



Submission by

**Hospitality New Zealand**

to the

**Labour, Science and Enterprise Group**

**The Ministry of Business, Innovation and  
Employment (MBIE)**

on the

**Suite of proposed changes to the Essential Skills  
Visa**

**May 2017**

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Hospitality New Zealand (HNZ) is a member-led, not-for-profit organisation representing the largest membership group in our tourism industry with approximately 3,000 businesses, ranging across hospitality provided through commercial accommodation including luxury lodges, motels, hotels, holiday parks, backpackers, country hotels cafés, restaurants, bars, nightclubs, and off-licences.

Membership of Hospitality New Zealand is voluntary, is primarily funded by member subscriptions and comprises predominantly small businesses. Through our advocacy and close working relationship with our members we speak for and represent the interests of the industry as a whole.

Hospitality New Zealand's Advocacy and Policy management is led by Dylan Firth.

Service delivery to members is provided through a team of Regional Managers based at local branches around New Zealand delivered through personal visits and telephone contact with members and includes advice to hospitality businesses on a wide variety of industry and compliance issues including employment supported by a service team in Wellington and led by Chief Executive, Vicki Lee.

Any enquiries relating to this paper should be referred to s 9(2)(g)(i) Advocacy and Policy Manager 9(2)(a).

Hospitality New Zealand has considered the proposed changes to the Essential Skills Visa and has concerns about the impact these changes may have on available employees within the sector over the medium to long term. Particularly with the projected growth in demand for hospitality and accommodation services on the back of strong tourism growth.

Tourism New Zealand's four year strategy priority one is target the shoulder seasons expand tourism growth into the regions. Hospitality New Zealand believes further consideration needs to be given to regional and sector specific labour requirements before any major changes are made to immigration settings. Hospitality New Zealand offers to work with government on this investigative work and urges that these proposed changes are put on hold until this is carried out.

Regards,

s 9(2)(g)(i)

Advocacy and Policy Manager  
Hospitality New Zealand

## Executive summary

1. Hospitality New Zealand (HNZ) asserts the proposed changes to the skilled migrant category, in their current form, will have a potentially detrimental impact on the sustainability of businesses throughout New Zealand. These changes will likely impact on their ability to continue to operate at their current capacity as well as take advantage of the projected future growth in the visitor economy. The rise in visitor numbers will increase the demand for accommodation and food services (AFS) and increase pressure on demand for labour in this sector.
2. HNZ believes the proposal is too broad and the use of remuneration thresholds does not give understanding to the complex nature of supply and demand in the workforce, especially at a regional level.
3. As has been the case for a number of years, the hospitality industry in New Zealand suffers from a severe shortage of qualified staff, especially in the areas of mid-level management and chefs.
4. The sector absolutely agrees with the policy that available willing and capable New Zealanders should have preference in these roles but the problem is there simply are not enough New Zealanders available, of the calibre and experience required, to fill them.
5. The proposal as it stands, will have not have an immediate short term impact but will become more and more apparent after three years, due to the introduction of the new maximum length of stay for Essential Skills Visa holders. The projected growth in international and domestic tourism will mean that demand for labour in the AFS sector will be driven up, but the supply of labour will be reduced through these changes.
6. Current rates of low unemployment of 5% and the forecast for this to continue means we will see little input into the AFS sector from this channel. Only through better training pathways and incentives for employers will this improve. HNZ believes this needs to be addressed before making changes that will cause a detrimental impact on the AFS access to labour.
7. The information provided to Cabinet on the 'Review of Temporary Visa Work Settings' puts emphasis on training and education of the existing New Zealand workforce and those currently unemployed. The government is focused on the Sector Workforce Engagement Programme, however the industry is yet to see any tangible outcomes from this programme further than several pilot programs which are yet to yield any reported results.
8. The Cabinet paper also provides information on a phase 2 that will look into regional and sector specific demands to fine tune the requirements for migrant labour. HNZ urges the government to take these steps before making any significant changes such as the ones being proposed.
9. HNZ wishes to work with government in both strengthening the criteria around attracting the right skills to the New Zealand workforce, ensuring that all industries have access to the required labour they need and increasing the meaningful participation of New Zealanders in these sectors. While the proposed changes have good intent of reinforcing the temporary nature of the Essential Skills Visa, they also have the consequence of negatively impacting on the labour needed by various industries.

## Introduction

10. HNZ has a membership of approximately 3000 who are part of a wider industry of AFS businesses who employ over 150,000 people. These businesses and their employees are an integral part of the New Zealand hospitality and tourism sector.
11. Total tourism spend for year ended March 2016 was \$34.7 billion (\$20.2 from domestic tourism and \$14.5 billion international), up from \$26.7 billion for year ended March 2012 (\$16.5 billion domestic and \$10.1 billion international)<sup>1</sup>.
12. The wider service sector accounts for 29% of New Zealand employment. The sector's national workforce of 590,440 full-time equivalents (FTEs) roughly equates with the combined population of Wellington and Christchurch cities.
13. In the year to March 2016 the service sector contributed \$47.8 billion to GDP, approximately 22% of the country's total production of goods and services<sup>2</sup>.
14. As at March 2015 the AFS sector employed 19.6% of its workforce (29,000 people) from migrant workers<sup>3</sup>. There are multiple reasons for this level of employment, ranging from the isolated location of businesses with low available local workforce numbers, to businesses that are frequented by travellers and holiday makers, therefore more attractive to migrant workers. Our membership often highlights that their businesses have skill requirements that are often seen as superior overseas. This is highlighted by the data provided by Immigration NZ that shows 11.75% (18,557) of all working holiday visas were issued to people that identified as working in AFS jobs prior to arriving in New Zealand. Our members want to bring this work ethic and culture into the New Zealand workplace to assist with training New Zealand employees.
15. Part of the desire to bring international work experience and culture into the tourism environment is to cater for the ever changing face of the visitor market. Including the growing Chinese (11% of international Visitor arrivals) and American markets. The year ending April 2017 saw a 26% growth in visitors from the United States<sup>4</sup>.
16. Tourism is New Zealand's largest export industry in terms of foreign exchange earnings, comprising 20.7% of total exports (year ended March 2016). People employed directly in tourism account for nearly 7.5% of total employment in New Zealand.<sup>5</sup>
17. AFS businesses with 10 to 49 staff employ nearly half (46%) of AFS staff in NZ<sup>6</sup>. The segment of AFS businesses with 20 to 49 staff was responsible for creating the most additional employment in the sector between 2011 and 2015, employing 4,970 (or 44%) of the 11,200 workers added to this sector during this time. (See table 1)

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<sup>1</sup> Source: MBIE Tourism Dashboard, *Tourism as a percentage of regional GDP*

<sup>2</sup> BERL Report - *At Your Service Aotearoa A well qualified workforce in your community*

<sup>3</sup> Statistics New Zealand, *Integrated Data Infrastructure*, [http://www.stats.govt.nz/browse\\_for\\_stats/snapshots-of-nz/integrated-data-infrastructure.aspx](http://www.stats.govt.nz/browse_for_stats/snapshots-of-nz/integrated-data-infrastructure.aspx)

<sup>4</sup> MBIE Key Tourism statistics. <http://www.mbie.govt.nz/info-services/sectors-industries/tourism/documents-image-library/key-tourism-statistics.pdf>

<sup>5</sup> Tourism NZ: *About the industry* <http://www.tourismnewzealand.com/about/about-the-industry/>

<sup>6</sup> Source: MBIE Tourism Dashboard, *Business Demography (statistics on businesses and employees), Accommodation and Food Services sector*

Table 1: Business size, Accommodation and Food Services, as at 31 December 2015

# of staff	# of business units	% of total	# of employees	% of total	Change from 2011	CAGR: 2011- 2015
0	7,125	37%	0	0%	NA	NA
1 to 5	5,976	31%	16,600	12%	+480	0.59%
6 to 9	2,421	13%	17,600	13%	+1,880	2.28%
10 to 19	2,394	12%	31,970	23%	+1,520	0.98%
20 to 49	1,143	6%	32,430	23%	+4,970	3.38%
50 to 99	192	1%	13,120	9%	+2,170	3.68%
100 and over	99	<1%	28,670	20%	+180	0.13%
<b>TOTAL</b>	<b>19,350</b>	<b>100%</b>	<b>140,390</b>	<b>100%</b>	<b>+11,200</b>	<b>1.68%</b>

18. The AFS sector employs migrants on Student, Working Holiday and Essential Skills Visas. While Essential Skills Visas make up the bulk of these for full time positions, it is the Student Visas that make up a large proportion of part time employees, especially in the urban centres where the majority of tertiary education providers are located.
19. HNZ, while recognising the importance of international students to the education sector and the financial inputs these students bring, has concern that with a reduction in available Skilled Migrant Visa holders and the continued lack of available and willing New Zealanders, there will be increased pressure to work on student visa holders who only have a limited ability to work and to work longer than allowed by their visa.
20. Our members consistently and persistently tell us that one of the major issues they confront is that of staff shortages. One of the most frequently asked questions directed to our team is 'where can I find a good experienced manager or chef?' A June 2014 survey of our members showed that 96.9% believe there are significant skill shortages at management level, with over 58% taking three months or more to find suitable candidates. Of those finally employed, 50.4% were on some sort of work visa.<sup>7</sup>
21. The industry has a priority to employ New Zealanders, but they are simply not available in the numbers required. For managers/supervisors 38.5% of respondents had sought candidates from Work and Income with only 2.2% finding suitable candidates. These roles are vital to have our future reputation and economic success in Tourism protected

**Proposal 1: Introduction of remuneration thresholds to determine skill levels and associated visa conditions for Essential Skills visas**

22. The introduced measures are explained in the discussion document and further in the Cabinet paper from March 2017 as 'incentivising employers to invest more in training and/or offering better wages or terms and conditions. Furthermore, to increase incentives towards more 'productive' business models'.
23. The paper assumes that a higher wage will mean that unemployed people or New Zealanders seeking a career will want to work in the sector. HNZ considers this view to be simplistic and does not take into account other factors such as suitability of employee for position, the hours of work which are often unappealing to New Zealanders especially those with children or dependants and the direct effect of increasing wages to the cost of goods to the consumer.
24. The released Cabinet paper highlights the potential impact of the remuneration thresholds, it discusses the negative impact on businesses who "continue to hire low skilled migrants, this may reduce their productivity as they will lose the skills of their experienced migrant workers and the new workers will likely be less productive. This will also increase the cost of recruitment, as they will be recruiting more regularly."
25. While businesses would prefer not to hire migrants all the time, there is the simple factor of the lack of ready and willing New Zealanders to fill many positions in the AFS sector. Reducing available employees and driving up the cost of operation of businesses through recruitment via advertising and time cost, while expecting them to raise wages is a triple blow for small to medium enterprises.
26. The expectation that a higher wage will attract more employees is a broad assumption, when there are many high paid professions that still have shortages, such as; the IT sector, Doctors, Engineers and even in the Hospitality sector Executive Chefs. There is a wider issue, that the demand for staff in New Zealand is higher than the available and willing workforce.
27. Wage should not determine skill. There should be a determined level of training or recognised prior learning that can be comparatively used. This is the point of the ANSCO. The discussion document states the changes aim to improve the long term labour market contribution of temporary migrants. But these changes will likely severely reduce the number of workers available to fill positions that New Zealanders currently either are not available to do or do not want to fill.
28. The current use of the labour market test shows time and again that businesses who wish to employ New Zealanders first in the hospitality sector do not receive quality or quantity of applications from New Zealanders via this channel.
29. HNZ urges government as part of its policy development, to assess the number of labour market tests carried out in each sector vs how many employees were recommended to businesses for those positions. Further to that, analysis should be undertaken on whether those who are put forward by MSD are actually hired and if they stay in employment for a sustained period.
30. The \$73k threshold for low skilled workers (ANSCO 4 & 5) is confusing and not backed by good reasoning. The proposed changes put the emphasis of wage being a reflection of skill. Yet having a higher threshold for lower skilled work contradicts this.



31. If a position is deemed ANSCO level 4 or 5 (low skilled) but earn over the threshold for a high skilled worker (\$48.5k), why are they not deemed high skilled? Effectively if wage is the new measure, a low skilled worker earning what a high skilled worker does should meet this requirement.
32. For example. Under the proposal a worker who is excelling in what is deemed to be a low skilled job, such as a Duty Manager may have to reach a higher wage than many people in high skilled positions. If a Duty Manager is so proficient that they earn \$70,000 and can also provide on the job training to New Zealanders who may not be skilled in the position why should they be limited to only 3 years under this proposal.
33. However someone in a high skilled job (ANSCO 1 or 2) might be earning the median wage threshold but be being underpaid for that particular profession, but can still receive a visa longer than 3 years.
34. HNZ recommends the proposal is amended to allow for ANSCO level 4 & 5 to achieve status of mid-skilled worker if they are earning over the median wage.
35. Using a national median figure as a benchmark does not take an industry median into account. While it may be desired that some industries raise their wages to a national median, it needs to be recognised that some industries and regions have traditionally lower wages. Current integrated data infrastructure (IDI)<sup>8</sup> information shows that the AFS sector has the fastest growing wage increases in all New Zealand business sectors from 2011-2015 of 4.6%. While this is a positive trend, the wages in the sector will mean that many of the positions will still fall under the introduced remuneration bands for high skilled workers. Even though positions such as Chef de Partie are on the long term skills shortage list (LTSSL).
36. The new remuneration thresholds therefore make the skills shortage list redundant for many positions, because the new remuneration threshold is higher than the industry median of some positions on the list. By introducing this new threshold the government ignores its own work done on identifying important positions where there are shortages of employees. At the same time this new change will allow more people to enter who are not on the skills shortage list but earn more. So, a sector such as Law, where there are a large number of New Zealanders trained in the profession and few positions available could allow any overseas migrants to fill a position because it is a high paying profession.
37. The Cabinet paper proposes 2 phases to immigration changes. The second phase proposes 'Exploring options for further targeting of immigration settings by regions and sectors, including where there are persistent localised labour shortages'. HNZ is of the view that this step should be implemented first as it removes doubt for the industry and will give a true understanding of regional and sector labour requirements and wage levels.
38. The fact that the proposal includes this in phase 2 acknowledges that there are varying demands and regional differences across New Zealand. It implies that a broad approach such as putting in a national remuneration threshold is not appropriate for the whole country.

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<sup>8</sup> The Integrated Data Infrastructure [http://www.stats.govt.nz/browse\\_for\\_stats/snapshots-of-nz/integrated-data-infrastructure.aspx](http://www.stats.govt.nz/browse_for_stats/snapshots-of-nz/integrated-data-infrastructure.aspx)

39. Based on the timelines given in the Cabinet paper it is unlikely that we will see any of the phase 2 work undertaken until 2018. Based on the timeframes of the current proposals it could be 2019 before regional and sector based measures are introduced. This is simply too long a time where the current changes will negatively impact the AFS sector.
40. As a result of the increased wage bands the overall cost of hospitality and tourism will continue to increase for the domestic and international visitor, while not necessarily improving the overall product. It is often recognised that to succeed as an industry, hospitality in tourism must increase the value proposition. Not just increase price to absorb cost without increasing value to the product on offer.
41. In a recent speech at TRENZ 2017 the Deputy Prime Minister and Minister for Tourism Paula Bennett said "Tourism is hugely important to New Zealand. It creates jobs and brings in billions of dollars to the economy. That's why it's important that we keep investing so we continue to attract high-value tourists," and "We're moving from a focus of just boosting tourist numbers to also attracting higher-value tourists to all regions."
42. Limiting the available workforce while striving to sustain this growth and focus on high value (which requires quality product) has the potential to cause serious reputational damage to New Zealand's tourism brand.
43. Other unintended consequences of broad policy decisions may also rise from this. Recent trends in alcohol consumption show that over 75% of all alcohol is purchased from supermarkets and liquor stores. By forcing a hospitality business to increase its wage costs to either attract currently uninterested New Zealanders or to meet the new remuneration threshold to ensure that migrant workers (who do want to work in the industry) can be employed, will further increase the cost of food and alcohol. This may have the impact of pushing more people to consume alcohol in unregulated environments, such as the home. This is generally deemed to have a higher likelihood of harmful outcomes than consuming alcohol in bars and restaurants, where people are supervised.
44. The remuneration thresholds are also not clear on the impact on salaried workers with flexible working hours. The proposal document is not clear on how the remuneration thresholds will be measured. The information provided only gives an hourly rate (\$23.49) and annual rate of pay (for 30 or 40 hours). This does not take into account factors such as salaried employees who may have flexible working hours. This cannot be calculated as an hourly wage and in some instances the work week may be more than 40 hours.
45. Most salaried employees when offered positions are given a minimum amount of hours to be worked. By basing a visa application on an offer of work, immigration has no real way of calculating the hours that will be worked by that employee.
46. Additionally the remuneration threshold does not specify financial incentives as included or excluded. Many businesses in the AFS sector provide employees with a base salary and then provide KPI's which, if met, triggers a performance bonus.

For example a chef may only receive \$47,000 per year (under the proposed threshold) however have targets to meet food costs for the kitchen and wage costs for the other kitchen staff. It would be expected that these are met and when done, they could receive a performance bonus on top of their initial salary. This is common practice and can range from 5-15% of a salary.



47. What is not clear in this proposal, is if this financial incentive would be included in the threshold. HNZ asserts that it should be.

#### Recommendations Proposal 1.

- If a position is identified on the Essential Skills list already. It should not be subject to the remuneration threshold.
- Explore the regional variances in demand and wage level before implementing these changes (as proposed in the phase 2 of the Cabinet paper).
- Identify the total number of people likely to be displaced by this change, and then identifying true availability of New Zealanders to fill these positions.
- Remove the low skilled threshold of \$73k. If a low skilled employee can earn more than what is required of a mid-high skilled employee. Amend the proposal to allow for ANSCO level 4 & 5 to achieve status of mid-skilled worker if they are earning over the median wage.
- Align sector growth projections with immigration policy. Acknowledge that more employees will be needed than will be available to various sectors, particularly AFS.
- More detail is needed on how the remuneration figure would be assessed against salaried workers and those with financial incentive packages. (i.e. KPIs and performance bonuses)
- Identify the number of employees being placed and staying in employment through the MSD labour market test, to fully understand the actual situation with available and willing New Zealand workers.

#### **Proposal 2a Introduction of a maximum duration for lower-skilled Essential Skills migrants**

48. The Cabinet paper states in 2015/16 there were 1,708 Essential Skills Visas deemed to be low skilled under the new proposed remuneration threshold which had been held for more than three years. Under the proposal these would no longer be issued.

49. The potential reduction of 1,708 employees coupled with the projected demand for AFS workers being an extra 9,793 by 2020<sup>9</sup>, will further increase pressure on the already stretched AFS sector workforce.

50. In July to November 2016 alone there were 1,134 Essential Skills Visa issued for Chefs, which highlights the demand in the industry. New Zealand employers are competing globally with other employers due to the international shortage of chefs in the sector.

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<sup>9</sup> MBIE: Short term employment forecasts - <http://www.mbie.govt.nz/info-services/employment-skills/labour-market-reports/forecasting/short-term-employment-forecasts/short-term-employment-forecasts-2017-2020-may-2017>

51. The proposed limit of 3 years gives little room for holders of Essential Skills Visas to undertake the training required or recognised prior learning to achieve a higher skill level that would put them above the proposed remuneration threshold.
52. For example, the current Service IQ Apprentice timeframe is described as 'Apprentices are encouraged to work at their own pace, around you and your business. The completion time is 30-36 months.' A newly qualified chef is unlikely to walk straight into a position that would pay this new threshold. This reflects that a three year visa is not long enough for a migrant to upskill.
53. The proposed threshold of \$48,859 is only just below the national average of a Sous Chefs wage (\$52,377<sup>10</sup>) which takes upwards of 3-4 years training, and the equivalent again of work experience in the industry before reaching this threshold.
54. By limiting the timeframe to 3 years, there is no ability for those migrants with a genuine pathway to residency opportunity to get there. Some workers may only begin training one year into the workforce after determining that the industry in question is suitable.
55. By extending the proposed maximum time for an Essential Skills Visa from 3 to 5 years will allow for migrants to enter into the workforce, begin suitable training and complete this training to a level where they will meet what this proposal deems to be an acceptable wage threshold.
56. If an employee can prove they are undertaking training/upskilling that will get a migrant worker to the middle/upper skill level, but it will take longer than the 3 years available to them, there should be the ability for dispensation to allow them to stay longer. As the proposal associates skill level with wages, this provision should be based on the remuneration thresholds and using industry standard wage measurements.
57. This option should also apply to those employees with employers who show a clear pathway to residency through wage growth training over time. Even if it takes more than 3 years.
58. If the training period for a migrant to reach the new remuneration threshold is longer than 3 years this means it will also be longer for a New Zealander to reach this point also. The advantage of migrant workers is those with existing experience can be trained faster to reach the threshold. Even though this may take more than 3 years.
59. The changes to the maximum length of time a migrant could stay on a low skilled visa have been discussed with HNZ members. One Wellington Irish restaurant and bar stated that they currently have 8 staff who earn under the proposed threshold, 3 who have already been here longer than 3 years. However many of the staff do end up with a higher years total earnings than the proposed threshold, due to the bonus structure.
60. This business said that if these changes were implemented they would need to rely solely on New Zealanders for the middle management positions and that although they have attempted to employ New Zealanders in the past, 8 out of 10 applicants were usually migrant workers and the remaining 2 New Zealand applicants were generally not suited. This is a common sentiment from employers.

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<sup>10</sup> 2016 Hospitality NZ remuneration survey

61. The proposal focuses on the importance of businesses investing in less labour intensive business models. This is difficult when the majority of industries these changes effect are service industries and require people to be front facing. This coupled with the projected growth in demand for the AFS through tourism growth means that there will be an increased demand for intensive labour.
62. Visitor arrivals are projected to reach 4.9 million annually by 2023 – up 39 per cent from the 3.5 million visitors who came here in 2016<sup>11</sup>. This rapid growth of visitors will put increased strain on the AFS sector.
63. The major concern is the projected growth in visitor numbers by 2023 and the recent BERL report<sup>12</sup> on service workers required, highlights over 200,000 workers are needed to meet the demands in the New Zealand labour market. However there is not enough people to fill these positions.
64. This highlights the importance of migrant workers to industries such as AFS.

#### Recommendations proposal 2a

- Allow holders of Essential Skills Visas who are conducting training or apprenticeship an extension on the 3 years if their training requires this. The work outcomes of that training will be reflective in a wage that is over the proposed threshold.
- If a cap on the visa length is introduced, it should be for 5 years not 3.
- Better assess the demand for workers in each industry vs those available in the workforce.
- Identify actual Ministry of Social Development conversion rates of people recommended for employment through the labour market test. Then look at the actual employment conversion rate and the length of time those placed in jobs have stayed in employment.

#### Proposal 2b Introduction of stand down period for lower-skilled Essential Skills migrants

65. While the stand down period will allow some workers to return after the 3 years maximum length on an Essential Skills Visa and a 1 year 'break' it is unlikely that the majority of workers will return after this stand down period.
66. HNZ is concerned about the maximum of three years available to migrants who are in the process of upskilling either through certified industry training or through workplace pathways. As such, HNZ believes it would be optimal for the 1 year stand down to be replaced with a 1 year training pathway or student equivalent visa for those in training.

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<sup>11</sup> Statistics NZ Tourism data

<sup>12</sup> 12 BERL Report - At Your Service Aotearoa A well qualified workforce in your community

#### Recommendations proposal 2b

- Remove the stand down period for holders of visas who are undertaking study that will allow them to meet the new thresholds.

**Proposal 3. Require the partners of lower-skilled Essential Skills visa holders to meet the requirements for a visa in their own right**

**&**

**Proposal 4. Require the children of lower-skilled Essential Skills visa holders to meet the requirements for a visa in their own right.**

67. This aspect of the proposed visa changes will have less impact on AFS workers. This is based on immigration New Zealand data provided in consultation presentations that shows supporting visas issued for the sector were low. However, it does highlight the wider issue around the ability of both partners to obtain employment that meets these requirements at the same time.

68. Based on the top 5 occupations (with supporting visas for partners) 435 were issued in the ANSCO 4 & 5 range in 2015/16. It could be expected that the proposed changes to partner visas may reduce that number to 0 across these 5 occupations if there is no way for partners to get a visa at the same time, or later when work is obtained.

69. A more equitable solution to ensure that these 435 Essential Skills Visa holders are available (even in the short term) is to allow partners a 6 month - 1 year visa allowing that partner time to find work that meets the ESV requirements.

#### Recommendations proposal 3&4

- Allow partners of Essential Skills Visas partners and children, up to 1 year to meet the requirements for a visa in their own right.

**Proposal 5 Make it explicit how the 'period of employment' condition applies to seasonal work**

70. Seasonal workers can often provide important ancillary labour to shoulder season businesses in areas such as Queenstown and Wellington. Often seasonal workers may fill important AFS roles for short periods after the season they have worked on ends. For example ski workers will often fill AFS roles over the summer season.

71. This proposal, while strengthening existing conditions, could be further utilised to include a length of stay for the purpose of travel. Often these workers who hold 1 year visas will work for the season and then travel. Many migrant workers on seasonal contracts such as viticulture will be employed for the vintage/harvest and during this time work in a tight timeframe where a significant amount can be earned,

but with little time to spend it. By allowing these workers to work the season as well as a period for travel to then spend their earnings in New Zealand, this will benefit not just the sector they are employed in but the wider economy. For example a ski season worker could be issued with a 6 month seasonal visa with an extra 3 months holiday aspect.

72. Not only does the increase of time spent in the country allow these employees to fill other roles in the sector, the wider economy benefits through GST captured on these visitors spending.

#### Recommendations proposal 5

- Amend this proposal to include a period where seasonal workers can stay longer for purposes of travel.

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