



NEW ZEALAND
IMMIGRATION

Tourism & Hospitality Sector: Information for Employers



MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

immigration.govt.nz

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

Immigration NZ enables you as employers to access the skills you need when these aren't available locally. We recognise that permanent and temporary migrants are an important part of your sector's workforce in New Zealand. Migrant workers provide short-term labour and skills when there are none available in the local labour market, and also help your sector sustain its longer-term workforce needs.

Policy changes to residence and temporary work visas recently took effect, so to continue to hire migrants, it's important to know how those changes affect you and your migrant workers. As always, you are required to try to employ New Zealanders and to show that there are none available or trainable for your work – and all migrant workers must meet immigration criteria including health and character requirements.

Essential Skills (work) visa policy

Changes to Essential Skills work visa policy implemented on 28 August 2017 and other key points:

- 1) The introduction of remuneration bands to assess skill levels of jobs, alongside their ANZSCO (Australian and New Zealand Standard Classification of Occupations) code. This means that the amount you pay your migrant workers may have an impact on their visa conditions.
- 2) A new visa is required every year for lower-skilled visa holders. After a maximum of three years of lower-skilled work, your employee will have to leave the country for at least 12 months before they can apply for another low-skilled work visa.
- 3) Requirements for partners and children of lower-skilled visa holders coming to New Zealand to meet visa conditions in their own right.

Which jobs are considered to be lower-skilled?

Under the policy, any job in an **ANZSCO skill level 1 to 3** occupation (e.g. Chefs, Café or Restaurant Managers, Hotel Service Managers) paying below \$20.65 per hour (85% of the current New Zealand median income) is considered lower-skilled. Lower-skilled provisions also apply to jobs in **ANZSCO skill level 4 and 5** (e.g. Waiters, Outdoor Adventure Guides, Hotel or Motel Receptionists) paying less than 1.5 times the current median income level (i.e. under \$36.44 per hour).

There is **no change** to Essential Skills work visa conditions for workers in ANZSCO 1 to 3 occupations earning more than 85% of the New Zealand median income.

Those earning 1.5 times more than the median income level (currently \$36.44 per hour) will be considered higher-skilled – even those people working in ANZSCO skill level 4 and 5 occupations.

How do I support an Essential Skills Visa Application?

Before you can hire a migrant for a role and support their Essential Skills work visa application, there is still a labour market test process to go through. The steps you need to take are:

- › Identify the vacancy and the ANZSCO skill level of the job,
- › Advertise the job in New Zealand,
- › If the vacancy is for an ANZSCO 4 & 5 position which pays less than \$36.44 per hour, register the vacancy with Work and Income (except in Canterbury and Queenstown, see information link below)
- › If no New Zealanders are suitable, you may offer the job to a migrant worker, and support their work visa application, and
- › Include an Employer Supplementary Form: evidence of advertising to attract NZers, the offer of employment, final employment agreement (including remuneration details), and correct ANZSCO codes are key to a seamless application process.



[Click here for more information on how to support an Essential Skills work visa application](#)

[Click here for employers hiring in Christchurch or Queenstown](#)

Skilled Migrant Category (residence) visa policy

To be granted Skilled Migrant Category (residence) visa, migrants need to achieve a certain number of points. Changes to SMC implemented on 28 August 2017 included:

- 1) The introduction of two remuneration thresholds for applicants applying for residence under this category. One is set at \$24.29 per hour, in line with the New Zealand median income of \$50,523 a year, for jobs that are currently considered skilled (i.e. ANZSCO 1 to 3 occupations), and the other threshold at \$36.44 per hour or above, which is 1.5 times the New Zealand median income of \$75,795 a year for jobs that are not currently considered skilled (i.e. ANZSCO 4 and 5 occupations) but are well paid.
- 2) More points for:
 - a) skilled work experience,
 - b) some recognised post-graduate qualifications, and
 - c) applicants aged from 30 to 39 years.
- 3) Points no longer available for:
 - a) qualifications in areas of absolute skills shortage (e.g. Chef), or
 - b) for close family in New Zealand, or
 - c) employment, work experience or qualifications in Identified Future Growth Areas.



[Click here for more information on these changes](#)

South Island Pathway Visa

This came into effect in May 2017 and is open until May 2018. If someone has been working on an Essential Skills work visa in the South Island for five years or more, and meets other conditions, they may be eligible for this visa – which can provide a pathway to residence.



[Click here for more information](#)

Visa View

To make it simple to verify if a non-New Zealand citizen can work for you, Immigration New Zealand has an online tool available called VisaView. VisaView allows registered employers to check if a prospective – or current – worker holds a valid work visa, as well as the conditions of the visa and its expiry date. You can also confirm the person’s passport information through this system.

Any New Zealand employer can register to use VisaView. It’s a free service and once you’ve registered you’ll have a record of any enquiries you’ve made, which is useful for compliance matters – such as your obligations under the Immigration Act to check that an employee can work here.



[Click here to find out more](#)

Policy changes summary:

ANZSCO 1 to 3 occupations

**<\$20.65 ph
(\$42,952 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)

**\$20.65 –
\$24.29 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)

**>\$24.29 ph
(\$50,523 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)

Policy changes summary:

ANZSCO 4 & 5 occupations

**<\$36.44 ph
(\$75,795 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)

**>\$36.44 ph
(\$75,795 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 >\$75,795*



“Eat, Drink and Sleep” case studies: What these changes mean for your staff

“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 \$41,933, 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 \$43,451?
 - If she is promoted to Sous Chef, earning 55K?

CHEF DE PARTIE (Chef SL 2)

\$41,933 (\$20.16 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

\$43,451 (\$20.89 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)



“Drink” – Food and Beverage

- › 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 \$18.22 per hour.
- › 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?

<hr style="border: 1px solid red;"/> <p>F & B ATTENDANT (Waiter SL 4) \$18.22 per hour 75% of median income</p> <ul style="list-style-type: none"> › 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) 	→	<hr style="border: 1px solid red;"/> <p>PROMOTION F & B SUPERVISOR (Retail Supervisor SL 4) \$19.68 per hour 81% of median income</p> <ul style="list-style-type: none"> › 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) 	<hr style="border: 1px solid orange;"/> <p>PROMOTION F & B MANAGER (Restaurant/Cafe Mgr SL 2) \$22.83 per hour 94% of median income</p> <ul style="list-style-type: none"> › Up to 3 year duration Essential Skills work visa › No maximum time in NZ › Not eligible for skilled employment points for residence (SMC)*
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*To be eligible for skilled employment points for residence, Johan will need to be paid the median income level (currently \$24.29 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).
- › She originally came to NZ on a Working Holiday visa and is currently on 12-month Essential Skills work visa valid until 2 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?

<hr style="border: 1px solid red;"/> <p>ROOM ATTENDANT (Commercial Housekeeper SL 5) \$17.00 per hour 70% of median income</p> <ul style="list-style-type: none"> › 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) 	→	<hr style="border: 1px solid red;"/> <p>PROMOTION HEAD HOUSEKEEPER (Hotel Service Manager SL 3) \$19.68 per hour 81% of median income</p> <ul style="list-style-type: none"> › 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) 	<hr style="border: 1px solid orange;"/> <p>SALARY INCREASE HEAD HOUSEKEEPER \$21.13 per hour 87% of median income</p> <ul style="list-style-type: none"> › Up to 3 year duration Essential Skills work visa › No maximum time in NZ › Not eligible for skilled employment points for residence (SMC)*
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*To be eligible for residence, Marie-Clare will need to be paid the median income level (currently \$24.29 per hour) in a skill level 1 to 3 occupation.

What are these income thresholds based on?

The income levels applied by Immigration New Zealand to Essential Skills (work) and Skilled Migration Category (residence) visa policies are derived from **Statistics New Zealand's Labour Market Statistics quarterly median wage data**. The relevant reports are entitled **Labour Market Statistics (Income)** and you can look them up [here](#). The median income level of \$24.29 per hour which applies from 15 January 2018 is based on Statistics New Zealand's June 2017 report.

	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
Earnings from self-employment	700	21.62	-20*	-2.8	0.31	1.5
Earnings from government transfers	337	-	18	5.7	-	-

*Symbols: – not applicable *not statistically significant*

Remuneration and Deductions

According to the Wages Protection Act 1983 you may make a deduction from a worker's pay if:

- › the deduction is specifically required by law, for example, PAYE tax, student loan repayment, child support
- › the deduction is for a lawful purpose, is reasonable AND your worker has agreed to or asked for it in writing. This freely given written consent should be provided to Immigration NZ along with their employment agreement
- › the deduction is to recover an overpayment in limited circumstances, or
- › a court directs that a deduction be made.

Board (accommodation and meals) and lodging (accommodation only):

- › You and your worker can agree that you will provide accommodation, and also that the cost of that accommodation will be deducted from their pay. Any agreement relating to accommodation should clearly detail the arrangement and its cost to the worker, which should be reasonable. Wage records should include the wages payable before the agreed value of accommodation is deducted: this total amount is what is used to check the wage being paid to the employee.
- › If there is no specific agreement about the cost of accommodation, you may deduct from wages – calculated at the relevant minimum wage rate – no more than 15% for board or 5% for lodging.
- › The tenancy or accommodation agreement should be either separate from the employment agreement or able to be separated, and should be submitted to Immigration NZ.

When is a deduction not allowed?

Money may not be deducted for your normal costs of doing business or to pass on to employees the risk of doing business. The costs of doing business normally include:

- › recruitment and legal costs
- › induction costs
- › on the job training
- › safety equipment
- › tools where ownership is retained by the employer
- › mobile phones, laptop computers or motor vehicles that are used by the employee as part of their employment

The risk of doing business normally includes:

- › theft by customers
- › miscalculation of change (till variance)

For example, a deduction clause that allows you to make deductions where a customer takes petrol and drives off without paying is not acceptable.

How should you record deductions?

Deduction agreements are often recorded as clauses in an employment agreement. Deduction clauses in employment agreements may relate to either 'general' or 'specific' deductions, or both. Where there is only written agreement of the employer's 'general' ability to make deductions, you must also consult with and gain the agreement of the employee to make any specific deductions. The employee must have the opportunity to consider, review and agree to each and any specific deduction made.



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