms operating but also to facilitate the productivity gains that the industry has made over the last decades.

**Increased reliance by dairy farms on migrant workers**

A comparison of the Federated Farmers Surveys of 2013 and 2017 shows that the dairy industry is increasingly reliant on migrant workers at the lower or semi-skill levels.
Not only has the reliance on migrant dairy staff increased as a percentage of the workforce, the actual number of staff employed in the dairy industry has also grown rapidly since 2000, with new jobs being added at an average of 3.7% per year, twice the national average (source Federated Farmers submission to MBIE 21st May, 2017). As a result, statistics from Dairy NZ show a 114% increase in essential skills work visa holders in the dairy industry from 2010 to 2015 (Source Alan Barker, Diary NZ, MBIE data). Notably this excludes students and many other classes of foreign workers with work rights, also working on dairy farms, so actual figures will be higher than this. The following table sets out this trend:

### Number of Essential Skills work visa holders who were working as dairy farmers by Region
FY 2009/10 to 2014/15

<table>
<thead>
<tr>
<th>Region</th>
<th>2009/10</th>
<th>2010/11</th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canterbury</td>
<td>442</td>
<td>406</td>
<td>581</td>
<td>626</td>
<td>922</td>
<td>1,008</td>
</tr>
<tr>
<td>Southland</td>
<td>258</td>
<td>335</td>
<td>334</td>
<td>350</td>
<td>352</td>
<td>435</td>
</tr>
<tr>
<td>Waikato</td>
<td>156</td>
<td>150</td>
<td>126</td>
<td>188</td>
<td>221</td>
<td>368</td>
</tr>
<tr>
<td>Otago</td>
<td>92</td>
<td>69</td>
<td>130</td>
<td>150</td>
<td>202</td>
<td>200</td>
</tr>
<tr>
<td>Bay of Plenty</td>
<td>32</td>
<td>50</td>
<td>64</td>
<td>51</td>
<td>68</td>
<td>103</td>
</tr>
<tr>
<td>Manawatu-Wanganui</td>
<td>30</td>
<td>33</td>
<td>18</td>
<td>34</td>
<td>42</td>
<td>60</td>
</tr>
<tr>
<td>Taranaki</td>
<td>24</td>
<td>26</td>
<td>21</td>
<td>27</td>
<td>38</td>
<td>49</td>
</tr>
<tr>
<td>Northland</td>
<td>13</td>
<td>12</td>
<td>21</td>
<td>15</td>
<td>33</td>
<td>42</td>
</tr>
<tr>
<td>Hawkes Bay</td>
<td>31</td>
<td>38</td>
<td>15</td>
<td>20</td>
<td>30</td>
<td>29</td>
</tr>
<tr>
<td>Nelson, Marlborough and Tasman</td>
<td>9</td>
<td>6</td>
<td>8</td>
<td>12</td>
<td>10</td>
<td>21</td>
</tr>
<tr>
<td>West Coast</td>
<td>14</td>
<td>13</td>
<td>23</td>
<td>17</td>
<td>27</td>
<td>18</td>
</tr>
<tr>
<td>Wellington</td>
<td>2</td>
<td>4</td>
<td>1</td>
<td>5</td>
<td>5</td>
<td>13</td>
</tr>
<tr>
<td>Auckland</td>
<td>11</td>
<td>14</td>
<td>8</td>
<td>12</td>
<td>18</td>
<td>11</td>
</tr>
<tr>
<td>Gisborne</td>
<td>2</td>
<td>1</td>
<td>4</td>
<td>5</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Region Unknown</td>
<td>9</td>
<td>27</td>
<td>49</td>
<td>36</td>
<td>20</td>
<td>40</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,125</td>
<td>1,184</td>
<td>1,403</td>
<td>1,548</td>
<td>1,990</td>
<td>2,402</td>
</tr>
</tbody>
</table>

Notes:
Wage growth in the dairy industry:

Our review of world-wide research into the medium and long term impacts of migrants on wages worldwide is mixed and inconclusive. However, in the New Zealand dairy industry, wages have risen in recent years, despite the increase in foreign workers.

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Essential Skills work visa holders</td>
<td>1,548</td>
<td>1,990</td>
<td>2,402</td>
<td>3,558</td>
<td>2,242</td>
</tr>
<tr>
<td>Mean Salary</td>
<td>$45,903</td>
<td>$46,017</td>
<td>$47,998</td>
<td>$48,391</td>
<td>$48,556</td>
</tr>
</tbody>
</table>

Source: Federated Farmers remuneration surveys and Dairy NZ

Current Immigration New Zealand (INZ) policies

It is our view that the current temporary entry and residence policies do not match the employment requirements of the dairy industry.

Temporary entry visa policies

• An overriding issue is that visa assessment is largely guided by the ANZSCO classification system. The persistent problem is how the ANZSCO relates to the dairy industry because there are only two ANZSCO codes on the extremes of the dairy employee spectrum – dairy cattle farm worker (skill level 5) and dairy cattle farmer (skill level 1). There is no relevant ANZSCO code to cater for the large number of dairy farm workers that fall between these ANZSCO codes. The positions most affected are the semi-skilled positions of Assistant Herd Manager and Herd Manager.

• Most other industries have ANZSCO level 2 or 3 codes to cater for their mid-skilled roles, but the dairy industry does not.

• Immigration New Zealand is led by the skill levels when determining a duration of work visa, as follows:
  • Skill levels 4-5: 1 year work visas
  • Skill levels 1-3: 3 years with a maximum of 5 years in certain circumstances.
  • Because of this ANZSCO code anomaly, all dairy visa applicants judged at skill level 5 currently receive a one year work visa, exacerbating the financial costs and uncertainty involved for both employee and employer in applying for visas each year. In comparison, any trades worker at skill level 3 will likely obtain a three year work visa.
  • The requirement for one year work visas has substantially increased the load of INZ branches for processing applications – application processing times in Canterbury is currently 6-8 weeks. Given the importance of farm workers during the calving season, such slow processing of work visa applications is unacceptable to the dairy industry.

• Importantly, the occupations of Assistant Herd Manager and Herd Manager were removed from the Immediate Skills Shortage Lists (ISSL) in 2016 by Immigration New Zealand
against strong submissions by Federated Farmers whose arguments were correctly based on empirical evidence of skills shortages within the dairy industry.

- In our Immigration advisory business, our dairy farm employers consistently obtain clear Skills Match Reports from WINZ and the Canterbury Hub for all dairy farming levels, throughout New Zealand (more pronounced in the South Island due to their extreme shortages).

- This corroborates the Federated Farmers 2017 remuneration statistics showing that 46% of dairy farmers are finding it “not at all easy” or “not very easy” to find employees.

- Based on the evidence we have recommended in our submission to INZ that both Assistant Herd Manager and Herd Manager be immediately returned to the ISSL and the Skills/qualifications requirements for these roles be set at the following:
  - Herd manager (HM): Certificate in Agriculture level 2 and two years relevant experience
  - Assistant herd manager (AHM): Certificate in Agriculture level 2 and one year relevant experience.

**Residence visa policies**

In Immigration instructions only skill level 1-3 occupations generally qualify for points for residence. The current Skilled Migrant policy requirement is for a dairy farm applicant to be substantially at Skill level 1 level (farm manager). This assessment regime has become increasingly complicated within the multi-farm corporate dairy farming model. For example on large herd farms, 2ICs or Herd Managers are most often not regarded as skilled by Immigration New Zealand, yet farm managers on 250 cow farms more accurately meet INZ instructions and are regarded as skilled. Most farmers would agree this makes no sense as the complicated nature of a 2IC or Herd Manager role on a large farm at least equals the responsibilities of a farm manager on a smaller farm.

Furthermore, the following policy changes in August 2016 have made it more difficult for dairy farm employees to qualify for residence:
• Most applicants must now sit an English language test and obtain a 6.5 score to be considered for residence. With many migrants from the Philippines and South American countries, these levels of English competencies may not be met.

• The minimum threshold for the total number of points claimed was increased from 140 to 160 points. This means that many applicants now need to claim points for a qualification at level 5 or above before they can achieve the overall points threshold to qualify for residence.

New policy announcements by Immigration New Zealand

In this election year, as always, there is a particular focus on immigration policies. The Government has released its latest residence and temporary entry visa policies to be implemented in August 2017. In doing so the Government claims that it is seeking to address the following:

• Entrenched low or semi-skilled migrant workers and families who remain in New Zealand for many years on temporary entry visas but who have no pathway to residence.

• Employers being incentivised to avoid employing and training New Zealanders.

• Possible downward pressure on wages in industries due to employers using migrants to fill shortages in the labour market.

To date the public has not seen the research on which the Government’s proposed policy changes are based or the possible effect of these policy changes. Unless the data that we have requested from MBIE (not received at date of publishing) counter the research currently available in the public domain on the dairy industry, our opinion is that these changes have been poorly thought through and have not been considered on an industry by industry basis and certainly not on a region by region basis.

As already shown in this report, the Federated Farmers remuneration surveys over the last number of years have shown increasing dairy farm salaries, despite the increased migrant workforce. This has proven, that in the dairy industry at least, the fear of downward pressure on salaries is unfounded.

Specific changes proposed by INZ

For the dairy industry, there are three main areas of change announced by Immigration New Zealand that will affect employment within this industry:
1. South Island contribution visa
2. Residence visa instruction changes
3. Temporary visa instruction changes.
South Island “contribution visa” policy

Implementation date: This has already been implemented on 22nd May 2017.

This is aonce off “work to residence” visa category. All applications must be submitted before 23 May 2018.

The objective of this policy (WR7.1 of INZ Operations Manual) is as follows:

• Recognise well-settled temporary migrants who have made a commitment to New Zealand and their South Island communities; and

• Meet genuine regional labour market needs and contribute to individual firm productivity, by enabling employers to maintain an experienced workforce; and

• Minimise the risk of displacing New Zealanders from employment opportunities or hindering improvements to wages, working conditions or industry-wide productivity growth.

Key features of this policy

The key features of this policy are as follows:

• This is a one-off pathway to residence for long term temporary migrants in lower skill jobs that have held Essential Skills visas for 5 years or longer for jobs in the South Island.

• First stage: a 30 month “work to residence” work visa issued for the principal applicant and suitable visas issued for partners and dependent children of the applicant.

• For those two years the principal applicant must remain working in the industry associated with the occupation specified on their most recent Essential Skills work visa; and in the region in which their current employment is situated.

• Second stage: after two years a “residence from work” resident visa may be issued.

• The Residency approval will have a 2 year endorsement, requiring that the applicant remains working in the South Island in the region and industry specified on their visa throughout a period of 24 months.

• There are no English language requirements.

• There is provision for Filipinos who have previously submitted false documents.

Notes:
Effects of this policy:

• This is an important opportunity for those South Island migrants that do not meet current Residency criteria under the Skilled Migrant Category (SMC).
• Overall our view is that this is a proactive government move and will add support to many applicants remaining in the South Island for another 4 years at least.
• Many South Island dairy farm workers will benefit from this announcement as it removes two key limitations of the SMC category:
  1. That the current job does not have to meet “skilled employment criteria”
  2. That the applicant does not have to meet English language requirements.
• This will also prevent what is currently happening with many SMC applicants on dairy farms, which is having to seek farm manager positions on other farms in order to meet “skilled employment” criteria of SMC (most mid-tier dairy roles not being considered “skilled” for SMC purposes). Many have built up excellent relationships with current employers, and these can be continued, enhancing stability of the South Island dairy farm labour force.

Our Concerns regarding this policy:

• We feel there is no logic not to include North Island applicants in a similar situation. The only reason we can see for excluding North Islanders, is Immigration New Zealand fearing too many North Islanders will be caught in the net.
• However the logic applied to South Islanders is equally compelling and applicable to North Islanders in the same situation for the following reasons:
  • From a statistics point of view, including North Island applicants in this position will not negatively affect Immigration figures as the Immigrants targeted in this section of policy recommendations are already considered long term migrants the way that the government measures “permanent long term arrivals (PLT’s).
  • Including North Island applicants will actually remove a large burden from these applicants, their employers and Immigration New Zealand resources (less work visas for these applicants going forward).

Changes proposed for the Skilled Migrant Category

Implementation date: 14 August 2017

Key changes proposed in this policy:
1. Two remuneration thresholds to be introduced:
• A minimum threshold of $48,859 pa based on a 40 hour week ($23.49 per hour) for occupations with skill levels 1-3. Below this threshold, occupations will not be considered skilled.

• If not at skill levels 1-3, then jobs with salaries above $73,299 pa based on a 40 hour week ($35.24 per hour) will automatically be deemed to be skilled. However, the salary will need to be justified.

• Middle band income earners will still be assessed under current skilled employment instructions.

• The minimum salary band will affect many retail, healthcare and hospitality migrants who may currently hold jobs considered skilled for Residency purposes. These industries have average salaries that currently fall below the proposed minimum threshold.

2. Changes to SMC points:

• Increased points for skilled work experience but work experience must be at a “skilled” level.

• Bonus points for incomes over $97,718 pa based on a 40 hour work week ($46.98 per hour).

• Removal of some bonus points for absolute skills shortages list, identified future growth areas, close family in NZ.

3. Changes to the assessment of “work experience”

• In order to claim points for work experience, this experience must be at an ANZSCO level that was “skilled”.

• This is different to how Immigration instructions are currently written, which accept most “relevant” and “recognised” work experience.

Likely effects on the dairy industry

The proposed changes to the Skilled Migrant Category will, at best, not make applications for residence in the dairy industry any easier and, at worst, make applications for

Notes:
residence a whole lot harder. The full effects will only be clear once Immigration Instructions are released.

We believe the main effects of this policy change will be as follows:

1. The first issue to note is that the above income thresholds are based on 40 hour weeks, and therefore will need to be adjusted for most dairy farming positions, where the norm is average work hours throughout the year closer to 50 hours per week (taking into account peak periods over calving /mating and quieter period over the summer months and when cows are dry).

   - For example, if an employee works 50 hours/week average (2600 hours in a year) their taxable salary per annum at $23.50 per hour (including accommodation) will need to be above $61,100 pa.
   - This will cause confusion in dairy farming where most salaries are usually annual salaries (not per hour).
   - No doubt previous year’s timesheets will be requested to prove the number of hours usually worked, in order to work out a per hour salary.
   - An increased focus on the market value of farm accommodation will also result.

   Using the 2017 Federated Farmers remuneration survey figures, in the table below, none of the lowest three occupations in dairy will meet the minimum salary thresholds for their employment to be considered skilled. This is not a significant change from current policy, where Farm Assistant, Assistant Herd Manager and Herd Manager occupations are not currently judged as skilled anyway.

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Mean salary</th>
<th>Total hours worked (assumed at 50/week)</th>
<th>Total salary per hour</th>
<th>Do mean salaries qualify or not?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farm Assistant</td>
<td>$40,960</td>
<td>50</td>
<td>$15.75</td>
<td>No</td>
</tr>
<tr>
<td>Assistant Herd Manager</td>
<td>$46,315</td>
<td>50</td>
<td>$17.81</td>
<td>No</td>
</tr>
<tr>
<td>Herd Manager</td>
<td>$52,215</td>
<td>50</td>
<td>$20.08</td>
<td>No</td>
</tr>
<tr>
<td>Farm Manager</td>
<td>$65,651</td>
<td>50</td>
<td>$25.25</td>
<td>Yes</td>
</tr>
<tr>
<td>Operations Manager</td>
<td>$69,417</td>
<td>50</td>
<td>$26.70</td>
<td>Yes</td>
</tr>
</tbody>
</table>

   *Source: Federated Farmers Remuneration Survey 2017.*

2. Notably, only a few dairy farming applicants will meet the threshold of $35.24 per hour at which the employment is automatically considered skilled regardless of skill level, after adjusting for hours worked.

   - For example, if an employee works 50 hours/week average (2600 hours in a year) their taxable salary per annum (including accommodation) will need to be above $91,650 or above to meet this requirement.
   - In our experience there are few dairy farm managers who are paid near or above this level, apart from experienced farm managers on large farms.
• However, this does not mean these applicants will not qualify as skilled, it only means they will have to prove skilled employment in the same way they currently have to prove it (not based purely on salary).

Therefore, the introduction of the higher salary threshold for skill levels 4-5 is likely to have a very small impact on the status quo for applications for residence within the dairy farming industry.

3. The value of accommodation will become a key area as dairy farmers have traditionally kept tax value of accommodation as low as the IRD would allow, in order to minimise tax payable by employees. Of course, this has changed in recent years due to IRD pressure, meaning many accommodation values have already risen but our opinion is that these will rise again now.

• No doubt INZ will ask for rental valuations or the like in order to prove that accommodation values are market related and realistic for the location and type of accommodation.

• Any increases in accommodation rental values will lead to higher taxable salaries and therefore higher tax paid by the applicant.

4. In the new INZ announcements, in order to claim points for work experience, all relevant work experience will have to be at a skilled level. Based on current ANZSCO codes, this will imply farm manager experience only.

This is a significant cause for concern within the dairy industry (and many other industries) because many skilled workers (including dairy farm managers) work their way up a skills ladder to where they qualify for skilled positions.

In the past, work experience relevant to the current position could be considered (including experience at the lower skill levels of farm assistant, assistant herd manager, herd manager etc). Now it will not. Points for work experience can often mean the success or failure of a residence application (the new points system will provide for up to 50 points for 10 years of experience). The new policy will therefore make it even more difficult for dairy farming applicants to have sufficient points to qualify for residence, unless they can prove previous relevant experience at a skilled level.

_____________________________

Notes:
5. Overall, the changes to residence policy will make New Zealand a much less attractive option for migrants within the dairy industry.

6. **Changes proposed to the Essential Skills policy**
   
   Implementation date: August 2017
   
   It is important to note that the proposals for temporary visa changes are **not yet finalised**—they are out for public consultation, submissions were due by 21 May 2017. However, even though this date has passed, if dairy farmers still feel that the proposed policy settings are not correct, they should still consider lobbying through their MPs and industry bodies.

   It is our opinion that the changes proposed to the Essential Skills policy will have a far-reaching effect on the dairy industry and, more broadly, on rural communities country-wide.

**Key changes proposed:**

1. Remuneration levels would likely replace ANZSCO as the main determinant of the skill level of an essential skills visa holder. However, as these thresholds are based on a 40 hour work week, as we have shown most dairy workers up to Herd Manager level will fall within the lowest skill level.

2. Visa lengths will be guided by the same salary bands that apply to the Skilled Migrant category (lowest band will obtain one year visas).

3. Essential skills work visas for people in the lower band (<$23.49 per hour) will only be allowed to remain in NZ for up to 3 years, followed by a one year obligatory “stand down” period outside of NZ.

4. Partners of lower skilled workers will likely only get visitor visas, unless they apply for work visas based on essential skills policy or other visa types such as student visas. The length of these visitor visas has not been clarified yet by INZ.

5. Dependent children of lower skilled workers will likely not be able to get fee subsidies as domestic students. They will pay international student fees if they intend to go to school and these costs can be over $10,000 per annum.

**Likely effects on the dairy farming industry:**

1. As shown previously, most occupations within the dairy industry will fall in the skill level 4-5 categories when the remuneration thresholds are applied.

2. Therefore all work visa applications for positions at herd manager and under will only obtain one year work visas. This is actually not a departure from the current visa duration situation, as none of the mid-tier dairy roles are currently on the Immediate Skills Shortage lists and therefore obtain 1 year visas.

3. Currently, only the occupations of Assistant Farm Manager and Farm Manager are listed on the Immediate Skills Shortage Lists. An issue that needs clarity here is whether visa length
determination based on remuneration levels will supersede the Skills Shortage lists or the other way around. For example if a position is on the Immediate Skills Shortage List (ISSL) and all criteria are met and salary is in line with market, but salary is below the remuneration threshold mentioned in the new policy, which Immigration instruction overrides the other?

- This may have an effect on length of visa where ISSL positions currently are granted at least 2 or 3 year visas, for good reason: there is an acknowledged skills shortage in that industry and job type.
- Therefore it makes sense that there should still remain in policy, a minimum 2 or 3 year visa for all ISSL applications, despite the introduction of new salary thresholds.

4. The key impact of the proposed changes will be on the partners and dependent children of work visa holders and therefore will have a social impact on many rural communities.

Whilst the current Immigration website FAQ’s state “Families already in New Zealand will be able to remain here for the duration of the Essential Skills visa holder’s stay in New Zealand. This will minimise any immediate disruption to families and communities”, there are no clarification details yet, which means that we are unsure what rules will apply to the family members of applicants currently in New Zealand versus those from overseas.

- Realistically not many partners will be able to obtain visas in their own right because an applicant has to have a full time job offer of at least 30 hours per week. Many partners cannot undertake full time employment if they have young children, or they may not have the skills/qualifications required. Furthermore, the isolation of many farms and necessity to travel long distances reduces the number of employment opportunities available for partners of dairy farm workers.
- Many partners are employed on-farm as the half person required over calving. Their current open work visa conditions allow them to undertake this employment whereas the proposed changes may not. Dairy farmers may therefore lose a valuable pool of relief workers who are already living on farm.
• Many rural communities will also lose a portion of a valued migrant labour pool, specifically aged care workers and other seasonal workers, jobs often undertaken by partners on open work visas.
• The likely result of the policy changes is that many partners will not accompany work visa holders to New Zealand.
• Most migrants in the lower skilled category do not earn enough and do not have the funds to pay the very high international school fees for their children. It is therefore likely that dependent children will not accompany their parents to New Zealand.
• Migrants from certain countries often bring their families to New Zealand. They will not leave family behind. This makes New Zealand an attractive long-term option for them. Such source countries include UK, USA, Canada, South Africa, Europe and potentially South America (for example). The changes may cause these potential migrants to choose other destinations over New Zealand.
• The pool of migrant workers will therefore come mainly from countries where migrant workers are more used to working alone offshore, or are more prepared to do so. For example, this has traditionally been Philippines/Nepal/India/Sri Lankan workers. This is not necessarily a bad thing, but policy makers must be aware of these likely effects and adjust if this is not their intended outcome.
• The policy changes will have a significant impact on rural and remote communities for the following reasons:
  • Many will not have partners socialising in communities, nor children at school so isolation and lack of integration will be enhanced. This can only lead to further alienation of migrant communities from New Zealanders
  • Rural schools in remote areas that are currently supported in numbers by migrant children will have falling school enrolments, leading to pressure of school closures on already vulnerable rural schools. Sports clubs and community groups will also feel the effect of reduced family participation.
5. Lower-skilled workers who remain lower-skilled, will only have three years to roll-over visas and then have to leave New Zealand:
  • Employers in remote locations experience substantial difficulties in employing staff and will experience the added stress of having to train up staff only to lose them after three years and then, in many cases, have to employ new migrants from overseas.
  • Migrants may work for shorter and shorter periods in New Zealand as it is not sustainable to be away from their families for three years at a time.
  • A “rotating door” will inevitably emerge and employers have to face more and more instability in their labour force.
Conclusion

Our opinion is that the proposed Immigration changes in their current form, will be detrimental to both the dairy farming industry, which is already facing substantial skills shortages, and rural communities that have become increasingly dependent on migrant families to sustain their schools, churches, clubs and local economies.

Source of data

In addition to our company’s own experience of over 11 years recruiting for dairy farms in the North and South Island, we are Licenced Immigration Advisors and manage work and resident visas applications for farm staff from all over the world.

For this paper, we have consulted widely in the dairy industry including discussions with Policy Advisors from both Dairy NZ and Federated Farmers regarding their recent submissions to MBIE.

Other data and information has been sourced from New Zealand census data as summarised by Natalie Jackson (Natalie Jackson Demographics Ltd), as well as the Federated Farmers Salary Surveys and Dairy NZ and/or LIC statistics through their research and obtained from MBIE through Official Information Act (OIA) requests. We have made our own requests for key data used by MBIE in their decision making process but this has not been processed at date of this publication.

All source data and authors are acknowledged as accurately as possible.

References

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Federated Farmers. Farm Employee Remuneration Reports 2013-2017
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Notes:
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