

Hon Erica Stanford
Minister of Immigration
Parliament Buildings
Wellington 6160
Via email: erica.stanford@parliament.govt.nz

29 April 2024

Dear Minister

Recent changes to immigration settings

We write to highlight our deep concern at recently announced changes to New Zealand's immigration settings and, specifically, the decision to discontinue the pathway to residence for skilled drivers entering the country on the Accredited Employer Work Visa (AEWV).

Our letter follows individual correspondence with you on this matter by the Bus and Coach Association on 8 April. As representatives of three of the most driver-reliant sectors in the country, we wished to raise the issue with you collectively, to convey the depth of sentiment and consensus within industry.

We recognise the need to address unsustainably high net migration, but the wider impacts of any intervention need to be carefully considered. Removal of the pathway to residence – temporarily or permanently – will only move us further away from a lasting solution to the long-standing shortage of skilled drivers in this country.

As you will be aware, our three organisations were among the strongest voices in support of the sector agreement announced by the previous government in April last year, in which the pathway to residence for foreign drivers was included. At the time, we had been facing a shortfall of upwards of 9000 drivers nationally. The agreement recognised not just the need for increased access to offshore labour markets for skilled drivers, but the importance of being able to offer those drivers the opportunity to build a future in New Zealand. In the experience of our members, it is abundantly clear: if foreign drivers are to choose to come to New Zealand ahead of other countries where their skills are in demand, the provision of a pathway to residence is critical.

It has been no surprise to see extensive uptake of the AEWV by drivers over the past year. Like others in the sector, we are delighted to see these new drivers enter the country, and by the contribution they have made to easing labour-supply pressure (even though, as noted below, this is a temporary reprieve).

In justifying the recent changes, you and your officials have asserted that the introduction of the pathway to residence by the previous government was only ever temporary in nature, and was designed to see off the immediate labour supply crisis, not to provide a lasting solution.

Further, you have noted that: “once those critical shortages are solved, then it is on you to be able to train and retain your own workers.”

In our view, this is a short-sighted response. The driver shortages crisis has not been solved, it has merely been put on hold. The fact that the pressure has eased owes less to an increased pool of labour (or any other supply-side changes), and more to the significant reduction in demand as a result of nation-wide economic contraction. Not only is freight activity down as much as 50% in some parts of the sector, but greatly reduced activity in other driver-intensive sectors (such as construction and trades), means there is less ‘pull’ on our drivers from other areas of the economy.

As soon as the economy returns to growth, driver shortages will again become an urgent issue. Waiting for the crisis to re-ignite, and then seeking to address it by reactivating previous policy levers, is in our view inadequate – a more proactive, long-term response is required.

For a lasting solution to New Zealand’s driver shortages issue, the only viable strategy is one that draws on **both** domestic and offshore labour supply. You are well aware of the structural challenges we face when it comes to driver recruitment: put simply, very few trained drivers are available, a high proportion of those that are available are in the twilight of their careers, and very few young Kiwis are willing to enter the profession. This is in the context of a declining organic population, with New Zealand’s birth rate of 1.7 well below replacement. It means that our sector will be competing for fewer available domestic workers to replace the ageing workforce.

Our respective members prefer to employ New Zealanders whenever possible – sourcing drivers internationally is expensive and complex, as is providing pastoral support once drivers reach New Zealand. They are therefore working extremely hard – and have been doing so for a number of years – to develop local recruitment pathways. But these efforts will take considerable time to bear fruit, and will not be enough on their own to address the looming shortfall. Offshore recruitment must continue to play a central role and, as noted above, that will require the pathway to residence to be maintained.

These concerns notwithstanding, we would argue that the removal of the pathway to residence will increase scope for exploitative practices by recruitment agents. With no pathway to residence on offer, New Zealand’s appeal will be significantly diminished among high-quality foreign drivers, who will increasingly look to competing markets. This will leave the task of filling the gap to transient workers, students and other groups at the lower end of the offshore market. Recent experience has shown that, where problems have arisen in respect to pay and conditions, skills verification, and pastoral care, it is with these groups, and the agents representing them.

Finally, we note our disappointment that no effort was made to consult with us ahead of these changes being announced. Given our close involvement in the sector agreement last year, given our efforts to reach out to officials over recent months to review the success of the agreement and discuss next steps, and given that we represent the stakeholders most directly affected by the decision, we believe that it would have been appropriate.

We request the opportunity to meet with you as a group at your earliest convenience. We hope to work together with you and your officials to develop a proactive, practical approach to addressing driver shortages, and other issues associated with the AEWV.

Yours sincerely,



Simon Bridges
**Chair, Waste & Recycling
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Delaney Myers
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