

**Consultation and submission to Changes to better manage immigration.
Immigration Minister Michael Woodhouse.**

Announcement made on 19th April 2017.

Making submission on behalf of:

Highview Apartments, Blue Peaks, Mantra Marina, Pounamu Apartments, The Glebe, The Rees, Villa Del Lago, Arrowfield Apartments and Hurleys of Queenstown. Group of accommodation providers within Queenstown & Arrowtown.

Essential Skills work visa proposals

The proposed changes are to temporary migration settings to manage the number and settlement expectations of new migrants coming to New Zealand on Essential Skills Work Visas. The proposals are also designed to stop the reoccurrence of long-term temporary migrants with no pathway to residence.

The proposals include the introduction of remuneration bands to determine the skill level of an Essential Skills visa holder, and aligning visa duration and the ability to bring children and partners to New Zealand with the new skill levels.

Our Comments:

In the accommodation sector we have a large number of Housekeepers/cleaners that fall into the 4&5 ANZSCO skills category and at no point is it sustainable as a business to pay these employees \$49K+ but they do hold a valuable role and fill a void where we cannot recruit Nzers.

- Without cleaners we could not operate our businesses and would impact a poor view from the Tourists of Queenstown.
- Queenstown and the wider NZ market does not have the workforce willing and able to fill these positions.
- The time and money spent training staff to bring them up to a high standard to be able to promote them into a higher skill bracket would take an extension to the three years proposed. We suggest having an unlimited amount of duration or at worst a 4 x 1 year duration for skill sets 4&5 as you cannot predict the work suitability etc of an employee when they first start and usually wouldn't consider training someone for promotion until they had worked for your business for a minimum of 12 months.

- The disruption to teams of employees with high turnover would increase and again lessen the quality of work output therefore resulting in a poor image portrayed to visitors to our region. In turn decreasing the amount of visitors coming and the tourist dollar.
- The ideal situation would be to have Nzers to fill the positions but as from the below table it is obvious there is a labour shortage.

| Name of Company | Numbers Employed | Number of Migrants | Number sponsored | Positions advertised past 24 months | Number of Nzers applied |
|--------------------------|------------------|---|--------------------------------------|---|--|
| Villa Del Lago | 7 | 4 | 1 Head Housekeeper | 6 x Housekeeping, Head of Housekeeping, Reception | One for receptionist – didn't get position as under qualified |
| Highview Apartments | 7 | 5 | 4 | 4 x Housekeeping, Duty Manager | One – offered the position of Duty Manager but didn't want to help with the cleaning |
| The Glebe | 13 | 5 are now residents | 1 | | 15 years managing, not one kiwi has applied for housekeeping position |
| Pounamu Apartments | 6 | 6 | 6 – 5 Housekeepers and Receptionists | | In all years of business No Nzers applied for housekeeping position |
| Coronet Cleaners | 7 | 7 | 7 | Constantly | One in the past two years since starting the business |
| YHA Queenstown Lakefront | 9 | 2 x residents, 2 x Australian plus 3 migrants | 3 | | Very Few. |

Skilled Migrant Category (SMC) changes

The changes were designed to stop the growth in residence numbers and prioritise access for higher-skilled migrants. Early evidence suggests the changes are working.

To build on this, the Government will introduce two remuneration thresholds as a proxy for skills and the SMC points table will be realigned to put more emphasis on characteristics associated with better outcomes for migrants.

Our Comments:

In the accommodation sector (especially smaller establishments such as Managed Apartments) we rely on smaller employment teams, compared to the larger Hotel chains. Therefore the risk of high staff turnover is an ongoing concern to us, within our group we have discussed the rates of pay on average for specific roles and feel we already pay well above the National average and confirmed by Hospitality New Zealand Remuneration Survey for 2016. Again though at no point can we offer our employees upwards of \$49k and for those we have hand selected for training for higher roles the short 3 year duration of Essential Skills work visa is too small a time period when we are investing money in their education to bring their language skills up to grade, First Aid Training, Health & Safety, Systems etc etc etc.

With Receptionists and Duty Manager roles where they get paid an allowance for night call outs etc, this should be counted as remuneration if it is listed in their contracts.

South Island Contribution Visa

This new policy is to provide a one-off pathway to residence for around 1600 migrant workers and their families who have been living in the South Island for more than five years.

The Government is currently reviewing temporary visa settings to ensure future lower-skilled temporary migrants don't end up in the same situation.

Our comments:

Housekeeping is the skill level category for most of our employees and as a role does not count towards points for residency BUT is a role we require to keep our businesses running and provide the Millions of guests coming to NZ a good

experience. This is also a role where we have no Nzers applying for the positions therefore relying on migrants to fill the positions. We are aware this is not a localised Queenstown issue but a wider NZ concern after speaking with Backpacker and Youth Hostel organisations.

Our Recommendations:

Increase the duration of Essential Skills Work Visa to 4 years to enable employers the chance to assess and train the cream of the crop so bring them up to a higher ANZSCO level.

Make more skill levels as level three – supervisory roles for example

Most businesses have a succession plan that is for 5 years minimum, by changing the duration to 3 years it is drastically changing the plans and making business even harder.

Continuation of Immigration workers is optimal, Personal who understand tourism and hospitality especially in the Queenstown area makes everyones life so much easier. Then we don't run into the scenerio of one person saying this will be happening, they leave and replaced with a fresh face and we start all over again.

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