



**To:** Ministry of Business, Innovation and Employment

**From:** Wood Processors and Manufacturers Association

**Date:** 11 October 2024

**Subject:** **Accredited Employer Work Visa Review: Phase Two**

**Contact for correspondence:**

Mark Ross

Chief Executive, Wood Processors and Manufacturers Association

[mark@wpma.org.nz](mailto:mark@wpma.org.nz)

027 442 9965

## **1. Introduction**

- 1.1 The Wood Processors and Manufacturers Association (WPMA) welcomes the opportunity to provide feedback on the proposed 'Accredited Employer Work Visa Review: Phase Two.'
- 1.2 Our submission is based on member feedback and includes a summary of recommendations, feedback on the questions answered within the consultation document, along with case study examples and summarised issues raised by members.
- 1.3 As a general statement due to the regional location of mills, nature of the employment (e.g. shift work, manual labour) and difficulty in employing New Zealand staff due to a lack of suitable applicants, changes made by the government in April 2024 to the Accredited Employer Work Visa (AEWV) requirements are having a significant adverse impact on the wood processing and manufacturing industry. Impacts include loss of production, impediments to business growth through a shortage of trained staff, and challenges to maintaining a profitable business due to an absence of reliable staffing alternatives in the regions should businesses no longer be able to employ migrant workers.
- 1.4 Due to difficulties in recruiting suitable staff within regional New Zealand, immigrant workers have become a critical component of many operators within our industry. As large employers throughout regional New Zealand, wood processing and manufacturing is essential to on-going community support and regional growth.
- 1.5 The migrant staff that our members employ provide a very stable environment for their workforce, with the result of less employee turnover. At the same time we agree that we need to work harder as a country to bring and retain New Zealanders into the workforce, but until this happens we must maintain an effective entry pathway for migrant workers to fill the critical vacancies within our industry.
- 1.6 The majority of WPMA member AEWV visas expire in mid to late 2025 (see tables in Appendix 2). This is further exacerbating the uncertainty and long-term business planning for mill operators and is creating stress for the migrant workers who are uncertain as to their future employment.
- 1.7 Hence, we are very keen to work in with Immigration NZ and the Minister to ensure that the AEWV review delivers the settings that are needed to provide the certainty for filling current and future vacancies, supporting migrant workers already within New Zealand, allowing the recruitment of new migrant workers, and enabling business growth.
- 1.8 Thank you for this opportunity to provide feedback and please feel free to reach out to [mark@wpma.org.nz](mailto:mark@wpma.org.nz) or on 027 442 9965 as to any questions and/or additional discussion.

## **AEWV Review: Phase Two - Recommendations**

Recommendations are provided based on the proposals within the MBIE Consultation document 'Accredited Employer Work Visa Review: Phase Two'. Key changes to the current AEWV settings have been highlighted that if implemented into new AEWV policy settings will enable the certainty required within the Wood Processing and Manufacturing sector to continue operating and investing in future production.

### **1. Accreditation – opportunities to streamline**

#### **Recommendation**

That regionally based businesses operating within the wood processing and manufacturing sector are accredited as “high trust” employers. This will allow for longer accreditation periods, e.g. 5 years or longer, allowing for business certainty.

#### **Context**

From member feedback received our industry demonstrates an exemplary record of meeting accreditation and wider immigration standards, e.g. level of wages paid to migrant workers, support services, education, and training. Evidence could be sought, for example, via proof of wages, hours of paid work, and evidence of training programs.

### **2. The Job Check – Wage Rates**

#### **Recommendation**

That a minimum threshold of 10% above the minimum wage is implemented for migrant labour.

#### **Context**

Adjusting the requirement as recommended in the consultation documents will assist in easing the financial burden on employers. Introducing more flexible wage criteria based on industry standards and regional differences would make it more feasible for companies to hire necessary talent. One of the most impactful changes in the AEWV is the requirement to pay twice the median wage for certain roles. While we understand the intention behind ensuring fair compensation and prioritizing local talent, this requirement often throws off internal relativity and is not an insignificant sum of money.

### **3. The Job Check – Labour Market Test**

#### **Recommendation**

That the job check requirements for regionally based wood processing and manufacturing businesses are streamlined to fast-track the process and reduce the burden on employers.

#### **Context**

There are potential differences in availability of staff in regional New Zealand where mills are located. Historically Immigration regulations have considered different geographical areas and adjusted job check requirements. This could be achieved, for example, through the test of a period of advertising for roles and demonstrating there is a shortfall for the specific location and role combination.

#### **4. Sector or region- specific settings**

##### **Recommendation**

That variations are made to the AEWV settings for the wood processing and manufacturing sector to enable access to migrant labor for entry level roles. This would involve adjusting the skill level threshold and labour market test.

##### **Context**

Member feedback has identified shortfalls in several roles within the wood processing and manufacturing industry. This includes roles such as Timber Machinists, Kiln/Boiler Operators, Treatment Plant Operators, Finger Jointing, Forklift Driver, and Wood Processing Machine Operator. Noted that more detail is provided within the member feedback section of our submission.

#### **5. Overall system compliance and assurance – preventing migrants being charged excessive fees by agents**

##### **Recommendation**

We support MBIE options as outlined in the consultation document to prevent migrants being charged excessive fees by agents.

##### **Context**

We do not condone exploitation of immigrant workers by recruitment and/or immigration agents and are supportive of means to annul this situation where possible.

#### **6. Overall system compliance and assurance – settings for migrants whose employment has ended**

##### **Recommendation**

That AEWV workers who have been employed within the wood processing and manufacturing industry or a similar industry, are provided three months to apply for a new job with a new employer where their employment has ended due to unforeseen reasons, such as mill closure.

##### **Context**

The changes to the AEWV rules change for people who are already in the country are disappointing. The people themselves committed to the process of working in New Zealand and employers have committed with recruiting and training costs. Any AEWV holders should be able to apply for a new job or a new 3-to-5-year visa without having to leave the country. We have a number of AEWV holders who have lost their jobs at other mills approach our members about work, but they need to go through the job check procedure in order to earn job check approvals, rather than using the variation of conditions pathway that was in place before the rule changes. This is an additional barrier to employing good people who want to work, who are in New Zealand legally, but whose situations have changed.

## **7. English requirements for Migrants applying for level 4 and 5 roles**

### **Recommendation**

That the English requirements for migrant workers in the wood processing and manufacturing industry are adjusted to a minimum standard that meets health and safety needs, with a commitment from the employer to provide migrant workers with English language training and general communications skills.

### **Context**

Where we agree there needs to be a minimum standard of English both for Health and Safety reasons, as well as social integration in communities, and have the knowledge and means to communicate if migrant workers were being unfairly treated or exploited, in an industry such as wood processing, operators are in noisy environment, wearing hearing protection. The ability to reasonably communicate verbally is reduced, but a greater onus on our industry is to implement high standard safety procedures, training programmes, and methods of communication for all staff irrespective as to whether English is an employee's second language or not.

## **8. Reducing Continuous stay periods**

### **Recommendation**

That the current Visa settings are set at 5 years, with the 12 month stand down period between visa applications removed.

### **Context**

A large amount of time and effort is spent by mill management staff into integrating migrant workers into their businesses, providing them with training, opportunity, and supporting them in the community. Within their visa time they can become very senior operators and reliable employees that are highly valuable members of their teams. Our members can easily demonstrate their efforts to recruit locally, turnover rates and durations of service to demonstrate that they are contributing highly to the local job and economic environment, as well as where needed looking for migrants who could also be gainfully and meaningfully employed in the gaps where they are unable to attract and retain locally or nationally based staff.

## **9. AEWV Pathway to Residence**

### **Recommendation**

That a pathway to residency is developed by Immigration NZ for migrant workers employed within the wood processing and manufacturing industry.

### **Context**

Migrant workers become an integral part of a business team, family and culture. There needs to be standards established that allows these highly experienced staff to remain in New Zealand permanently. Sending migrant workers home after the considerable investment that employers have made in these people and inevitably given the key positions they find themselves operating in and therefore their critical importance to NZ businesses is not regarded as sound policy.

We look forward to working with you on the development of a pathway to residency for identified migrant workers within our industry.

## **10. Skill shortages – specific roles for our industry - ANZSCO roles**

### **Recommendation**

That Two specific ANZSCO roles are adjusted as follows:

711314 – Other Wood processing Machine Operator – ANZSCO level 4

<https://www.abs.gov.au/statistics/classifications/anzsco-australian-and-new-zealand-standard-classification-occupations/2021/browse-classification/7/71/711/7113#711314-other-wood-processing-machine-operator>

711313 – Sawmilling Operator – ANZSCO Level 3

<https://www.abs.gov.au/statistics/classifications/anzsco-australian-and-new-zealand-standard-classification-occupations/2021/browse-classification/7/71/711/7113#711313-sawmilling-operator>

- I. That the experience requirements for 711314 other wood processing Machine Operator be adjusted to 12 months relevant experience (joinery, carpentry, wood working or machinery operating). This matches the ANZSCO requirements.
- II. That the English Language requirements for 711314 other wood processing Machine Operator be waived or lowered and that the company will make efforts to deliver English Language training while staff are onshore.
- III. That the experience requirements for 711313 Sawmilling Operator be adjusted to 12 months New Zealand experience or NZQF Level 3 qualification (to enable retention or return of current trained staff).

### **Context**

- The above requests will assist wood processors and manufacturers to retain current trained staff up to the 5 year maximum and allow for planning/scheduling of new incoming staff.
- If points 2 and 3 are not put into effect, then several of our members will not be able to bring in any entry level migrant staff unless they have English Language and 3 years relevant verifiable experience. Current recruitment of New Zealand staff has much lower requirements (you take what you can get).
- The request to lower the qualification for 711313 Sawmilling Operator to level 3 is to more accurately represent the qualifications that staff (New Zealanders and migrants) are likely to obtain/are more readily available to the industry.

## **11. Green List – Immigration NZ**

We understand that the Green List is not part of this consultation. However, feedback from members has indicated that there are several roles where it is difficult to find suitable staff within regional New Zealand. These roles are highlighted as follows.

### **Recommendation**

Roles that we recommend that should be considered in the Green List are:

- Timber/Wood Machinist

- Sawmilling operator
- Kiln/Boiler Operators
- Treatment Plant Operators
- Logistic/Warehousing
- Forklift/Loader Drivers
- Finger Jointing
- Fitters and Turners
- Saw doctor
- CAD, CAM, CNC

**Context**

The Green List, which outlines roles eligible for streamlined visa processing, is very narrow and is not inclusive of roles within our industry. For example, there are very few skilled timber machinists available in the regions, making hiring from offshore not just appealing but often necessary. Consideration of the outlined roles within the Green List is recommended.

**12. Additional Feedback on the Consultation Questions from WPMA members**

Given the concerns, disruption and uncertainty that the new AEWV settings have placed on WPMA members they have been forthcoming in providing feedback to support our submission. This feedback is outlined as follows and where possible is aligned with the MBIE consultation questions.

**12.1 Accreditation – opportunities to streamline**

Examples of accreditation check list questions:

Is the AEWV holder working for the same employer?

Has that employer made any redundancies in the last 12 months?

Is the AEWV holder undertaking any industry training - which will increase their skill level and make them even more valuable to their employer and to the NZ economy in the future?

**12.2 Accreditation – defining and managing risk for accreditation**

There is currently a huge delay by Immigration NZ to renew Accredited Employer status. We applied for our renewal of our status before our previous status expired and paid the renewal fee of \$1,220.00 and we haven't heard anything about our application except what we have read in the news. Therefore, we are currently unable to proceed with the job check process even if we wanted to and could meet the new requirements.

**12.3 Job check – labour market test options**

- i. There is a concern that if our industry starts losing our first group of AEWV holders in late 2025, the jobs of other New Zealand citizens and Residents will be placed at risk because while these people do good work, they simply do not have the motivation, enthusiasm or desire to train and excel so we will have a large hole in our structure and this will mean we will have to cut back shifts. The Coalition Government is looking for an export led recovery and – if we lose reliable hardworking well trained and well-paid employees, we will have to cut shifts and reduce staff and this will impact on our ability to grow and contribute to the economic recovery of New Zealand.

- ii. We are remotely based in the Waikato so to get particularly lower skilled workers to travel is a challenge even where we pay above industry average.
- iii. Very difficult part of the process when going through Immigration NZ is the need to use MSD as part of the recruitment drive.
- iv. Calibre of MSD candidates is time wasting for us. Often issues with reliability and attendance, even to the interview or any due diligence we set up for example drug testing.
- v. It has made immediate recruitment of staff a very slow and, in most cases, extremely stressful and unfulfilling experience.
- vi. We need to give our most recently recruited employees (NZ Citizens) a chance but initial performance of our new recruits since the changes were introduced does not look promising.
- vii. Employers who choose to become accredited and recruit employees on AEWV are often accused of wanting to use low cost overseas labour. Nothing could be further than the truth. In our case AEWV holders only make up 15% of our workforce but they are very highly motivated and very high achievers. They have a very high level of attendance and a very low level of absenteeism. They are drug free and their attention to health and safety requirements within the business make them very safe and careful employees. They also rate highly in our annual health checks.
- viii. In rural New Zealand the labour pool is not very deep and the availability of suitable potential employees is severely limited. In New Zealand the inability to pass a pre-employment drug test to meet our health and safety requirements shrinks the pool of potential employees even further.

### **Case Study – Difficulties with employing NZ workers (labour market test)**

*Since the change of rules, we have attempted to employ 10 new staff.*

*The following is a summary of our progress. We advertised jobs (no qualifications required) on Trade Me, listed them with the Employment Hub, and listed them with MSD.*

***From Trade Me:***

*30+ respondents mostly from offshore. Of the respondents from New Zealand, after we had made contact and discussed the details of the jobs, including hours (shift work), location and the requirement for a pre-employment drug test we set up interviews with 4 people. 2 failed to attend the interview, 1 decided it was not for them once we took them for a tour of the areas they would work in and we employed 1 person.*

***From the Employment Hub:***

*5 candidates were provided – 1 decided it was not for them once we took them for a tour of the areas they would work in, 1 did not turn up for the drug test, 3 were employed.*

***From MSD:***

*Have had communication with MSD but haven't had any candidates provided to us yet.*



*We had two “Walk Ins” who were Open Work Visa holders. **Both were employed.***

*We had one previous employee return to work as his partner lost her job and has taken over his role as caregiver for their child allowing him to return. **He was employed.***

*So, we employed 6 people which took over 6 weeks and we still need more. Where do we find them?*

#### **Job check – additional options**

- We struggle to find timber experience within NZ, this extends to roles beyond the manufacturing space, e.g. Production Planners, Supply Chain Managers, Global Sales Director.
- There is very limited market both nationally and internationally that we could recruit from to hire anyone (New Zealander, or migrant) who would come with the levels of experience introduced
- Currently, the migrants we have working for us now who are gaining experience in Sawmilling and Machine Operating in NZ, may still not meet the skills criteria required for re-entry under the current visa skills requirements (following the one year stand down). This is despite having significant experience within the industry initially.
- In the next three years I expect we will recruit up to 100 new staff. Being in Northland this will be problematic without migrant labour options due to high staff turnover and lack of available people with the ability to work in a sawmill.
- Depending on market growth we could require an additional 20 plus staff to fill new plant extensions and 24/7 operations. There is not the population available, hence we are hesitant about long-term investment while the current AEWV settings are in place.
- Due to lack of local options, we always have vacancies for wood machinists and machine operators. This often slows down production.

#### **14. System compliance and assurance – settings for migrant workers whose employment has ended**

- i. Fundamentally if an AEWV holder who has been working for the same employer for 5 years (or 3) and has undertaken significant training and both parties want to continue the employment relationship then a transition into an Essential Skill Visa and eventually a NZ Residency Visa should be a very easy path. If this was a 3-year process then that person would have worked and trained for the same employer for 8 years and as long as medical and character requirements are met, they would be fantastic NZ residents and just imagine the amount of tax they would have paid during that time. They would have been fully employed during that time and that should be part of the visa requirements.

- ii. If the employment relationship breaks down and their skills are not required elsewhere in NZ then their visa would be revoked and they would leave.
- iii. Because of all of these factors our AEWV holders take every training opportunity made available to all of our employees and they excel at becoming excellent employees and because of their drive and commitment they become very well qualified and take on positions of responsibility like Supervisors and Team Leader roles.
- iv. For our company, keeping the current migrant staff that we employ, would be the best possible outcome.

### **Case Study – AEWV settings**

- i. *Our employees who were recruited and employed on AEWV's in the first year (late 2022) were issued 3-year visa's. in 2023 the term of the AEWV's was extended to 5 years. Our employees who had been issued 3-year visas were told by Immigration NZ that they would be automatically issued with 2-year extensions to bring them up to 5 years.*
- ii. *This was a promise that led to major business decisions being made. If the rules had not changed and remained at 3 years the AEWV holders probably would not have brought their families to be with them here in NZ because of the disruption caused to schooling and personal lives of their children if they relocated to a new country but when they were promised 5 years some made the decision to bring their family at a cost of approximately \$3000 per person for the required police checks, medical clearances, visa fees and immigration advisor fees, plus the airfare from the country of origin.*
- iii. *If you take a family of one partner, plus say 3 children from say the Philippines, the cost of relocation could be up to \$12,000. Add to that buying a suitable vehicle and renting suitable accommodation and you can see the commitment by the AEWV holder and their family is huge. If they are here for 5 years then the cost can be justified, but for only 3 years it is not.*
- iv. *This promise of 5 years on the AEWV also made our decision to invest in training for this category of employees very easy. We have placed many on all sorts of industry specific training courses, on-site training and self-improvement courses at a huge cost to our business but when we considered we would have these people here for 5 years, the decision was easy as over that period we would get a great return on our investment. The same can't be said when the period is only 3 years. It may be a simple decision by the government but it comes at a big cost to industries who have done exactly what we have done.*
- v. *I can understand that when AEWV holders bring their families with them on Partnership Work Visas and Student Visas and Visitor Visas, this can put strain on infrastructure so why not prevent families coming while on AEWV's but as soon as the AEWV holder can earn qualifications meaning they can qualify for an Essential Skills Visa, let the families be allowed to join them. By this time the worker has proven their dedication to their job, their training and their employer.*

## **Appendix 1:**

### **Additional Feedback on the AEWV changes from the Wood Processors and Manufacturers members**

*We asked our members how the changes to the AEWV requirements are affecting their businesses. A selection of the responses follow.*

#### **Comments**

- As we continue to grow, we anticipate needing to recruit more specialized talent from abroad. For instance, we are currently in the process of recruiting four timber machinists from the Philippines and are already experiencing challenges due to the new changes.
- The new conditions are becoming increasingly difficult for organizations like ours to manage.
- The requirements under which our current immigrant staff members (six key employees) were allowed into New Zealand have changed significantly. The new categories and requirements have become too complicated, both financially and in terms of skills requirements, to comply within the current job market & our needs.
- Impact is on the current people who immigrated with the expectation they would be able to remain for 5 years. We have 10 people who have come from the Philippines.
- Changes may affect our future use/ intentions for the AEWV programme as we move forward and continue to have challenges recruiting suitable employees domestically. There is very limited market both nationally and internationally that we could recruit from to hire anyone (New Zealander, or migrant) who would come with the levels of experience introduced.
- We have 52 production staff, 15 of whom are AEWV holders (29%). Of this we have assisted 4 into a residency pathway.
- The introduction of skills and experience thresholds are very problematic for our business and I suspect industry as a whole. Majority of roles here don't require experience initially; our operators become skilled over time and learn on the job. There is very limited market both nationally and internationally that we could recruit from to hire anyone (New Zealander, or migrant) who would come with the levels of experience introduced.
- Currently, the migrants we have working for us now who are gaining experience in Sawmilling and Machine Operating in NZ, may still not meet the skills criteria required for re-entry under the current visa skills requirements (following the one year stand down). This is despite having significant experience within the industry initially.
- The process and information available are ever changing and complex. The Immigration New Zealand Green List and ANSCO tiers through Statistics NZ do not always talk to each other further complicating the process.

- We currently employ 40 migrant workers and have a total of 156 staff across 3 sites.

**Our main concerns regarding the AEWV settings are:**

- i. We want to keep the migrant workers we currently employ; they have had a positive influence on the work ethic of the teams they have become a part of and have improved the overall efficiency of departments with their regular attendance and attitude to work.
- ii. We have invested time, training and money into these migrant workers.
- iii. The migrant workers have created a stable base for our work force which has reduced the staff turnover.
- iv. The migrant timber hands we employ have previous timber related job experience and by the end of 2025 they will have another 2+ years experience.
- v. We still employ local or WINZ people through a temp agency and are always happy to employ them full time if they are willing, able and reliable enough but have a very low success rate. Replacing our current migrant workers would be time consuming, and expensive in both money and production.
- vi. Local or WINZ applicants do not have any timber-related experience and often only last a day (if that) in our employment even though the job is thoroughly explained to them and physical expectations during the first few weeks start low. Local/WINZ applicants often find the job too physically taxing, or they do not have the drive and patience to work their way up to better things.

We are currently training our migrant workers in the following occupations:

- Timber Machinist
- Kiln/Boiler Operators
- Sawmill Operators
- Logistic/Warehousing
- Finger Jointing

We feel that the above positions should be available on the Green List. There are less and less sawmill operations in New Zealand and therefore it is becoming more difficult to recruit experienced operators.

- Fitter/Turners should be on the Green list as this was previously indicated by INZ that it would come into effect in February 2024.
- In general, the local applicants are well below the standard of worker we require for our industry and most have no desire to up-skill.
- Most of our migrant worker Visa's expire at the end of 2025 beginning of 2026.
- We currently employ 40 migrant workers and have a total of 156 staff across 3 sites.

**Appendix 2:**

Table 1 - Number of workers on AEWV, Essential Skill Work or Specific Purpose Work Visa that are due to expire between 01 Jul 2024 and 30 Jun 2025, broken down by expiry month and occupations.

Visa Expiry Month	Visa & Occupation		
	AEWV	Essential Skills	
	Forestry Worker (Skill Level 4)	Forestry Worker	Sawmill or Timber Yard Worker
2024-07	0	<=5	<=5
2024-08	0	<=5	0
2024-09	<=5	<=5	<=5
2024-10	<=5	<=5	0
2024-11	<=5	<=5	<=5
2024-12	<=5	0	<=5
2025-01	<=5	<=5	0
2025-02	<=5	<=5	0
2025-03	<=5	0	0
2025-04	<=5	0	0
2025-05	8	<=5	<=5
2025-06	<=5	<=5	<=5
Total	28	16	11

Table 2 - Number of Accredited Employers whose accreditation is going to expire between 01 Jul 2024 and 30 Jun 2025, broken down by expiry month.

Expiry Month	Total
2024-07	21
2024-08	11
2024-09	7
2024-10	6
2024-11	6
2024-12	10
2025-01	<=5
2025-02	7
2025-03	11
2025-04	6
2025-05	<=5
Total	90

**Table 3**

Occupation	Total
Forester	<=5
Forestry Worker	492
Production Manager (Forestry)	<=5
Sawmill or Timber Yard Worker	29
Wood and Wood Products Factory Worker	92

**END**

### **The Wood Processors and Manufacturers Association**

**About us:**

The Wood Processors and Manufacturers Association (WPMA) is a voluntary funded industry association with a strong focus on promoting wood as the heart of a future zero-carbon economy. Our members are leaders in the New Zealand wood industry converting harvested logs into a wide range of products including sawn lumber, pulp, paper, panels, laminated products, mouldings, and engineered wood, through to the development of bioenergy solutions.

Total sales of industry products both domestically and globally in 2023 were approximately \$5 billion. The industry employs close to 38,000 staff, mostly in the New Zealand regions.

<https://www.wpma.org.nz/>