

Submitter information

Please provide your name and phone number, and preferred email address for contact if it is different from the one used to send this form:

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East Day Spa Auckland
SKYCITY Grand Hotel, Level One.
123 Albert Street, Auckland 1010
[REDACTED]

In what capacity are you providing feedback?

e.g. on behalf of: your company, the company you work for, an industry organisation, a union, a licensed immigration adviser etc.

I am providing feedback as the Business Development and Spa Operations for East Day Spa and Spring Spa. We are one of the largest luxury spa operators in New Zealand.

My role incorporates human resources and spa operations.

If you are representing a company or group, what is the name of that group?

East Day Spa (Auckland) Limited and Springworld NZ Limited.

What industry or industries does that group work in?

Spa industry/Tourism Sector

In your company or industry, what are the most common occupations for migrant workers?

Balinese-Style Massage Therapist

What visa categories are commonly used by those workers?

I.e. resident visa, Essential Skills work visa, Work-to-Residence work visa (under the Talent or Long Term Skill Shortage List categories), Post-Study work visa (open or employer assisted), open work visa.

Resident Visa, Essential Skills Work Visa, Open Work Visa

Only answer the following questions if you directly employ migrant workers:

How many migrant workers do you currently employ? (Refer to the visa categories in the question above)

Essential Skills Work Visa = 33; Open Work Visa = 15

Have you supported an Essential Skills visa application for any of these workers?

Yes, 33 staff are supported, ranging from:
Senior Management ANZSCO level 1
Balinese-Style Massage Therapists ANZSCO level 2
Multi-lingual Receptionists ANZSCO level 4

Using wage or salary information to help determine skill level and access to Essential Skills migrants

Proposal 1: Introduction of remuneration thresholds to determine skill levels and associated visa conditions for Essential Skills visas

Consider the proposal of aligning the remuneration thresholds for the Essential Skills visa with the remuneration thresholds for the Skilled Migrant Category.

What impacts or implications do you foresee from defining lower-, mid- and higher-skilled Essential Skills migrants in this way?

Give details of the occupations or sectors and wage or salary levels you are thinking of.

East Day Spa (Auckland) Limited and Springworld NZ Limited would like the opportunity to make a submission for the proposed changes to the Essential Skills visa.

We are one of New Zealand's largest luxury spa organisations, incorporating the spa industry and tourism sectors; our view of the proposals' impact is from a NZ spa industry-specific view point.

Our organisation is made of up two spa brands, East Day Spa and Spring Spa. We operate day spas in Auckland, Wellington and Queenstown, and have established a solid business within the spa industry/tourism industry over the past 15 years.

Our New Zealand spa brands have been recognised globally as the best in the world - East Day Spa Auckland has claimed world titles two years in a row - World Spa Awards, competing with large international spa chains, hotel spas and global destination spas.

World Spa Awards 2015 Best Hotel Spa in New Zealand – East Day Spa Auckland

World Spa Awards 2015 Best Spa in Oceania – East Day Spa Auckland

World Spa Awards 2016 Best Hotel Spa in New Zealand – East Day Spa Auckland

We potentially foresee major negative impact to the immediate and long term sustainability and growth of our world-leading New Zealand and global spa businesses.

The foreseen impact lies with how the Essential Skills migrants' roles are determined into the low, mid or high remuneration levels – particularly Massage Therapists (ANZSCO 411611, Level 2).

There has also been a halt to our strategic expansion plans within New Zealand which

are exclusively dependant on the remuneration classification of Massage Therapists.

We have foreseen that if Massage Therapists are classed in the Lower-Skilled remuneration band, there will be zero impact to our operations, sustainability and growth within New Zealand and globally.

Classification of Massage Therapists into the Mid-Skilled remuneration band would see our current spa businesses in jeopardy as would the livelihood of many of our local or migrant workers.

We employ almost 100 staff, specifically:
48 are New Zealanders/permanent residents
33 are sponsored on Essential Skills Work Visas

Approximately 28 of our migrant workers are hired as Balinese-Style Massage Therapists and currently earn in the remuneration band of \$15.75-\$23.49, aligning with Lower-Skilled remuneration band of the Skilled Migrant Category (SMC) remuneration threshold.

In New Zealand there is no occupational registration nor registration board requirements for being a Massage Therapist.

Under the Essential Skills Work Visa requirements for Massage Therapists, there is no minimum requirement for qualifications, however Massage therapists require a minimum 3 years' experience.

Traditional Balinese Massage is taught through Balinese culture, families and hand to hand learning.

Our flagship spa is situated in SKYCITY Grand Hotel, Auckland CBD. We provide massage and spa services to many of the five star hotels in Auckland CBD, locals and vast number of tourists that visit Auckland.

The ripple effect on local businesses we trade and deal with have been considered, in the event Massage Therapists (current ANZSCO 411611, level 2) were to be classified in the Mid-Skilled remuneration band (\$23.49-\$35.24 per hour remuneration) These include:

- Increase in wages for all staff across the board
- Increase to the prices of Balinese Massage and subsequently all spa services
- Loss of revenue and clients due to increased prices for massage and spa treatments
- Current businesses no longer viable may result in condensing or closing spas.
- Stop of company growth – not viable to open the following spas in these planned locations:
 - 2 in Newmarket, Auckland,
 - 1 in Christchurch,
 - 1 in Rotorua
 - 1 in Orakei, Auckland.
- No renting of commercial spaces where these spas are expected to open – revenue not made by local landlords.
- Loss of revenue to local builders, architects, plumbers, electricians, interior designers, and other contractors that we use for shop fit-outs.

- Lower spend to purchase beauty products, spa equipment from local distributors and local spa wholesale businesses.
- Less business for our local accountants, lawyers, web designers and IT companies.

There is a genuine need for our company and industry to hire migrants with specific massage therapy skills and multi-lingual skills – Balinese Massage Therapists allow our business to survive, flourish and excel by offering specific niche spa and massage treatments for local and tourists alike.

There is a skill shortage for people with Balinese Massage skills as this massage modality is not taught in the curriculum at any New Zealand Massage College or learning institutes.

We require 3 years or more experience in Balinese Massage Therapy to perform the role to the company's and client's standards.

Where possible we have trained New Zealanders in Balinese Massage techniques and always offer local NZers the position first.

In the past where Match Skills Reports and job listings have been placed with Work and Income NZ, all attempts over the past 15 years have returned no matches for people with skills of a Balinese Massage Therapist.

Within the spa industry, we have existing ties with education providers in the spa and massage industries and regularly attempt recruitment drives with NZ College of Massage – the largest private training establishment for Massage Therapy in New Zealand, and AUT University Tourism Spa Management Programme.

It is a severe challenge to find massage therapists of over 3 years' experience that has experience in Balinese massage to fill the vacancies to maintain and grow our business.

Full information of recruitment list from seek.co.nz available for 2015-2017 if required.

The success, sustainability and growth of our business relies from the offering and delivery of Traditional Balinese Massage. We will not be able and it will not be viable to hire Massage Therapists on a Mid-Level remuneration level classification.

If MBIE wishes to consult with our company further, we are available to provide specific information as required.

Reinforcing the temporary nature of the Essential Skills visa and managing the settlement expectations of temporary migrants

Proposal 2a: Introduction of a maximum duration for lower-skilled Essential Skills migrants

Consider the option of a three years for a maximum duration for lower-skilled Essential Skills visas.

What impacts or implications do you foresee from the proposed maximum duration for lower-

skilled Essential Skills visa holders?

Give details of the occupations and industries you are thinking of.

Spa industry:

This will have zero impact on our business to only offer 2-3 year terms of employment.

Proposal 2b: Introduction of stand down period for lower-skilled Essential Skills migrants

Consider the option for a year-long stand down period following the maximum duration for lower-skilled Essential Skills visas.

What impacts or implications do you foresee from these proposed changes?

Give details of the occupations and industries you are thinking of.

Spa industry:

This will have zero impact on our business to have a year-long stand down period.

Proposal 3: Require the partners of lower-skilled Essential Skills visa holders to meet the requirements for a visa in their own right

Consider the proposal to require the partners of lower-skilled Essential Skills visa holders to meet the requirements for a visa in their own right.

What impacts or implications do you foresee from these proposed changes?

Give details of the occupations and industries you are thinking of.

Spa industry:

This will have zero impact on our business.

Proposal 4: Require the children of lower-skilled Essential Skills visa holders to meet the requirements for a visa in their own right

Consider the proposal to require the children of lower-skilled Essential Skills visa holders to meet the requirements for a visa in their own right.

What impacts or implications do you foresee from these proposed changes?

Give details of the occupations and industries you are thinking of.

Spa industry:

This will have zero impact on our business.

Reinforce that Essential Skills visas should only be granted for the period for which the employment is offered

Proposal 5: Make it explicit how the 'period of employment' condition applies to seasonal work

Consider the option to reinforce that Essential Skills visas for seasonal work are only for the length of the season and that the offer of employment must match the length of the season.
What impacts or implications do you foresee from these options?
Give details of the occupations or sectors you think are likely to be affected.

N/A

Consider the list of seasonal occupations being considered.
Are there any seasonal occupations that should be added or removed from this list? Why?

Consider the list of seasonal occupations being considered.

If you employ seasonal staff, or represent a sector with seasonal staff:

- What are the occupations of the seasonal staff within the sector that you are commenting on?
- For each of the occupations that you have identified, what is the typical period that you require seasonal staff to cover (e.g the peak of the season)?