

SUBMISSION ON ESSENTAIL SKILS WORK VISAS

TO: Immigration New Zealand
Name of submitter: Queenstown Chamber of Commerce
Address: Level 2, The Forge, 20 Athol Street, Queenstown
Attention: s 9(2)(g)(i)

The Queenstown Chamber of Commerce welcomes the opportunity to provide a submission on the proposed changes to Essential Work Visas.

The Chamber communicates with local and central government to achieve effective outcomes for its members. Its' key services include advocacy on behalf of the members, the provision of current and relevant information to the membership, recognising and rewarding achievement and generally contributing to the vibrancy of the business community.

The Chamber is motivated by the best long-term outcomes for the business community and is an independent voice with no vested interest. Therefore, the Chamber is pleased to be able to present this submission on behalf of the 650 Queenstown businesses it represents.

Background

Queenstown currently has one of the highest rates of both internal migration and labour force participation rates in New Zealand. At the same time, Queenstown has the highest proportion of temporary migrant AFS workers and is heavily reliant on these workers in an ever increasing competitive domestic and international labour market.

As at March 2015, international tourism expenditure in Otago (Queenstown being the largest contributor to this) comprised 68% of GDP compared with 3.5% for NZ as a whole. Therefore, the contribution from a relatively small region to national GDP is significant.

The Queenstown Chamber of Commerce undertook a Labour Force Assessment Report in early 2106 which projected the requirement for up to 19,000 additional FTE's by 2033, should the recent high rates of growth (2006 – 2013) continue at the same rate. Moderate rates of growth estimate 10,000 additional FTE's will be required by 2025. Therefore there is a heavy reliance on migrant labour and this is forecast to continue in the short, medium and long term, including any increases from New Zealanders' participation in the work force.

Queenstown struggles with attracting and retaining New Zealanders into certain sectors and roles in the wider tourism industry. Issues relating to this are primarily affordability, including the high price of accommodation and housing. In addition, Queenstown also faces pressing infrastructure issues which need to be addressed in order to maintain its place as a premium international visitor destination. Queenstown's 'vulnerability' in these areas may affect the overall "New Zealand experience".

The Chamber enjoys a positive working relationship with INZ and supports the work the department continues to do with employers facing the challenging circumstances of Queenstown's labour market. It also supports the work being undertaken by TIA and other organizations who are working to support the sustainability of New Zealand's tourism industry.

The chamber has forwarded detailed informal feedback on the proposed changes to INZ and wishes to formally comment, in summary, as follows:

1. Regionalisation

Summary: Queenstown's significance to national tourism be recognised and a regional approach to the special circumstances of Queenstown's labour market be applied.

2. Essential Skills:

Summary: Extend the proposed 3 year time frame to a minimum of four years; review changes to partners visa – in particular for those workers in categories 1-3.

The Chamber has gained feedback from a wide range of employers regarding the proposed changes to the Essential Skills Visa.

- a) Many stated that while wishing to up-skill and support employees attaining roles of higher remuneration, the 3-year time frame to progress employees to a salary over \$49K per annum is too short. Employees recognized as having potential to move through the organisation from e.g. entry level, to supervisor, to junior manager level, to a skilled manager's role will not have the opportunity to do so in a limited time frame. Similarly, where an employer might identify someone for a formal apprenticeship. This would not necessarily be on offer at the very beginning of their employment. Therefore, the timeframe to complete an apprenticeship is not sufficient.
- b) The \$49K threshold does not reflect that there are many roles in the tourism industry where businesses cannot afford higher rates for roles where staffing shortages exist, whether this be for migrant or New Zealand workers. While the proposed changes may be aimed at increasing the incentive for training, development & upskilling for lower-skilled immigrants, employers hold the strong view that these changes will result in increased staff turnover, therefore necessitating increased costs recruiting and training new staff.

- c) Concern has been raised by employers regarding the removal of partnership visas. Currently partners of visa holders fill a range of essential part-time positions that New Zealanders are not available to undertake. Many partners also undertake these essential roles while supporting families who form an important part of the community.

Actions Sought

Address the issues raised in this submission including:

- *Regionalisation*: That Central Government take a regionalised approach to immigration issues, including reviewing ANZCRO codes for Queenstown Lakes.
- *Essential Work Visas*: That the Essential Skills Visa be extended from 3 years to a minimum of 4 years; reconsider the proposed restrictions for partnership visas, particularly for category 1-3 visas.

The Queenstown Chamber of Commerce

s 9(2)(g)(i)

Chief Executive Officer

Date: 21/05/2017

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