

Trojan Holdings predominately has interests in tourism, transport, farming and waste. We are a major employer in the South Island with almost 2000 permanent and seasonal staff. Our tourism operations are our larger companies and include NZSki, Ultimate Hikes and the Hermitage Hotel.

NZSki operates three ski fields, two in Queenstown and the third near the rural town of Methven. During the peak of the season the ski areas can have more than 6,000 visitors per day. Ultimate Hikes offers premium guided walks on the Milford, Routeburn and Greenstone Tracks, where guests stay in our fully serviced, comfortable lodges overnight. We have 60 staff who work in our lodges and are based out on the tracks for the season, working and living in the remote, rugged Southland bush. Located in a National Park at the base of Aoraki Mt Cook is The Hermitage Hotel, which we operate along with the associated tourism businesses of Glacier Explorers, Mt Cook Day Walks, Tasman Valley 4WD & Argo Tours and Big Sky Stargazing. This portfolio makes us one of the largest seasonal tourism providers in the country.

With our current permanent staff of 432, 78% are NZ Citizens or Residents. We are extremely committed to putting Kiwis first and abide by this policy with all of our employment decisions. We actively work to attract, develop, train, promote and retain our NZ Citizens and Residents. Unfortunately there are just not enough of them available in the regions we operate within, or who are willing to relocate, in order to fill the volume of positions we have available.

As such, we are forced to rely on foreign labour to fill even some of our permanent roles, predominately within what are deemed to be the less attractive industries/roles. Of our foreign workers, 16% are on an Essential Skills visa (with 12% being at entry level (classified lower-skilled / Level 4/5 on the Immigration ANZSCO List), 4% are on Working Holiday Visas and 3% are on Open (Partnership) Work Permits. Due to the timing of this document being between operational seasons for our three seasonal tourism businesses (Ultimate Hikes Guided Walks, NZSki and The Hermitage Hotel), the above statistics do not include the majority of our seasonal staff and therefore are not fully representative of the impact of the proposed change to Immigration. The forecast effect for NZSki, Ultimate Hikes and the Hermitage Hotel is provided separately below to address this.

Permanent Employee List and Visa Type

Entity Name	Permanent Employees	NZ Citizen/Residents	Essential Skills Work Visa – L4/5 (lower skilled)	Essential Skills Work Visa – L1/2/3 (mid-higher skilled)	Working Holiday Visa	Open/Student/Partnership Visa
Northern Southland & AllWaste	124	123	1	0	0	0
% of workforce		99%	1%	0%	0%	0%
Trojan Holdings Ltd	45	38	1	4	0	2
% of workforce		84%	2%	9%	0%	4%
Allied Queenstown Concrete Ltd	8	8	0	0	0	0
% of workforce		100%	0%	0%	0%	0%
Avis Budget Queenstown	30	9	12	1	8	0
% of workforce		30%	40%	3%	27%	0%
Driffield Farming	27	15	8	1	0	3
% of workforce		56%	30%	4%	0%	11%
NZSki Ltd	44	44	0	0	0	0
% of workforce		100%	0%	0%	0%	0%
Hermitage Hotel/Aoraki Mt Cook Alpine Village	126	74	29	8	9	6
% of workforce		59%	23%	6%	7%	5%
Ultimate Hikes	12	12	0	0	0	0
% of workforce		100%	0%	0%	0%	0%
Ultimate Events	1	1	0	0	0	0
% of workforce		100%	0%	0%	0%	0%
Intouch Technology	13	11	0	2	0	0
% of workforce		85%	0%	15%	0%	0%
Total	432	337	51	16	17	11
		78%	12%	4%	4%	2%

In respect of our current permanent staff, we have three businesses at critical risk. Driffield Farming is a large 2000+ dairy farm, located in Mossburn in rural Southland. With 27 staff currently employed, 45% of staff in this business are on Visas - Essential Skills Visa (34%) or Partnership Visas (11%). Of the 27 positions available at the farm, only two positions are management and therefore qualify for residency. One of these roles has been held long term by a NZ Citizen, the other position is occupied by a foreign worker who is in the process of applying for residency. This results in the remaining workers being ineligible to progress toward residency, however they are skilled and it is essential that the dairy industry retains them, even if on work permits. Turning over the staff every three years is not workable for our business given the training and health and safety requirements involved.

Avis Budget Queenstown has a staff of 30, 13 of which are on Essential Skills Visas. Being a small business the structure of the business means that are only 4 roles that would be considered mid to higher-skilled. These are currently all occupied by NZ Citizens and Residents. The remaining positions are Car Groomers and Front Desk staff, with car grooming being the bulk of the positions. Car Grooming is hard, physical, dirty and cold work. The role does not attract NZ Citizens/Residents by virtue of this, particularly given that 6 months of the year involves working in Queenstown's winter conditions.

The Hermitage Hotel at Aoraki Mt Cook is a key tourist attraction for many visitors. Unknown to many, is that due to it being located in a National Park, you must work there in order to be allowed to live there. This provides us with an incredible set of employment challenges. There is no pool of people/temporary staff that we can call upon when we have a shortfall in staff – they are all already employed. It is extremely remote and does not have any town facilities. It is almost an hour by car to go to the supermarket, take the kids to high school or to see a doctor. This remoteness does not work for most people, so when we find people who enjoy the environment and contribute to our community there, it is critical we are able to retain them. Furthermore, due to being a national park, you cannot own a home there unless you have a business. This restriction means it does not fit the Kiwi dream of owning your own home, so by large it is not an attractive place for many NZ Citizens and Residents. These nuances make it hard to attract and retain permanent and seasonal staff, be they NZ Citizens and Residents or foreign workers.

Forecast Seasonal Employee List and Visa Type for Tourism Businesses (based on historical data)

Entity Name	Seasonal	NZ Citizen/ Residents	Essential Skills Work Visa – L4/5	Essential Skills Work Visa – L1,2,3	Working Holiday Visa	Open/Student/ Partnership Visa
NZSki Ltd	1202	502	128	103	455	14
% of workforce		42%	11%	9%	38%	1%
Ultimate Hikes	144	106	22	0	8	8
% of workforce		74%	15%	0%	6%	6%
Hermitage Hotel/Aoraki Mt Cook Alpine Village	200	87	36	8	61	8
% of workforce		44%	18%	4%	31%	4%
Total	1546	695	186	111	524	30
		45%	12%	7%	34%	2%

Key Concerns:

Maximum Duration of Level 4/5 (lower-skilled) Visas

The proposed policy allows for a 1 year visa with a total of 3 years for an ANZSCO Level 4/5 (lower-skilled) worker to remain in NZ on an Essential Skills Work Visa. After 3 years they must exit the country. This maximum 3 year period is a change from being unlimited. This will be extremely detrimental to our businesses and the economy as significant growth in Tourism is predicted in the next 2 years with no announced strategy from the Government to address the forecast shortage of required workers - a forecast shortage of 20,000 FTEs by 2025 as per Minister Woodhouse's announcement in April. Level 4/5 (lower-skilled) positions are seen as the most 'undesirable' roles however they have the most impact on customers when lacking– eg housekeeping in hotels, waiters in restaurants, guides on adventure activities etc. These roles will be left vacant, increase costs to business, increase health and safety risks and will only serve to damage New Zealand's reputation in the tourism market.

As you can see from the data provided, we rely heavily on Level 4/5 (lower-skilled) workers solely due to the large volume of Level 4/5 lower-skilled positions within our organisations. If the proposed maximum 3 year period is implemented this will only result in our organisations and others like us that are forced to rely on lower-skilled workers, replacing fully trained, competent lower-skilled workers with an untrained, unskilled workers. This will impact on the health and safety standards and customer service levels provided, subsequently affecting the overall tourism experience offered within New Zealand. We believe the ability to keep employees past the 3 year total period, one year at a time, should a vacancy be available to be a much more pragmatic approach to this issue.

An additional pressure for our tourism businesses is the need to employ staff who are able to competently speak a second language. Many of our customers are travelling internationally to experience what we offer in New Zealand, with a high percentage coming from Asia. It is essential that we employ staff who are able to communicate fluently with them, not only for customer service but also to minimise potential health and safety risks within the remote and often changeable environments we operate within. We take guests out in the remote Southland bush with Ultimate Hikes, out on Glacier Lakes at Aoraki Mt Cook, and to have lessons at our ski areas with NZSki. All of these adventure tourism activities require high standards of health and safety due to the critical consequences that can result if not provided. Communication is the primary way that we keep our guests safe, and communicating to them in their own language is the only way we can do this with many of our clients. The positions held by these staff are most often classified as lower-skilled as they are assessed against the physical tasks involved in the role eg guiding, with no consideration given to language skills and the value they offer. Language skills are essential within the adventure tourism industry and need to be appropriately recognised in this proposed change.

In the regions that our businesses operate, the current process of advertising through Work and Income has supplied us with very few applications either from within our region or New Zealand Citizens/Residents willing to relocate. Key reasons cited by applicants from outside of the region are the high cost of living and limited housing (Queenstown) and the remoteness of the business (Mossburn and Aoraki Mt Cook). Reducing the number and length of Essential Skills visas an applicant can obtain would significantly increase the turnover of employees within our businesses. Further it would increase training costs, due to further reliance on Working Holiday visa holders. It is essential that some consideration is given to this in regards to specific applications or regional exceptions to account for the limited number of applicants available.

Furthermore, the cost of obtaining a new visa to the worker is significant, as well as the additional administration this creates for the business. From the tables above, you can see that this workload is hardly insignificant for our entities. If you are to maintain a maximum period of 3 years with the Level 4/5 visa being re-issued on an annual basis, then we would like to see this visa re-issued by submission of a Skills Match Report by the Employer and a Declaration by both parties that all details remain the same. This will reduce administration and cost for both the business, Immigration and the worker.

Progression through Positions

The policy allows the employer to develop the foreign worker whilst on a Level 4/5 Essential Skills Work Visa so that they can undertake a position at ANZSCO Level 1, 2 or 3 within a three year timeframe. Previously there were no time restrictions on visas, therefore no such pressure to advance them so expediently, rather more when there was a position available and they were deemed suitably ready for this advancement. As there are very few ANZSCO Codes that sit at Level 3 (mid-skilled), this most likely dictates they must be at Level 1 or 2 (higher-skilled). Three years is an impractical amount of time to move a worker from Level 4/5 (low-skilled) to Level 1/2 (higher-skilled), given they must first learn their Level 4/5 (lower-skilled) role before being able to develop to Level 1/2 (higher-skilled). Furthermore, the majority of Level 1/2 level (higher-skilled) roles demand a qualification and/or minimum 5 years work experience. Essentially this makes progression through the business to gain experience and subsequently residency an impossible reality and a contradiction in Immigration's policy. It instead serves to ensure that Level 4/5 (lower-skilled) roles have no chance for progression - this does not meet business requirements nor the Immigration strategy. Recommendation is that either a longer duration is given to Essential Skills Work Visas at Levels 4/5 or ANZSCO Codes and rates of remuneration are modified to allow for Supervisory/Team Leader/Junior Management roles to be included at Level 3, and thus providing a pathway to residency.

Seasonal Positions

We are pleased to hear that the 3 year limit is not being applied to Essential Skills Work Visas gained for seasonal positions providing that they leave NZ in the 'off season'. Whilst this is tolerable for one of our seasonal businesses (NZSki), it will be critical to Ultimate Hikes who every year have a shortfall in applicants, NZ citizens/residents or otherwise. Ultimate Hikes' primary applicant stream is NZSki and we have spent many years working on strategies to offer our employees winter seasonal work with NZSki and summer seasonal work with Ultimate Hikes as a permanent employee adds so much more to the business and the region. This serves to provide almost year round work for a number of staff as well as sufficient numbers of employees for Ultimate Hikes. As they are working in two seasonal businesses we would be requesting an exemption to the requirement to go offshore between seasonal visas unless it would allow for a holiday and returning to work the alternate season. The impact of the 3 year limit on our seasonal businesses and staff retention goals would be critical.

We are also led to believe that there will be further consultation with seasonal businesses in order to ascertain their season length. At NZSki we have our operating season but in addition to this there is pre-season work such as snowmaking, ski tuning that needs to be done. There is also post season shut down duties that are required to be performed. We would expect that the visas for this would acknowledge these requirements and the duration be granted accordingly.

Partnership Visas

The proposed cancellation of Partner of a Worker Work Visas for lower-skilled Essential Skills visa holders is not in my mind serving to address wider issues within NZ. Partnership Visas currently allow for the partner to be working any hours versus the minimum of 30 hours per week proposed. Currently NZ faces a housing crisis which the removal of this visa type will only serve to exacerbate, as requirements for single accommodation will increase – accommodation that could in fact be shared with a working partner. We appreciate that the best scenario is that both foreign workers work a minimum of 30 hours per week and that is the intention of the worker requiring their own Essential Skills visa. This is impractical in some situations for the worker due to care responsibilities, but it is also impractical for the business. This is particularly prevalent in dairy farming and our other remote working environments, whereby the partners are either required at peak times (for under 30 hours per week) but not outside of this or there are limited opportunities within the area to obtain skilled employment. To lose this recruitment pool on an already pressured, remotely located industry would be exceptionally hard.

South Island Contribution Visa

The South Island Contribution Visa has been met with applause and we believe this has shown genuine compassion on the part of Immigration. As we understand it, the criteria is that the worker must have worked in the South Island on an Essential Skills Work Visa for a minimum of 5 years. The scope of this has not yet been well defined and we were unable to gain clarification from Immigration when the five year period started – ie was it 5 years pre 22 May 2017 or as applications are open for 12 months is it 5 years pre application, essentially giving applicants until 22 May 2018 to gain their qualifying 5 years. Naturally we would be supportive of the latter, in particular for areas of the South Island that are viewed as undesirable or remote. Our organisation has remote workers on the Dairy Farm in Mossburn and at The Hermitage Hotel in Aoraki Mt Cook. It is extremely hard to retain people in those isolated environments, and we believe that this regional difference needs to be taken into account when applying for the visa and falling short of the required 5 years.

Thank you for the opportunity to provide a submission on the proposed changes to Immigration Policy. We cannot emphasise enough how much hardship some of the proposed changes will place upon our businesses. For the businesses specifically discussed above, these changes would be crippling. With the projected growth rates of the sectors in which we operate, the current Immigration Policy is barely sufficient, therefore we cannot support the proposed changes which only serve to reduce the effectiveness of Immigration for businesses.

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9(2)(a)