



Submission to the Productivity Commission.

24/12/2021

Submission on Immigration ~ Fit for the future. Preliminary findings and recommendations.

BYATA welcomes the opportunity to comment on the Productivity commission report.

I. Who are BYATA:

The Backpacker Youth Adventure Tourism Association is a collective (120+) of tourism businesses, which rely heavily on 18-35yo youth travelers visiting New Zealand. Our group's pou's are to Advocate, Collaborate, and Communicate on behalf of members to ensure a healthy youth tourism sector.

Our timu is to lead the next generation of traveler and our tirohanga is to be the independent voice for the youth travel industry. We are on a mission to define and advocate the true value of the sector, demonstrating that our customers for life are the poster child of the four capitals model.

We are proud to represent an even split of members who are either registered adventure activity businesses, accommodation providers or tour bus providers.

These members connect with their local steering group who meet on a bimonthly basis to discuss the topics of the day. We have 6 active steering groups represented in NZ in the following locations, Auckland, Rotorua/Taupo, Wellington, Christchurch and Queenstown.

Our board is drawn from a cross section of the backpacking and adventure tourism sector and currently has 11 elected members.

Please contact Chris Sperring, BYATA Chair for further information with regards this submission on info@byata.org.nz

Overall Commentary:

2. BYATA members rely heavily on a migrant workforce. Prior to Covid, Tourism in Aotearoa accounted for 14.4% of the overall NZ workforce. TIA stats show that within the Tourism and Hospitality industries, New Zealand workers were the clear majority but with an overall showing of 12% for migrant labour. We know from our membership that some center's such as Queenstown and Wanaka are more heavily reliant on migrant labour than others. Migrant labour tends to be eligible for work as part of the Working Holiday Visa scheme, with others switching at a later date to essential skills visas.
 3. There were 59,806 Working Holiday Visa (WHV) holders granted YTD 2019. WHV holders are shown to create approx. 1.2 jobs for New Zealanders and contribute 12x the GDP of an average visitor visa holder to the economy.
 4. Improved trade relations and the above metrics were key drivers when decisions were made within Govt to increase the number of countries who are included in the WHV scheme. There are 45 countries whose
-

residents are eligible for WHV, the majority of countries in this scheme have relatively small allocations of visas available (between 500-1000) per year and are classed as a capped quota.

5. 14 countries are part of the uncapped quota scheme where there is no limit set for the number of visas that can be approved in a calendar year. Visas generally last 12 months with workers able to work a portion of this time. Germany, UK and the US generally attract the most number of applicants.
6. BYATA is currently carrying out a Covid Recovery Study which sets out to explore in more detail the true value of the Working Holiday Visa holder to Aotearoa when applying the four capitals model. This deep dive will look to provide clarity on where, when and how much each visa holder contributes fiscally to the economy as well as the overall well being to a community stimulated by this visitor type.
7. This year BYATA has successfully advocated with INZ around further extensions for the WHV holders who remain in NZ, this has been granted on three separate occasions but numbers are now thought to be as low as 3000 who remain in NZ since the start of Covid.
8. BYATA has also advocated for a lengthening of WHV to be valid for 23 months instead of 12 for uncapped countries and for processing to open immediately, granting 24 months before arrival to take into account ongoing border restrictions.
9. We would welcome the Productivities Commission support in any of the above activity.

Prior to Covid one of our major workforce challenges revolved around where to house our workers in our main tourism centres due to a lack of rentable housing and rising rent costs which often gave the worker little choice but to freedom camp. This lack of availability in housing was largely driven by the unregulated rise in properties previously used for long term rentals shifting to short term and AirBNB style accommodation. This only exacerbated and fueled the freedom camping issue further, not to mention driving house prices up for everyday New Zealanders. In turn Tourism's social license was eroded in key areas such as Queenstown as locals got fed up with the litter and general mess freedom campers left behind.

Fast forward 18 months and we find a very different landscape. Productivity has been drastically reduced thanks to a 40% reduction in workforce as ongoing border restrictions have left Tourism and Hospitality businesses with the harsh choice to hibernate or close for good. Such as YHA New Zealand who have just closed 11 managed hostels after 89 years in operation. It is common now to find restaurants with reduced hours of operation or closed on certain days as unemployment levels remain low and there is no influx of migrant labour to contribute to the efficient flow of our worker economy. In short, productivity levels have dropped and a renewed focus on training, development and incentivizing to retain has taken hold. Declining levels in business profitability and staff well being have been the over riding stories of another torrid year in our sector and the industry at large. A global war on talent has emerged with NZ very much watching from afar.

Specific Commentary:

Immigrants make a positive contribution to New Zealand's workforce. Immigration has helped raise the overall skill level of the working population.

We strongly support these findings which is consistent with our own member experiences and commentary. Diversity in the workplace along with the development of soft skills enabled by a multi cultural place of work is in great danger of being lost. Soft skill attributes are often keenly developed in a Tourism and Hospitality setting forming the foundational building block of young kiwis who take these skills into their chosen profession. We are in great danger of losing these soft skills which will impact every industry in NZ.

Overall, immigration has not come at the cost of locals' wages and employment opportunities.

We support this finding. We note BusinessNZ's observation that despite extensive international research, there is no evidence that migrants displace people from work, particularly in countries with regulated and visible labour markets. MBIE data conservatively supports that every WHV holder creates 1.2 jobs for Kiwi's in this country.

There is a disconnect between the immigration system and the education and training system.

BYATA supports this finding.

The Go With Tourism workforce wananga discussed how to address a number of key misconceptions at industry level and sought to bring education, industry and MBIE closer together to help secure the flow of our future workforce by targeting tertiary students. This important body of work will seek generational change to help Tourism compete on an equal footing with other industries such as construction when competing to attract talent. But due to the size of NZ's population there must be a complimentary level of immigration and migrant worker to enhance our own workforce, optimize productivity and grow the economy.

Immigration policy needs transparency, a clear direction and better connections.

BYATA supports the position put forward by both Tourism Industry Aotearoa and Hospitality New Zealand. HNZ talk about the time it takes for a migrant to settle in NZ being 10 years which includes length of time attributed in the past from residency application to settling into a community. This is out of sync with a political cycle of 3 years. The flip flopping of policies in this political space due to change is confusing, hurtful and extremely costly to both employers and employees.

TIA talk about some of the failed processes that we as employers have had to experience over the recent past in the form of oversupply lists, ANZSCO ratings and labour market tests. All have served to be ineffective and have increased cost and resources associated with conducting business. Most have thankfully been scrapped.

The Tourism sector in general supports greater collaboration to enable better clarity and help provide clear direction with regards Immigration policy.

The treaty of Waitangi and Te ao Maori.

In what ways should the crown recognize the treaty of Waitangi in developing and applying immigration policy.

1. Maanakitanga

The value of Maanakitanga is critical in Maori society and is fundamentally unique in the delivery of world class travel products to International's visiting our shores. Kiwi's are generous and welcoming by nature and are a nation of travelers. An enhanced visitor experience has warmth, acceptance and mana at its core. When applied to immigration policy it is important that these principles are incorporated to enable the country to grow by attracting like and open minded people, devoid of prejudices and who will promote and contribute positively to our communities whilst not posing a threat to the safety of this country.

2. Kaitiakitanga

The principle of Kaitiakitanga is our guiding star when it comes to guardianship of our natural resources both human and natural. Immigration policy should incorporate this ethos when it comes to delivering a broad and diverse base of ethnicities in controlled numbers to this country to enable Aotearoa to grow and for hate and xenophobia to diminish. This would step immigration policy away from a solely financial based criteria and incorporate the four capitals model.

Conclusions.

1. We thank the Productivity commission for this opportunity to provide feedback on the reports key actions and findings.
2. We support the Tourism Industry Association and Hospitality New Zealand submission.
3. We also support Victoria University's submissions with regards its specific feedback on student visas and their rights to employment to remain unchanged when studying in NZ.
4. We would welcome any feedback on our submission and would love to explore any opportunities for data mining in support of the Working Holiday visa.





Chris Sperring

BYATA Chair

Chris.sperring@yha.co.nz