

SUBMISSION TO MINISTRY FOR BUSINESS, INNOVATION & EMPLOYMENT

# Proposed Changes to the Essential Skills work visa

April 2017

## OVERVIEW

Priority One is the economic development organisation covering Tauranga and the Western Bay of Plenty. It is an autonomous organisation established by the business community and receives support in the form of funding and expertise via business memberships, making it a unique structure for an economic development organisation in New Zealand. It is also contracted to deliver economic outcomes by Tauranga City and Western Bay of Plenty District councils.

Priority One's core role is to build the sub-region's economic depth beyond an historic reliance on population growth as our key economic driver. It uses the partnership it has built between the business community and other stakeholders, including local authorities, to progress initiatives that build real and defensible competitive advantages. Priority One's goal is to make the sub-region attractive to skilled, talented and creative people, and to the innovative and high-growth businesses seeking those skill-sets

## SUBMISSION

We appreciate being provided with the opportunity to make a submission to the Governments proposed changes to the Essential Skills work visas. The Essential Skills visas are crucial to ensuring New Zealand employers are able to access the skills they require to run their businesses at optimal capacity to support and grow the local and national economies.

This submission supports the approach to better manage the number and settlement expectations of new migrants coming to New Zealand on Essential Skills work visas, and in particular provide more certainty for migrants around potential residency pathways.

**1. Introducing remuneration bands to determine the skill level of an Essential Skills visa holder, which would align with the remuneration thresholds being introduced for Skilled Migrant Category applicants.**

We support the proposal to introduce remuneration bands aligned with the thresholds being introduced for skilled migrant category applicants. Salary or wage levels provide a good indicator of relative skill level.

**2. Introducing a maximum duration of three years for lower-skilled and lower paid Essential Skills visa holders, after which a minimum stand down period will apply before they are eligible for another lower-skilled temporary work visa.**

We do not support the introduction of a maximum duration or stand down period in relation to Essential Skill visa holders. We are concerned that this may negatively impact on New Zealand's attractiveness for essential skills, particularly in industries such as aged care, transportation (including truck drivers), construction, hospitality and trades people.

**3. Aligning the ability of Essential Skills visa holders to bring their children and partners to New Zealand with the new skill levels.**

We do not support changes that would negatively impact on New Zealand's ability to attract Essential Skills to the New Zealand labour market. We are concerned that restricting access of the visa holders' children or parents will reduce employer access to essential skills.

**4. Exploring which occupations have a seasonal nature and ensuring that the length of the visa aligns with peak labour demand.**

We support efforts by the Government to ensure essential skills are available to meet peak labour demand so that industry productivity is not impacted.

In closing this submission, we would like to recommend that if these changes are made, the new system is monitored closely and feedback sought from the business community on the practical impact of these on their ability to access the skills they require to work at maximum levels of productivity.

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Please note that we do not wish to speak to this submission.