



Submission to
Immigration New Zealand
on the
Proposed changes to Visa Services

Date: 4th October 2017

TOURISM INDUSTRY AOTEAROA

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Tourism Industry Aotearoa (TIA) welcomes the opportunity to comment on the proposed changes to Visa Services at Immigration NZ (INZ).

This submission is filed without prejudice to TIA's future position. Our ability to prepare a comprehensive submission responding to the proposals relied on the provision by INZ of information relevant to the connection between application and the benefits that would accrue. If any information is provided at a later date, TIA reserve the right to comment further.

EXECUTIVE SUMMARY

1. There is a lack of information on the impact of the proposed changes to the tourism sector. The proposals do not provide information on the functions of the proposed customer sector teams, the structure of each team and the number of staff. Therefore, we are unable to provide full support for this model due to a lack of information.
2. There is a mixed view from TIA and stakeholders on the proposed changes to location of procession sites. On the positive side, there is general support for implementing a sector-based structure in New Zealand.
3. It is important for INZ to understand there are significant sub-sectors to consider in a sector-based approach. Sub-sectors such as accommodation, cafes/bars/restaurants, fast-food outlets, adventure activities and ski fields are all significant employers of staff on work visas. Each of these sub-sectors has their own nuances.
4. The visitor experience is a key theme of Tourism 2025. It is important to recognise that the visitor experience begins when potential visitors are at home making the decision to travel to New Zealand. If they have a bad experience with visa processing, it will impact negatively on their view of New Zealand. INZ visa processing staff are ambassadors of New Zealand.
5. There are concerns with the proposed changes to reduce off-shore immigration offices from seventeen to five, driven by concerns that the pressure placed on these reduced processing centres will impact service levels and processing times.

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6. It is important to the industry that some local knowledge/presence is retained overseas, particularly in the emerging markets or those where English is not so widely spoken.
7. It is important to note that while the international visitors rate their experiences with New Zealand very highly (90% satisfaction rate), rising prices for holiday packages and increasing visitor numbers can impact the experience. Adding in a less-than-competent visa processing experience could be the step too far that deters overseas travel agents from selling New Zealand.
8. We encourage INZ to consider how they can retain a strong service presence if the proposed reduction in office locations goes ahead. For example, INZ should consider the concept of tourism stakeholder managers in their overseas offices.

RECOMMENDATIONS


9. Please consult further with TIA and other stakeholders before making decisions on any recommendations to ensure all options are considered and discussed. The proposals do not contain sufficient detail regarding staffing levels or scope of responsibilities of the sector-based teams. Therefore we are unable to comment on the operational capacity of the proposals.
10. Ensure due consideration is given to recognising the different needs of sub-sectors when taking a sector-based approach to servicing operators.
11. Ensure due consideration is given to impacts on the visitor experience both on-shore and off-shore when deciding on the most appropriate operating models, e.g. processing times and service levels are maintained or improved.
12. Consider the appointment of tourism stakeholder managers in the overseas offices to act as a conduit between industry stakeholders and INZ staff.

INTRODUCTION

13. Tourism Industry Aotearoa (TIA) is the peak body for the tourism industry in New Zealand. With over 1,500 members, TIA represents a range of tourism-related

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activities including hospitality, accommodation, adventure and other activities, attractions and retail, airports and airlines, as well as related tourism services.

14. 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, Chris Roberts.

15. Any enquiries relating to this paper should in the first instance be referred to Nienke van Dijken, TIA Policy Analyst at nienke.vandijken@tia.org.nz or by phone on 04 494 1842.

COMMENT

Tourism 2025

16. Tourism 2025 (www.tourism2025.org.nz), an industry-led, government supported economic growth framework was launched in New Zealand in 2014 and has set an aspirational goal of reaching \$41 billion in annual tourism revenues by 2025. The industry's focus is on growing value faster than volume.

17. The Tourism 2025 growth framework is based around five key themes which are Insight, Connectivity, Productivity, Visitor Experience and Target for Value. This growth framework has been reviewed ([Tourism 2025-two years on](#)) in 2016. While the five themes of the framework remain unchanged, the emphasis in some focus areas has shifted.

18. The topic of this submission has potential to particularly impact on two areas of the Tourism 2025 aspirations. The first of these is People & Skills. Having the right people at the right time in the right place remains an important focus. Where no suitable New Zealanders are available, it is important operators have access to suitable people on work visas.

Secondly, the Visitor Experience is a key theme of the growth framework. As we note in this submission, the review of Visa Services has potential to impact both favourably and negatively on those visitors requiring visas to enter the country.

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Our understanding of the issue

TIA understands that:

19. INZ are currently consulting on proposed changes to how they undertake parts of their Visa Services function. There are two main components to the review. Firstly, INZ are proposing to consolidate visa processing to fewer, strategically chosen sites. Off-shore the proposal is to consolidate sites from seventeen to five over a three-year period, with two based in Mumbai and Beijing and three in the Pacific Islands. Onshore, there will be a small reduction from six to five sites - Manukau, Hamilton, Palmerston North, Porirua, and Christchurch.

INZ has benefitted from significant investments in new technology, with about half of eligible visa applications now being made online. The retention of Mumbai and Beijing offices reflects the high volume of student and visitor visa applications made in those markets. INZ notes that under these proposed changes, all work (except for post-study work visas) and residence category visas would be processed here in New Zealand.

20. INZ are proposing to specialise the visa processing by customer sector in order to be 'more customer-centric, efficient and responsive with improved timeliness, accuracy and consistency in decision making'. There are four proposed sectors:

- Business (relates to Worker, Investment and Employer)
- Education (relates to Study, Post-Study Work)
- Tourism (relates to Visitors, Independent Travel)
- Social (relates to Returning Resident, Family, Humanitarian and Partnership)


Our understanding is that work visas for those in the tourism industry will be managed by the Business team and visitor visas will be managed by the Tourism team.

Consultation document

21. We were frustrated with the lack of detail and timely provision of information in the consultation process. The early information consisted of an email and two pages of information. TIA received a copy of the INZ presentation 'Visa Services 2020, Customer Excellence in a Digital World, Stakeholder Presentation' which contained additional information a day before consultation closed.

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22. There is a lack of detail in the information provided on the impact of the proposed changes to the tourism sector. The proposals do not provide any information on the functions of the proposed customer sector teams, the structure of each team and the number of staff. Therefore, we are unable to provide full support for this model due to this lack of information.

Stakeholder Consultation

23. TIA has sought feedback on the proposals from a range of industry stakeholders including:

- industry associations representing inbound tour operators, accommodation, ski-fields, and food & beverage
- tourism operators in the accommodation/food & beverage, and adventure activity sectors
- international educators

We received feedback from most of these stakeholder groups which has been incorporated into the submission.

Context

24. Visa Services is an important contributor to supporting visitor flows and enhancing the visitor experience. Key data (YE June 2017) includes:

- 6,239 (19.3%) of the 32,286 Essential Skills (ES) visas approved were in tourism and hospitality roles
- 949 (17.3%) of declined ES visas were in tourism and hospitality roles
- Central Otago (1925) and Auckland (1827) had the most ES applications, followed by Canterbury (602) and Wellington (419)
- 74,235 Working Holiday Visas (WHV) were approved. While there is no data to show how many of these people worked in tourism and hospitality, it is generally accepted that many visitors on WHV take up roles in the industry. This is supported by INZ data on WHV converting to other types of visas e.g. Essential Skills. Tourism & hospitality had the highest conversion rate of the 26 sectors listed, with construction and farming following
- 1,619 (13.4%) of the 12,106 people approved under the Skilled Migrant Category are working in tourism and hospitality roles

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- Chinese and Indian visitor require visitor visas to enter New Zealand. In the YE Aug 2017, New Zealand received approximately 404,000 Chinese visitors and 57,000 Indian visitors. Note that some arrivals may have been on multi-visit visas.

Our View

25. We welcome that INZ aims to improve the accuracy, consistency, quality and timeliness of visa decision-making. We are also pleased to see that INZ aims to reduce complexity and improve efficiency and wants to ensure they are 'fit for the future'.

26. There is a mixed view from TIA and stakeholders on the proposals and the potential benefits. We have separated the views into the two following sections. The first section focuses on the customer sector approach, followed by views on the reconfiguration of the off-shore offices. There was a small amount of feedback on the reconfiguration of the on-shore offices, which is included in the sector-approach.

Customer Sector Approach

27. There is a lack of information in the proposal for TIA to fully support the customer sector approach. Four sectors are proposed (Business, Education, Tourism, Social). From a brief conversation with INZ it appears tourism work visas will be processed by the Business team, and visitor visas by the Tourism team. We acknowledge that one team managing work visas could lead to greater consistency across different industries. It is unclear though if that model will provide a greater understanding and support for the needs of tourism employers and workers.

28. There is general support from tourism stakeholders on the principle of implementing a sector-based structure here in NZ.

Tourism Operators

Just had a read through and in my view these seem to be some good moves – we see inconsistency across our visa decisions so to see them have a dedicated function trying to understand the tourism industry needs would make sense.

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I am sure that more and more of the visa applications will move online so makes sense to have a consolidated team together to own these.

In theory I support any specialisation in visa applications for business or industry sectors. One problem we found with the centralisation of Queenstown to Christchurch was that the Queenstown team were highly aware of the regional issues and worked with the local operators. With the move to Christchurch this relationship and understanding has been lost and is now much more bureaucratic in nature with inconsistencies and frustration creeping in.

In an ideal world a specialised tourism team with an understanding of the industry, therefore providing more consistency across the decision making process would be of great benefit to all.

29. We want to reinforce those operator comments above. It will be important for sector teams to understand the needs and nature of the tourism industry. INZ decision-makers demonstrating a better understanding of the tourism environment would lead to a decrease in the concerns of operators about the lack of consistency and understanding in the decision-making process.

Industry Associations

Agree in principle to the sector approach – we currently have a lot of queries with regards to work visa applications that they already have the answer to and if they had specialised people working in the area that would be beneficial. We wouldn't want that to negatively impact processing times however.

The investment in online services is great – we wish that all services would be available on line – such as the variation to work visas.

(Our view is) this won't have a major impact on us in particular as the majority of the visas we process are done online already. In fact it might be beneficial to us as we can look for more consistency in application outcomes. Inconsistency in application outcomes is a major frustration that we all had with this year's process.

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(There is) a lack of consistency, particularly from overseas offices, and bringing more applications on shore will assist with this issue.

Without the main Queenstown office open anymore, we have had a few issues with misunderstanding of applications and have not had the same ability to seek assistance from someone who understands our industry in particular.

International Educators

The proposal to have specialised visa processing sectors could ultimately ensure improved processing time which has been a barrier for our international students in terms of when they can begin their qualifications with us.


Most of our visas are done onshore anyway so I can't see it making much of a difference. Consistency in decisions would be amazing, we have been lobbying and have had lots of examples of this (not) happening. We had an agent provide us with proof that in India, PTE's weren't getting visa's whereas Polytec's were (for the same student).

30. A sector-approach with a specialised team(s) may reduce inconsistency and provide dedicated contact people. We would welcome the opportunity to have input into the role of these sector-based teams.

31. An important point to make is that if INZ views tourism as a sector, there are significant sub-sectors to also consider. Sub-sectors such as accommodation, cafes/bars/restaurants, fast-food outlets, adventure activities and ski fields are all significant employers of staff on work visas. Each of these sub-sectors will have their own nuances. For example, accommodation properties range from 5-star establishments to low-budget operations. While the function of e.g. a food and beverage attendant remains essentially the same, customer expectations of the service experience can differ markedly between properties. A New Zealander appropriate for one establishment may not meet the needs of another establishment. It is these various sub-sector needs that we would want to see recognised within a sector-driven approach.

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32. Sectors also have different ownership and management structures. Multi-site international brands are common in the hotel and fast-food sectors and will benefit from a different service model to one-off SME businesses that characterise parts of the adventure activity, holiday park and motel sectors. Ownership and operating models bring with them different needs from employers and HR managers. It would be important to see this recognised within the approach to servicing the tourism industry.

Reconfiguration of Overseas Offices

33. As noted, the visitor experience is a key theme of Tourism 2025. It is important to recognise that the visitor experience begins when potential visitors are at home making the decision to travel to New Zealand. If they have a bad experience with visa processing, it will impact negatively on their view of New Zealand. The people in these INZ offices are ambassadors of New Zealand.


34. Inbound Tour Operators (ITOs) are a significant sector in the tourism industry. ITOs invest heavily in promoting New Zealand to overseas markets and bringing visitors, both groups and Free Independent Travellers (FITs) to New Zealand.

35. The Tourism Export Council NZ (TECNZ) directly represents many ITOs. They are concerned about some parts of the proposals. TECNZ's main concern with the proposed changes is the reduction in offices from 17 offshore locations to five. It appears the Visitor Application Centres (VACs) would remain open for the initial assessment and collection of documentation, but there is concern that the pressure placed on these reduced processing centres will impact service levels and processing times. There has been much progress made particularly in Asia to turnaround these old concerns and there are valid fears these proposals may be a step backward.

36. It is important to the ITOs and industry that some local knowledge/presence is retained overseas, particularly in the emerging markets or those where English is not so widely spoken e.g. Indonesia, Vietnam, the Philippines and Thailand. These markets maintain a high level of group travel (visitor visa's for groups are not currently processed online) and the group market is growing. If these groups have to work with offices in China and India and receive a less-tailored or personalised

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experience than they would with a home-based office, the visitor experience is impacted.

International Educators

The only question would be how Mumbai is (in particular) going to ensure consistency in assessing applications and with interviews etc., as this is something that seems to be an issue even now and will potentially be compounded if they are assessing applications from various countries.

37. The assistance that a local contact can provide to ensure the visa processing time is not held up by an INZ staff member in another foreign country (with a different culture) will be vital if there is to be no processing centre retained.
38. It is important to note that while the international visitors rate their experiences with New Zealand very highly (90% satisfaction rate), there is pressure on this visitor experience. Rising prices for holiday packages and increasing visitor numbers can impact the experience. Adding in a less-than-competent visa processing experience could be the step too far that deters overseas travel agents from selling New Zealand.
39. We encourage INZ to consider how they can retain a strong service presence if the proposed reduction in office locations goes ahead. For example, INZ should consider the concept of tourism stakeholder managers, both in countries where offices are closing to retain an in-market presence, and where there are INZ offices (Mumbai and Beijing). Such a role might act as a conduit between visa processing staff and customers such as ITOs who need to engage with these locations/offices. Such a role provides a central point of contact and maintains an in-market knowledge/presence.

I think leaving a representative in market is a good idea too. They can give us good insight information.

It would be good to have a dedicated tourism manager within INZ to be a point of call when issues arise overseas as we do have times where the overseas office are unaware of certain industry trends.

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Follow-up process

40. The proposals do not contain any detail regarding the staffing levels or responsibilities of these sector-based teams and therefore we are unable to comment on the operational capacity of the proposals.

41. We encourage you to consult further with TIA and other stakeholders before making decisions on any recommendations to ensure all options are considered and discussed.

42. TIA wishes to participate further in any follow-up process, including any formal meetings, to ensure that the potential impacts on tourism are adequately represented.

BACKGROUND

43. Tourism for New Zealand is big business as the country's largest export sector. It is a major contributor to the New Zealand economy that will always be here and won't easily go offshore. Tourism takes the lead in promoting New Zealand to the world. The brand positioning built by a vibrant tourism industry has become an important source of national confidence and identity and a front window for "Brand New Zealand". Indeed, the clean and pure offer that is synonymous with New Zealand tourism has been widely adopted and used to promote New Zealand exports in a range of other industries as well.

44. The tourism industry delivers the following value to New Zealand's economy:

- Tourism in New Zealand is a \$95 million per day and \$34.7 billion a year industry. Tourism delivers around \$40 million in foreign exchange to the New Zealand economy each day of the year. Domestic tourism contributes another \$55 million in economic activity every day.
- The tourism industry directly and indirectly supports 13.2% of the total number of people employed in New Zealand. That means 332,322 people are working in the visitor economy.
- Tourism is one of New Zealand's biggest export industries, earning \$14.5 billion or 20.7% of New Zealand's foreign exchange earnings (year ended March 2016).

End.

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