

23 December 2021

Andrew Sweet  
Commissioner  
New Zealand Productivity Commission  
141 The Terrace  
WELLINGTON

Cc Nicholas Green

Dear Andrew

Thank you for the time in meeting with us on 17<sup>th</sup> August, and the opportunity to provide this submission.

In providing our submission we have reviewed and considered the Commission's June 2021 issues paper and overlaid observations, concerns and examples as affect the economic contribution and employment supported by the NZ Thoroughbred breeding and racing sectors. This is provided as an appendix to this letter.

Having also considered the Commission's preliminary findings (November 2021), I summarise the Thoroughbred breeding and racing industry's key points of submission and feedback.

### **Constrained domestic labour supply**

*Migrant labour does not displace domestic labour in the Thoroughbred racing and breeding sectors...*

Our industry experiences difficulties in filling key roles. It is fair to observe that migrant labour has not displaced domestic aspirant workers. Rather, migrants fill key roles that then allow for increased 'production', whether of bloodstock or of racehorses. Also, because our horses are very high value athletes or bloodstock (commonly worth more than \$100,000 per individual horse), there is not a technological substitute for individualised husbandry or horsemanship. The effect of these staff shortages is both economic, as well as adverse to the mental health and wellbeing of people in the industry as a cause of stress or overwork for trainers or breeders.

*... due to shortages of suitable candidates in the domestic labour pool.*

In the case of jockeys or trackwork riders requires people with a unique combination of competence, confidence, fitness, and of a light physique, that is not sufficiently available from the domestic labour pool. In the case of Stallion Grooms, Foaling Attendants and other breeding staff, there are also skill and physical requirements that are not quickly trainable, and a traditionally mobile workforce that may travel between northern and southern hemisphere breeding seasons.

*The Thoroughbred industry does however seek to invigorate and sustain growth in the domestic recruitment and retention...*

However, the industry is not idle in addressing this and will continue to focus and invest in recruitment, training and retention strategies to foster a wider and sustained pool of kiwi-bred talent for these industry roles. A competitive labour market and a vocational training sector that is in a current phase of transition to Te Pukenga and Workforce Development Councils, and an as yet unknown unified funding model for industry training means that this is a complex undertaking. We are unable to defer these efforts and will in earnest be moving from planning to implementation during 2022.

*... but needs time to achieve this.*

Achieving a goal of increased domestic trainee numbers in the coming years will not immediately resolve critical labour shortages, meaning that the industry will (at best) remain dependent on migrant labour for the next 3-5 years.

*Migrant labour will continue to be desirable due to the global nature of our industry.*

In a wider context, it is reasonable and relevant to note that the racing and breeding of Thoroughbreds is a global industry and New Zealand holds a prominent and admired position. Expertise and skills develop continually, and all involved countries benefit from labour mobility (especially in seasonal breeding patterns), so it is unlikely that even with a sufficient pipeline of domestic workforce that the industry would not benefit further from migrant labour.

### **Preliminary Findings of the Productivity Commission**

In general, we are agreeable to the findings and wish to comment only where findings or recommendations resonate with our industry.

The Commission notes in Finding 4 that there are no consistent feedback mechanisms between shortages and training. As is noted above, the needs are clear from within the industry and we look forward to a constructive approach to be taken by the reformed vocational training sector and will work hard to ensure that racing and breeding is not overlooked for training investment on a basis that the trainees are relatively few compared to other industry sectors.

We agree particularly with Finding 5 as it is not uncommon for migrants who have successfully settled into the community and Thoroughbred careers to be despairing of the fact that they are required to leave New Zealand on conclusion of their working or student visas. The employers of these people are obviously affected too.

We agree with Recommendation 7 and would welcome a more considered examination of skills shortages categories/ labour market tests, but that the considerations be broadened to include subjective as well as measurable factors. An extension of this is that we also believe that Immigration NZ could understand and service industry needs in a better way by having senior and authoritative 'industry lead' roles that are a consistent point of liaison for all industries.

We strongly agree with Recommendation 8 as this constrains the productivity of migrant workers given that when working under a single employer, they are unable to fully capitalise on their skills (e.g. a highly competent track rider may also be tasked with menial stable duties for a single employer rather than riding for other trainers). Also 'portable working rights' (specific to regions and occupation) will more reward talented migrants with the opportunity that they deserve and therefore increase their contribution to the industry.

Other points of support:

- We support Immigration NZ having authority to screen out employers with poor track records of compliance – though note that the criteria and levels of proof in support of any such decision must follow principles of natural justice.
- The pastoral care of migrants is important to any industry and racing and breeding is no different. We are aware of the mental wellbeing needs of individuals (whether kiwi or migrant) in our industry and have established chaplaincy and counselling provisions and have also recently launched an awareness campaign (#WHENRACINGWINS).

NZ Thoroughbred Racing recognises the assistance the NZ Thoroughbred Breeders Association and the NZ Trainers Association in the preparation of this submission.

We welcome further engagement with the Commission in your review of immigration settings. Please contact me or Martin Burns at your convenience.

Kind regards

A handwritten signature in blue ink, appearing to read 'BSA' followed by a stylized flourish.

Bernard Saundry  
**Chief Executive**

## Appendix

# NZ Thoroughbred Racing submission to the New Zealand Productivity Commission's inquiry into Immigration Settings

Prepared with reference to the June 2021 Issues Paper



December 2021



## Overview

**Industry:** Racing Industry (Thoroughbred)  
**Sectors:** Thoroughbred breeding and Thoroughbred training

Immigration is a key factor in the Thoroughbred industry's longevity and success.

Highly skilled and specialised migrant workers supplement recruitment gaps both seasonal and longer term, in roles that cannot immediately be filled from within New Zealand and allow employers opportunity to attract train and develop New Zealand employees in the required skills.

Employers in our industry make a substantial contribution to the New Zealand economy. While current border closures have had a significant impact on their business, there are more fundamental issues that our industry and employers experience:

- Regional Skill Shortage List no matching the actual shortages (especially pertinent to breeding);
- Misalignment in visa categories and industry/vocational training requirements; and
- Lack of pathways for residency for the many skilled migrants in this industry

These mean that there are persistently unfilled vacancies, frictional costs in visa applications or needs to reapply, and ultimately that New Zealand is at risk of not being seen as a destination of choice for migrant workers.

The productivity of the industry is undermined both by the inability for employers to offer long term certainty and invest in long term training and development due to constantly changing immigration rules, increasing remuneration pressure and rising costs within their businesses.

Such challenges have been well known in an anecdotal sense for many years. To understand this better in a quantitative and macro sense, NZ Thoroughbred Racing (NZTR) recently commissioned an 'Industry Workforce Report' survey exploring recruitment, skills and staff retention provided insights into the many challenges the industry faces. The report on the survey accompanies this submission. This survey and the 2018 'Size & Scope of the New Zealand Racing Industry'<sup>1</sup> report provide the basis for quantitative comments provided in this submission.

We have included the following as a way of providing some context around the contribution the New Zealand Thoroughbred industry (breeding and training):

- Generates more than \$167 million in export revenue for New Zealand - key markets include Australia and Asia.
- Thoroughbred sector generates \$1,098 million (0.5%) contribution to NZ's GDP and employs almost 10,000 full time equivalent employees.
- Inclusive of owners, there are 35,000 individual participants in the Thoroughbred racing and breeding industry.

In economic terms, the New Zealand Racing Industry as a whole (also including Standardbred and Greyhound sectors) sustains the employment of circa 14,930 FTE positions. \$1,635m in GDP contribution is comparable in size to the Wine Industry (\$1,500m) and the Seafood Industry (\$1,700m).

### International Linkages

Racing is recognised globally as an international sport and New Zealand's racing industry is recognised for its world class Breeding, Training and Racing. We have traditionally been seen as a country of choice for both horse breeders and horse trainers. Our favourable breeding environment, natural pastures and climatic

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<sup>1</sup> Refer via link: [Size & Scope of the New Zealand Racing Industry](#)

advantages are aligned with a high standard of equine welfare laws or regulation, horsemanship and husbandry practices, excellent infrastructure, internationally recognised bloodlines and highly skilled staff.

- NZ is the 8th largest thoroughbred breeding jurisdiction in the world, and global breeders (particularly from Australia and Asia) inject substantial foreign investment into our economy, producing jobs both in breeding and supporting industries.
- New Zealand racing participants are internationally renowned. Our most prominent achievers are James McDonald (based in Sydney) who is currently the top ranked jockey in the world, while Matamata based trainer Jamie Richards currently ranks 8th in the world.
- Ex-pat trainers Mark Walker and Chris Waller are respectively the most successful current trainers in Singapore and Australia.

However, despite its sizeable economic contribution in terms of jobs and output, the future of New Zealand racing and breeding is at risk. If horses are not performing to international levels because of resource constraints, this has the potential to devalue the breed.

As examples:

- If Trackwork Riders and Jockeys are not able to get into New Zealand, owners and trainers are more likely forced to send horses offshore as the horses can't reach their natural potential.
- Many horses sent to New Zealand for breeding, are worth millions of dollars and will typically only be sent to New Zealand on the condition they come with their own Stallion Handler who knows and has the skills to handle the horse.

The global interconnectedness of the Thoroughbred industry depends on being able to continue to attract talent in areas such as Trackwork Riders, Jockeys, Equine Vets, Stud Grooms, Yearling Staff and Stallion Handlers. Some of these roles are seasonal and both the Northern and Southern hemisphere rely on the rotation of this resource.

In addition, we are also part of the International Federation of Horseracing Authorities, the Asian Racing Conference, and in July 2021 the NZ Equine Health Association signed a cooperation agreement (set up by MFAT and MPI) with the Chinese Horse Industry Association.

Racing is a global sport with global demand for talent. If an insufficient talent pool leads to horses not performing to international levels, this will devalue our reputation as a leading nation for the breeding, preparation and training of racehorses. Or put more directly, if Trackwork riders and Jockeys or specialised breeding staff can't get to New Zealand, then potentially, horses can't reach their potential and Trainers or breeders will send their horses offshore. This will have a direct impact on New Zealand's GDP and tax base.

### Horse Breeders<sup>2</sup>

25% of breeders indicated that their business performance over the last 12 months has deteriorated. 100% indicated that difficulties recruiting staff with the appropriate skills and difficulties recruiting enough staff were the most significant challenges that they faced.

The breeding sector relies heavily on foreign workers, over two-thirds of all breeders (69.4%) employing foreign workers within the past three years. Breeders were more likely to rely on foreign workers for stud grooms – seasonal (41.2%), Stablehands (41.2%) and stud grooms (35.3%).

Overall, close to two-thirds (64.0%) of breeders who employed foreign workers had difficulties retaining

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<sup>2</sup> Figures expressed in this section and the following 'Horse Trainers' section are obtained from "NZTR Industry Workforce Survey Report 2021" which was been provided to the Commission in August 2021.

their services. The main reasons Breeders found it difficult to retain foreign workers was mainly due to 'having to leave New Zealand due to the stand down period' (43.8%) and the 'staff homesickness' (18.8%).

Breeders indicated that the 'provision of accommodation' (68.0%), 'financial rewards' (56.0%) and 'training and development' (52.0%) were the three main elements in terms of how foreign workers are supported.

When asked why Breeders recruited foreign workers to undertake specific roles within the breeding sector, the overwhelming response was the 'lack of New Zealand applicants' (92%), followed by the 'skills not being readily available in local workers' (72.0%) and that 'migrant workers work harder than local workers' (56.0%).



### Horse Trainers

30% of trainers indicated that their business performance over the last 12 months has deteriorated. Of those 30%, 88% indicated that difficulties recruiting staff with the appropriate skills was the largest issue that they faced. 41% indicated that they had vacancies that they found hard to fill during the last 12 months.

The racehorse training sector relies heavily on foreign workers, with over half of all trainers (54.8%) employing foreign workers within the past three years. This was significantly higher for those trainers with the largest operations, with four in every five (80.0%) employing foreign workers.

Trainers were more likely to rely on foreign workers for Trackwork riders (90.5% of respondents having employed at least one foreign rider), Stablehand/strappers (40.5%) and Apprentice Jockeys (23.8%). The subset of trainers with the largest operations relied even more heavily on foreign workers for both trackwork riders (100.0% employed at least one foreign trackwork rider) and Stablehand/strappers (47.8%).

Overall, close to one-third (32.6%) of trainers who employed foreign workers had difficulties retaining their services. This increased to nearly 42.0% for the larger trainer cohort.

The main reasons why trainers found it difficult to retain foreign workers was mainly due to 'competition from other stables' (40.0%), 'having to leave New Zealand due to the stand down period' (33.3%) and the 'staff member lacking motivation' (33.3%).

Trainers indicated that the 'provision of accommodation' (67.4%), 'training and development' (58.7%) and 'financial rewards' (56.5%) were the three main elements in terms of how foreign workers are supported.

The research also investigated why trainers recruited foreign workers to undertake specific roles within the horse training sector. The overwhelming response was the 'lack of New Zealand applicants' (93.5%), followed by the 'skills not being readily available in local workers' (65.2%) and that 'migrant workers work harder than local workers' (43.5%).

### Innovation and Diffusion

Racing has a particular blend of community sporting and cultural heritage, husbandry and primary production, and scientific and technological innovation. While it remains mainly a 'hands on' manual industry, there have been significant domestic and international veterinary or technical innovations in both breeding and racing. Racing is a global community. The Thoroughbred welfare guidelines developed in 2019 have since been adopted as the core basis for the guidelines of International Federation of Horseracing Authorities.

Being a southern hemisphere, English speaking and climatically favorable country with strong racing traditions, New Zealand industry has the necessary attributes to attract top international talent in both breeding and racing.

### Specialisation and Critical Skills

While the industry continually strives to develop our skill base by recruiting and training New Zealanders, there are certain barriers which are difficult to overcome. Most significantly, the physical attributes required by a Jockey is that they must weigh no more than 56kg, while trackwork riders weigh between 50 and 70kg. These attributes contrast with a Stallion handler who must be physically able to catch and handle 600+ kilo animals worth \$10s of millions, require experience which is developed over time (international Stud Book Rules require that Thoroughbreds mares must be served naturally and artificial insemination is not permitted).

While efforts have begun in this area, through 2022, the industry (led by NZ Thoroughbred Racing) intends attracting, training and retaining more New Zealanders into industry careers through:

- deeper engagement with the Muka Tangata People, Food and Fibre Workforce Development Council and Te Kupenga;
- expanded outreach to schools;
- expansion of NZQA recognised pre-employment training; and
- developing of a new careers, training and jobs website and social media portal.



## **Immigration, Productivity, and Wellbeing**

With reference to the Commissions Issues Paper (June 2021), the following feedback is provided. This section and the following section 'Assessing the Performance of the NZ Immigration System' includes specific comments and observations made by NZ Thoroughbred Racing, the NZ Trainers' Association and the NZ Thoroughbred Breeders Association.

### **How can Te Ao Maori perspectives be applied when designing immigration policy?**

Whanaungatanga can be seen in both the Racing and Breeding Sector. The interconnectedness of global relationships and shared experiences in the industry fosters strong relationships. However, this is undermined when it is difficult for migrant workers to see a pathway for settlement. This lack of certainty means that mana tuku iho is directly affected as they do not have a place in the community they reside without certainty of their future.

### **How can Immigration policy support and promote wellbeing?**

*Which factors matter most for assessing the impact of immigration on wellbeing? How can they be best measured?*

Our New Zealand employers are directly impacted by their migrant workers wellbeing. It is very difficult to for those migrant workers who wish to make New Zealand their home and cannot see a pathway to residency to effectively integrate into their job and their community. This has a direct impact on their ability to settle.

The effect of these staff shortages which in many cases are due to inability to bring in willing and available overseas staff is adverse to the mental health and wellbeing of people in the industry as a cause of stress or overwork for trainers or breeders.

### **What is the experience of migrants in New Zealand's immigration system?**

*What does the "successful settlement" of migrants mean to you, and what are the barriers to achieving it?*

*Do you think prospective migrants are given enough information to make long-term decisions and settle successfully? What other information could help, and how could their access to this information be improved?*

*How should New Zealand's special relationship with Pacific Island nations be reflected in immigration policy?*

Successful settlement of migrants depends on their understanding of the immigration options available to them.

Some industry skill gaps such as Equine Vets, Stallion Handlers, Foaling Attendant, Jumps Riders, are known to be temporary seasonal skilled roles, therefore the expectation is that they will travel back to the Northern Hemisphere at the end of the season.

Others such as Trackwork Riders and Jockeys are needed to remain in New Zealand on a long-term basis to supplement hard to fill roles.

For any role, it is important that a person has visibility and understanding of their career pathway and how the choices they make fit into that pathway. Barriers to settlement include the current Immigration settings where all workers paid under a 'generic' median wage, have to spend 12 months out of New Zealand after 3 years on an Essential Skills Work Visa (Wk3.20.5). This directly impacts on the feeling of belonging and being

able to settle as in year 3 they are already planning to leave New Zealand. In addition, there is also the fear that at any time their visa may be taken away due to continued and often short lead time immigration policy adjustments. This directly affects migrant workers security especially their financial situation where they have invested in accommodation and vehicles.

It is essential that Immigration policy is able to show pathways for migrants looking to settle in New Zealand. If these are not available to some skills and paygrades, this should be evident to both employers and migrant workers before they make their decision to offer/accept a job.

The Residency pathways and processes should also be transparent and easy to navigate, with options available as to how they might be able to ensure they meet the criteria before coming to New Zealand.

### **How does Migration contribute to New Zealand's Productivity?**

[Through which channels has immigration contributed to New Zealand's productivity growth? What evidence is there of this impact?](#)

[Are there other channels for immigration to impact productivity growth that the Commission should consider?](#)

[Are there barriers to migrants fully contributing to New Zealand's productivity growth?](#)

In response to questions provided above, it is certain that immigrants improve the productivity of New Zealand's racing industry.

Further we feel strongly that the immigration policies do not benefit the economy with regard to optimising productivity. As is noted above, all practical industry roles are specialised, while some in particular (e.g. trackwork riding) are such that optimal working arrangements prevail where a rider may freelance their skills to multiple employers. Consequently, where there are shortages in trackwork riders, riders who hold visas spend a portion of their day idle or working in menial chores rather than meeting demand for their skills in an unconstrained manner.



## **Assessing the performance of the immigration system**

### **Immigration policy design**

Would there be benefit in requiring the Government to publicly announce its policy objectives for the immigration system? How often should the Government be required to make such a statement?

There would be benefit in the Government being more transparent with policy objectives for the immigration system. The frustration is the lack of visibility, clarity, decisiveness and decision making around current settings which make it difficult for both employers and employees to navigate.

It is impossible for businesses to establish strategy and plan for the future when Immigration settings are sometimes used as a political football.

The other major factor is trying to attract key talent who may wish to permanently live in New Zealand but cannot see a clear pathway to Residency. This is even more difficult when we are trying to attract staff from the Northern Hemisphere for roles such as trackwork riders, equine veterinarians, Stallions Handlers, Foal Attendants while competing for talent against countries like Australia.

### **Immigration policy constraints on the industry**

- Because of visa types and rules, there is a productivity loss to the industry, as highly skilled migrant skills not being able to be shared. An example is a trackwork rider who under Visa requirements, must be employed by a single employer and may ride only a few horses each day and spend the remainder of the day doing menial stable duties, whereas if there was more flexibility then the rider could maximise their output by riding many more horses each day for multiple trainers in a locality.
- Inability to settle in New Zealand because of lack of pathway, options for extended family not available.
- No security – migrants investing in accommodation and transport stressed about financial loss.
- Fear of visa being taken away.
- Current immigration policy not appropriate for actual situation – Jockeys riding for other trainers on raceday, Jockeys being self-employed once out of Apprenticeship/Training, visa category constraints.
- Length of time migrant workers remain in New Zealand - impacted by lack of pathway to residency and Immigration standdown periods.
- ANZSCO categorisation is a blunt instrument and may not be satisfactory for specific roles.
- Currently immigration policy is set on either above or below median payrates that are set nationally and may not be relevant in all regional/provincial areas where wages and costs of living are generally lower. The national settings have been increased, and have had a direct impact on employers who have to find a way to meet these increased levels to ensure there is more long-term certainty for migrant workers – particularly specialised roles such as Trackwork Riders and Stud Grooms.
- Even if the industry could attract interested people with the requisite physique to these roles, the training time for experienced individual roles like a Trackwork Rider is 3 years. Over this time, the workforce has to be supplemented with trained and experienced resource which is more readily available from offshore.

### **How the system is currently arranged**

Schemes such as the current Recognised Seasonal Employer scheme is industry restrictive. For example, the horse breeding sector has not been recognised in the scheme and yet the similar conditions and constraints apply. The visa system is too generic for industry and labour trends.

## **Obligations on employers**

Currently, most employers have an obligation to prioritise the New Zealand labour force before recruiting temporary migrants. Do you agree with this obligation? Why or why not?

Absolutely we agree, however despite significant recruitment campaigns, it has been difficult to attract people to the industry. There is a direct correlation between labour shortages and skills shortages in the industry. This is because of factors such as the rural/urban divide where a lot of New Zealanders are not exposed to horses and farming. There is also significant competition from other Primary sectors, and we are in a recognised tight labour market. In addition, there are constraints such as physical weight and fitness, and a 3-year lead time to be trained for some roles. Nevertheless, the industry remains committed to attracting and training New Zealanders into industry careers and will be dedicating significant resources to this through 2022 and beyond.

If not, are there alternative obligations employers should have if they wish to recruit temporary migrant workers?

Employers should have to demonstrate labour market testing and the industry should continue to develop career and training pathways. Current initiatives include:

- NZ Equine Academy through Skill NZ
- Collaboration into PiPI - Pathways into Primary industries (with Primary ITO and transitioning into the People, Food & Fibre WDC)
- Promotion of recognised qualifications:
  - New Zealand Certificate in Equine Skills (Level 2)
  - Level 4 Trackwork Rider
  - Level 2 leading through to Level 4 Apprentice Jockey – over 2 to 3 years and
  - the updated Level 3 and 4 Breeding Apprenticeship qualification
- International Breeding Scholarships through the Breeders association
- Cadetship through studs such as Westbury stud
- Working with schools - Gateway programme
- Opportunities to visit farms, careers days, talking to people wanting to re-enter workforce

What evidence, if any, should employers have to provide to prove they have made sufficient efforts to recruit New Zealanders?

Advertising through mainstream channels such as Seek, Trademe, LinkedIn, Facebook, industry jobs platforms are legitimate evidences.

## **Skill Shortages**

Previously, ANZSCO has been used to define "high" and "low"-skilled jobs. Should immigration policy differentiate between "high" and "low" skilled jobs? Is there a better way of defining skill levels?

Many employers in the industry are recognising the need to find ways to make the industry more attractive and understand that pay rates are a key factor. The industry is regulated by NZ Thoroughbred Racing so that all employers and employees in the racing sector (licensed Trainers, Trackwork Riders, Jockeys, Apprentice Jockeys, Stablehands) must be licensed.

Licensing requirements for Jockeys and now for all new applicants for Trackwork Riding includes practical assessment of confidence and competence before a licence is issued.

However, skill levels for Immigration purposes should be determined by the industry – not a generic approach across all industries. Current ANZSCO settings don't fit industry requirements as roles are not well defined within the ANZSCO to fit roles in Racing, Training and Breeding (Stallion Handlers, Trackwork Riders, Jockeys, seasonal Stud Grooms, Foaling Mangers, Foaling Attendants, Sales Handlers).

What is the best way to identify workforce or skills shortages?

The industry is developing a careers, training and job vacancy portal so that data can be collected to establish the workforce and skill shortage gaps. Having a one-stop-shop which feeds into mainstream platforms such as Seek and Trademe enables metrics to be continually reviewed so that industry strategy

and improvements can be made. It would be highly desirable that Immigration NZ have a 'relationship management' approach with specific industries so that a more thoughtful and rounded assessment of immediate or long terms skill shortages be assessed, determined and maintained under observation.

**Prior to the pandemic, was the current system working effectively to address skills shortages while prioritising the employment of New Zealanders and ensuring the wages and conditions of New Zealand workers were not undermined? What evidence can you provide?**

Obviously open borders enabled the industry to function much more freely than at present. Many of the programmes mentioned in question 15 above were used to establish a programme to attract people to the industry. However as stated above, we are in a very tight domestic labour market and the industry is not yet on the top 10 of career choices, therefore despite significant work around strategies to attract people and many different recruitment drives, there is still a struggle to recruit New Zealanders.

It is recognised that it is not in the best interests of the industry to always rely on migrant labour, however given factors such as the confidence, competence and physical attributes required for roles such as Stallion Handlers, Trackwork Riders and Jockeys, we are constrained by our ability to consistently source these people from a country of only 5 million.

It is vital that the added advantage of being able to share seasonal resource with the Northern Hemisphere (for example - Stallion Handlers, Foaling Attendants, Stud Grooms), is even more beneficial due to the transfer of knowledge and benefit of being seen as a country of choice.

### **How does New Zealand's immigration policy help to achieve international education goals?**

**To what extent should international students have rights to work in New Zealand?**

They should be able to supplement the workforce if there are real gaps. This also helps their integration into New Zealand life and assists with gaining real experience and enhancing their communication skills. They will often do work that New Zealanders don't want to do – horticulture, viticulture, rest homes, hospitality, farm work etc. In the Thoroughbred racing sector, Apprentice Jockeys must have on the job training with 60 hours per year off-job-training at Apprentice school (they are often on a student and trainee work visa).

**Should visa applicants who have gained a New Zealand qualification receive a special preference for residence?**

Yes, our Apprentice Jockeys should have a pathway to residency through the training programme with placement as a key part of the visa. Otherwise, the industry's training investment, and the individual's valued skills and personal connections are lost.

**Should the level or nature of qualifications that students are studying affect work rights during or after study? Why, or why not?**

If international students are coming to New Zealand just to study then they should be able to work in whatever field they can find a job while studying. If they are expecting to find work and a life in New Zealand, this pathway should be visible and clear and accessible before they start.

### **What benefits do working holiday schemes provide?**

#### **Working holidays**

**What should the objectives of working holidays schemes be (e.g. fill temporary labour shortages, enhance international connections, encourage reciprocal overseas work opportunities for New Zealanders, attract longer-term migrants)? How well are the current schemes delivering on these objectives? Do you think the number and set of countries New Zealand has agreed working holiday schemes with is set at the right level?**

The industry has only minimal visa applicants in this category – mainly Stud Grooms.

## **How should policy settings consider migrants' families?**

### **Partners, parents and families of migrants**

What are the barriers that partners of migrant's face in finding work?

Should the immigration system give more weight to the skills and employability of partners? Are there other factors that should be given more weight?

Do immigration settings for family visas (eg, parents, dependent children) have a material impact on a migrant's decisions to come to and stay in New Zealand?

This is a significant area of concern to the industry due to the constraints around bringing family to New Zealand. When they can come to New Zealand, many are settling in rural areas where jobs are difficult to find for partners – especially with English as a second language. Having access to support is critical to effective settlement of these families. Culturally, many of these partners are not able to work so this is another barrier to settling in New Zealand.

Employers should be educated around how to provide a holistic approach to settling a family – such as ensuring they integrate into the local community, are introduced to schools, churches and community groups.

It does seem that enhanced ability for migrant partners (or children once older than perhaps 18 years) to gain work would enhance those family's ability to wholly settle into New Zealand and to contribute to our community, economy and tax base.

## **Who else might New Zealand need? How else might we get the skills and talent we are after?**

### **Other ways for New Zealand to source skills and talent**

What more can immigration policy do to attract specialist " high-impact " people? What other complementary policy changes might be needed?

There needs to be a clearer path to residency which is based on specific industry needs rather than a generic approach across all industries.

High-impact people should be defined by each industry and not just by rate of pay. In this industry, the visa types are not adequate for roles such as Jockeys on raceday. Current visa requirements are that they can only work for and be remunerated by one trainer.

The other issue we have is that without sufficient numbers of skilled workers, we might reach a negative tipping point in terms of the quantum of racehorses bred, reared, prepared and trained in New Zealand. As a result, the lack of experienced staff and not being able to obtain or attract the right resource, we are seeing farms make strategic decisions to export valuable broodmares or send our yearling crop to sales in Australia to lessen the labour constraints as they are unable to prepare these horses for sale in New Zealand. This decision alone has a significant impact on domestic revenue and value-added economic contribution.

One farm in Cambridge has two shuttle stallions at stud that come from France and earn \$7.2 million just in service fees over 6 months (this in turn improves the bloodline). If these horses are unable to be here or we have inexperienced staff, this would be a massive loss to our industry through revenue and genetics. Recently these stallions' progeny sold at domestic yearling sales for over \$8 million.

The industry continually struggles to fill specialist stallion-related stable roles - Stud Grooms and Stallion Handlers. These types of roles are not entry-level or low-skilled and require a particular combination of skills, demeanour and experience. The difference between Stallion Handlers and Stud Grooms and other stable staff is illustrated by the specialised breeding and handling skills and knowledge and training required to work in these specialist roles. Internationally these roles are often the result of a specialised training programme, as is provided in New Zealand.

While the industry is addressing the widening gap, they are, like many similar industries struggling to attract New Zealanders into these roles. Parents of potential candidates may not consider this an appropriate career path and the widening rural/urban gap is providing a significant obstacle to overcome, particularly when dealing with 600+ kg horses.

In the breeding sector, it is important to note that, traditionally, the people who carry out these highly-skilled specialist roles rotate between the northern and southern hemispheres in line with breeding seasons – i.e., they are not permanent migrants to New Zealand as during six months of the year their services are not required here. Significant industry implications arise from our inability to secure these staff.

From a health and safety perspective, studs will need to either scale back or terminate their breeding activities. This in turn has wider implications for the viability of the Thoroughbred industry through the ability to supply racing product to TAB New Zealand. In addition, the export revenue is also impacted.

If breeders were able to source these staff from inside New Zealand they would have done so. These are specialist staff, not ordinary stable staff. The lack of understanding of the industry is often seen through visa processing where there is often little knowledge of how the industry operates.

[What effect has access to migrant labour had on training, job conditions and technology adoption by firms?](#)  
[What other factors explain firm practices? How can the Government support firms to change their practices?](#)

The industry has a focus on Obtain, Train, and Retain New Zealanders in industry careers. It could take the domestic workforce up to an extended period to achieve sufficient numbers to fulfil the needs of the industry. Training or upskilling these people takes time - the training and the eye for raising a horse such as a stallion handler can take 3-4 years.

Jockey numbers are depleted, apprentice ranks have declined and many trainers struggle to make any money from their businesses. The industry requires experienced people (often migrants) to help train people with the appropriate skills and fill high skill gaps. It is therefore essential to have access to train these people over the next 5 years if New Zealand is to develop a robust domestic workforce and be in a far stronger position from a staffing perspective.

Government supported and funded vocational training programmes is essential if the industry is going to swing the pendulum away from reliance on migrant labour. Unlike some industries, many employers in this industry have limited funds to provide the level of training required to grow their business.

[How responsive to skills gaps is the education and training system? Are there policy changes that could improve its responsiveness?](#)

There appears to be a perspective that all low skilled work (under \$27 per hour), means that employers are not proactively trying to fill skill/labour gaps with New Zealanders. This is definitely not true of this sector. The industry is providing employer education and lifting industry standards across Racing, Horse Training and Horse Breeding.



## Preparing for a Future New Zealand

### Population growth and migration volumes

Which costs and benefits of population growth are most important? Why?

What policy changes could help increase the benefits and reduce the costs of population growth?

Could or should the Government use immigration policy (eg, visa conditions to settle in specific places) to ease pressures in some regions? If so, what would be the best way?

Sharing of skilled labour – both migrant and New Zealanders will ease the pressure of staff having to work for only one employer. Current visa conditions constrain the ability to reshape rostering, timing of task and use of skilled resource. Visa settings should be determined by industry/sector to ensure they are fit for purpose. Location of jobs should be a factor with preference weighting to migrants who will work in roles in the rural or provincial areas rather than in the major urban centres where population pressures are greatest. Unlike other industries which are driving up urban housing pressure, the majority of this industry is employing people in rural areas.

Should the Government regulate the numbers of people given permanent residence? How and why?

Quotas are a blunt instrument and would likely fail to assess individuals potential contribution to New Zealand. Without a clear pathway to residency for migrant workers and their families, many are choosing other countries which in turn places pressure on the industry and its ability to grow and add even more value to New Zealand's economy.

Should the Government regulate the total number of people with temporary work rights? How and why?

Government should not regulate temporary workers – this should be determined by the market and resources required tempered by the workforce available onshore.

If the Government does regulate volumes of permanent residents or temporary migrants, what should it be trying to achieve (eg, stabilising population, managing pressures on housing and infrastructure demand)?

How feasibly can the Government achieve these goals through immigration policy?

In this industry, not every person requires a pathway to residency. Rather, more flexibility is required around a mobile workforce who is able to work for multiple employers and fill skill gaps during the season. In addition, Jockeys should be able to secure a visa type that allows them to work for multiple trainers and where possible, roles such as Trackwork riders would be more productive across multiple employers. This will reduce the total numbers required and therefore ease the pressure on population, housing and infrastructure demand.

Thank you again for the opportunity – we look forward to seeing the results of Commission's inquiry and we remain available for further assistance.

