

Submission

On

**Accredited Employer Work Visa
(AEWV) immigration settings.**

Submission to:

Ministry of Business, Innovation and Employment

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Submitters

The Forest Owners Association (FOA)

The FOA is the representative membership body for the commercial plantation forest growing industry. FOA members are responsible for the management of approximately 1.2 million of New Zealand's 1.8 million hectares of plantation forests. FOA members account for over 70% of the annual harvest.

Forest Industry Contractors Association (FICA)

FICA is a membership based organisation representing New Zealand's forestry contractors. They currently have approximately 240 member companies and associate members in harvesting, silviculture, civil and roading representing over 70 percent of New Zealand's forestry production crews. FICA aims to partner with other forestry entities and work in collaboration to support the growth, capability and promotion of the forestry industry throughout New Zealand.

The Plantation Forestry Sector

New Zealand's 1.75-million-hectare production forest estate employs approximately 40,000 people across the supply chain and is the country's fourth largest export earner. It contributes 1.6 percent of New Zealand's GDP. In 2023, the forest growing sector was worth \$6.35 billion in export value and has a 12 percent share of rural land use.

There are approximately 8,500 people who work in forestry operations; of these, 2,521 are involved in silviculture (planting, pruning, releasing, regenerative growth removal, thinning to waste and firefighting)¹.

¹ [Forestry and wood processing labour force survey, NZIER report to Ministry for Primary Industries July 2021](#)

Plantation forests play a significant public good role in helping New Zealand meet its net-zero emissions targets by 2050 through carbon sequestration and providing feedstocks to meet growing demand for bioenergy, and for high-value products that offer an alternative to those made from fossil fuels. This vital role is only going to increase in the future.

Introductory Comments

The Forest Owners Association Incorporated (FOA) and Forest Industry Contractors Association (FICA) welcome the opportunity to provide feedback on the 'Accredited Employer Work Visa review: Phase Two.'

This submission does not use the online format available, but we believe it addresses the key questions raised in the consultation document.

This submission focuses on Accredited Employer Work Visa (AEWV) settings as they relate to silviculture. The most recent report that focuses on silviculture is the 2019 Forestry Labour Requirements Survey commissioned by Te Ura Rakau, New Zealand Forest Service² (attached). That document should be read in conjunction with this submission as it provides vital background information.

To develop our submission, FICA and FOA formed an Immigration Submission Group that includes eight respected contractors who directly employ migrant workers in different regions throughout the country, many with over 20 years of experience employing migrant labour. We believe this has ensured that the issues identified, and the solutions proposed are robust and will work on the ground. Our submission is based on feedback from that Group and includes our recommend solutions to issues that have been identified within the sector.

We are keen to collaborate with Immigration NZ and the Minister to ensure that the AEWV settings are suitable for our industry. Allowing us to fill current and future vacancies and support both migrant workers already employed and future recruits.

General feedback

The FOA and FICA are concerned that recent changes to the Accredited Employer Work Visa (AEWV) settings, announced on 7 April 2024, are placing significant strain on the forestry workforce and generating uncertainty for forest owners, contractors and their employees.

We acknowledge that national immigration settings must be fit for purpose, however, the changes to work visa rules are jeopardising the stability of the sector's workforce and the opportunities it can offer job seekers.

While we support the intent of the changes—putting New Zealand citizens to work, easing infrastructure pressures and targeting migrant worker exploitation—the new immigration settings

² [2019 Forestry Labour Requirements Survey](#)

target what is largely a metropolitan issue and, in doing so, introduce changes that do not strike the right balance for primary industry production and rural communities.

The forestry industry currently requires approximately 600+ migrant workers per annum (based on 2023 Immigration New Zealand data) predominantly for employment in Silviculture (82 percent). Most migrant workers are employed by forestry contractors and not the forest owner or manager. The forest owner or manager engages contractors to carry out silviculture work.

Despite extensive efforts, attracting and retaining local workers is a significant challenge for the industry. The work can be physically demanding and is often in remote or rural areas. There simply aren't enough New Zealanders prepared to travel to and undertake this work on a permanent basis.

Employers would prefer to employ local staff, which is more cost-effective, but find that they rarely attract suitable candidates and those locals who apply often prove unreliable and leave after a short time. Finding drug free local staff can also be challenging.

The current immigration system discriminates against New Zealand citizens by requiring migrant workers to receive higher wages even if they have no experience, while New Zealand citizens can be paid the minimum wage.

Additionally, competition for New Zealand workers is fierce, with industries across the food and fibre sector vying for local talent.

There is little scope for mechanising silviculture planting and pruning roles. The industry has funded research into developing machinery but had little success. The steep terrain and wet conditions are complex and difficult for machinery to deal with productively. Manual labour will be required to perform these roles for the foreseeable future.

Forest owners and contractors are heavily dependent on migrant workers to fill this gap, in many cases migrant workers constitute 50 percent or more of companies' on-the-ground teams.

Approximately 36 percent of forestry's silviculture workforce is comprised of migrant workers, predominantly from Pasifika nations, according to Te Uru Rākau's 2019 Labour Requirement Survey. The current numbers anecdotally suggest the percentage is now significantly higher than this at more than 60 percent, noting that this may be a conservative estimate.

The diagram below³ shows seasonal/migrant worker requirements by region for 2019. Although dated, there is a reasonable correlation with data provided by the Ministry of Business, Innovation and Employment (MBIE) for 2023 however, as noted above, the dependency on migrant workers has increased.

While there are seasonal fluctuations around planting ideally the industry needs migrants that can work year-round.

³ [2019 Forestry Labour Requirements Survey, pg. 8.](#)

Planting workforce size – Estimates for 2019 silviculture workforce

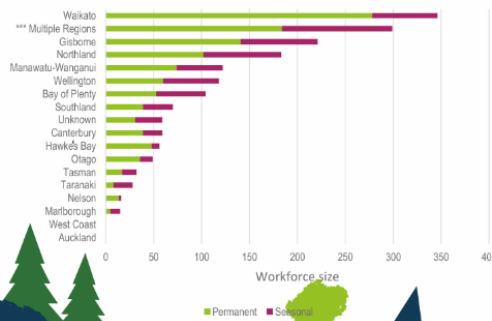
2019 surveyed silviculture workforce estimate proportion of seasonal roles



The proportion of seasonal workers is expected to increase to 36% from 29% in 2018.

Waikato, Gisborne, and Northland are expected to continue to be the main regions for silviculture employment in 2019.

2019 surveyed silviculture workforce estimates by region (permanent & seasonal)



Fijian communities provide a particularly important labour stream, representing 58 percent of our sector’s migrant workforce base. With a greater shortage of silviculture workers experienced of late, access to these workers has become crucial for the continuation of forestry operations, especially during planting season (May through to September) and harvest.

Forestry’s relationship with these Pasifika communities has grown into an enduring one, where workers are supported to develop credentials, skills are exchanged and employees return year after year to contribute to New Zealand’s forestry operations. This relationship sees economic support extended to their families and communities back home through the income and skills gained too.

Migrant workers offer a stability to crews due to their reliability in attendance, work ethic and driving skills. The lift in performance of New Zealand workers when mixed with the motivated migrant work force is noticeable and helps set an example for young New Zealand workers coming into crews.

We believe that the Job Check process is reasonably workable and can be managed. However, the process seldom produces a viable local applicant and consumes time and money. The job check process is not fit for purpose for seasonal work, as you need to advertise for local workers four to six months before they can start work.

The rate of pay for migrant workers is currently specified as the median wage. It should be noted that 70 percent of Forests in New Zealand are Forest Stewardship Council (FSC) certified, and under Principle 2: workers’ rights and employment conditions of the FSC Forest Stewardship Standard for

New Zealand⁴, all workers must be paid at least the living wage. Principle 2 also covers a number of other stringent employment conditions including training to protect employees.

Travel time is typically paid at minimum/median wage (\$29.66) noting that forestry is unique in that workers are typically picked up and delivered home after work with the employer paying for travel time and costs.

Although silviculture is not part of the Recognised Seasonal Employer Limited Visa (RSE) scheme, in most silviculture organisations there are varying elements of pastoral care such as travel to and from work, housing provided by employers, access to church and sport groups, introduction to the local community and assistance with medical costs (usually through health insurance).

Drug testing (pre-employment, random and cause) is the industry standard and is usually a contractual requirement between employer and employees.

Silviculture immigration exploitation data from the Ministry of Business, Innovation and Employment (MBIE) from January 2023 to April 2024 shows that exploitation is regional and isolated to a handful of employers. 47 percent of total cases were located in Gisborne—34 percent attributed to one employer.

The most common occurrence of exploitation relates to dismissal of employees, and/or because there is no work. On this basis tracking and managing exploitation is manageable by the industry, particularly if the silviculture contractor belongs to an association like FICA.

FICA members generally have longevity in the industry and a secure and predictable work program each year. Problems with inconsistent work programs in the 2024 planting season were an anomaly produced by government immigration policy settings and difficult economic conditions.

The impacts these changes have had on forest owners and managers 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 should businesses no longer be able to employ migrant workers.

The sudden implementation of these changes has placed many employers and prospective workers in an unexpected and challenging position, adding complexity to employment law compliance. This added burden may hinder employers' ability to attract and retain staff, particularly in the forestry sector.

Potential staff shortages could put employers' mental wellbeing, health and safety and environmental obligations at risk.

⁴ The FSC Forest Stewardship Standard for New Zealand, pg. 20.

Feedback on proposed changes

1. 12- month stand down period

Requirements for migrant workers to leave the country for 12 months before they can return and progress into a skilled migrant category will significantly impact business continuity for the sector.

This stand down requirement will only create a need for more migrants to fill longstanding gaps in our rural workforce, creating a revolving door rather than a pathway to residency and substantial loss of a skill base. Forest contractors have invested significant time and money into training, upskilling and retaining their migrant worker base. To invest in staff which they will then lose every three years for a year's stand down, or permanently, is disheartening.

Most work is paid piece rate (\$/tree planted, \$/hectares thinned), with employers increasing wages as employees' training and productivity increases. Sending these workers home for a 12-month stand down period will increase costs for employers while reducing forestry's productivity.

The industry is anticipating early abandonment of employment as these workers turn to new employment outside New Zealand before the expiration of their visas, and an increased likelihood they won't return to New Zealand to resume work once the stand down period has ended. We have already seen skilled employees, who New Zealand employers have invested in, being targeted by competing countries.

We envisage many employers across the country being in a similar position, leading to a shortage of potential workers and wage inflation pressure at a time when businesses, the sector and communities are trying to recover from depressed markets and recession conditions.

The industry will still require migrant workers but getting crews up to capacity, undertaking training and retaining workers will become more inefficient and costly under this new setting. It is crucial that the AEWV settings be adjusted so forestry can not only retain its critical baseline workforce, but continue to grow.

2. Three-year work experience requirement

A minimum level of labour is needed to service silviculture operations in the years to come. While the industry currently has enough labour to complete its 2024 planting, pruning and thinning programme, the introduction of skills and experience thresholds will have widespread implications on the sector—particularly for silviculture. The sector is forecasting a shortage of eligible workers for planting, pruning and thinning from 2025 onwards.

The majority of these roles don't require entry-level experience, workers simply need to be physically fit and willing to learn. Our operators become skilled over time, learning on the job and in the forest with employers covering 100 percent of the training costs.

Workers generally start with planting, then releasing and continue to thinning to waste as their skills develop. This method of training has proven to be the most effective for both the employer and employees—fulfilling labour requirements while supporting workers to upskill, gain credentials and pursue a variety of career options.

Requiring three years' relevant work experience, or a relevant qualification at level four or above of the NZQA is an unreasonable expectation for entry-level employees and adds additional costs for forest owners and contractors who continue to make significant investments in their employees' training. Thinning roles take approximately two years of full-time training investment from an employer before a return is realised.

A cumulative three-year relevant work experience requirement would also mean forestry workers would have to complete nine planting seasons to be eligible to work in entry-level planting roles.

There is a very limited market both nationally and internationally that the sector could recruit from to hire anyone, New Zealander or migrant, that holds the levels of experience introduced under these new AEWV settings.

The FOA and FICA are concerned such thresholds will deter job seekers from pursuing a job or career in forestry at a time where labour is needed most.

3. Minimum standard of English

The new AEWV English proficiency requirement for workers applying for Australia New Zealand Standard Classification of Occupations (ANZCO) level four or five jobs has made the majority of forestry's silviculture recruitment untenable.

This language standard does not appear to be in place for migrant workers employed through the Recognised Seasonal Employer (RSE) scheme.

Forestry and wood processing has developed a valuable relationship with its migrant workforce—predominantly Pasifika, 58 percent Fijian—providing upskilling opportunities and income that supports their families and communities back home, in return for seasonal work. These workers often return year after year, further developing their skill set each time.

While implementing language standards seem like a sensible option, it does not address the circumstances leading to migrant worker exploitation, and instead diminishes opportunity pathways for workers seeking skills development.

If the purpose of the standard is to facilitate improved communication and pastoral care between employers and employees, such standards are already covered by the Health and Safety at Work Act 2015 (HWSA), requiring employers as a Person Conducting a Business or Undertaking (PCBU) to communicate with employees—a duty our employers take very seriously.

This requirement does not stipulate that communication must be in English. In fact, some contractors have reprinted training material in other languages and have foremen supervising the crew who are bilingual.

An inability to speak English is not an impediment to performance on the job. Silviculture workers operate in teams under the supervision of a foreman, staff are actively mentored and monitored and can be given practical instruction even with limited English capacity. Workers are also transported to and from work and have little interaction with the public during the workday, as they operate in remote rural forest sites.

For forestry, the lack of rural facilities administering the English test onshore has been a barrier, requiring transportation of workers from Gisborne to Hamilton or Auckland to sit the test at a cost of \$445 per test—preceded by a three-month wait time—all at the employer’s cost.

The cumulative effect has been increased complexity and cost to all involved and increased barriers to entry for workers that were previously granted access into New Zealand under AEWVs for forestry work.

Migrant workers have become a critical component of many operators within our industry due to difficulties in recruiting suitable staff within regional New Zealand. Loss of this worker base due to increased costs and a new language standard could see forest owners unable to employ sufficient staff to complete planting—affecting regional growth and New Zealand’s ability to meet climate change targets.

4. Administrative complexity

The AEWV application processing time has now been extended to four months, adding more delay and complexity for employers. Immigration New Zealand (INZ) needs to be clear and consistent in what they require for the accreditation application process, and the checks required after the accreditation status is granted. Far too often INZ request documentation far exceeding the requirements stated in their application requirements.

The Job Check/Ministry of Social Development (MSD) process timing doesn’t work when workers are required at a future date—for example an upcoming planting season—as it requires advertising for local workers four to six months before they can commence work.

For forestry to remain viable, replanting must occur during the time-sensitive May to September planting season. Any delays add significant costs and lead to missed opportunities. In 2023, forestry generated over \$6.35 billion in export earnings. Annual replanting is a crucial part of the supply chain, ensuring plantation forests operate efficiently. Delays in planting can have far-reaching negative effects across the industry.

If New Zealand is to meet the government’s Emission Reduction Plan 2024, more trees including native plantations need to be planted and migrant workers will be required to meet this increased demand.

The forestry industry will continue to rely on migrant workers, but sourcing, recruiting, training and retaining these staff will become increasingly inefficient and costly due to these changes, resulting in reduced productivity across the sector.

Proposed solution

Forestry will be vital for driving regional growth, meeting New Zealand's fibre needs and mitigating the effects of climate change for the foreseeable future.

However, government support and industry confidence that appropriate immigration settings will be put in place to ensure sufficient labour, both domestic and migrant, will be crucial for the continuation of silviculture that leads to harvesting and processing activities.

The FOA and FICA propose the following solution to achieve the best workforce outcomes for all:

Forestry sector immigration agreement

Develop a forestry-specific sector immigration agreement, or a subcategory of specific forestry visas, on the following basis:

- Retain the Specific Purpose Work Visa (SPWV) without requiring previous experience, but implement specific training requirements to ensure workers can progress to further forestry work. This would create a pathway to the Accredited Employer Work Visa (AEWV).
- Support extending accreditation to five years, while encouraging MBIE to actively remove non-compliant employers from the program.
- Most silviculture contractors are unlikely to meet the 75 percent threshold for accreditation tiers. Employer trust should be based on their commitment to being a good employer, not solely on skill level. The focus should be on the quality of employment practices. MBIE should provide compulsory education on acceptable employment behaviours to ensure compliance.
- Remove the three years' work experience requirement and use the Forestry and Garden Workers (Bush Regenerator) – ANZSCO 843999⁵ as an entry-level role into forestry without additional experience needed.
- Eliminate the level four English test requirement.
- After the three-year visa expires, allow migrant workers to roll over onto a new three-year visa if they meet certain criteria, such as successfully completing skill level three forestry training at an approved facility.
- Reduce the stand-down period from 12 months to three months if it cannot be removed entirely.
- The Forestry VISA/AEWV should allow for multiple entries into New Zealand, enabling workers to come for four to six months during the planting season and then return home. For instance, during a three-year visa, a worker may spend 18 months in New Zealand over multiple entries.
- Support the proposed minimum wage plus 10 percent but note that, in line with FSC principles, the living wage will be paid in most forests, which is higher than this rate.
- Facilitate easier transfers between employers within three months if a worker loses their role due to external circumstances like work delays or insolvency. Employers should be able to transfer their token to another employer in cases of mistreatment or insolvency. This

⁵ [843999 Forestry and Garden Workers nec, ANZSCO - Australian and New Zealand Standard Classification of Occupations](#)

should not lead to employer poaching, but migrant workers should be informed that they can vary their employer through the existing Variation of Conditions process, which is not difficult or costly. More education may be needed for employers to understand this process.

- Deploy specialist INZ staff to handle forestry applications, the industry could organise site visits and training to assist with this.
- Streamline the application process to under one month.
- Establish FICA membership as a prerequisite for AEWV accreditation under the 'Forest-sector immigration agreement' to provide an additional layer of monitoring and accountability for silviculture contractors.

Final comments

The New Zealand Forest Owners Association and Forest Industry Contractors Association understand the government's objectives in reviewing immigration settings, particularly the focus on employing New Zealand citizens and ensuring migrant workers are not exploited.

While FOA, FICA and their members are committed to prioritising the employment of New Zealand citizens, both for practical and financial reasons, there is a significant labour shortage in New Zealand, especially in silviculture operations. Migrant workers are essential to fill this gap.

The current immigration settings, as of 7 April 2024, do not allow forestry employers to source the necessary labour. FOA and FICA are requesting adjustments to these settings, as outlined in the proposed solution above.

We recognise that the forestry industry shares similar challenges with other primary industries, and the government is aiming to balance country-wide processes with sector-specific needs. Our preference is to negotiate a sector agreement for forestry, incorporating the solutions proposed. This would provide critical stability to forest owners and other stakeholders who support the forest industry.

Thank you for the opportunity to provide this submission.

Signed



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