

Suite of proposed changes to the Essential Skills visa

Our organization, NZSki, operates three ski areas in Canterbury and Otago. Mt Hutt, Coronet Peak and The Remarkables. We have a core permanent staff of 55 (all of whom are permanent New Zealand residents or citizens) and swell to over 1200 staff during our operational period which is from May – October (our ski areas are open from early June – early October).

We need to scale our operations up annually, from a small base (55 FTEs), to a large number (more than 1,200 staff) over a very short duration. A large number of our employees are Snowsports Instructors (32% of our workforce) and they must be qualified and experienced. This ability to scale up fast contributes to our ability to operate profitably, which impacts on our ability to invest, and further expand our ski areas for the benefit of both our shareholders and the communities in which we operate. The capital intensive nature of our business means our ability to earn ancillary revenue is a critical part of our profitability. This leads to our ability to reinvest and create more volume in the future.

We oppose the proposed change to introduce a three-year limit with one year stand-down on the essential skills visa because this would have a detrimental effect on our ability to retain the skills required to successfully operate our business. Our rationale is set out as follows.

The Snowsports industry is constantly seeking to train and develop New Zealanders because we know that this provides longevity for the workforce and industry. We have a number of initiatives in place and New Zealanders always remain first choice of candidates to employ, however, due to the volume, and in many cases qualifications and experience, of people we need the New Zealanders just are not available.

We understand that the proposed maximum duration for an essential skills visa of 3 years will not apply to seasonal employees provided they leave New Zealand in the off season. To some extent, this would mitigate the impact on the the Snowsports industry however, it will have an impact on our parent company Trojan Holdings and our succession planning strategy – whereby we identify high-performing staff and move them through the organization to upskill them and look to provide pathways to residency. In conjunction to our substantial in-house training programme, the ability to retain key skills from foreign workers year after year is critical. The changes would therefore have a substantial impact on the Queenstown region and tourism industry as a whole.

The below table shows the number of New Zealanders we employ vs. number we have sponsored on essential skills visas.

Year	Number of Staff	New Zealanders employed in workforce	Percentage of staff on ESV
2017 approximate	1250		18.5%
2016	1248	30.8%	16.2%

In 2017 during our recruitment period we had 4225 applications, of which only 7.0% were from New Zealand citizens or residents. Despite nationally advertising we are simply not receiving the applicants that are New Zealanders. In Queenstown specifically as a result of Snowsports traditionally being a lower paying industry, in an area with a perceived high cost of living, we also often struggle with New Zealanders not being able to afford to live in Queenstown.

Recently we received an update from the Ministry of Business, Innovation and Employment that outlined that Employment is forecast to grow 152,000 by 2020 (Email received 11 May 2017). NZSki works closely with the Ministry of

Social Development and actively promotes the snowsports industry as a career to young (and older) New Zealanders. This growth in employment will put further pressure on our industry.

We invest a significant amount in training and developing our staff through an internal university aligned to the NZQA framework. This is currently valued at an industry cash contribution of \$281,000 with both Skills Active and Service IQ Industry Training Organizations.

NZSki has already put in place a number of activities and initiatives focussed on attracting, recruiting and retaining New Zealanders. NZSki has also introduced the following over recent seasons:

- Embarked on partnerships with other seasonal employers to create year round opportunities for NZ workers.
- A first year compulsory NZQA National Certificate in Tourism qualification that covers off health & safety, customer service, team work, and compliance and enhance their employment prospects.
- Over 2000 NZQA nationally recognised qualifications have been completed since the implementation of NZSki-U in 2009.
- Performance incentive programme that offers employees the opportunity to represent the company within the Snowsports industry overseas or stay in New Zealand and undertake developmental training at a leadership / management level.
- Better management of peak holiday staffing requirements so our core staff (NZ/Australians) continue to get offered opportunities for maximum hours. Working hours over and above the minimum helps us to train and upskill these staff in other areas of the business and to succession plan those that are keen on a career / further seasons.
- Rookie schemes in Lift Operations and Snowsports with Wakatipu High School, Queenstown, whereby the Department Managers talk to students re opportunities and programmes for careers in Snowsports.
- Snowmaking rookie programme to offer pathways into the industry.
- A driver Rookie programme continues to be offered as a career pathway within our Transport Department.
- Annual inflationary increases plus a pay for performance pay scale applicable to all staff.
- An improved applicant tracking system so we have a better understanding of our applicant demographics and how to target NZ Citizens/Residents.
- We have assisted an employee (a New Zealander) to undertake a Masters programme and he has recently completed this.
- Bachelor of Applied Management opportunities for leadership team - NZQA level 7 qualification. We have had 15 employees (all NZ residents or citizens) graduate with this since its inception.
- Wellbeing programme run for staff including health checks, minimum two days special leave available to return staff over and above any legal requirements, healthy staff lunches, and free support through our Employee Care programme on a range of personal matters.

Roles that we typically require migrant labour require technical knowledge supervisory experience and/or are in high demand in the Queenstown Lakes and Canterbury region.

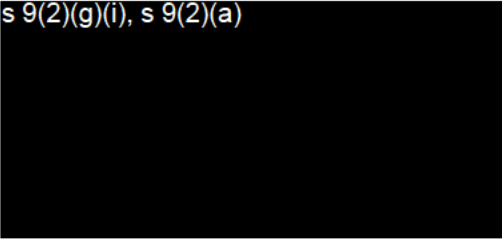
Snow Groomers	Snow Groomers continue to be challenging roles to fill due to the specialist technical knowledge, general hours of work/night shift requirements and licences required to operate the Pisten Bully groomers. Each machine is worth \$500,000 so experience and/or adequate supervision is essential.
Snowmakers	This continues to be a challenging role to fill due to the specialist technical knowledge and the general hours of work, as with this role being so highly weather dependent the team may be requested to attend shift at any time throughout the day or night with minimal notice.
Ski Patrollers	This position legally requires specialist qualifications and there is a very small candidate pool available. It is critical for the safety of our guests and staff that these employees meet the minimum qualifications and experience required.
Race/Events & Terrain Park	This is a highly specialised area of the business tasked to manage world class events and we find very few people have the experience and skill necessary to do so.
Lift Operators	This department continues to experience high turnover from season to season due to its entry level nature, therefore we have a greater reliance on our senior staff to provide quality training, especially in health & safety and compliance.
Guest Services	This is a front line entry level role and we find it challenging to retain staff as the tasks involved are very repetitive.
Rentals	This is a front line entry level role and we find it challenging to retain staff as the tasks involved are very repetitive.
Food and Beverage Supervisors	The Food & Beverage department has an incredibly high turnover rate as is the nature of the hospitality industry, and again with increased visitor numbers we anticipate we will need considerably more staff to meet demand.
Food and Beverage Cooks	The requirements of this position is fast food, line cooking and the kitchen often produce up to 500 portions of food (whether it be burgers or hot chips) per day. Given the nature of the role it is not appropriate to staff it with chefs, nor is it a desirable career role for them.
Food and Beverage Baristas	The baristas at NZSki need to be able to work high volume and fast-paced, but still creating quality coffee for our guests – our baristas often make 1000 coffees a day at each location and we struggle each year to find competent, fast baristas that can work at the capacity our business environment demands
Administration	This area of our business is a centre point for the mountain communications and it is essential that in a ski area emergency we have senior, competent staff managing the process with us
Drivers	The roles continue to be hard to fill as there is a shortage of experienced / senior drivers in New Zealand that meet the necessary qualifications and licences. With our hazardous and easily changeable driving conditions it is essential from a health & safety perspective that our staff are experienced and competent.
Dispatchers	This area of our business is a centre point for the transport communications and it is essential that in a ski area emergency we have senior, competent staff managing the process with us
Roads Crew	This is an area of our business that we are expanding as more people self drive to our ski areas. Our guest services starts from the moment guests start to drive on our access roads. This department continues to experience high turnover from season to season due to its entry level nature, therefore we have a greater reliance on our senior staff to provide quality training,

Our operational period is from early June to mid-October, however some positions do have an earlier start date such as Snowmakers and those that may be in seasonal management roles. Therefore we would like to implore you to consider 1 May – 31 October as the recognised ski season.

As an addition: One condition of visas we work hard to meet is the guarantee of 30 hours per week for these staff. This feels fundamentally flawed as during periods where the ski areas are quieter (which happens with different weather

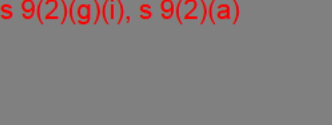
patterns and snow conditions) we are prioritising migrant workers over our New Zealand workers. While we realise this is not part of the instructions that are presently being consulted on, it is something that we would like to urge the government to consider with Phase 2 of the changes to immigration settings.

s 9(2)(g)(i), s 9(2)(a)



Yours faithfully,

s 9(2)(g)(i), s 9(2)(a)



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