

# **CASTINGS**

## **NEWS & VIEWS**

**MARCH 2017**

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### **CTNZ Industry Champion Report**

At a recent board meeting we were addressed by Gary Hook CEO of Metals NZ. He outlined Metals NZ strategic plan. I have included his presentation later in this newsletter. One of the points that he is pursuing and engaging with industry and Government is the issue of imported product that does not meet NZ compliance specifications. If any of our members are finding this during their business activities Gary is more than happy to take it up with Government.

Another point involves Health & Safety. Worksafe/ACC are prepared to work with Metals NZ to create a Leadership development arrangement. This will not be Systems based but Building Safe Working Cultures based. Gary has asked if there is some appetite for this in your sector? Please contact me if you are interested in any of the above points.

The Technical Advisory Group meetings with Competenz are progressing well and Competenz plan to complete unit standards

for year 1 and 2 by April this year. Years 3 and 4 are due for completion in September 2017 with the launch of the complete package planned for February 2018.

Our conference has now rotated again to the South Island and it will be held in Dunedin at the Southern Cross Hotel from the 11<sup>th</sup> to 13<sup>th</sup> of August. The theme of the conference is 'Sustainable Foundries – the Future' and our keynote speaker, Professor Mark Jolly from UK is an expert in this field.

The South Island members have organised a branch meeting visit to Carlton Taylor Industries on the 5<sup>th</sup> April. I would like to organise an Auckland Branch industry meeting and would appreciate any suggestions for a venue.

We welcome Daniel Ta'avale a new individual member with Neales Foundry in Porirua  
Bill Lovell  
Industry Champion

### **CTNZ - 2017 Conference**

This year we are pleased to announce our annual conference 'Sustainable Foundries – the Future' will be held at the Southern Cross Hotel in Dunedin. We have planned an interesting range of speakers and topics based around our guest keynote speaker and our conference theme. Our keynote speaker, Professor Mark Jolly comes highly recommended by John Campbell our last year's keynote speaker. His main areas of expertise are; Aerospace Manufacturing, Advanced Casting Science and Technologies, Computing Simulation & Modelling and Sustainable Manufacturing.



In addition to his research he is Head of both the Sustainable Manufacturing Systems Centre and the Composites Centre at Cranfield University, UK

Mark's main areas of current research are:

- Resource efficient manufacturing
- Process modelling
- Novel casting processes

It has been suggested that an interesting topic would be some of the difficulties that our foundries face regularly in the production of castings. One of our member companies has indicated that they would like to present a paper on this and I would like to include some others to bring some local interest to the conference.

I am planning an interesting industry tour for Friday afternoon and activities for the partners on Saturday.

Bookings can be made direct by contacting the Southern Cross hotel central reservations team 0800 69 69 63 or direct to the hotel 03 477 0752. Ask to make an accommodation reservation into reference #7497706 or quote the group booking name Casting Technology NZ Inc

### Employment - Job Vacancies

There have been only two recent enquiries from people with foundry trade skills wishing to seek employment in New Zealand.

- **Jonsen Mutuzu**, a patternmaker currently in Zimbabwe. email; [jonsen.mutuzu@gmail.com](mailto:jonsen.mutuzu@gmail.com)
- **Panganai Kawonde**, a patternmaker with QA experience based in South Africa. Email; [pkawonde@yahoo.com](mailto:pkawonde@yahoo.com)

Members wishing to receive CVs for any of these people please contact; Bill Lovell; [bill.lovell474@gmail.com](mailto:bill.lovell474@gmail.com). I would be interested in hearing from any member who successfully employs someone from these applicants.

### Protecting Vulnerable Workers

On 1 April, the Ministry of Business, Innovation and Employment (MBIE) will enforce stand-down periods for non-compliant employers who breach employment standards. Those employers will not be able to recruit migrants for a period of time after an infringement.

These new measures demonstrate that the exploitation of workers - including migrants who may be less likely to be aware of their rights and entitlements than New Zealand workers - will not be tolerated.

New Zealand employers must comply with New Zealand's regulated minimum employment standards, and this is reflected in current immigration instructions. The new measures will provide a defined threshold and will mean that, in situations where an employer has incurred a penalty for a breach of employment standards, there will be a set stand-down period preventing them from recruiting migrant labour for either six months, one year, 18 months, or two years, depending on the severity of the breach.

The new measures will be implemented on 1 April 2017. For employers who have incurred penalties or infringement notices before 1 April 2017, while no formal stand-down period will be applied, INZ will have a list of these employers and visa applications will be judged against immigration instructions which require compliance with employment law.

#### Questions and Answers

WHY AREN'T NON-COMPLIANT EMPLOYERS ALREADY RESTRICTED FROM EMPLOYING MIGRANTS?

All employers have to comply with regulated minimum employment standards and this is reflected in current immigration instructions.

But there isn't a clear threshold set for when non-compliance with employment standards becomes unacceptable for immigration purposes (as opposed to non-compliance of a very minor or accidental nature).

These new measures provide a threshold and will mean that, in situations where an employer has incurred a penalty for a breach of employment standards, there will be a set stand-down period preventing them from recruiting migrant labour for either six months, one year, 18 months, or two years, depending on the severity of the breach.

#### WHAT KIND OF PENALTY IS INCLUDED?

Employment standards-related penalties extend from formal infringement notices issued by the Labour Inspectorate (following a Labour Inspectorate investigation) through to penalties issued by the Employment Relations Authority or the Employment Court, or banning order issued by the Employment Court.

Employers issued with penalties as a result of private actions taken by employees either through the Employment Relations Authority or the Employment Court are also included.

#### WHAT IF A BREACH IS MINOR

The threshold for non-compliance does not include employers at the very minor end of breaches, such as those who have entered into an enforceable undertaking with the Labour Inspectorate, have mostly adequate wage and time records and demonstrate a desire to comply. The intention is not to restrict access to migrant labour for minor and inadvertent breaches, and so the threshold is set at formal infringement notices and above.

#### HOW WILL THIS BE GIVEN EFFECT TO?

The Minister will make an addition to the existing immigration instructions

A list of non-compliant employers will be produced and maintained by the Labour Inspectorate and shared with Immigration New Zealand to ensure that employers on the list are not able to recruit migrant labour.

Employers who meet the threshold for non-compliance will be informed of their stand-down period preventing them from recruiting migrant labour, and when their non-compliant status will expire

#### WHAT RIGHT OF REPLY WILL AN EMPLOYER HAVE WHO'S HAD A STAND-DOWN PERIOD IMPOSED?

There are various means currently available for employers to challenge all final enforcement action decisions. These range from:

- the right to request a hearing at the District Court for infringement notice
- challenging an Employment Relations Authority determination seeking a hearing at the District or Employment Court
- appealing a District or Employment Court decision.

If, as a result of an employer's challenge, the decision regarding their penalty is overturned, then the employer would again become eligible to recruit migrant labour.

#### HOW WILL THE LENGTH OF THE STAND-DOWNS BE DETERMINED?

The stand-down period will be proportionate to the seriousness of the breach, and therefore the penalty amount. There will be a fixed gradation aligned with the level of the penalty. For example, when a penalty is issued to a company:

- a 6 month stand-down will apply for a penalty up to and including \$1000
- a 12 month stand-down will apply for penalties over \$1000 but less than \$20,000
- an 18 month stand-down will apply for penalties of \$20,000 and over but less than \$50,000
- a 24 month stand-down will apply for penalties of \$50,000 and above.

#### HOW MANY EMPLOYERS WILL THIS AFFECT?

A precise figure is not available but the figures for those employers who incurred penalties over the past year give a rough indication of the potential number of employers who might meet the non-compliant threshold.

- 47 infringement notices (with 20 issued to employers of migrants) were issued by the Labour Inspectorate in the six months since infringement notices took effect in July last year.

- 72 penalties (with 25 of those issued to employers of migrants) were issued in 2015/16 financial year by the Employment Relations Authority for cases filed by the Labour Inspectorate.

- 16 penalties were issued to employers of migrants by the Employment Relations Authority for cases taken independently of the Labour Inspectorate 2015/16 financial year.

#### WHAT TYPE OF EMPLOYERS WILL THIS AFFECT?

The new measures will apply to all employers intending to recruit migrant labour, including those employers who are: supporting work visa applications and approvals in principle; seeking accredited employer status or supporting residence class visa applications based on employment; and employers who are part of the Recognised Seasonal Employer scheme.

#### HOW WILL THE PROPOSAL AFFECT BUSINESSES WHO RELY ON MIGRANT WORKERS?

The changes will not increase the powers of either labour inspectors or immigration officers. There will be no impact on compliant employers. There will, however, be an impact for some non-compliant employers who may consider the ability to recruit migrant workers as an entitlement rather than a privilege.

Improving the process for restricting access to migrant workers for non-compliant employers should also help to improve access for those employers who are compliant, creating incentives for employers to ensure they are complying with all their employment obligations.

#### WHAT HAPPENS IF EMPLOYERS ARE FOUND TO BE NON-COMPLIANT AND ALREADY HAVE MIGRANT WORKERS IN THEIR EMPLOYMENT?

These employees will be able to work out the duration of their work visa, but will not be granted further work visas to work for the non-compliant employer.

#### WILL THERE BE FLEXIBILITY TO ALLOW FOR SITUATIONS WHERE LABOUR MARKET NEEDS CHANGE – SUCH AS A HIGH DEMAND FOR CERTAIN SKILLS AS A RESULT OF EARTHQUAKES, FOR EXAMPLE?

Yes. As is currently the case, there is flexibility for situations such as changing labour market needs following an earthquake or other significant event. In such situations, where an employer is deemed to be non-compliant but specific circumstances may warrant an exception, the Minister of Immigration (or a delegated decision maker) would be able to grant a visa as an exception to immigration instructions. This would mitigate the risk of restrictions being applied in circumstances that were patently unreasonable, manifestly disproportionate or not in the national interest.

#### WILL THERE BE ADDITIONAL COSTS ASSOCIATED WITH IMPLEMENTING THIS?

Any costs associated with implementing this proposed change will be met from within current baselines.

#### WILL THIS ONLY AFFECT EMPLOYERS WHO ARE PENALISED THROUGH THE LABOUR INSPECTORATE?

No. Employers who are taken to the Employment Relations Authority or to the Employment Court independently of the Labour Inspectorate will also be subject to stand down periods.

#### WILL THIS NEW MEASURE ONLY PROTECT MIGRANT WORKERS – NOT LOCAL WORKERS?

Local workers are protected by the existing employment standards regulatory and penalty regime. The right to recruit migrant workers is an additional privilege for employers and so we are putting constraints on that to ensure that non-compliant employers can't have ready access to the international labour market as well. When the breach is particularly serious a banning order can be put on employers and this can

prevent them from employing anyone (local or otherwise) for a period of up to 10 years.

### **Tasha Jennings**

RELATIONSHIP MANAGER

Skills and Investment, Immigration New Zealand

Ministry of Business, Innovation & Employment

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## **Metals NZ Update**

### Product Assurance

- Non conformance mesh issue
- Public Press on imported steels
- ComCom have recently been pinging companies for overstating product performance
- MBIE & ministerial lack of confidence
- MBIE framework review/ Aust AD Senate Report tbr
- CIC/BIF discussing options
- Moves by groups to improve self assurance
- Still some prosecutions to be levelled
- Critical products are the priority concern....purlins?

### Govt Procurement Advocacy

- Primary advocacy project for our funding lines
- More Value Based & balanced decision making by Agencies, not lowest price focus
- Principles & Rules of Sourcing (PRS)
- Rule 22 lobbying for removal/modification
- Rule 22 says that "Rules don't apply to sub-contracted procurement"
- We are seeking main contractor procurement to be subject to PRS...certainly large items
- Metals/MBIE/NZTA/FH/Eastbridge forum
- MBIE BRG discussed last week & support to modify Rule 22

- Looking for a positive outcome

### Health & Safety Leadership

- Metals has engaged with Worksafe exec's
  - Demonstrate our industry cares
  - Our sector is high up on the list of Risk, a big customer of ACC
  - Belief value can be delivered by central advocacy
  - Lack of cost effective leadership development opportunities for SME's
- In 2016 2x Leadership Forums run by Metals (no more planned)
- Worksafe in attendance
- Sharing perspectives, attendees looking for development opportunity
- Worksafe/ACC are prepared to work with Metals to create a Leadership development arrangement. Not Systems based but Building Safe Working Cultures based.
- Is there some appetite for this in your sector?

### Current & Near Term Priority Activities

- ALANZ formation
- Industry Conference Organisation; sponsorship, run sheets
- Election interaction with major parties
- Industry promotion plan
- Trade policy....Public Interest Test/Dumping
- Policy Document edits
- CEO succession & funding

### Metals Industry Event 2017

- Executive have chosen Christchurch location
- Makes sense to reach out to membership & review the contribution to the rebuild

- Metals NZ will scale back its efforts to Awards Gala Dinner, Economic Outlook & Rebuild review...overarching facilities & sponsorship
- Addington Raceway just minutes from CBD
- Friday September 15<sup>th</sup>
- Propose Kick off Metals Session @4.30pm for all associations Plenary.....Drinks.....Awards Dinner
- Associations will have facilities made available on the Friday to meet FOC
- Looking at One Price for Dinner & Plenary...One Ticket....One seamless event
- HERA, SCNZ, NZMRM at least will be hosting other gatherings and this will be at your cost and organisation
- Looking for an Award presentation from your Association
- Event is one week prior to election

## Conferences and Events

### SouthMACH 2017

**Where:** Horncastle Arena, 55 Jack Hinton Dr, Addington

**When:** 24<sup>th</sup>—25<sup>th</sup> May 2017

**Contact:** [sales@southmach.co.nz](mailto:sales@southmach.co.nz)

### China Diecasting

**Where:** Shanghai New Exhibition Center

**When:** 19<sup>th</sup> – 21<sup>st</sup> July

### CTNZ National Conference;

#### Sustainable Foundries – the Future

**Where:** Southern Cross Hotel, Dunedin

**When:** 11<sup>th</sup>—13<sup>th</sup> August 2017

**Contact:** [www.castingtechnologynz.org](http://www.castingtechnologynz.org)

### Metals NZ Conference

**Where:** Addington Raceway

**When:** 15<sup>th</sup> September

### World Foundry Congress

**Where:** Krakow, Poland

**When:** 23<sup>rd</sup>- 27<sup>th</sup> September

### AFI National Conference 2017

**Where:** Adelaide Oval Function Rooms

**When:** 27<sup>th</sup>—29<sup>th</sup> October 2017

## Southmach 2017

SouthMACH is the South Island's premier technology trade show celebrating the heartland of NZ Manufacturing. SouthMACH 2017 is already looking to be the largest ever. Supported by New Zealand's leading industry organisations, SouthMACH will attract over 100 international and local exhibiting companies showcasing the very latest technologies and innovations that are shaping your industry.

Add to this special features, exclusive VIP networking evenings and an extensive industry lead education and learning seminar program SouthMACH 17 will be the must attend event of the year the vibrant manufacturing industry.

Venue: Horncastle Arena, 55 Jack Hinton Dr, Addington

Dates: 24<sup>th</sup> and 25<sup>th</sup> May 2017

Contact: [sales@southmach.co.nz](mailto:sales@southmach.co.nz)

## Board Members Email Contacts

Should you have any queries or require assistance, please feel free to contact a Board member.

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