



Submission to

**Ministry of Business, Innovation and Employment
(MBIE)**

on the

**Seasonal Snow and Adventure Tourism Sector
Agreement Consultation**

Date: 3 June 2022

Tourism Industry Aotearoa (TIA) welcomes the opportunity to comment on the Ministry of Business, Innovation and Employment's Consultation on a Seasonal Snow and Adventure Tourism Sector Agreement.

EXECUTIVE SUMMARY

1. TIA supports the introduction of a Seasonal Snow and Adventure Tourism Sector Agreement (the Agreement). The Agreement serves two important purposes. Firstly it recognises the challenges inherent in attracting New Zealanders to occupations heavily influenced by seasonality. Secondly it serves as an experimental platform to assess if an effective government/industry partnership can be formed to address labour shortages in the tourism sector.
2. TIA recommends that the scope of occupations is expanded beyond the proposed list of six ANZSCO occupations, to include further roles in the sector.
3. TIA supports the stepped increase to the wage threshold over time. We believe setting the base-rate at 85% of the median wage in year one is reasonable, increasing to median wage in 2025.
4. TIA is concerned that three years may be insufficient time to recruit and train adequate numbers of New Zealanders to ensure ongoing sustainability of the sector. We would advocate for a government/industry plan to ensure that the sector improves its capability to attract and train New Zealanders in these occupations.
5. We recommend research be undertaken to understand how many people will be required in 3-5 years to work in the proposed occupations and the capacity of current training pipelines to meet projected demand.
6. TIA would like to see a waiver on visa application costs for same worker/same employer during the three-year agreement.
7. TIA encourages MBIE to establish and implement a monitoring group and regular review process for the duration of the agreement.

INTRODUCTION

8. TIA is the peak body for the tourism industry in New Zealand. With approximately 1200 members, TIA represents a range of tourism-related activities including accommodation, hospitality, adventure and other activities, attractions and retail, airports and airlines, transport, as well as related tourism services.
9. The primary role of TIA is to be the voice of the tourism industry. This includes working for members on advocacy, policy, communication, events, membership and business capability. The team is based in Wellington and is led by Chief Executive, Rebecca Ingram.

10. Any enquiries relating to this paper should in the first instance be referred to Lori Keller, TIA Industry Advocate by email at lori.keller@tia.org.nz or by phone on 0210 868 5356.

STAKEHOLDER CONSULTATION

11. In preparing this submission, TIA has engaged with its members in the snow and adventure activity sectors.

COMMENT

12. We would like to acknowledge that the Government, as part of the Immigration Rebalance proposals has listened to our call for a Sector Agreement in the tourism industry. While we had sought a much wider range of industry roles in an Agreement, we accept the difficulty of this in such a diverse industry as tourism. We also acknowledge that support for these other roles is provided in the policy to exempt a further 27 tourism and hospitality roles from the median wage requirement until April 2023.
13. We would like to acknowledge the efforts of officials to provide strong stakeholder engagement during the consultation period. Regular opportunities were provided for engagement and in our view the officials did a good job in undertaking a transparent consultation process that enabled a range of government and industry views to be shared and considered.
14. Our feedback on the proposed Sector Agreement covers the five areas requested in the proposal:
- a) Scope of Occupations
 - b) Wage Threshold
 - c) Additional Expectations
 - d) Costs
 - e) Monitoring and review

A. Scope of Occupations

Do the proposed six occupations cover the core globalised seasonal workforce in the sector? Are there any occupations included that should not be?

15. We believe that the scope of the agreement should be extended to cover additional roles in the seasonal and adventure tourism sectors. We have provided a list of these below. The below list is not exhaustive and covers ANZSCO occupations we have been able to identify as being potentially eligible under some if not all of the four criteria provided i.e. staffed by overseas workers on employer-assisted visas; paid at rates

below median wage; support key health and safety functions in the sector; and follow seasons between hemispheres.

Bungy Jump Master (452211),
Charter and Tour Bus Driver (731212)
Diving Instructor (Open Water) (452311)
Fishing Guide (452212)
Hunting Guide (452213)
Lifeguard (452414)
Tour Guide (451412)
Trekking Guide (452216)

16. We understand that the addition of some of these roles may require further detail. As such, we have included the following examples to provide context:

a) Coach/bus drivers: ski areas are actively promoting the use of shuttle services to address sustainability and carbon footprints. Historically, ski fields have difficulty in finding experienced staff to fill coach/shuttle driver positions;

b) Lifeguards: thermal resorts in our sector employ lifeguards seasonally (summer peak in particular) and these employees often travel between hemispheres to keep their qualifications current, and to work in different environments;

c) Tour guides: these experienced and trained staff are employed in a wide number of businesses, such as 4WD driver/guides going into the backcountry (Skippers Canyon, Macetown, Molesworth etc) who provide interpretation as well as safe/guided access to the back country.

TIA would be happy to provide more detail if required about these and other roles for the benefit of the Agreement.

17. A detailed list of business types currently classified as Adventure Activities can be found on the [WorkSafe Register of Adventure Activities](#). We provide this reference as the inclusion of safety features strongly in the Agreement proposal.

18. TIA also recommends that consideration be given to 'back of house' occupations such as bike mechanics (ANZSCO #899911), whose job is a direct contributor to safety in the sector. With the growth in popularity of the wider cycle trail network, there is a shortfall of experienced mechanics available for maintenance and servicing of bikes, and especially e-bikes for the cycle trail network.

19. We acknowledge that officials have considered a wider scope and as some roles have previously been remunerated at or above the median wage they have not been included in the Agreement. However, the workforce has changed as a result of COVID-19. The industry lost 65,000 workers in 2020, 1/3 of the workforce. We don't know how many of these roles were in the adventure tourism sector but anecdotally operators in the sector are reporting difficulties in finding staff. These seasonal roles may have previously been filled by New Zealanders; however, these same workers have since left the sector or have now travelled offshore as borders have opened. We believe there is justification for widening the scope of the sector agreement to enable businesses to employ overseas workers in more roles under the Agreement arrangement for the coming three seasons as the sector rebuilds its workforce.

20. The NZ Rivers Association (representing White Water Rafting Guides) has provided the following feedback:

North Island rafting operators employed more than 120 guides in summer pre-Covid; these companies indicate that they will need 90 guides to service summer demand in 2022/23. The South Island's largest operator believes they will require 6-10 overseas guides for the 2022/23 summer season.

21. We also recommend that a detailed list of the range of roles under each occupation is included in the Agreement. For example, one of the six proposed occupations is Outdoor Adventure Guides NEC (not elsewhere classified). It will be useful to provide an extensive list of the roles that come under this category. A similar situation exists for the Outdoor Adventure Instructors, to reflect the wide range of roles and skill sets under this occupation e.g., bush instructors, alpine instructors. This would provide clarity for operators making applications as well as immigration officials processing the applications. TIA is happy to assist in the compilation of these roles if deemed appropriate.

B. Wage threshold

Are the proposed wage thresholds and increases over time appropriate? Do the wage thresholds allow for sufficient workforce planning and predictability in the sector?

22. TIA supports the stepped increases to the wage threshold overtime, commencing with 85% of the median wage in 2022/2023, moving to the median wage by February 2025.

23. Officials have raised concerns at the recent stakeholder meeting that the introductory wage band of \$23.60/hour (85% of median wage) may be too low. Our view is to retain that rate as proposed. The \$23.60 acts as a default minimum wage for employing an overseas worker in one of these occupations. Market forces will dictate what employers need to pay and we suspect that with the current international labour shortages employers may need to pay above the \$23.60 threshold to recruit from overseas.

C. Additional Expectations

Are there any expectations of the sector additional to the wage threshold increases that you think should be considered?

24. One of the basic premises of the Agreement is that an exemption regime is being applied to create a window of time to enable the sectors to attract and train sufficient New Zealanders to fill these roles. It's a big ask and Government's expectation is that the Industry Transformation Programme – Better Work (ITP) will lead the achievement of this goal.
25. We are concerned that access to Outdoor qualifications through the tertiary education sector has become increasingly challenging due to decreasing demand, and subsequent decreasing course provision in some areas of the country. There has resulted in a diminished supply of trained applicants meaning fewer New Zealanders are entering the tourism/guiding workforce.
26. This places a range of expectations on the ITP, including the development of insight into sector roles (types of roles and numbers employed), and identification of weaknesses in the training pipeline. Our concern is that unless this insight and forecasting is completed promptly the Agreement may deliver little change in the sector. A Government/industry partnership via the ITP will be required to ensure a programme of work is implemented so the desired results can be achieved.
27. In the meantime, this shortfall of trained New Zealanders makes the need for recruitment of trained overseas staff even more important. Ensuring the ongoing safety and survival of the adventure tourism sector is of concern to us. Feedback from the sector has highlighted concerns about the fairly short period of the Agreement to train people to the required skill and experience levels.
28. The international adventure tourism sector relies upon a workforce that can travel between countries/hemispheres to gain experience and training. This is a significant part of developing the skill and experience levels of the sector. Whilst TIA appreciates the government's desire to train New Zealanders to fill these roles, the nature of the sector means that Kiwis will continue to travel overseas to broaden their experience, and international guides will continue to visit NZ to work and develop their careers. This distinct feature of the sector makes it unique among occupations in New Zealand and the world.
29. TIA strongly supports the inclusion of these roles in the AEWV scheme beyond the 3-year proposal of the Agreement. It would be detrimental to the industry if these roles were to become part of a Restricted Occupation List on the premise there will be enough suitably trained and experienced New Zealanders available at the end of the Agreement period. The sectors have a highly diverse workforce that travels to gain experience. New Zealand trained guides may not return to NZ in subsequent years in pursuit of their career development leaving a potential shortfall of trained staff.
30. Another point for consideration is fluency in other languages. Many guides recruited from overseas have second and third language capability that adds significant value to the client experience and operational safety. This is a skill set that takes years to develop and speaks again to the point of training and required skill sets.

D. Costs

31. The effect of the pandemic will continue to hamper tourism businesses for the next 3-5 years. TIA proposes that under the Agreement there is a waiver of the application fee (\$540 per application) for returning overseas workers where the same business offers the same individual employment for subsequent seasons (whilst the Agreement is in effect). For example, if a rafting guide is offered an AEWV (Accredited Employer Work Visa) for a season by Company X in 2022 then there is a waiver of the application fee if that same river guide returns to employment with Company X for further season in 2023 and/or 2024. Such a policy in our view would be consistent with the intent of the Sector Agreement – to support ready access to overseas workers when a suitable New Zealander is not available.

E. Monitoring and review

Is there any data or information you could provide to support monitoring to ensure the sector is making efforts to recruit New Zealanders?

32. We are concerned that the timeline, effectively 30 months from when the Agreement takes effect in September 2022 does not provide sufficient time for the sector to recruit, train, and develop New Zealanders into these roles.
33. Government is not proposing a review of the Agreement and signalled that in February 2025 the median wage threshold will apply, and the Agreement will lapse. In our view a review process is required to assess if the Agreement has delivered the workforce improvements being sought.
34. We propose the creation of a government/industry monitoring group to evaluate the management of the Agreement against the projected outcomes. We envisage six-monthly meetings, in April and October. The agenda would be to review season outcomes and projections for the upcoming season. Information would also be gathered on enrolments in training courses and how the pipeline of developing qualified New Zealander is progressing. The establishment of such a group would also enable meetings to be quickly convened about other matters as/when required.
35. This monitoring would also support a review of the Agreement towards the end of the three-year programme to gather insights and evaluate the need (if any) for a continuation of the scheme.

6. Closing

36. TIA would like to be involved in any further work and discussions on the Agreement including its implementation. We would also be willing to coordinate the monitoring group should that be progressed.