



tourism
INDUSTRY
ASSOCIATION NEW ZEALAND

Immigration Bill 2007

Submission

2 November 2007

Introduction

1. This submission is from the Tourism Industry Association of New Zealand (TIA), located at level 4, Tourism and Travel House, 79 Boulcott Street or PO Box 1697, Wellington.
2. Attached as Appendix 1 are details about our organisation and who we represent.
3. If you wish to contact us regarding this submission, in the first instance, please telephone Simon Wallace, Policy Manager on 04 494 1842 or e-mail him at simon.wallace@tianza.org.nz
4. The TIA submission comments on the Immigration Bill that is due to be considered by Parliament's Transport and Industrial Relations Select Committee.

Comment

5. In July 2006, our Association provided a detailed submission to the Department of Labour (Immigration) on the Immigration Act Review. In that submission two themes were prominent:
 - the impact of the review as it affects international visitors entering and leaving New Zealand, and
 - the need to address skills shortages in the tourism sector, especially due to the seasonal nature of the industry

It is these areas that we will again address in this submission.

6. TIA supports the overall tenor of the newly drafted Immigration Bill, since immigration policy settings have a critical impact on both the economic growth and security interests of New Zealand. A review of the Immigration Act 1987 was timely given the economic transformation that has taken place in New Zealand since then and the need to recognise not only increased border security risks, but also the competition for skills and labour that exist here and overseas.
7. In an economic context:
 - successful immigration policies are ones that promote economic growth by addressing skills and workforce shortages with a system that is more flexible and responsive to labour market needs
 - in the past, immigration policies have been unnecessarily prescriptive and created too many barriers to help both employees and employers in the smooth transition to work.

8. From a visitor's perspective, it is important to have a system that offers security and protection, but equally important is a system that provides a warm welcome and friendly face for travellers. First impressions count and in order for the tourism industry and others to deliver the world-class experiences we aim for in the New Zealand Tourism Strategy 2015, our visitors' interactions with border control agencies must continue to be enhanced.

Purpose of the Bill

9. The Association endorses the main points set out in the Bill's *Explanatory note*, specifically its support for:
 - the New Zealand workforce, through facilitating access to skills and labour and thereby contributing to output, productivity, and economic transformation;
 - the security of New Zealand;
 - the settlement of migrants, refugees and protected persons;
 - New Zealand's immigration-related international obligations;
 - the integrity of the immigration system; and
 - New Zealand families and national identity

Concerns re New Zealand Workforce Proposals

10. With regard to the New Zealand workforce and the facilitation of access to skills and labour:
 - the tourism sector still has concerns that the revised Immigration Bill will not provide the flexibility and responsiveness needed to address job shortages
 - like many other industries, tourism faces a serious shortage of appropriately skilled - and unskilled – workers, and this framework legislation contains few if any provisions to recruit workers from overseas, particularly to fill some of the less skilled jobs (such as cleaners, gardeners, kitchen hands, rental car/campervan washers, café workers, retail assistants, waiters and waitresses), all critical jobs to the sustainability of the tourism industry
11. The tourism sector believes an initiative like the one that exists for the horticulture industry could be replicated for the tourism industry. In areas where seasonal tourism flows are creating an unmet demand for workers, such a scheme would be particularly useful.
12. Many tourism businesses currently rely on temporary work permits for their employees that are normally issued on a one year basis. This means applicants have to reapply each year for work permits and this provides no long-term

stability for employees, employers and businesses. Compounding the problem is that the less skilled workers do not meet the points criteria needed to qualify for residency, so without a guarantee of stability, most employees end up having to leave New Zealand.

13. As residency is often the key to recruiting and retaining staff, the tourism industry would like to be recognised as “an identified future growth area” by Immigration. Tourism is New Zealand’s largest export earner:
 - at just over 29% of foreign exchange earnings
 - with growth having averaged in excess of 4% for nearly a decade now.
 - is the leading industry and contributor to economic growth in a number of regions of the country, such as Northland, the West Coast and Otago where it has transformed local economies and communities
 - employs approximately 1 in 10 New Zealanders.

Third Parties

14. As with other submitters, our Association has some concerns with the employer obligations outlined in section 313 (3) of the Bill. Under the new legislation there appears to be a lack of clear rules about employers’ obligations and defences against illegally employing staff, which could make compliance with the law difficult and costly for many tourism businesses, the large majority of which are SMEs.
15. We are particularly concerned at the inference that an IRD number or the sighting of an IR 330 form may no longer be sufficient grounds for the employment of New Zealand residents and citizens. In our July 2006 submission we argued that the current “reasonable excuse” of having sighted a tax code declaration should be retained.
16. The suggestions that New Zealanders may have to produce a passport or birth certificate as proof of eligibility to work is just not practicable. Furthermore, there seems to be no strong case to suggest there are large numbers of illegal workers with false IRD numbers.
17. Our Association believes, however, a requirement to sight a passport and necessary visa or work permit is entirely appropriate when overseas workers are being employed. Since many tourism businesses are already doing this, the extra burden on employers would be minimal.

Security and Integrity of the Immigration System

18. As TIA said in its July 2006 submission to the Immigration Act Review, we support the increased use of biometrics at New Zealand ports if it improves the integrity of the immigration system but in doing so, there is also a need to make sure the border experience is a welcoming one.

19. On another front, the Bill's *Explanatory note* provides no indication as to who will meet the costs of introducing biometrics. For example, it is not clear whether airlines, airports and visitors themselves will have to pay more as a result of the biometric enhancements.

Conclusion

20. As stated, our Association supports the general thrust of the newly drafted Immigration Bill. The focus on skills, security and settlement is sound and will help achieve economic growth and social diversity. We are concerned however that:
- the Bill does not adequately address the need for appropriately skilled – and unskilled - workers across a range of industries and, in our case, the tourism sector specifically
 - the obligations proposed for employers with respect to the employment of New Zealanders appears to be overly compliant and not backed up by facts
 - in enabling the future collection of biometric information, the Bill will improve the integrity of the immigration system but this should not compromise the ongoing need to provide a warm and friendly welcome to visitors, while any additional costs should not be passed on to visitors or tourism operators.

Appendix 1

Background Information on the Tourism Industry Association New Zealand (TIA)

1. The Tourism Industry Association New Zealand (TIA) advocates for the interests of the tourism industry in New Zealand. The businesses we represent generate more than 85% of New Zealand's tourism-related revenue.
2. Tourism is an \$18.6 billion industry (\$8.3b from international and \$10.3b from domestic tourism) with international tourist expenditure accounting for 19.2% of New Zealand's total export earnings.¹ The industry, directly and indirectly, employs 1 in 10 New Zealanders in a diverse range of businesses – the majority of which are small and medium sized enterprises. Not only is tourism important because of its size, representing 8.9% of New Zealand's GDP, it is:
 - Highly employment intensive;
 - Regionally disparate; and
 - Very diverse - ranging from large stock exchange listed companies to small cottage industries.
3. These businesses cover a range of tourism-related activities – hospitality, transport, adventure and activities, attractions and retail and related tourism services. In many cases, regional tourism businesses have developed around regional assets divested by other industries and have revitalized those assets and the communities that depend on them.
4. The tourism industry in New Zealand consists of more than 8,000 small and medium sized businesses. Of these businesses, most employ less than five people.
5. New Zealand welcomes more than two million overseas visitors to its shores every year. The domestic tourism industry is also important in helping sustain a vibrant tourism industry. TIA estimates that over 75 million visitor nights are purchased by New Zealanders every year.

¹ “Key Tourism Statistics – July 2007”, Ministry of Tourism website