

Approval in Principle request

Tourism and Hospitality sector employers

What is the difference between an Approval in Principle request and Employer Accreditation?

Both Approval in Principle requests (AIP) and Talent Employer Accreditation (TEA) can be suitable options for New Zealand employers who have an ongoing need to recruit overseas workers to supplement their workforce.

The main difference is that the TEA programme is focused on an ongoing need for skilled labour. An employment agreement used to support a work visa application, associated with Accredited Employment, must state that the job:

- > is full-time,
- > for a period two years or more, and
- > pays a minimum of \$55,000 a year.

Once these workers have been employed by you for 24 months, they are eligible to apply for New Zealand residence. For more information on TEA, please click [here](#).

An AIP request is suitable for employers who have an ongoing need to supplement their existing New Zealand workforce with temporary migrant workers. An employer looking to make an AIP request will need to show the efforts that they have already made (and will continue to make) to recruit, train and upskill their New Zealand workforce.

Unlike the TEA programme, there is no defined pathway to residence for workers who apply for a work visa subject to an AIP.

The below table summarises the main differences between AIP and TEA.

	APPROVAL IN PRINCIPLE	TALENT EMPLOYER ACCREDITATION
You have unsuccessfully tried to recruit (and, if appropriate, train) New Zealanders for the vacancy/ies	✓	✓
You need to recruit a number of people from overseas within the next 6-12 months	✓	✓
You have an ongoing need for skilled labour (i.e. for positions which pay a minimum annual salary of \$55,000)	✗	✓
The job offer is for full-time work	✓	✓
The job offer is for a minimum period of two years	✗	✓
Your employee will be applying for an Essential Skills work visa	✓	✗
Your employee will be applying for a Work to Residence visa – with a pathway to residence	✗	✓

How does INZ assess AIPs and what are the benefits for employers?

When INZ receives an AIP request, we need to carry out external consultation with Work and Income (W&I), relevant Unions and Industry Training Associations for all the positions listed in the request. One AIP request can be for several different roles (such as receptionists, room attendants, duty managers and others).

The AIP approval letter will list each of the different roles and include the requirements for subsequent work visas associated with these roles, such as qualifications, experience and pay rates.

An employer whose AIP request has been successful can then support individual work visa applications, without the need to show that they meet INZ's Labour Market Test requirements on an application-by-application basis. This means that when INZ receives work visa applications that are subject to an AIP, we only need to check that the applicant meets health, character and any specific requirements included in the AIP approval letter.

Prior to lodging an AIP, an employer needs to have advertised the roles and engaged with W&I on an ongoing basis, as in the example below.

Example: NiceStay

NiceStay is a hotel based in Dunedin. Over the past 3 years NiceStay has supported an increasing number of Essential Skills work visas for employees in a range of roles, both seasonal and permanent (including receptionists, room attendants, duty managers and others). NiceStay has tried to fill these roles locally by advertising them in the local newspaper, and by contacting their local Work and Income office and the relevant union. However, the New Zealanders who expressed an interest in these roles were either unsuitable or did not apply in sufficient numbers to meet NiceStay's staffing requirements.

NiceStay has supported an average of 5 Essential Skills applications per year over the past 3 years, all of which have been approved by Immigration New Zealand. Over the next two years, NiceStay estimates that they will need to support up to 10 applications per year, as things are getting busier and busier.

Rather than continuing to provide the same information for multiple Essential Skills applications, NiceStay is looking into the possibility of requesting an Approval in Principle. . .

How much does it cost?

An AIP application costs \$400.

How long is the AIP valid for?

AIPs can be valid anywhere from 6 months to 3 years, depending on a number of factors including, if the job is seasonal, the employer's history with INZ, the current state of the labour market and duration of expected recruitment.

Work visas approved under an AIP are assessed by INZ under Essential Skills work visa instructions i.e. the length of visa will depend on the duration of the employment agreement and skill level of the occupation. For example, the maximum visa duration associated with ANZSCO skill level 4 and 5 occupations is 12 months.

If I get an AIP, do I need to commit to supporting a certain number of Essential Skills applications?

No. An estimated number of required workers must be provided at the time of the AIP request, but not all of the approved AIP places need to be filled throughout the duration of the AIP.

NiceStay has thought about the \$400 fee associated with an AIP, as well as the number of Essential Skills applications that they are likely to be supporting over the next couple of years. Given the benefits that AIP status is likely to provide to NiceStay in terms of the work involved in supporting future Essential Skills applications, they decide that it is worthwhile proceeding...

Is an AIP for me?

If the below describes your situation:

- › the occupation you are recruiting for is not included on the [skills shortage lists](#),
- › you have tried to recruit (and if appropriate, train) New Zealanders for the vacancy/ies but been unsuccessful in your attempts, and
- › you have concluded that you'll need to recruit a number of people from overseas within the next 6 – 12 months.

then an AIP could be the right way for you to go.

This fits NiceStay's current situation, so they decide to apply...

This sounds like me, so what do I need to do?

First, you need to make sure that you make your request well in advance, as an Approval in Principle usually takes us between 4 and 8 weeks for INZ to process. This allows time for the external consultation before making a decision.

To help speed up this process, you can contact these organisations yourself and provide a copy of their response along with your AIP request. See step two below for further information on how you can do this.

To make your AIP request, you need to take the following steps.

1. Identify the role/s you need to fill, and prepare the relevant documents.
2. Include evidence of contact with external agencies - Work and Income, the relevant trade union and industry training organisations (such as ServiceIQ). *While this step is not mandatory, providing this information upfront may help us to make a quicker assessment of your AIP request.*
3. Make your AIP request.
4. Await INZ's assessment.

STEP 1: identify role/s and prepare relevant documents

You will need to prepare the following information to help INZ to identify and assess the role/s that you need to fill with overseas workers:

- › Job description including any particular qualifications, attributes or experience considered necessary for the performance of the work,
- › Individual Employment Agreement – this **must** be the same agreement the client submits when they lodge a work visa application,



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- › State the skill level of the job by using the Australian and New Zealand Standard Classification of Occupations (ANZSCO), as follows:
 - Access the ANZSCO website [here](#),
 - Find the occupation within ANZSCO that most closely matches the job you're offering, and
 - Check the skill level by looking at the top of the page where the occupation is described. The below is an extract from the ANZSCO website relating to Hotel Service Managers, with the skill level highlighted:

UNIT GROUP 4314 HOTEL SERVICE MANAGERS

HOTEL SERVICE MANAGERS supervise and coordinate the activities of hotel service workers.

Indicative Skill Level:
Most occupations in this unit group have a level of skill commensurate with the qualifications and experience outlined below.

In Australia:
AQF Certificate III including at least two years of on-the-job training, or AQF Certificate IV (ANZSCO Skill Level 3)

In New Zealand:
NZ Register Level 4 qualification (ANZSCO Skill Level 3)

- › Evidence of advertising for the role and a description of the outcome. Acceptable evidence includes:
 - 1) copies of each advertisement that you posted, 2) the number of New Zealand citizens or residents who applied, and 3) a short description of why each was unsuitable (link back to skills, qualifications, experience or attributes included in the job advertisement or description).

NiceStay decides to make an AIP request for three different roles – waiter, receptionist and room attendant. They estimate that they will need 10 people annually overall in these roles for the next 2 years, and include these details in the covering letter to INZ.

NiceStay prints out the job descriptions and employment agreements which relate to each of these roles, and then goes onto the INZ website to find out the relevant ANZSCO codes (which they include in the covering letter to INZ).

NiceStay also makes copies of the most recent advertisements that they have published. While a couple of New Zealanders responded to these ads, they weren't suitable – one was late for the job interview and didn't seem very reliable, and the other was dressed very casually so didn't seem to be the right fit for the receptionist job that he applied for. The requirement to be punctual and well-presented for these roles was included in the job description. NiceStay notes they will continue to advertise positions and employ New Zealanders where suitable. NiceStay includes this information in their covering letter to INZ.

STEP 2: Include evidence of contact with External Agencies

1. ServiceIQ (or other relevant industry training organisation)

If you have previously worked with ServiceIQ (or any other relevant industry training organisation) to provide training or upskilling of your New Zealand staff, please provide evidence of this (such as an email message or letter from this organisation describing the type of training that they provided to these staff members).

If you have not previously used the services of an external organisation to train and/or upskill your New Zealand staff, but instead have done this yourself, please provide details of your in-house training programme.

NiceStay has not previously used the services of an industry training organisation. Instead the owner and experienced members of staff have delivered training to new members of staff and upskilling of existing staff members. Over the years an extensive training programme has been developed in-house. NiceStay prints out a copy of their in-house training manual and includes this with their AIP request.

2. Industry Organisation/ Union.

The New Zealand Council of Trade Unions (NZCTU), which is affiliated with 37 Unions in New Zealand, will be able to assist with this. The NZCTU website is <http://www.union.org.nz/>

You will need to supply the following information to the union:

- › the terms and conditions associated with this role,
- › reasons for the need to employ foreign labour, and
- › reasons for the lack of availability of New Zealanders for the positions on offer

In response, the union may engage with you on the availability of New Zealanders for the positions on offer.

NiceStay has been in touch with the relevant union in the past, and while the union was able recommend one or two of their members for the vacancies on offer, this was not enough to meet NiceStay's needs. NiceStay provides a short description of their previous contact with the union, confirming when and how they contacted them, and what the outcome was.

Work and Income

You will need to engage with Work and Income regarding the positions you have available and other potential recruitment needs. For an AIP request engagement with Work and Income is required for all occupations at any ANZSCO skill level (1-5).

Engagement with Work and Income is to ensure you are working with them to employ New Zealanders where suitable and available within your business.

You can engage with Work and Income by contacting the Regional Labour Market Advisor in your local Work and Income office or call the dedicated Employer Line, 0800 778 008, to be referred to the labour market team.

You will need to let Work and Income know you want to engage with them in regards to an AIP request, as they follow a different process to that of the new Skill Match Report process for skill level four and five occupations.

We will consult with Work and Income regarding your engagement once your AIP request has been received.

Are any occupations excluded from this requirement?

You will not need to contact Work and Income for occupations:

- › within the territorial authorities of the Christchurch City Council, Selwyn District Council or Waimakariri District Council. Employers in these areas should continue to use the [Canterbury Skills and Employment Hub](#).
- › on the [Queenstown Lakes District occupation exemption list](#) published by Work and Income.
- › on an Essential Skills in Demand list and where the applicant meets the qualification and/or experience requirements;

NiceStay has regularly been in touch with their local Work and Income office work broker. While the work broker has helped fill three vacancies over the past two years, again this has not been enough to meet NiceStay's needs.

NiceStay includes details of their engagement with this work broker in the covering letter to INZ.

STEP 3: Make your AIP request

You must complete and sign an AIP Form (INZ 1112) to be included in the application along with the following information and evidence:

EVIDENCE REQUIRED	MUST INCLUDE:
1. Evidence of advertising	<ul style="list-style-type: none"> › Text of advertisement / Copy of advertising (sample over a period of time if ongoing recruitment required) › Details of how long and where it ran › Recruitment company documentation (if applicable)
2. Job offer / Employment Agreement	<ul style="list-style-type: none"> › Rate of pay › Terms and conditions of employment <p>Note: this must be the same agreement the client submits when they lodge a work visa application</p>
3. Job description	<ul style="list-style-type: none"> › Tasks and responsibilities › Skills, qualifications, experience and attributes required › Description of any special requirements (such as language skills) and why they're required
4. Assessment of candidates	<ul style="list-style-type: none"> › Number of New Zealand citizens or residents who applied › Short description of why each was unsuitable (link back to skills, qualifications, experience or attributes included in the job advertisement or description)
5. Work and Income advice	<ul style="list-style-type: none"> › Evidence of engagement with Work and Income where relevant
6. Trade Union advice	<ul style="list-style-type: none"> › Evidence of engagement with the relevant trade union
7. Industry training organisation advice	<ul style="list-style-type: none"> › Evidence of engagement with ServiceIQ (or other industry training organisation), or details of in-house training/ upskilling programme.
8. Evidence of your business' ability sustain the proposed employment	<ul style="list-style-type: none"> › Please provide the most recent annual financial statement for your business.

NiceStay prepares a covering letter which covers off items 4 to 6 above. With this letter, they append copies of advertising, job descriptions, employment agreements, a copy of NiceStay's in-house training manual, and their most recent annual financial statement (as per points 1, 2, 3, 7, and 8). NiceStay then sends all of this information to INZ.

STEP 4: INZ assessment

Once we have received your AIP request, we will usually be able to complete our assessment within 4 to 8 weeks. This process is likely to take place at the longer end of this timeframe, if you have not already engaged with the external parties referred to in step two.

If we have any questions during this process, or require any further information from you, we will be in touch.

If your request for Approval in Principle is approved, you can go ahead and recruit appropriately qualified and experienced workers from overseas. Our AIP letter will outline the number of positions approved and the conditions required (such as pay rate and work experience).

Please note that Essential Skills work visas are temporary and there is no guarantee of ongoing visas or residence for employees holding this category of work visa. Both you and your employee need to be aware of this.

As the employer, you will need to continue to make attempts to recruit New Zealanders where suitable and available for roles within your business. This is because the government's priority is for New Zealanders to be offered opportunities for work as and when these opportunities arise. So if you decide to apply for another AIP after your initial one expires, you will need to provide us with evidence of advertising for ongoing recruitment, as well as your continued engagement with Work and Income, Unions and training organisations (where appropriate).

If a further AIP is not requested after the initial AIP, the labour market test will need to be met with each essential skills work visa application.

After 3 weeks NiceStay receives a request about the number of positions required for each role. NiceStay replies to this request, supplying evidence of previous recruitment over the last few years and projected business growth.

INZ considers this additional information and decides that they can go ahead and recommend that the AIP request be approved.

After a further two weeks NiceStay receives confirmation from INZ that their AIP request has been approved along with an AIP letter which confirms all of the conditions that they will need to meet when supporting future Essential Skills work visa applications