

Foodstuffs NZ feedback on: Immigration – Fit for the future: Preliminary findings and recommendations (Consultation Document)

The Consultation Document can be found [here](#).

Recommendations contained in Report

Recommendation	Feedback
<p>1. The Immigration Act should be amended to require the Crown to take account of the country’s absorptive capacity (our ability to successfully accommodate and settle new arrivals) when determining the “national interest”.</p>	<p>In principle, Foodstuffs supports amendment of the Immigration Act to require the Crown to take account of the country’s “absorptive capacity” when determining the “national interest”. However, there is no clear definition of “absorptive capacity” in the Consultation Document, other than the broad indication that this refers to our ability to successfully accommodate and settle new arrivals. In the circumstances, the definition of “absorptive capacity” would require further consultation.</p> <p>Recommendation 1 is connected to recommendation 3. We support the proposal in recommendation 3 that the Government Policy Statement on Immigration (GPS) should describe what it considers New Zealand’s absorptive capacity to be and how it intends to manage that capacity, or invest to expand capacity, in order to align it with long-term policy objectives.</p> <p>Generally, we support the approach that there should be the provision of infrastructure in New Zealand to support the growth of our population, including through immigration. Nevertheless, it is important that “absorptive capacity” test is <i>not</i> used as a tool to prevent immigration. This is particularly important as there are industries that require migrant workers to operate due to labour and skills shortages in New Zealand.</p> <p>When determining “national interest” there should be an assessment of the immigration of skills required to support a prosperous economy.</p>
<p>2. The Immigration Act should be amended to require the Minister to regularly develop and publish an immigration Government Policy Statement (GPS). These amendments should specify that a GPS must include:</p> <ul style="list-style-type: none"> ➤ short-term and long-term objectives, and relative priorities; 	<p>Foodstuffs supports the development of a Government Policy Statement (GPS) on immigration. Further consultation will be required on the detail of the GPS.</p>

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<ul style="list-style-type: none"> ➤ performance measures or indicators; ➤ how it recognises the Treaty of Waitangi interest in immigration; ➤ a description of how the demand for temporary and residence visas will be managed over the period of the GPS; and ➤ specification of planning ranges for new residents over the period covered by the GPS, and a description of how the planning range will affect other government policy objectives. 	
<p>3. Amendments to the Immigration Act should specify that, in preparing an immigration GPS, the Government must describe what it considers New Zealand’s absorptive capacity to be and how it intends to manage that capacity, or invest to expand capacity, in order to align it with long-term policy objectives.</p>	<p>See comments in response to recommendation 1, above.</p> <p>We generally support this recommendation. As the resource management system is currently undergoing transformative change, we would expect to see a more strategic approach to enabling development. This should in turn increase absorptive capacity.</p>
<p>4. The Ministry of Business, Innovation and Employment should develop and publish an evaluation programme for major visa categories, to assess their net benefits. Uncapped visa categories and those that offer open work rights, such as the various bilateral working holidaymaker schemes and student work visas, should be priorities for evaluation. The Investor 1 and 2</p>	<p>Foodstuffs supports the premise that MBIE should evaluate its major visa categories for the reasons in the Consultation Document (i.e. to improve the evidence base for decisions about the ongoing need for any visa categories, policy changes that might be required, and the content and focus of a future GPS).</p>

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<p>migrant categories would also merit evaluation.</p>	
<p>5. The allowable volume of temporary migrant visas with potential residence pathways should be managed to be compatible with the number of residence visas on offer.</p>	<p>Temporary visas and resident visa are different categories and should not be limited by what migrants might do in the future. There will always be instances when migrants, who could be eligible for residence, chose not to remain in New Zealand. However, there will also be those migrants who come to New Zealand on a temporary visa and then decide they would like to stay in New Zealand permanently. The immigration system should be flexible enough to be able to deal with both eventualities.</p> <p>We have concerns that if the number of temporary migrant visas with potential residence pathways was limited to be compatible with the number of residence visas on offer, this could have a significant impact on our ability to recruit and retain the necessary skills we require. There is an ongoing skills and labour shortage in New Zealand. There will be further challenges recruiting migrant workers to fill these vacancies if the number of temporary migrant visas with potential residence pathways is limited.</p> <p>Foodstuffs has experience in employing migrant workers across different aspects of the business (for example, supply chain truck drivers, butchers, IT and finance professionals) including experience with employees who arrived in New Zealand on a temporary visa. It is our experience, that once settled, many temporary migrants see an opportunity to have a clear career path with us, which would ultimately enable residency and are keen to work towards this. Therefore, there could be a significant impact for employers if the opportunity for migrants to gain the skills required for residency, while working on a temporary visa, was totally excluded.</p> <p>Currently the Immigration Act’s purpose is to “manage immigration in a way that balances the national interest, as determined by the Crown, and the rights of individuals”. What is in the “national interest” could evolve over time, particularly when employers are unable to find local workers. We have concerns that if recommendation 6 is implemented, and the points threshold changes depending on Expression of Interest Pool, and this could further impact the residency pathway. As noted below, Foodstuffs has concerns that changing the requirements to recruit migrants with the highest points first will put greater pressure on ability to recruit workers for comparatively lower, but still necessary, skilled jobs.</p>
<p>6. Immigration New Zealand should continue counting points past the minimum thresholds and rank candidates within the Expression of Interest pool. It should select those with the highest points first; actively publicise the point ranges of the</p>	<p>This recommendation proposes use of an Expression of Interest Pool and then selecting those with the highest points to be offered the residence visa. Foodstuffs does not support use of a system whereby only those with the highest points are offered a residence visa. Where there is any calculation of points required for a visa, there should also be consideration of the needs of industry in obtaining workers with relevant skills. This needs to be balanced across the whole economy so there is no risk that a disproportionate amount of people could get residency, due to the skill level of their work and therefore a high point score, even if there are only minimal labour shortages in that particular field of work. Sectors that require skilled labour may miss out on earning enough points because the skill sets are not at</p>

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<p>successful applicants to emphasise that the minimum threshold is not the target, and raise the minimum threshold on a regular basis to manage application volumes.</p>	<p>the highest level. For example, people with trade qualifications (such as butchers and bakers) may not earn sufficient points to obtain a visa when compared to more specialised skill groups that would earn higher points (such as medical professionals). Yet it is equally as important that employers get the opportunity to employ hard to find talent for these roles and moving to a system based on the highest points first could preclude these people from the migrant pool.</p> <p>Not only are there different skills shortages across different industries but also skills shortages across different geographic areas. New Zealand's immigration settings need to be flexible enough to accommodate these issues.</p>
<p>7. MBIE should develop more data-informed and dynamic skills shortage lists. Occupations that have shown no labour market reaction (such as wage movements), high turnover rates and a continued reliance on temporary migrants, should be brought up for review, with the burden placed on the industry to provide sufficient evidence to justify their continued placement on the list.</p>	<p>Foodstuffs supports the development of a more data-informed and dynamic skills shortage list to respond to changing economic environment.</p>
<p>8. The Government should remove visa conditions that tie temporary migrants to a specific employer. These conditions increase the risk of exploitation and limit the ability of workers to find better job matches, which can promote wellbeing and productivity. Where there are concerns about displacement of New Zealanders, work rights could be limited to specific regions, occupations, industries or accredited employers.</p>	<p>Foodstuffs support a reduction in the visa conditions that tie temporary migrant workers to a specific employer for the duration of their visa. However, we would prefer that there is a minimum period of bonding in recognition of the significant investment employers have made in supporting a migrant's work placement in New Zealand. We recommend that migrant workers on a 12-month visa be bonded to an employer for a six-month period, and those on a two or three-year visa be bonded to an employer for a 12-month period.</p> <p>The Productivity Commission has made the recommendation on the premise it may be necessary to tackle the issue of migrant exploitation and to improve migrant wellbeing. However, migrant exploitation is being addressed by recent policy decisions and the introduction of the new Accredited Employer Work Visa scheme that comes into operation in May 2022 is a case in point. Employers will have to be pre-vetted and accredited as a good employer before they can employ a migrant. The criteria to be an accredited employer includes:</p> <ul style="list-style-type: none"> • no history of regulatory non-compliance • minimisation of the risk of exploitation through requirement for migrant workers time to complete Employment New Zealand's online modules on employment rights (and the equivalent for employers) • requirement to pay all recruitment costs in New Zealand and outside of New Zealand (excluding airfares)

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	<ul style="list-style-type: none"> • pastoral care and support for migrant workers (including local and community services information on accommodation, transport, cost of living and access to healthcare services) • for high-volume accreditation jobs must start at least 10% above the minimum wage or be covered by a collective agreement • Employer accreditation approval is initially for 12 months and then the employer will have to re-apply. <p>Additionally, the Government has introduced other specific measures to protect migrant workers from exploitation, such as set out below:</p> <ul style="list-style-type: none"> • Migrant Exploitation Protection Work Visa • provision for migrants to report exploitation directly to Employment New Zealand (online or by calling 0800 200 088) or the Policy (by calling 105). <p>These measures taken together will minimise the risk of migrants being exploited by their employer and provide employees who are exploited with remedies. The proposed changes to visa conditions need to be considered in this context.</p> <p>Employers will incur significant costs in getting accredited, retaining accreditation and sponsoring the migrant’s employment in New Zealand. On this basis, it is not unreasonable that migrant employees are bonded for a period of time. However, we accept there is some merit in reducing the length of the bondage period (currently the full term of the visa, which can be three years) to provide the migrant worker with greater flexibility while recognising the commitment the sponsoring employer has made to them. We recommend that migrant workers on a 12-month visa be bonded to an employer for a six-month period, and those on a two or three-year visa be bonded to an employer for a 12-month period.</p> <p><u>Additional matters</u></p> <p>We also recommend that the visa is linked to the trading name of the business. We have had several examples lately where a change in a supermarket business owner has meant an employee on a work visa has had to apply for a variation of that visa, which has taken up to 6 weeks to come through. During that time the employee cannot work. We recommend the opportunity for the visa to be aligned to the trading name of the business rather than just the company name, to avoid these delays.</p>
<p>9. The Government should proceed with expanding the Welcoming Communities programme. MBIE should manage the expansion to ensure adequate resourcing, close</p>	<p>In principle, Foodstuffs supports expansion of the Welcoming Communities programme. It is noted that there will be separate pastoral care obligations for Accredited Employers under the Accredited Employer Work Visa scheme.</p>

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engagement of participating communities, and strong ownership and involvement from local iwi in the delivery of welcoming plan activities.	

Questions from Report

Questions	Preliminary views from Advocacy
<p>1. To what extent does access to migrant labour reduce training and upskilling activity by employers? Do effects on training and development differ by industry? Are there areas of the economy in which New Zealand should be training people that are currently disproportionately supplied by migrant workers? How could policy best respond?</p>	<p>Access to migrant labour does not reduce Foodstuffs’ training and upskilling activity. As a cooperative led by owner-operators, Foodstuffs cares for our people – from students stacking shelves to our supply chain experts and support services team members. Foodstuffs has several key social promises and corporate social responsibility goals. One of these is for meaningful work and investment in our people. For the financial year 2022 we have targets for a certain proportion of our employees enrolled in Foodies Learning and formal Learning Programmes.</p> <p>However, from time-to-time, and particularly now with the impacts of Covid-19, we find that we are unable to find sufficient labour with the right skill sets to perform some functions of our work. Historically we have found that there are insufficient suitably qualified information technology workers available to work in our corporate office roles. It takes many years of training for some specialist IT roles to gain the experience required, for example, an SAP specialist may need up to 15 years of training. Another area we have difficulty recruiting enough local workers is in the employment of Class 5 Drivers Licence holders to drive our trucks in our supply chain. While we have a cadetship programme, there are still driver shortages. To this end we support additional domestic training pathways to enable local workers to be Class 5 heavy goods drivers.</p> <p>There are also shortages in retail store roles. This includes those requiring trade qualifications such as butchery and bakery positions. While Foodstuffs provides apprenticeships for these roles, we still have difficulties in recruiting for these positions, largely due to the unsocial work hours involved.</p>
<p>2. What objectives should be included in an immigration Government Policy Statement? Why?</p>	<p>The Government Policy Statement (GPS) should allow employers the opportunity to hire migrant workers when there is either a labour shortage or a skills shortage as migrant workers can be required to support a prosperous economy. The GPS should be transparent and allow for public input.</p> <p>There should be consideration of linkages to other policy areas. For example, as the resource management system is currently undergoing transformative change, we would expect would see a more strategic approach to enabling</p>

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	development. If managed correctly, this should increase absorptive capacity to support population growth, including from immigration.
<p>3. How could the Treaty of Waitangi interest in immigration policy be best reflected in new policies and institutions?</p>	<p>There should be recognition of the Treaty of Waitangi in immigration policy. However, it would be best if there was engagement directly with Māori on this issue.</p>
<p>4. Should the annual number of residence visas on offer be reduced? If so, to what level and why? And if not, why not?</p>	<p>We recommend that there is a proper evaluation process in terms of setting what the appropriate level of allocation of residence visas. Once this evaluation has been undertaken there should be a review of the absorptive capacity against these visa numbers. Generally, Foodstuffs is supportive of allowing highly skilled migrants to come to New Zealand with visas that provide a potential pathway to residency as this will assist in dealing with skills shortages in the labour market.</p>
<p>5. Should the right to return for permanent residents who re-migrate out of New Zealand be limited? Under what conditions? What would be the costs and benefits?</p>	<p>Foodstuffs does not support limiting the right to return for permanent residents who re-migrate out of New Zealand. People may later return to New Zealand with greatly increased skills and experience.</p>
<p>6. Should efforts by migrants to learn te reo be recognised in the residence or permanent residence approval process? If so, how would this best be done?</p>	<p>Yes, however, future consideration is required to understand the options in this regard. For example, those achieving a language qualification could receive additional points towards their residence application.</p>
<p>7. Do particular groups of migrants need additional or targeted support to settle? If they do, what types of support would work best?</p>	<p>Under the new Accredited Employer Work Visa scheme, there will be pastoral care obligations. We do not believe that there should be any additional requirements on employers for those workers they sponsor.</p>