



Submission to the Primary Production Select Committee on
**Inquiry into the future of the workforce needs in the primary
industries of New Zealand**

3rd August 2021

Introduction

Seafood New Zealand Limited welcomes the opportunity to submit on the inquiry into the future of the workforce needs in the primary industries of New Zealand.

Seafood New Zealand is a professional organisation delivering industry-good services for the wider benefit of the seafood industry, an industry with annual export earnings of approximately \$1.8 billion. Seafood New Zealand plays a leading role in developing and presenting the seafood industry's response on regulatory proposals and generic issues affecting the industry.

The seafood industry is primarily comprised of three sectors, aquaculture, fishing (including inshore and deep-sea fisheries) and seafood processing. Collectively the industry directly employs around 13,000 people. Our businesses are located throughout New Zealand, including urban areas such as Auckland and Christchurch with a large portion of industry based in regions and coastal communities.

In addition to those directly employed in the seafood industry, it is estimated that we indirectly support an additional 4,000 jobs in associated support and service industries.

Our industry has significant Māori ownership, with approximately 27% of all quota by volume and value owned by Māori. Ownership is not just limited to quota as Māori have significant investment in aquaculture and land-based processing operations, including vertically integrated companies Moana NZ (100% Māori ownership) and Sealord Group Limited (50% Māori ownership).

Our industry is diverse, ranging from owner-operators and small businesses, through to large vertically integrated companies. Each sector comes with its own working conditions and challenges. While there is variation across the three sectors, they are all comprised of jobs roles ranging from relatively low skilled through to highly skilled and technical specialist roles.

Current Workforce

The seafood industry, like other primary sectors, has relied on the employment of migrants to fulfil their labour demand. This is not at the expense of jobs that could be filled by New Zealanders. Quite simply there is a shortage of New Zealanders willing or able to work in the sector.

With respect to at-sea roles, work can be inherently difficult. Environmental conditions, sea sickness, strict drug and alcohol policies, and living aboard the vessel for extended periods are factors that some are not able to overcome. Thus, it has become necessary to source labour from a global pool of experienced crew and those willing to work at sea.

In other sectors of the industry, migrants have been necessary to meet the demand for entry level roles where the nature of the job is often physically demanding, in a factory setting, and/or lacks the challenge that many New Zealanders are looking for.

In terms of the number of migrants employed in the seafood industry, a report from Immigration New Zealand shows the following visa applications approved based on seafood occupations over the last 10 years:

Year	Aqua Farmer	Aqua Worker	Deck Hand	Fishing Hand	Master Fisher	Process or Packer	Ship Engineer	Ship Master	Ship Officer	Ship Surveyor	Total
2011	9	6	732	18	3	69	285	60	114	84	1380
2012	0	3	555	6	6	48	162	36	60	24	900
2013	6	3	450	0	0	42	198	45	171	42	957
2014	3	3	1,065	33	3	54	618	36	333	21	2169
2015	6	3	969	33	0	51	522	24	246	30	1884
2016	9	9	768	204	30	57	459	39	216	24	1815
2017	9	9	846	216	18	87	381	36	186	18	1806
2018	9	18	738	354	21	159	243	33	141	24	1740
2019	9	24	1,722	543	21	273	156	18	114	3	2883
2020	12	12	585	342	12	93	111	6	57	6	1236

In addition, we note that this data does not include those that temporarily work in our industry on working holiday scheme (WHS) visas, however data from 2016-2017 shows that on average an additional 1240 WHS visa holders were working in the seafood industry each month. Thus, it is likely that around 2500 - 3000 migrants are employed in the seafood industry at any one time, which is approximately 20% of those directly employed.

Despite the challenges, there is much to recommend a career in the seafood industry. There are opportunities to advance into higher skilled roles through learn as you earn on-job training provided by the companies, it offers long-term stable employment, and for some at-sea roles the potential for trip-on/trip-off rosters afford an excellent lifestyle for those that persevere.

Remuneration naturally varies by job role, sector, and company, but there is plenty of scope to earn a good income. Typically, unskilled entry-level land-based processing roles are paid on a base hourly rate near the minimum wage. Some roles are paid on a piece rate, for example mussel openers, who can earn an equivalent of \$35 - \$40 per hour once becoming skilled and experienced. There are also opportunities to progress into roles with a higher skill or responsibility demand and increased remuneration.

Remuneration of at-sea roles also varies significantly depending on vessel type, role, qualifications, and responsibility, it can be a combination of hourly rate or salary along with a catch-based bonus package and can range from \$50,000 - \$250,000 plus per annum, depending on position on the vessel.

Ministerial Inquiry

The Government has an ambition to transition the seafood sector to a principally New Zealand workforce, and the Minister for Oceans and Fisheries has instigated a Ministerial Inquiry into the use and allocation of migrant labour in the seafood sector.

The Inquiry has the overall objective of reducing the sector's reliance on migrant labour and increasing the number of New Zealanders working in rewarding jobs in the sector. It will consider the current state of the seafood industry's workforce across all three sectors, to determine what a more resilient seafood workforce could look like and make recommendations as to how this might be achieved.

We accept and agree with the Government's desire to increase the number of New Zealander's working in rewarding jobs in the sector and look forward to the receiving recommendations from the Inquiry panel to further support our own initiatives.

However, we also need surety of labour in the interim so that we can operate at full capacity and continue to support the 14,000 plus New Zealanders who are either employed, or supported by the seafood industry, and to contribute to New Zealand's economy.¹

Current Challenges

As noted, the industry is currently experiencing significant labour shortages. We estimate we have a shortfall around 1,500 Full Time Equivalent (FTEs) across the country, primarily in land-based processing roles and particularly in the Nelson/Marlborough region. In addition, should we not be able to secure the required exemptions to travel, and visas to bring in replacement fishing crew for those who are due to return home, the shortfall will be significantly higher.

As a result of this labour shortfall, land-based processing operations have been required to significantly reduce production levels as they simply do not have enough staff to operate at normal capacity. This reduction in production will have a significant economic impact if it continues for any length of time, not only on the seafood industry but also on those industries that service the sector.

Attraction and Recruitment Activities

The seafood industry is committed to employing New Zealanders. One of our five core strategic pillars is to have 'Thriving Coastal Communities', in part through employing more New Zealanders at all levels of the sector and strengthening community connections to the seafood industry.

We are actively involved in both pan-food and fibre sector workforce development, and industry-wide initiatives designed to attract New Zealanders to the sector and to grow a skilled workforce that will meet future needs.

Initiatives have included a targeted seafood industry advertising campaign through on-line, radio, and bill-board channels as part of the Ministry for Primary Industry's (MPI) Opportunity Grows Here programme. This also included promoting employment opportunities through social media, developing dedicated industry careers information for our websites, and working with *Growing NZ* to include opportunities in the seafood industry, whose aim is to promote careers in the primary industries to schools and at career expos.

¹ 13,000 roles directly employed in the seafood industry made up of an estimated 10,000 New Zealanders (and c. 3,000 foreign workers), plus a further 4,000 New Zealanders working in supporting roles.

This year we also invested in sponsorship of the Inzone Careers Coach Roadshow to promote careers in the seafood industry to schools around New Zealand. The sponsorship included branding part of the bus to showcase the seafood industry and adding content related to seafood careers on each of the kiosks it contains.

Companies themselves are trialling a range of other initiatives to attract and retain New Zealanders into land-based roles. These include initiatives such as rescheduling shift start and finish times to accommodate school hours and increasing pay rates. They have attended career expos and hiring-days arranged by MSD. Recruitment remains difficult given the current low unemployment rate and tight labour pool.

In the fishing space, companies are funding scholarships for people wanting to complete pre-employment training opportunities at Westport Deepsea Fishing School. Each scholarship covers the training fees and accommodation costs for the duration of the programme.

In addition, in 2020 as part of Cabinet's approval to source sufficient labour to resource the deep-sea fishing vessels that rely on foreign crew, a Workforce Transition Plan was agreed by the major companies involved in that sector. Initiatives included in the Plan have been progressed, including conducting research to identify the options for researching the barriers to getting New Zealanders into deep-sea fishing which is being used to further develop recruitment strategies.

However, as our borders essentially remain closed, labour across the entire seafood industry is constrained, hence the decision was made to expand the Workforce Transition Plan from a deep-sea fishing focus, to include all sectors of the seafood industry and create an industry wide workforce development strategy. MPI has supported this initiative with the provision of a consultant to assist this development.

The Strategy will ensure our activities are coordinated and specifically designed to enable the seafood industry to become less reliant on migrant workers by attracting, training, and retaining New Zealanders. It will also focus on how innovation and technology can play a role in the future.

Training and Education

The seafood industry had already recognised it needed to attract more New Zealanders into the sector workforce, even before COVID-19. Education and training were identified as a gap, and in 2019, in conjunction with the Primary ITO, industry led the development of two apprenticeship programmes, one in seafood processing and one in commercial fishing. The apprenticeships are designed to ensure employees have the right skills to succeed in their chosen fields but also to provide integrity around our assertion that the seafood industry offers great career opportunities.

While the onset of COVID-19 delayed the enrolment of trainees into the apprenticeships, the ITO has reported strong interest seafood training in 2021, currently there are 547 active industry trainees enrolled in seafood training programmes, including 88 apprenticeships.

Many of these trainees will be employees that companies are upskilling with the view to being able to promote into higher paying roles that demand higher skills and responsibility. For the large part, our industry prefers internal promotion opportunities for staff to move into higher skilled and higher paying roles where possible.

The education and training system hasn't always delivered for the seafood sector, thus requiring a large portion of training to be completed by the employer on the job as off-job class-room style

delivery doesn't work. This brings an additional set of challenges for employers, who may not be equipped with the skills and resources to provide new entrants with the literacy and social support that many of them need.

However, we are supportive of the intent of the Reform of Vocational Education (RoVE) and establishment of the Workforce Development Councils (WDCs). Enabling WDCs to amplify the voice of industry is integral to the reform success. The work of WDCs, including advocating for good policy across the education eco-system, ensuring standards and qualifications meet industry needs in a timely manner, and playing a role in career promotion will be extremely important to ensure long-term workforce demands are able to be met.

Future Opportunities and Workforce Demand

The aquaculture sector has significant potential for growth in both volume of production and value. However, this requires improved regulatory settings, certainty with respect to open ocean opportunities, and surety it can source the labour it will require. This is particularly important if aquaculture is to achieve the goal of increasing from a \$600m industry to a \$3b industry by 2035 as set out in the Government's Aquaculture Strategy and looking to accelerate achieving that milestone in the Fit for a Better World plan.

With respect to the wild capture sector, it is likely that production volumes will remain relatively stable but there are opportunities for further value creation by full product utilisation and development of innovative products.

Like most primary sectors, we are and will continue to face challenges. In the short to medium term, as the world continues to adapt to the challenges created by COVID-19, it is likely that supply chain disruptions, continued labour shortages, and changing consumer behaviour will continue. Other environmental factors such as climate change will also impact and require businesses to adapt.

Investment, innovation, and technology will be required to develop the automation needed to reduce the labour demand. However, time will also be required to enable the necessary research and development that leads to economically and commercially viable outcomes.

Our sector will need to grow or source skills and specialists to deal with these challenges and ensure thriving businesses, particularly in areas such as:

- Engineering and technology, including information and digital technology
- Fisheries science and management
- Food technology and food safety
- People management and leadership

To do this we will need a responsive education system that supports the development of such skills and delivers these to industry in a timely manner.

Conclusion

New Zealand seafood is safe, healthy, nutritious, sustainably managed and produced, and in high demand internationally. Our industry provides significant direct and indirect employment to the many coastal regions of New Zealand. We want to increase those employment opportunities further.

We recognise we must reduce our reliance on migrant labour and are committed to actively achieving this. The sector is committed to working with government to achieve the best economic and social outcomes for New Zealand.

In the interim, the seafood industry needs certainty of access to sufficient migrant labour to be able to return to full production capacity in a post Covid economy, and therefore to ensure we have the confidence to make the necessary investments for the future.

Yours sincerely



Cathy Webb

Contact Person:	Cathy Webb Seafood Standards Manager Seafood New Zealand Ltd PO Box 297 Wellington ddi: 04) 801 4690 mob: 0274 747 033 eml: cathy.webb@seafood.org.nz
------------------------	---