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# INZ Tourism & Hospitality Data and Insights

December 2017

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# Work and Residence Visas: Key Occupations

## Key Insights

### Chefs

	Visa	Dec-16		Dec-17		YOY decided
		# decided	% approved	# decided	% approved	% change
work visa	Essential skills	179	83	147	78	-18%
	Post study employer assisted	27	93	40	98	+48%
	Variation of conditions	59	88	96	88	+63%
	Long term skill shortage	25	76	41	76	+64%
	Approved in principle	4	50	3	100	-25%
	<b>TOTAL:</b>	<b>294</b>	<b>84</b>	<b>327</b>	<b>83</b>	<b>+11%</b>
residence visa	Skilled migrant	45	89	26	92	-42%

### Café/restaurant managers

	Visa	Dec-16		Dec-17		YOY decided
		# decided	% approved	# decided	% approved	% change
work visa	Essential skills	79	91	66	89	-17
	Post study employer assisted	22	86	33	88	+50
	Variation of conditions	35	89	51	84	+46
	Approved in principle	1	100	0	0	-100
	<b>TOTAL:</b>	<b>137</b>	<b>90</b>	<b>150</b>	<b>87</b>	<b>+9</b>
residence visa	Skilled migrant	32	63	37	84	+16

### Cooks

	Visa	Dec-16		Dec-17		YOY decided
		# decided	% approved	# decided	% approved	% change
work visa	Essential skills	36	83	49	73	+36
	Post study employer assisted	0	0	2	100	-
	Variation of conditions	2	100	4	100	+100
	Approved in principle	7	71	3	100	-57
	<b>TOTAL:</b>	<b>45</b>	<b>82</b>	<b>58</b>	<b>78</b>	<b>+29</b>
residence visa	Skilled migrant	6	100	4	100	-33

- **Chefs:** drop in Essential Skills applications offset by very strong increases in other work visa types. Large reduction in the number of Skilled Migrant residence visa applications (but higher approval rate).
- **Café and Restaurant Managers:** similar work visa trend to *Chefs*. Skilled Migrant application volumes and approval rates up.
- **Cooks:** continued strong growth in Essential Skills application volumes. Volume of Skilled Migrant application remains low.

# Work and Residence Visas: Key Occupations

## Hotel service managers

		Dec-16		Dec-17		YOY decided
		# decided	% approved	# decided	% approved	% change
Visa						
work visa	Essential skills	18	89	15	93	-17
	Post study employer assisted	0	0	4	100	--
	Variation of conditions	4	100	4	75	0
	<b>TOTAL:</b>	<b>22</b>	<b>91</b>	<b>23</b>	<b>91</b>	<b>+5</b>
residence visa	Skilled migrant	2	100	14	93	+600

## Hotel/Motel managers

		Dec-16		Dec-17		YOY decided
		# decided	% approved	# decided	% approved	% change
Visa						
work visa	Essential skills	10	90	5	80	-50
	Post study employer assisted	2	100	4	75	+100
	<b>TOTAL:</b>	<b>12</b>	<b>92</b>	<b>9</b>	<b>78</b>	<b>-25</b>
residence visa	Skilled migrant	3	100	5	100	+67

## Retail supervisors

		Dec-16		Dec-17		YOY decided
		# decided	% approved	# decided	% approved	% change
Visa						
work visa	Essential skills	68	93	90	93	+32
	Post study employer assisted	16	81	32	84	+100
	Variation of conditions	21	90	44	82	+110
	<b>TOTAL:</b>	<b>105</b>	<b>90</b>	<b>166</b>	<b>89</b>	<b>+58</b>
residence visa	Skilled migrant	2	0	0	0	-100

## Key Insights

- **Hotel Service Managers:** no change in work visa volumes, however large increase in number Skilled Migrant residence visa applications.
- **Hotel/Motel managers:** reduction in Essential Skills applications. Skilled Migrant application numbers remain low but with 100% approval rate.
- **Retail Supervisors:** Very strong increase in volumes across all work visa types.

### THEMES

#### Work visas

- Overall, the strong increase in work visa application volumes seen in previous months has continued, with a slight drop in approval rates:
- **Essential Skills** *stronger* for: *Cooks, Retail Supervisors*
- Essential Skills *weaker* for: *Chefs, Café/Restaurant Managers, Hotel Service Managers, Hotel/Motel Managers*
- **Post Study Employer Assisted** *stronger* for: *ALL*
- **Variation of Conditions** *stronger* for: *ALL* (excluding Hotel/Motel managers)
- **Long Term Skill Shortage** is only available for Chefs and is up strongly YoY.
- **Approved in Principle** is rarely used.

#### Residence visas

- Relatively strong YoY performance both in terms of application volumes and approval rates re-Skilled Migrant category. Exception is Chef, with a 42% reduction in application volumes.

# Spotlight on...

## Post-Study Employer Assisted work visas

The final quarter in 2017 (September to December) saw a drop in the number of Essential skills (ES) visa applications associated two key occupations – *Chefs* and *Café/Restaurant Managers*. These two occupations have historically been associated with very high volumes of ES applications.

ESSENTIAL SKILLS	Chef			Café/Restaurant Manager		
	2016	2017	% change	2016	2017	% change
<i>October</i>	215	230	+7%	97	89	-8%
<i>November</i>	226	206	-9%	86	99	+13%
<i>December</i>	179	147	-18%	79	66	-17%
<b>TOTAL</b>	<b>620</b>	<b>583</b>	<b>-6%</b>	<b>262</b>	<b>254</b>	<b>-3%</b>

**At a time when workforce demand in the hospitality and tourism sectors is high and growing fast, why the drop in ES applications?**

# Spotlight on Post-Study Employer Assisted work visas (cont.)

At the moment there seems to be a growing preference amongst employers for alternative work visa types, with demand for [post-study employer assisted work visas](#) (PSEA visas) in particular having undergone rapid growth in recent months.

## What is a PSEA visa?

After graduation, many international students are eligible for an open “job seeker” work visa (valid for 12 months), enabling them to work in almost any job for any employer in NZ. Those who find a full-time job relevant to their New Zealand qualification can then apply for a **PSEA visa**, which is valid for up to 2 years.

# Spotlight on Post-Study Employer Assisted work visas (cont.)

As you can see from the below table, there has been a strong increase in demand for PSEA visas associated with Chefs and Café/Restaurant Managers during the past 3 months.

POST STUDY EMPLOYER ASSISTED	Chef			Café/Restaurant Manager		
	2016	2017	% change	2016	2017	% change
October	27	58	+115%	29	44	+52%
November	27	49	+81%	24	42	+75%
December	27	40	+48%	22	33	+66%
<b>TOTAL</b>	<b>81</b>	<b>147</b>	<b>+82%</b>	<b>75</b>	<b>119</b>	<b>+59%</b>

Graph 1: Post-Study Employer Assisted Visas, number of decided applications, 2015 to 2017

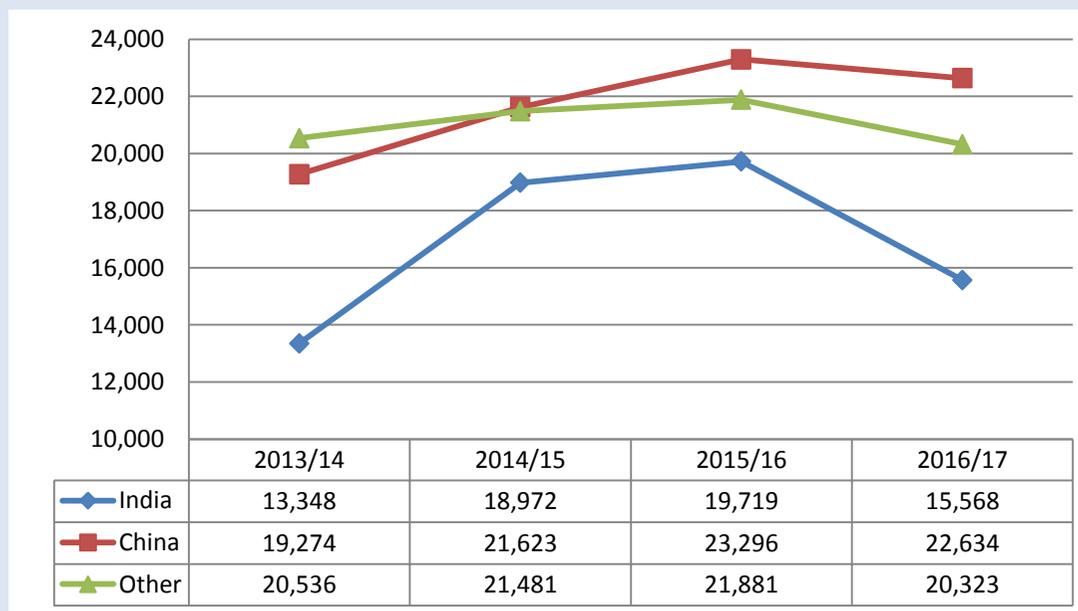
# Spotlight on Post-Study Employer Assisted work visas (cont.)

## What does the future hold for PSEA visas?

The short answer is that the number of people eligible for PSEA visas seems likely to drop in the short- to medium-term, as there has been a reduction in full fee paying student visas numbers over the past 12-18 months.

People applying for PSEA visas now are likely to be those who obtained their original student visas during the “peak” years of 2015 and 2016.

With last year’s drop in full fee paying student visa numbers (particularly from the Indian market), the pool of people subsequently eligible to apply for PSEA visas seems likely to shrink accordingly.



Graph 1: Approved full fee paying<sup>[1]</sup> student visas, Polytechnics/Private Training Enterprises/Universities, 2013/14 – 2016/17

# Spotlight on Post-Study Employer Assisted work visas (cont.)

## So what does this mean for tourism and hospitality sector businesses?

November's *INZ Tourism and Hospitality Data and Insights* report demonstrated that Chinese and Indian nationals make up a high (and growing) proportion of people on work visas, employed in key tourism and hospitality-related roles (such as Chefs, Cooks, Café/Restaurant Managers, and Hotel Service Managers).

This drop in international student numbers could have a downstream impact on employers in these sectors, who are looking to supplement their NZ workforce with overseas people who have recently completed a NZ qualification.

An example of this can be seen in the sharp reduction in the number of student visas granted for cooking-related qualifications over the past two years. While INZ approved more than 3000 student visa applications in 2016 for people enrolled in cookery-related courses, in 2017 the figure dropped by more than 1000, to slightly more than 2000 visas. This means that, in the future, there is likely to be a smaller pool of PSEA visa holders available for work in cafes, restaurants, hotels and other tourism and hospitality-related businesses.

# Working Holiday Visa

	Month of December 2017	% change	Year to December 2017	% change
Germany	700	+2%	14,232	-8%
United Kingdom	763	-11%	13,860	NC
France	631	+1%	10,117	-1%
United States	324	+5%	5,129	+5%
Canada	255	+25%	3,247	+13%
Korea	0	--	3,119	+9%
Japan	148	-9%	2,584	-7%
Italy	158	+8%	2,100	+4%
Ireland	100	-12%	1,763	+2%
Netherlands	136	-9%	1,639	+1%
Other	448	-13%	17,666	+1%
Total	3,728	-2%	73,116	-1%

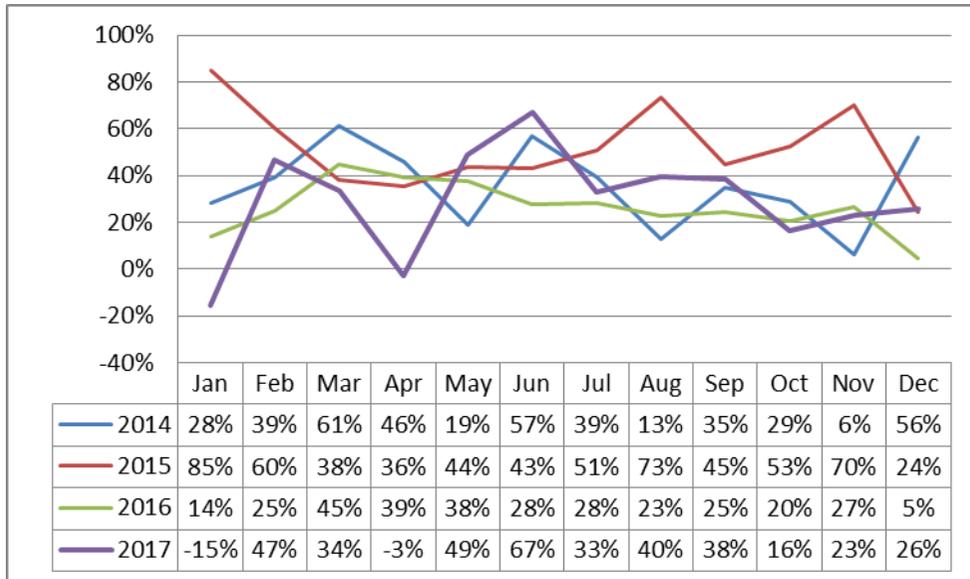
## Key Insights

- Continued reduction in the number of WHV applicants (down 2.1% for the month of December 2017).
- Significant drop for the *United Kingdom*, *Ireland*, *Netherlands* and *Japan* markets in particular.

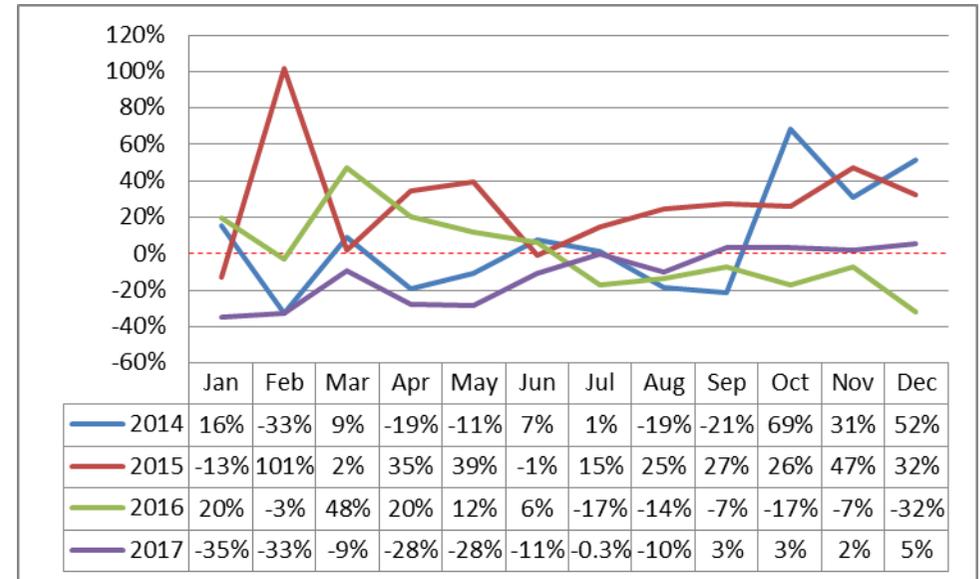
# China Visitor Visa

## For month of December

December											
	2013	%	2014	%	2015	%	2016	%	2017	%	% change 16 vs 17
<b>General Visitor Visa</b>	12,605	67	19,696	68	24,490	66	25,608	75	32,207	78	+26%
<b>ADS</b>	6,233	33	9,452	32	12,509	34	8,481	25	8,935	22	+5%
<b>TOTAL</b>	<b>18,838</b>		<b>29,148</b>		<b>36,999</b>		<b>34,089</b>		<b>41,142</b>		+21%



Graph 1: approved GVV people – YOY monthly percentage change 2014 to 2017



Graph 2: approved ADS people – YOY monthly percentage change 2014 to 2017

### Key insights

- Very strong growth (in absolute and percentage terms) for **General Visitor Visas**
- **ADS** remains weak with a slight YOY increase but volumes remain at below 2014 levels.
- Stats NZ's visitor arrivals report for December 2017 is not yet available. However, according to Stats NZ's provisional data there was a **10.4%** increase in the number of Chinese visitors to NZ for the 4-week period ending 31 December 2017. This - along with continued strong visitor visa application numbers - would appear to indicate that the solid recovery in Chinese visitor numbers recorded in recent months is set continue into the foreseeable future. Independent Chinese holidaymakers (as opposed to ADS package tour travellers) appear to be responsible for the lion's share of this growth.

# Glossary of terms – work visa categories

- [Essential skills work visa](#)
  - The Essential Skills category is a temporary work visa category designed to allow employers to recruit overseas workers where shortages mean that no suitable New Zealanders are available or trainable. The length of the visa depends on whether the job is lower-skilled, mid-skilled or higher-skilled.
- [Post study – employer assisted visa](#)
  - This visa is for recent graduates who have successfully completed their qualification in New Zealand. To apply, the candidate needs to have an offer of full-time work in the same area as their qualification. If granted this visa, it may provide a pathway to later apply for residence under NZ's Skilled Migrant Category.
- [Variation of conditions visa](#)
  - Temporary visas such as work, student or visitor visas are granted with conditions telling the candidate what they are allowed to do while on the visa. These conditions can be things like working in a particular job or studying at a particular education provider. If the visa conditions no longer match their circumstances, the migrant may apply to change their conditions. This is called a variation of conditions. However, in some situations, a new visa may need to be applied for instead.
- [Long term skill shortage visa](#)
  - This visa offers a pathway to New Zealand residence. To apply, the candidate will need to have the specified work experience, qualifications and occupational registration to work in an occupation on NZ's Long Term Skill Shortage List, and an offer for work in that occupation. If the migrant continues working in that occupation in New Zealand for 2 years, they can apply for residence.
- [Approved in principle](#)
  - Being approved in principle means an employer can hire multiple migrant workers without repeating the labour market test. Employers can employ as many migrants as approved in their approval in principle. Employers can employ migrants for between 12 months and 5 years, depending on skill level, making recruitment planning easier.