

Thank you for this opportunity to update your members of an important work visa policy change.

The Government has this week announced a range of work visa changes that will significantly, and adversely, impact on the New Zealand horse industry. The industry is already facing a range of challenges, apart COVID-19, and these changes are another unwelcome and untimely addition.

The main change is that, from 27 July, any Essential Skills Work Visa application for employment in any role paying less than \$25.50 per hour will be deemed to be a “low-paid” work visa and, if approved, only a 6 month work visa will be issued. The \$25.50 rate represents the current New Zealand median wage and this is reviewed, and may change, around November each year.

Such “low-paid” work visas normally require the support of The Ministry of Social Development by way of a favourable Skills Match Report as well as the normal job advertising to evidence that genuine attempts have been made to find a New Zealand citizen of resident for the role. This process, and the associated cost, will then need to be incurred every 6 months for the worker to remain on a valid visa. After 3 years of holding either a “low-paid” or “low-skilled” work visa (which is the current description) the worker must have a 12 month stand down period before they can be issued another “low-paid” work visa. This stand down would normally require them to leave the country.

Trackwork riders, who have 3 years or more of experience, are a role on the Regional Skills Shortage List (RSSL) and therefore this role does not require any job advertising and also does not require a MSD Skills Match Report. However the above pay threshold will also apply to trackwork riders and, irrespective of the RSSL, they will only be issued with 6 month visas if their payrate is below \$25.50 ph.

Currently trackwork riders who are paid at \$21.68 ph or above can be issued a 3 year work visa.

However, if a new work visa application is made for a qualifying trackwork rider before 27 July they can still be issued a 3 year work visa. Trainers who employ, and who wish to support, trackwork riders holding work visas whose visas expire anytime within, say, the next 18 months should seriously and urgently consider taking this limited opportunity to apply for a new visa now.

Apprentice jockey work visas are a different category of visa and are not caught by this policy change.

Many trainers provide accommodation to their workers and this cost can be factored into the calculation of the payrate as follows:

- at the agreed value of any reasonable deduction from the worker’s salary or wages for that accommodation; or
- if accommodation is provided by the employer, and there is no deduction from the worker’s salary or wages for that accommodation, the market rental value of the accommodation provided; or
- if an accommodation allowance is provided, the amount of that allowance.

For example, if the worker is paid \$21.50 ph and works 40 hours per week and accommodation, with a market value of \$160 per week, is provided with the employment then the revised payrate is \$21.50 + \$4.00 = \$25.50 ph.

We appreciate that many trainers provide a gross package (eg: \$850 per week) rather than an hourly rate. However, in this situation Immigration New Zealand must determine the actual hourly payrate for the work undertaken and can request the worker’s time and wage records in order to determine exactly how many hours have been worked – and what the actual hourly payrate is. INZ must also undertake this assessment to ensure the worker is being paid in accordance with their employment agreement and at least at the legal minimum wage (currently \$18.90 ph). For these reasons it is recommended that trainers always document their employee’s pay as an hourly rate.

Pathways to New Zealand is one of New Zealand’s longest established (28 years) and largest immigration companies, with offices in Hamilton and Wellington, and the company acts for many of New Zealand’s leading horse trainers throughout the country with their immigration requirements. Pathways is a strong supporter of the New Zealand thoroughbred industry and is a regular race-day sponsor of the Waikato Racing Club (including this Saturday!).

For any clarification about this policy change, or to discuss any visa issue, just call Tim, Raman or Richard at Pathways – 07 834 9222 or email Tim@pathwaysnz.com

Kind regards,

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