
Immigration New Zealand

Nelson – 21 September 2017

Disclaimer: this document was verified and produced in September 2017, however, immigration policy and instructions are subject to change, as are the remuneration thresholds outlined which are calculated annually. Please always check the Immigration NZ web site www.immigration.govt.nz for up-to-date information.

TODAY

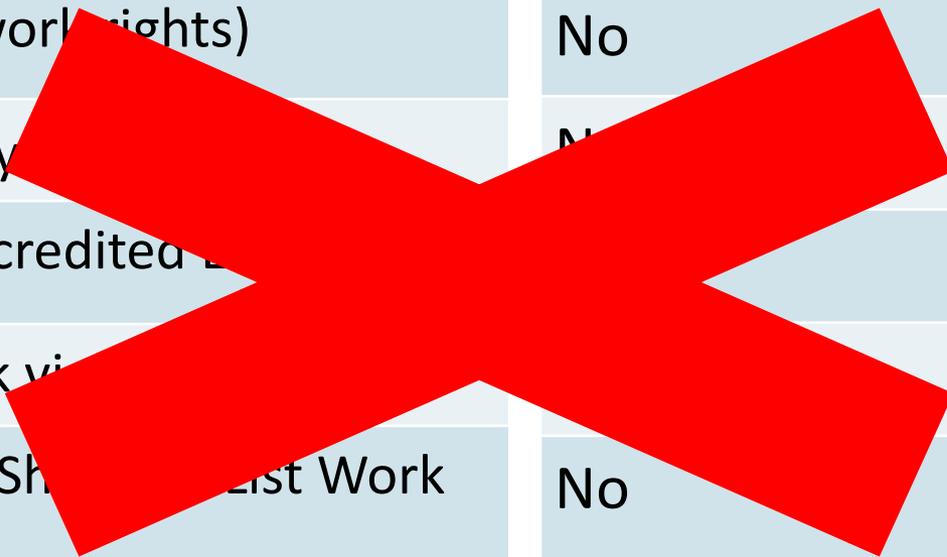
- 10.10am – **Andrew Johns, Sector Relationship Manager (Tourism)**
Immigration NZ: Immigration and the Tourism and Hospitality sector.
- 10.40am – **Fiona Proudfoot, Visa Services, Immigration NZ:** What you need to know when applying for visas for your workers – a more technical view from the team that actually processes visas!
- 11.10am – **Andrew McNaught, MBIE representative:** The Government's plans for supporting your workforce and its growth
- 11:40am – Session ends

Immigration and the Tourism & Hospitality Sector

- 1. Immigration policy changes**...what these mean for your business and your staff (slides 4 to 16).
- 2. Insights**...(slides 17 to 23).
- 3. Next steps**... (slide 24)

Q: Which category of migrant workers will the recently announced policy changes affect?

Type of work visa	Affected by policy changes?
Essential Skills	Yes
Partner of Worker (open work visa)	Yes
Student (with work rights)	No
Working Holiday	No
Talent visas (Accredited)	No
Post-study work visa	No
Long Term Skill Shortage List Work Visa	No



A: People applying for Essential Skills work visas and their partners/children, will be affected.

Visa category

Essential Skills

Description

- If you have offered a non-NZer a full-time job, and they have the necessary qualifications and experience to work in that job, they can apply for a temporary visa to work in New Zealand.
- You must have first checked if any New Zealanders are available to do the work, before offering the job to a non-NZer.
- The job's ANZSCO skill **and income** levels will determine the visa conditions that will apply to them.
- They can support visas for their partner (work) and children (student), **so long as certain ANZSCO skill and income levels are met.**

How are income levels calculated?

- Income levels are derived from the **Labour Market Statistics** report produced by Statistics New Zealand for the year to June, published on its website in early September: http://www.stats.govt.nz/browse_for_stats/income-and-work/Income/LabourMarketStatisticsIncome_HOTPJun17qtr.aspx
- INZ intends to update its immigration instructions around each November to reflect the adjusted median income levels which apply to Essential Skills (ES) work and Skilled Migrant Category (SMC) residence visa applications.
- This year, INZ's instructions are likely to be updated in mid-November 2017, in line with the recently published increase in the median income level from \$23.49 to **\$24.29** per hour.
- The starting point for mid-skilled ES applications (85% of median income) would increase from \$19.97 to **\$20.65** per hour.

	June 2016 quarter		Annual change			
	Median weekly	Median hourly	Median weekly		Median hourly	
	(\$)		(\$)	(%)	(\$)	(%)
Earnings from paid employment	924	23.22	44	5.0	0.54	2.4
Earnings from wages and salaries	937	23.49	55	6.2	0.66	2.9

	June 2017 quarter		Annual change			
	Median weekly	Median hourly	Median weekly		Median hourly	
	(\$)		(\$)	(%)	(\$)	(%)
Earnings from paid employment	959	24.00	35	3.8	0.78	3.4
Earnings from wages and salaries	959	24.29	22	2.4	0.80	3.4

Policy changes: ANZSCO 1 to 3 occupations

**<\$19.97 ph
(\$41,528 salary
if 40 hour work
week)**

**<85% of the
median income**

- › Up to 1 year duration Essential Skills (ES) work visas.
- › Maximum of 3 years in NZ on lower skilled ES visas, followed by a 1 year stand down period.
- › Can't support family visa application (dependent child, partner).
- › Not eligible for skilled employment points under the (residence) Skilled Migrant Category (SMC)

**\$19.98 -
\$23.49 ph**

**85 - 100% of
median income**

- › Up to 3 year duration ES work visas.
- › No maximum time in NZ on ES visas.
- › Can support family visa application (dependent child, partner).
- › Not eligible for skilled employment points for residence (SMC)

**.>\$23.49 ph
(\$48,859 salary
if 40 hour work
week)**

**>100% of
median income**

- › Up to 3 year duration ES work visas.
- › No maximum time in NZ on ES visas.
- › Can support family visa application (dependent child, partner).
- › May be eligible for skilled employment points for residence (SMC)

“Eat” - Chef



- **Mei** is a married, 27 year old Chef de Partie (ANZSCO skill level 2) from China. She is currently on a two-year Essential Skills work visa. Her husband is still in China but is planning to come to New Zealand to join at the end of the year.
- Mei is currently being paid a salary of **\$40,500**, and her Essential Skills visa will be expiring soon.
- Mei would like to stay in New Zealand for the longer term.
- What are her options?
 - On her current salary?
 - If her salary is increased to **\$42,000**?
 - If she is promoted to Sous Chef, earning **\$55,000**?

Mei's options



CHEF DE PARTIE (Chef SL 2)

\$40,500 (\$19.47 ph)

83% of median income

- › 1 year duration ES work visa
- › Can stay in NZ on ES visas for 3 years max
- › Partner needs to apply for his own work visa
- › Can't get skilled employment points for residence (SMC)



SALARY INCREASE

\$42,000 (\$20.19 ph)

86% of median income

- › 3 year ES work visa
- › No maximum time in NZ
- › Can support open work visa for partner
- › Can't get skilled employment points for residence (SMC)



PROMOTION

SOUS CHEF

\$55,000 (\$26.44 ph)

- › 3 year ES work visa
- › No maximum time in NZ
- › Can support open work visa for partner
- › May be eligible for skilled employment points for residence (SMC)

Policy changes: ANZSCO 4 and 5 occupations

**<\$35.24 ph
(\$73,299 salary
if 40 hour work
week)**

**<1.5 x median
income**

- › 1 year duration Essential Skills (ES) work visas
- › Maximum of 3 years in NZ on lower skilled ES visas, followed by a 1 year stand down period.
- › Can't support family visa application (dependent child, partner)
- › Not eligible for skilled employment points for residence (SMC)

**>\$35.24 ph
(\$73,299 salary
if 40 hour work
week)**

**>1.5 x median
income**

- › 5 year duration work visas*
- › No maximum time in NZ on ES visas
- › Can support family visa application (dependent child, partner)
- › May be eligible for skilled employment points for residence (SMC)

**This visa duration also applies to people in ANZSCO 1-3 roles earning >\$73,299*

“Drink” – F & B



- **Johan** is a single, 25 year old from Germany currently working as a F & B Attendant (Waiter, ANZSCO skill level 4).
- He originally came to New Zealand on a Working Holiday Visa in August 2016.
- He is currently on an Essential Skills work visa valid until 15 July 2018, which was approved before the new policy changes came in (on 28 August 2017).
- Johan is currently being paid **\$17.50 per hour**, and is doing a great job – his employer is really happy with his work.
- Johan likes NZ and is thinking about this longer term options here.
- What are his options?
 - In his current role?
 - If he gets promoted during the next few years?

Johan's options



F & B ATTENDENT

(Waiter SL 4)

\$17.50 per hour

75% of median income

- › 1 year duration work visa
- › Can stay in NZ on ES visas for a further 3 years max, after his current ES visa expires (15 July 2018).
- › Not eligible for skilled employment points for residence (SMC)



PROMOTION

F & B SUPERVISOR

(Retail Supervisor SL 4)

\$19.00 per hour

81% of median income

- › 1 year duration work visa
- › Can stay in NZ on ES visas for a further 3 years max, after his current ES visa expires (15 July 2018).
- › Not eligible for skilled employment points for residence (SMC)



PROMOTION

F & B MANAGER

(Restaurant/Cafe Mgr SL 2)

\$22.00 per hour

94% of median income

- › Up to 3 year duration Essential Skills work visa
- › No maximum time in NZ
- › Not eligible for skilled employment points for residence (SMC)*

*To be eligible for skilled employment points for residence, Johan will need to be paid the median income level (currently \$23.49 per hour) in an ANZSCO skill level 1 to 3 occupation.

“Sleep” – Room Service



- **Marie-Clare** is a single, 26 year-old from France currently working as a Room Attendant (Commercial Housekeeper, ANZSCO skill level 5) at a hotel.
- She originally came to NZ on a Working Holiday visa, and is currently on 12-month Essential Skills work visa valid until 02 January 2018.
- Marie-Clare is currently being paid **\$17.00** per hour.
- Marie-Clare likes NZ and is thinking about her longer term options here.
- What are her options?
 - In her current role?
 - If she gets promoted during the next few years?

Marie-Clare's options



ROOM ATTENDANT
(Commercial
Housekeeper SL 5)

\$17.00 per hour

70% of median income

- › 1 year duration work visa
- › Can stay in NZ on ES visas for a further 3 years max, after her current ES visa expires (2 January 2018).
- › Not eligible for skilled employment points for residence (SMC)



PROMOTION
HEAD HOUSEKEEPER
(Hotel Service Manager
SL 3)

\$19.50 per hour

81% of median income

- › 1 year duration work visa
- › Can stay in NZ on ES visas for a further 3 years max, after her current ES visa expires (2 January 2018).
- › Not eligible for skilled employment points for residence (SMC)



SALARY INCREASE
HEAD HOUSEKEEPER

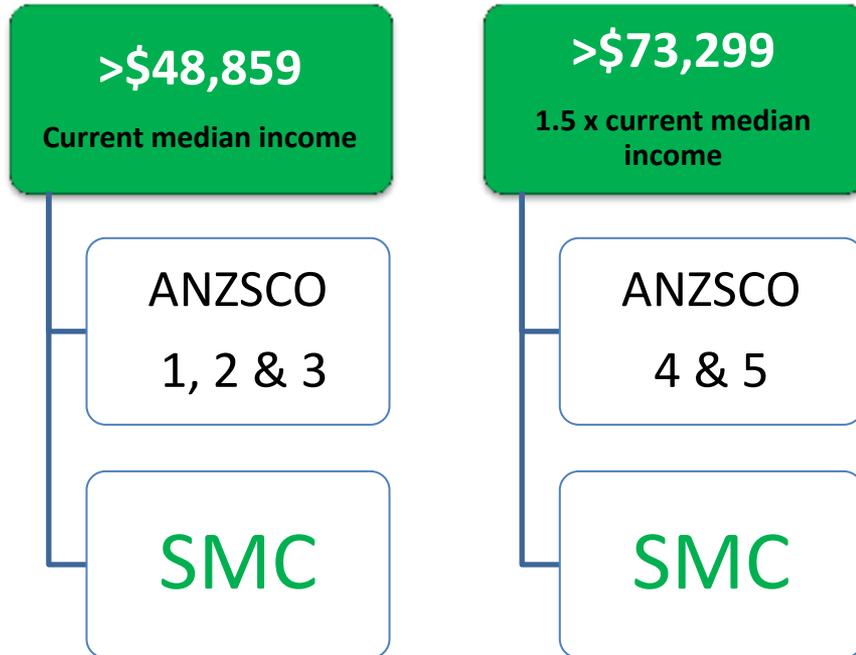
\$20.50 per hour

87% of median income

- › Up to 3 year duration Essential Skills work visa
- › No maximum time in NZ
- › Not eligible for skilled employment points for residence (SMC)*

*To be eligible for residence, Marie-Clare will need to be paid the median income level (currently \$23.49 per hour) in a skill level 1 to 3 occupation.

Skilled Migrant Category (residence) changes



More points:

- For work experience (must be skilled)
- If aged 30-39 (same points as 20-29 years)
- For very high salary (\$97,718)

Points no longer for:

- Qualifications in areas of absolute skills shortage (LTSSL)
- Employment, work experience and qualifications in Identified Future Growth Areas
- Close family in NZ

A reminder: South Island pathway visa

- **Took effect on 22 May 2017, and runs for one year.**
- **To be eligible, temporary visa holders must:**
 - Currently be on an Essential Skills visa for a job in the South Island and have been on one in the South Island for five years or more.
 - Be 55 years old or younger.
 - Hold current employment that is full-time and meets market rates and their employers would need to have no significant adverse record with the Labour Inspectorate or INZ.
 - Meet standard residence health and character requirements.

Eligible migrants will be granted an initial Work to Residence temporary visa, which would make them eligible for residence after two years provided they stay in the same industry and region.

They will then be granted a resident visa, with conditions requiring them to stay in the same South Island region for a further two years.



**KEEP
CALM
IT'S
ONLY
STATISTICS**

IMPACTS – **41.5K** income threshold – ANZSCO 1, 2 & 3

Tourism and hospitality occupations, 100+ ES applications, 2016/17

Occupation	ANZSCO	APPROVED	DECLINED	TOTAL	APPROVAL		Wgtn	Nel-Mar	Cant	Otago
					Ak	%				
Chefs	2	2,225	485	2,710	82%	963	170	62	213	257
Café/Restaurant Managers	2	972	146	1,118	87%	435	143	25	86	78
Cooks	3	418	86	504	82%	94	36	12	81	81
Snowsport Instructors	3	364	27	394	93%	1	0	2	34	219
Hotel Service Managers	3	209	12	221	95%	70	20	4	18	48
Hotel/Motel Managers	2	106	15	121	88%	29	14	4	18	11
Wine Makers	1	63	6	69	91%	0	0	42	2	6
TOTAL		4,357	777	5,137	85%	1,592	383	151	452	700
TOTAL, all Essential Skills		32,286	5,471	37,757	86%					

IMPACTS – **41.5K** income threshold – ANZSCO 1, 2 & 3

Based on 2016 remuneration survey data (sample size = 10,298)

Occupation	Number (% of total staff surveyed)	Annual income range – Restaurant	Annual income range – Hotel
Commis/Apprentice Chef	337 (3%)	\$33,000 – 37,000	\$31,720 – 38,480
Demi Chef	81 (1%)	\$32,240 – 45,760	\$34,320 – 47,840
Chef de Partie	416 (4%)	\$37,500 – 45,000	\$35,360 – 46,000
Sous Chef	276 (3%)	\$38,219 – 65,000	\$39,000 – 60,000
Head Chef	338 (3%)	\$41,600 – 85,000	\$45,760 – 64,500
Duty Manager	581 (6%)	\$35,000 – 52,000	\$35,000 – 45,000
Bar Manager	160 (2%)	\$45,000 – 72,000	\$48,000 - \$80,000 (Bar)
Café Manager	107 (1%)	\$40,000 – 63,689 (Café)	NA
Restaurant Manager	147 (1%)	\$37,500 – 87,500	NA

INSIGHTS: ANZSCO 1 to 3

On average, Essential Skill work visa applicants applying for work in “in-demand” chef, café/restaurant manager and hotel service manager roles will:

- be eligible for longer duration work visas (up to 3 years),
- not be required to leave NZ after 3 years, and
- be able to support visa applications for their partners and dependent children, but
- be ineligible to apply for residence, until they get a job which pays the median income level or higher – typically Sous Chef and higher level chefs, bar managers and café/restaurant managers

People applying for ES visas who are earning less than 85% of the national median income level will have up to three years to get a job that pays this amount or higher in order for these conditions to apply to them

IMPACTS – 73K income threshold – ANZSCO 4 & 5

Tourism and hospitality occupations, 100+ ES applications, 2016/17

Occupation	ANZSCO	NZ - APPROVED	NZ - DECLINED	NZ - TOTAL	NZ - APPROVAL %	Otago - approved
Commercial Housekeepers	5	436	24	460	95%	369
Waiters	4	367	33	400	92%	225
Sales Assistants (General)	5	353	27	380	93%	274
Outdoor Adventure Guides	4	221	24	245	90%	111
Commercial Cleaners	5	214	31	245	87%	169
Kitchenhands	5	192	16	208	92%	166
Hotel/Motel Receptionists	4	176	9	185	95%	119
Fast Food Cooks	5	121	5	126	96%	97
Bar Attendants	4	98	12	110	89%	71
Baristas	4	89	8	97	92%	55
TOTAL		2,267	189	2,456	93%	1,656
TOTAL, all Essential Skills		32,286	5,471	37,757	86%	

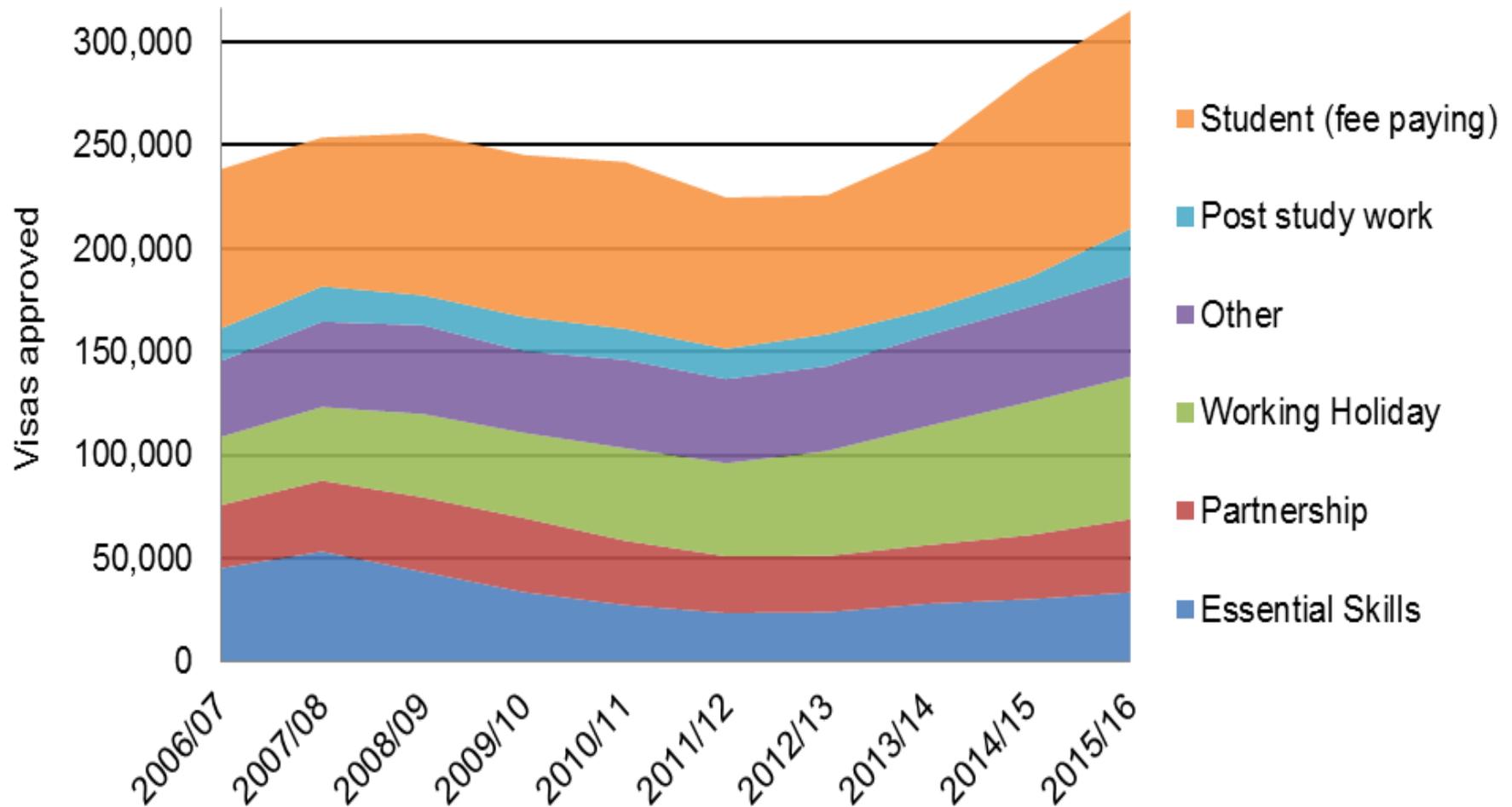
INSIGHTS: ANZSCO 4 & 5

The new Essential Skills work visa policy settings will not significantly diminish the ability of tourism and hospitality businesses to access temporary migrant workers in ANZSCO 4 & 5 occupations:

- With the exception of Queenstown Lakes District (QLD), relatively few NZ employers use the Essential Skills work visa category for these sorts of roles.
 - Last year, under 2% of ES applications (excluding QLD) were for key tourism and hospitality-related ANZSCO 4 & 5 occupations – waiters, bar attendants, room attendants etc.
- Even in QLD these changes seem likely to have a limited impact.
 - Around 1 in 10 people approved ES visas last year, in these ANZSCO 4 & 5 roles, 1) had applied for ES visas more than 3 times, or 2) supported open work visas for their partners.

So what type of visa do most temporary migrants working in ANZSCO 4 and 5 roles hold?

Visas granted allowing work by category



NEXT STEPS

Phase two of the Temporary Work Visa Settings Review:

- Sectoral and regional issues will be addressed as a priority.
 - *MBIE will present proposals for **sector-specific** responses for Ministers by December 2017.*
 - *MBIE will present proposals for **region-specific** responses for Ministers by mid-2018.*
- Ensuring that seasonal work visas reflect seasonal work will be developed further in consultation with stakeholders, as part of the priority work above.
- MBIE will report back on further work to develop proposals to incentivise and reward good employer behaviour by December 2018.

Questions?

For further information:

<https://www.immigration.govt.nz/about-us/media-centre/news-notifications/smc-and-essential-skills-policy-details>