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Ministry of Business, Innovation and Employment
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Changes to Skilled Migrant Category visa pathways

Tourism Industry Aotearoa (TIA) welcomes the opportunity to provide feedback on the proposed Red and Amber list for the new Skilled Migrant Category (SMC) visa pathways being introduced.

TIA represents around 1,200 member businesses across a range of tourism-related activities including hospitality, accommodation, adventure activities, attractions, retail, airports and airlines, transport, as well as related-tourism services. Together, these sectors directly and indirectly employ 303,420 people, or 10.7% of the New Zealand workforce.

Tourism is a cornerstone of New Zealand's economy, contributing \$44.4 billion spend in the YE March 2024 with the export sector of the industry being \$16.9b annually.¹

In February 2025, the Government established its 'Going for Growth' agenda as a comprehensive approach to lifting living standards and stimulating faster economic growth.

TIA supports this agenda and the launch of the Tourism Growth Roadmap in June 2025 given the capacity of tourism as our second largest export industry to quickly grow.

Work is underway by the industry to advance the Growth Roadmap's workforce stream, with Ringa Hora helping forecast the industry workforce needs alongside the objective to double tourism export value.

Tourism Workforce Survey 2025

TIA's latest Workforce Survey was completed in August 2025 and highlighted that while tourism businesses are more optimistic about the 12 months ahead, significant workforce pressures and talent shortages remain.

At the time of survey, 82% of respondents had attempted to hire within the last 12 months and more than half of roles being recruited overall (55%) were considered mid-

¹ Stats NZ, Tourism Satellite Account, Year-ended March 2024

level or skilled. Most tourism businesses are looking to grow by at least one FTE within the next three years, and 47% of tourism businesses were hiring currently.

Of the issues they faced, 45% cited the lack of quality applicants as the primary recruitment challenge for their business, with 'unrealistic salary expectations' and location factors also among the top four issues faced. These current and projected workforce shortages remain a primary concern for tourism businesses across the industry.

The industry is characterised by geographic spread, with many businesses in more remote parts of the country, and a high degree of seasonality which combine to make the attraction and retention of New Zealanders in roles challenging.

Domestic labour supply is not able to meet current and future demand right across that tourism workforce, particularly in accommodation and hospitality. These sectors are essential to the visitor experience and underpin the success of tourism as an export industry.

Access to a migrant workforce is therefore critical to individual businesses and the tourism system overall. The recent announcement of new Skilled Migrant Category (SMC) visa pathways were considered a positive step towards alleviating these pressures and enabling expansion of activity in line with the growth of visitor demand.

TIA's feedback

TIA is opposed to the restriction of accommodation and hospitality roles from the new SMC visa pathways through their proposed inclusion in the Red / Amber list.

This is based on a number of factors, including the importance of accommodation and hospitality sectors to the overall tourism system, the existing and projected workforce pressures faced by those sectors and the impact on tourism's overall ability to fulfil the government's Tourism Growth Roadmap.

TIA supports the intent to streamline immigration processes and protect vulnerable workers, but does not believe that the solution addresses what is described as the 'problem'.

Taking a broader industry view, restricting key accommodation, hospitality and other tourism-relevant customer service and retail roles will have ripple effects across the tourism ecosystem:

- **Regional Impact:** Smaller communities reliant on tourism will struggle to attract and retain staff, limiting their ability to host visitors.
- **Visitor Experience:** Service quality will decline if businesses cannot fill critical roles, damaging New Zealand's reputation as a premium destination.
- **Economic Growth:** Labour shortages will inhibit the performance of individual tourism businesses and restrain the industry's ability to meet and exceed its growth agenda.

A. Wage Multipliers

The required wage thresholds (1.3× median for Amber, 1.5× for Red):

- Would raise labour costs and these costs would likely need to be passed onto consumers.
- Are viewed as unrealistic given the commercial settings of accommodation and hospitality.
- Would make residency pathways inaccessible for most genuine workers in these roles.

B. Problem Definition and Risk Classification

Industry is unconvinced that:

- Hospitality and tourism roles are inherently high-risk.
- Exclusion of roles is the correct mechanism to address exploitation or poor practice.

The Accredited Employer Work Visa (AEWV) system already addresses exploitation and enables identification and enforcement on an individual employer basis which the n sector feels is the sensible and appropriate solution to the problems these changes are looking to solve . Instead of limiting pathways for legitimate roles, the sector would support strengthening the enforcement of AEWV to address exploitation.

C. Recruitment and Workforce Realities

The restrictions will worsen existing shortages in accommodation and food service roles particularly in regions heavily reliant in tourism with small population bases. Persistent shortages in accommodation and hospitality are:

- A global issue, not evidence of over-reliance on immigration.
- They are driven by seasonality, remote geography, and limited local applicant pools.
- Reflective of normal commercial turnover, not systemic employer failure.

The assessment underpinning the Red/Amber proposal does not adequately account for:

- The operational importance of front-line accommodation and hospitality roles.
- The growth of ethnic cuisine and culturally diverse foodservice businesses.
- The significant contribution of migrant and refugee workers to tourism delivery.

D. Inappropriate Eligibility Conditions

The qualification conditions are inappropriate for a hospitality or accommodation business who often value work experience over academic qualification.

Industry is concerned that:

- FTE headcount or turnover thresholds as crude proxies for employer capability
- Qualitative conditions should also be avoided as they would unfairly exclude certain parts of the sector from accessing the pathway(s).Qualification requirements that do not align with sector practice (where experience outweighs academic achievement).

Amber List recommendations

If the Amber list proceeds, industry recommends modifications that would more accurately balance worker protection with tourism's workforce needs. The industry's general preference is for:

- The generic Amber list conditions as the primary filtering mechanism
- An increased work-experience requirement as achievable and appropriate
- A lower wage multiplier, especially for roles such as senior chefs, food and beverage managers, and senior hotel staff.

These changes would keep the pathway accessible while still ensuring a meaningful skill and wage threshold.

Thank you for your consideration of this feedback.

Yours sincerely

A handwritten signature in black ink, appearing to read 'G. Thomas'.

Greg Thomas
General Manager Membership and Advocacy