

Making Sense of the Numbers

Unravelling working holiday visas

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1. Background

The tourism industry benefits from New Zealand having working holiday visas (WHVs) agreements in place with more than 40 countries. This includes working holiday arrangements with some of our major international visitor markets, such as the USA and the UK. They are also likely to have positive impacts on attracting travel by friends and relatives to also travel to New Zealand. Such schemes provide a valuable source of labour for tourism industry operators, especially those looking to fill seasonal or temporary resource requirements.

The Ministry of Foreign Affairs and Trade (MFAT) and the Ministry of Business, Innovation and Employment (MBIE), which includes Immigration New Zealand (INZ), work together to provide advice to Ministers on potential new WHVs schemes or expanding existing schemes. They take into account the government's trade and foreign relations priorities, as well as impacts on New Zealand's labour market to negotiate the details of schemes with the partner countries.

INZ establishes and manages the schemes. Participants receive open work visas, with specific conditions as applicable. These can involve restrictions on the total length of time spent working or studying, or that a holder can work for only one employer.

2. Working Holiday Visa Arrangement By Country

Working holiday visas are available to those in the 18 to 30 age group although this is extended up to 35 year olds for a few countries. As Table 1 illustrates, this extended working holiday visa is available to residents from Hungary, Slovakia, Argentina, Chile, Uruguay, Canada and Finland.

The visa allows the holder to travel and work in New Zealand for up to 12 months. This is extended to 23 months for UK and Canadian residents. Table 1 shows that working holiday visas are only available for six months for residents from Malaysia, Austria and Singapore.

Working holiday visas are categorised as capped and uncapped. Capped working holidays are issued to residents of countries that have a quota arrangement

while uncapped are issued to residents from countries with an arrangement of unlimited working holiday visas.

The following provides an overview of the current working holiday visa arrangements by country.

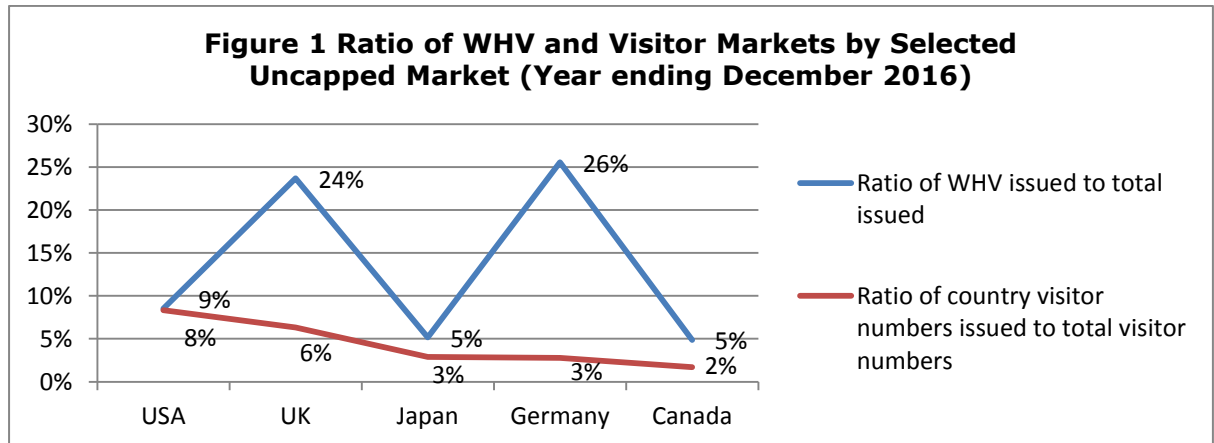
Table 1 Issuing Period and Age Limit of Working Holiday Visas by Country

	Issued for 6 months	Issued for 12 months	Issued for 23 months	Age Limit=30	Age Limit=35	Type	Maximum length of employment with single employer
Malaysia	✓	✗	✗	✓	✗	Capped	No limit
Philippines	✗	✓	✗	✓	✗	Capped	3 months
Poland	✗	✓	✗	✓	✗	Capped	3 months
Latvia	✗	✓	✗	✓	✗	Capped	3 months
Czech Republic	✗	✓	✗	✓	✗	Capped	No limit
Mexico	✗	✓	✗	✓	✗	Capped	3 months
Estonia	✗	✓	✗	✓	✗	Capped	3 months
Hong Kong	✗	✓	✗	✓	✗	Capped	3 months
Slovenia	✗	✓	✗	✓	✗	Capped	3 months
Spain	✗	✓	✗	✓	✗	Capped	3 months
Hungary	✗	✓	✗	✗	✓	Capped	3 months
Slovakia	✗	✓	✗	✗	✓	Capped	6 months
Austria	✓	✗	✗	✓	✗	Capped	No limit
Korea, South (Republic of)	✗	✓	✗	✓	✗	Capped	3 months
China	✗	✓	✗	✓	✗	Capped	6 months
Taiwan	✗	✓	✗	✓	✗	Capped	3 months
Malta	✗	✓	✗	✓	✗	Capped	3 months
Turkey	✗	✓	✗	✓	✗	Capped	3 months
Thailand	✗	✓	✗	✓	✗	Capped	3 months
Peru	✗	✓	✗	✓	✗	Capped	3 months
Vietnam	✗	✓	✗	✓	✗	Capped	3 months
Croatia	✗	✓	✗	✓	✗	Capped	3 months
Brazil	✗	✓	✗	✓	✗	Capped	3 months
Argentina	✗	✓	✗	✗	✓	Capped	No limit
Chile	✗	✓	✗	✗	✓	Capped	6 months
Uruguay	✗	✓	✗	✗	✓	Capped	No limit
Singapore	✓	✗	✗	✓	✗	Capped	no limit
Israel	✗	✓	✗	✓	✗	Capped	3 months
Lithuania	✗	✓	✗	✓	✗	Capped	6 months
Luxembourg	✗	✓	✗	✓	✗	Capped	3 months
Belgium	✗	✓	✗	✓	✗	Uncapped	No limit
Denmark	✗	✓	✗	✓	✗	Uncapped	3 months
France	✗	✓	✗	✓	✗	Uncapped	No limit
Germany	✗	✓	✗	✓	✗	Uncapped	No limit
Ireland	✗	✓	✗	✓	✗	Uncapped	No limit
Italy	✗	✓	✗	✓	✗	Uncapped	3 months
Japan	✗	✓	✗	✓	✗	Uncapped	No limit
Netherlands	✗	✓	✗	✓	✗	Uncapped	No limit
Norway	✗	✓	✗	✓	✗	Uncapped	No limit
Sweden	✗	✓	✗	✓	✗	Uncapped	No limit
United Kingdom (UK)	✗	✗	✓	✓	✗	Uncapped	No limit
United States (USA)	✗	✓	✗	✓	✗	Uncapped	No limit
Canada	✗	✗	✓	✗	✓	Uncapped	No limit
Finland	✗	✓	✗	✗	✓	Uncapped	3 months

Source: Working Holiday Visa data, Immigration New Zealand

3. Ratios of Working Holiday Visas compared with International Visitor Arrivals

Figure 1 shows how WHVs issued compare to arrivals from key international visitor markets. This shows there is a correlation from the US, Japanese and Canadian WHVs issued and the total number of visitors from those markets in 2016. However, the UK (WHVs=24% and visitor arrivals=6%) and Germany (WHVs=26% and visitor arrivals=3%) are vastly different in terms of ratio of total numbers.

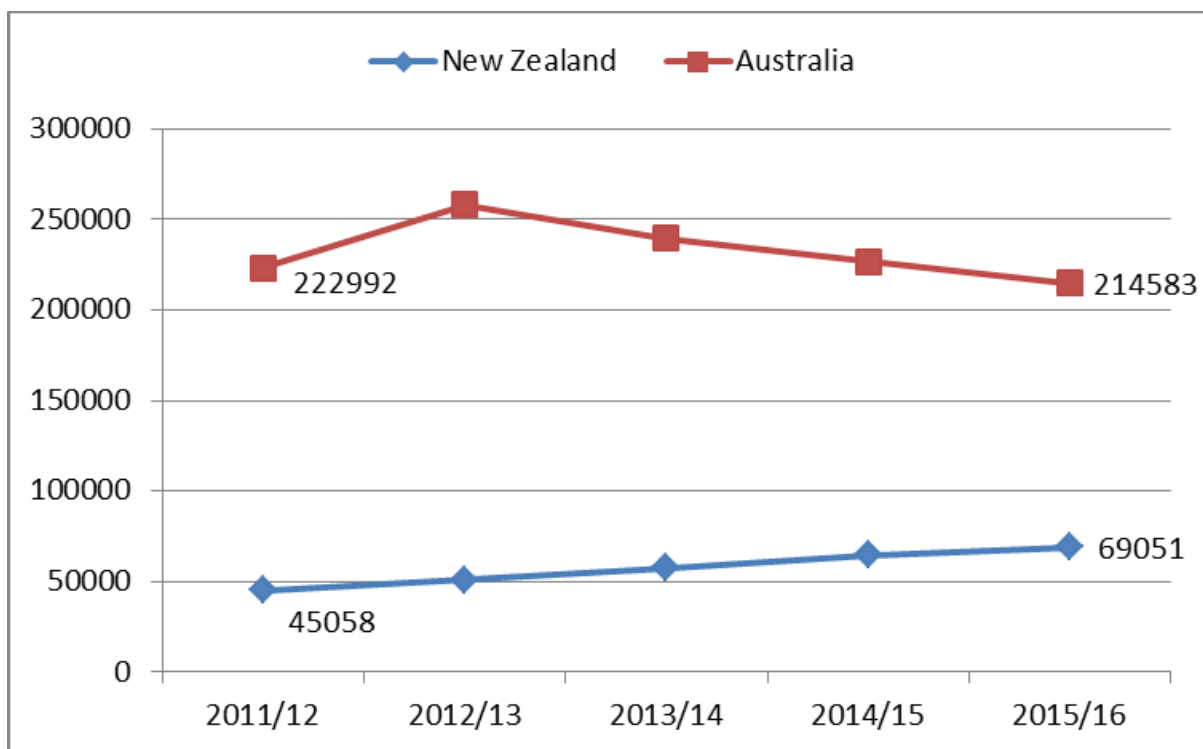


Source: Working Holiday Visa data, Immigration New Zealand

4. Comparing Australia and New Zealand Uncapped Working Holiday Visas

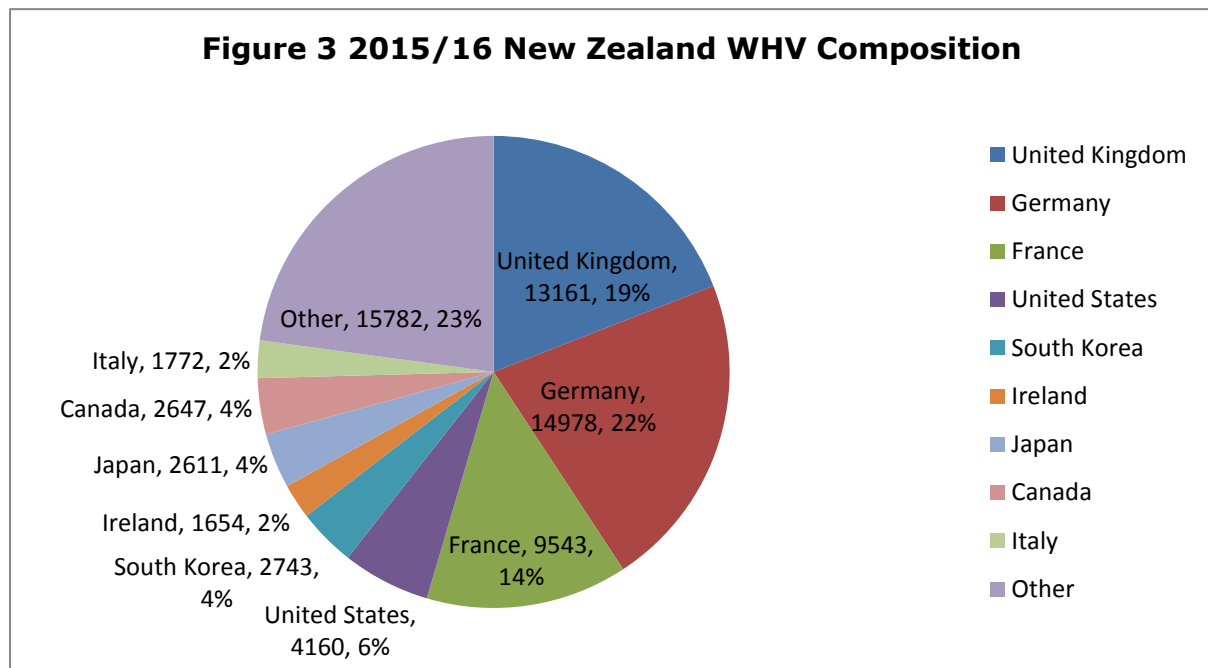
Figure 2 shows 69,051 WHVs were issued in New Zealand while 214,583 WHVs were issued in Australia in the 2015/16 year. Of note is the upward trend of New Zealand WHVs, increasing by 7% in the 2015/16 year compared with the previous year. In contrast, Australian WHVs declined 5% over this same period. Uncertainty over the level of taxation to be paid by WHVs holders and the longer standing issue of the setting of visa fees to an acceptable level are likely to be contributing factors to this decline.

Figure 2: New Zealand vs Australia Working Holiday Visas Comparison



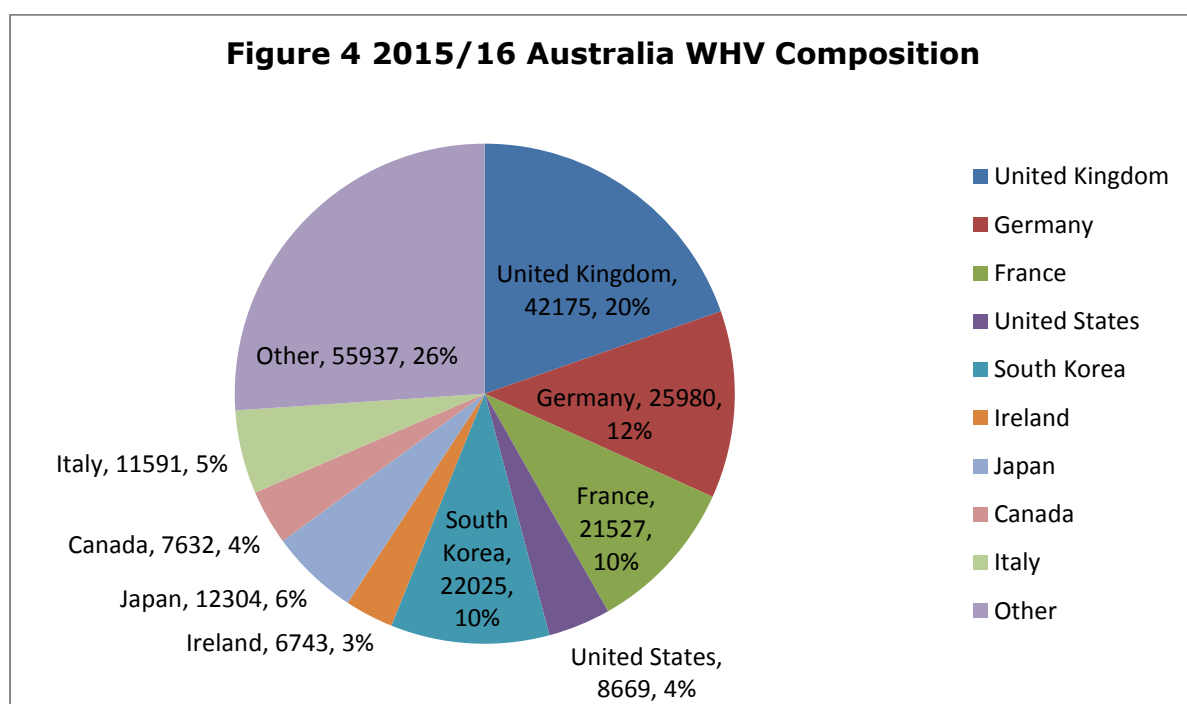
Source: Working Holiday Visa data, Immigration New Zealand & Department of Immigration and Border Protection (Australia)

Figure 3 illustrates where WHV holders originated from in the 2015/16 year. At 22% or 14,978 WHVs granted, Germany had the highest number. The UK recorded 13,161 or 19% of total WHVs.



Source: Working Holiday Visa data, Immigration New Zealand

Figure 4 illustrates where WHV holders into Australia originated from in the 2015/16 year. At 20% or 44,175 WHVs granted, the UK had the highest number. Germany also had a high proportion at 12% or 25,980 WHVs issued.



Source: Department of Immigration and Border Protection (Australia)

5. What's Next for Working Holiday Visas Holders

WHVs provide an opportunity to stimulate holders to stay in New Zealand for a longer period and further contribute to filling employment resourcing gaps. Immigration New Zealand data shows*:

- In the 2013/14 financial year 7546 people converted from WHVs to another type of work visa. This represents 16.1% of people whose WHVs came to an end in the same period.
- This drops to 11.9% when only looking at uncapped countries.
- Individual rates of conversion included: UK 18.5%, Ireland 32.1%, France 7.2% and Germany 2.7%.

*Note: These figures are estimates from Immigration New Zealand. The data covers all WHVs that ended in the 2013/14 financial year, and does not relate to the WHVs issue date. WHVs can end when the visa expires of its own accord, or when the client switches to a new visa.

6. Promoting NZ Working Holiday Visas in Australia

Tourism New Zealand (TNZ) has been promoting WHV information since June 2016 as part of a wider social media campaign across Facebook and Instagram. The campaign targets international backpackers, aged 18-24 years, who have been travelling in Australia for at least one month. The campaign aims to convince this group to extend their backpacking holiday with a trip to New Zealand. The Facebook campaign (figure 5) is designed to inspire and inform them of the WHV opportunities New Zealand offers. This is a positive way to leverage off international visitors who are in Australia to travel and work.

Figure 5 WHV Social Media Advertisement



Source: Tourism New Zealand

7. Useful Links

The following are useful links to information sources that have been used in this article and may be of interest for further exploration of WHVs in New Zealand and Australia:

[Immigration New Zealand Working Holiday Visas](#)

[Australian Visa Bureau](#)

[National Visas](#)