



# MIGRANT LABOUR - ADDRESSING THE SKILLS SHORTAGE

During COVID, sourcing labour was one of the biggest challenges facing New Zealand businesses. Record high levels of demand for workers combined with record low levels of unemployment meant that companies were competing for an ever-decreasing pool of talent and driving up wage inflation. But, now that our borders have reopened and businesses have access to the global labour market, that pressure has eased.

Migrant labour has an important role to play in alleviating the skills shortfall and the structural steel industry is no stranger to tapping into the offshore talent pool through the immigration channel.

That said, the default setting for any local employer is to hire local talent when possible, says David

Moore, Managing Director, Grayson Engineering. "But in the cold light of day, there aren't a lot of people available locally to fill the specialist gaps in the structural steel industry."

The problem stems back to the '80s as New Zealand's training grounds all but dried up when the likes of the Ministry of Works and New Zealand Railways were dismantled. It was those entities that were supplying all of the trades and the engineers into the wider market. Private industry eventually began to train, but not before a significant void had developed.

Today, the structural steel industry is focused on ensuring a strong future for the sector and those who work in it. It is working hard to develop the skills of its people: more than 10 percent of the total workforce employed by local

structural steel contractors are in a training programme, and 70 percent of structural steel contractors employ an average of five apprentices.

But apprenticeships are a long game - it will be at least 10 years before the pipeline delivers the skills the industry needs now. "Immigration is a necessity," says Moore. "The local market can't solve the skills shortage without it. We need talented people working alongside our apprentices, training and mentoring them to ensure we produce employees of the highest calibre."

ABOVE: MIGRANT LABOUR HAS AN IMPORTANT ROLE TO PLAY IN ALLEVIATING THE SKILLS SHORTFALL AND THE STRUCTURAL STEEL INDUSTRY IS NO STRANGER TO TAPPING INTO THE GLOBAL LABOUR MARKET THROUGH THE IMMIGRATION CHANNEL.

## A GOOD MATCH

Grayson recruited Hougang Sun from Liaoning, China in 2017. A highly skilled structural steel fabricator with good English, Grayson recognised Hougang Sun's ability and assigned him a supervisor role on the shopfloor. His language skills were also good enough to take a young apprentice under his wing.

"Hougang Sun has been really good to this young fella; he's really helped him along," says Moore. "Because Hougang Sun is so highly skilled, we tend to put some of the more complex jobs in front of him and he has the young apprentice alongside, learning how things go together and how to do the job properly."

Grayson typically has four apprentices on the team at any one time and

Moore says there are two distinct parts to training them: one is teaching them how to do the job properly and effectively; two is teaching them how to do the job in the quickest, most efficient way. "Historically, we placed the apprentices with one of the older tradesmen. Once they had learnt what they needed to in terms of the required unit standards for their apprenticeship, we would move them on to spend time with someone who worked a bit faster."

But Hougang Sun is a good mix of both. "He will take his time to explain the correct methodology to the young apprentice and also show him that you don't hang around."

Hougang Sun is just one example of a migrant worker who has gone on to contribute even more to the business than was expected at the outset.

**"PEOPLE SHOULDN'T BE FEARFUL OF MIGRANT WORKERS; THEY ARE AN ESSENTIAL PART OF OUR LONG - TO MEDIUM-TERM TRAINING STRATEGY FOR YOUNG PEOPLE, AND THEY CAN CONTRIBUTE A LOT TO THE ECONOMY AND TO OUR COMMUNITIES."**

DAVID MOORE, MANAGING DIRECTOR,  
GRAYSON ENGINEERING

BELOW: HOUGANG SUN (RIGHT) PATIENTLY INSTRUCTS A YOUNG APPRENTICE ON THE SHOP FLOOR.



## MORE THAN MEETS THE EYE

Often when employing migrant labour, Grayson does so “sight unseen”, explains Moore. Interviews are typically conducted over the internet with an interpreter, but it’s not until they have settled into their job in New Zealand, and adopted the company work methods and culture, that their full potential becomes clear.

Moore cites instances where migrant workers have been employed as welders but, with a little digging, other skills were unearthed that the company could tap into.

“But you have to abide by the conditions of their work visa,” cautions Moore. A work visa will specify what set of tasks the migrant worker is allowed to perform and it must be adhered to.

There is, however, an option to apply for a variation of conditions to the work visa, provided the employee can produce evidence that they are qualified and competent to do the work. But it’s not a path that Grayson recommends. “In our experience it can sometimes be quite problematic,” says Moore. The company prefers to bide its time and wait until the employee has residency.

“We have a number of guys who, once we had sussed out what they were capable of and once they had their residency, we moved them into other areas of the business where they could add even more value.”

As an example, Moore references the chronic shortage of CNC machine operators plaguing the industry. Grayson discovered that one of the migrant team employed as a welder was also formerly a machine operator in China. Since securing his residency, he is now learning some of the complex CNC machines in Grayson’s workshop.

“So you have to keep your eyes and ears open,” says Moore. “Migrant workers are just like any new employee; while they may come into your workplace with one skillset, there is often much more to them than meets the eye.”

ABOVE: QIONG PANG, ONE OF THE MIGRANTS EMPLOYED AS A WELDER AT GRAYSON, WAS FORMERLY A MACHINE OPERATOR IN CHINA. SINCE SECURING HIS RESIDENCY, HE IS NOW WORKING AS A SOUGHT-AFTER CNC MACHINE OPERATOR.



## MĀORI AND PASIFIKA IN STRUCTURAL STEEL

While New Zealand’s structural steel industry needs migrant labour now to help grow and develop the sector, Māori and Pasifika are an important part of the future. The local steel industry employs a good representation of these groups, 13 percent Māori and 10 percent Pasifika. These figures are not dissimilar to the total employment figures – 14 percent for Māori and seven percent for Pacific peoples.

Meanwhile, the number of Māori and Pasifika employed in the steel industry changed considerably between 2013 and 2018 – Māori grew by 58 percent while Pacific peoples grew by 55 percent.

Importantly, there has been a significant transition to more-skilled employment for Māori and Pasifika working in the New Zealand steel industry in the five years to 2018. In that time, the number of Pacific peoples who were employed as managers and professionals increased by 133 percent and 700 percent, respectively; the equivalent figures for Māori were 78 percent and 347 percent.

Source: *Māori and Pacific peoples employment in the steel industries*, BERL 2021.

## THE IMMIGRATION PROCESS

Prior to the Government's immigration 'rebalance', announced in mid-2022, there was a clear work-to-residency pathway for workers in the structural steel industry. If the employee met a certain wage threshold, they were eligible for a two-and-a-half year visa, after which they could complete an expression of interest for New Zealand residency.

That immigration system has been replaced by one that is targeted towards more specialised roles, like structural engineers, doctors and teachers. Highly skilled roles like structural steel fabrication and welding are less likely to qualify for the residency pathway. Instead, migrant workers in these categories are employed on a work visa that expires after three years.

Grayson Engineering managing director David Moore says that, after three years, employers like Grayson are technically in the same position as when they started the recruitment process. "If your employee can't renew their visa you have to start the recruitment process all over again. It doesn't contribute to stability for either the employer or the employee."

While New Zealand's borders are open, international workers are in high demand. New Zealand is competing with other countries that presently have more attractive immigration settings. "So we're seeing fewer candidates now," says Moore. "It is a lot more difficult to attract talent now because the pathway to residency doesn't exist at the moment. It is creating an interesting dynamic."

The current scheme is the Accredited Employer Work Visa. Candidates can apply for this temporary visa if they have a job offer from an accredited employer, and the skills and qualifications for the job. As part of the migrant recruitment process, an employer accredited by Immigration New Zealand must first do a job check application by formally advertising the job to prove there are no local candidates. Another condition



is that the migrant worker must be paid above the New Zealand median wage.

Moore recommends engaging a licensed immigration advisor to evaluate all of the documentation and manage the time-intensive process. "Our advisor carries out the job check applications, the employee checks, completes the work visa applications and lodges them on our behalf."

While Moore says the existing system works relatively well, he hopes changes are introduced to make New Zealand a more attractive destination for workers in the structural steel industry. "We have to be able to offer them more than just a three-year work visa."

ABOVE: NEW ZEALAND IS COMPETING FOR INTERNATIONAL WORKERS WITH OTHER COUNTRIES THAT PRESENTLY HAVE MORE ATTRACTIVE IMMIGRATION SETTINGS. IT IS MORE DIFFICULT TO ATTRACT TALENT NOW BECAUSE THE PATHWAY TO RESIDENCY DOESN'T CURRENTLY EXIST.

Moore says that Grayson's role as an employer is to keep abreast of any changes to immigration rules and policies. "We have a good immigration adviser who updates us with any law changes. If we have an opportunity to help one of our employees get on a pathway to residency, we will be the first to know about it."