

## PROPOSED CHANGES TO ESSENTIAL SKILLS VISA

The government may well have a long term labour market strategy, and with its long-term objectives – none of which are articulated in this document so the reader is led to believe that these proposed changes are in line with the strategy. Whatever these strategies and objectives are they need to fit with the long term business growth or business capability strategies that government or industry have.

Also, there is at least one objective I believe is missing from this paper, any change to labour market policy should: *contribute to the ease of doing business to enable companies to grow*. A labour market only exists because a company seeks to operate, all companies aim to grow. A growing company will be able to pay more, it allows for training budgets, it becomes more financially stable long-term, become more inclined to employ long term employees (not just seasonal employees) for which the most readily available labour force are New Zealanders, and therefore become more attractive for New Zealanders to seek work in this sector and these business.

Comment on overall tone and intent of the paper:

Whilst the objectives of the proposed changes are noble I fail to see how all these proposals support the aims of growing business that the current policies do not already achieve. The proposed changes appear counter-productive. Reducing the number of unemployed New Zealanders is a noble pursuit – and the kind of headline that will get votes for a politician - but in Queenstown, and many other tourism destinations, the species of "unemployed New Zealander" does not exist and haven't done for a long time - and secondly any policy aimed at reducing the attractiveness of the country for migrant workers to travel to could be counter productive for many companies and industries.

I also have some alternative proposals for your consideration that I believe will still achieve your objectives for the labour market and also the assumed objectives that government should have to provide a business operating environment that is supportive and positive.

From the point of view of an adventure tourism operator in Queenstown I don't believe any of these proposals directly target the objectives you have identified.

Comment on each proposal:

Proposal 1

The linking of pay rates to levels of essential skills is naive.

Firstly, it appears to be forcing business to put up pay rates for high skilled jobs in a manner so to entice NZers into doing the job. This is dictatorial and not the free market. Why should a business agree to pay a higher rate for a job when there is someone suitable, and willing, to do the job at a lower rate? Business will pay what the market needs to source labour.

Secondly, you are simply creating more hoops – and therefore slowing down business productivity – when asking to provide more evidence as to why a higher skilled job is earning wages under the remuneration threshold.

For example in the tourism sector there is a number of jobs – video editing, technical support – which are recognised by ANZSCO ratings as highly skilled but are due to the nature of the work, location of the job and the culture of the business are able to attract employees happy not to be remunerated to the same level a similar job in a large metropolitan centre might expect.

#### Proposal 2a

As long a fair and correct market testing is being done there is no need for this to be implemented. The current rules are fine. In fact the current rules could be improved by supporting these people towards residency by linking the temporary residency status into being required to work in the job that they have earned their residency eligibility credits.

There are many people (IE chefs) who gain residency using the skills/qualifications to earn credit points who then change vocation (IE to painting or customer services roles) as soon as residency is granted, thereby not providing the skills to the country for which they have been invited to stay.

#### Proposal 2b

A pointless change. Again, as long as fair and correct market testing is done there is no need for this change. The effect of this change is counter-productive, it simply slows down business.

#### Proposals 3 and 4

There is no harm in this being implemented, but I suggest it would be good if there was a clearly articulated transition process for the partner/dependent so that they know how they can move from a holiday visa when arriving in the country with their partner/parent on an essential skills visa to an essential skills visa – again, through a fair market test process. A united family is a productive family.

#### Proposal 5

There seems no point in this change, by definition the visa is granted for a specific role with a specific employer through the market labour testing process. Both the employment agreement and the visa control this. Any changes to this simply become more onerous on the employer and require specific detailed knowledge by the immigration officer. I have the following suggestions:

1. Do not require visa holders to leave the country at the end of their employment, instead allow them to drop back to a visitor visa so that they are encouraged to travel NZ and spending some of their money as holiday makers.
2. Allow for multiple seasons that cover a maximum number of working months. In the tourism sector some locations (IE Queenstown) have 2-3 peak periods, so a visa could allow for Nov – Mar plus July – August. Also, the repeat seasonal employees (IE ski instructors or technical working at heights staff) could be granted a single visa covering multi-year seasons to a maximum of 36 months (to use the equivalent of the 3 year proposed essential skills visa in proposal 2a) or a lesser number of months (IE 18 months for 3 summer seasons). This would greatly aid the productivity of a company rather than having to jump through the same hoops each year for repeat employees.

I have been employed in my current role for 12 years. Our company predominantly employees New Zealanders or those with residency. Throughout this time no more than 20% of our staff have ever been on working holiday or essential skills visas. These migrant staff are however generally the hardest working, most reliable and least demanding to manage and play an important role in keeping our company ticking along.

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