

# Proactive Release

4/05/2022

The following Cabinet papers and related Cabinet minutes have been proactively released by the Minister of Foreign Affairs

<b>Title</b>	<b>Reference</b>
<b><i>Cabinet Minute of Decision – Report of the Cabinet External Relations and Security Committee: Period Ended 17 March 2023</i></b>	CAB-23-MIN-0082
<b><i>Cabinet External Relations and Security Committee – Minute of Decision – New Zealand – Spain Working Holiday Scheme: Proposed Amendments</i></b>	ERS-23-MIN-0007
<b><i>Changes to the New Zealand-Spain Working Holiday Scheme</i></b>	

Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the OIA). Where this is the case, the relevant sections of the OIA that would apply have been identified. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Key to OIA redaction codes:

- 6(a): to avoid prejudicing the security and defence of New Zealand or international relations of the New Zealand Government;
- 9(2)(g)(i): to protect the free and frank expression of opinions by departments;
- 9(2)(j): to avoid prejudice to negotiations.



# Cabinet

## Minute of Decision

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*This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.*

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### **Report of the Cabinet External Relations and Security Committee: Period Ended 17 March 2023**

On 20 March 2023, Cabinet made the following decisions on the work of the Cabinet External Relations and Security Committee for the period ended 17 March 2023:

ERS-23-MIN-0007 **New Zealand - Spain Working Holiday Scheme:  
Proposed Amendments** CONFIRMED  
Portfolios: Immigration / Foreign Affairs

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Minister of Foreign Affairs

Rachel Hayward  
Secretary of the Cabinet



# Cabinet External Relations and Security Committee

## Minute of Decision

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### New Zealand – Spain Working Holiday Scheme: Proposed Amendments

**Portfolios**                      **Immigration / Foreign Affairs**

On 14 March 2023, the Cabinet External Relations and Security Committee:

- 1        **noted** that in June 2022, Prime Minister Ardern and President Pedro Sánchez agreed to increase the cap of the *Agreement between New Zealand and the Kingdom of Spain on a Working Holiday Scheme* (the Spain WHS) from 200 to 2,000 spots per annum, extend the duration of employment to twelve months, and remove the three-month limit for visa holders to work under a single employer;
- 2        **noted** that Spanish officials have confirmed the changes will be reciprocal for New Zealanders who obtain Working Holiday visas;
- 3        **noted** that an exchange of diplomatic note between New Zealand and Spain has been done to increase to the cap of the Spain WHS, as this action does not need Cabinet approval;
- 4        **noted** that the Minister of Foreign Affairs has determined that the Spain WHS is not a major bilateral treaty of particular significance and, therefore, is not subject to the Parliamentary Treaty Examination process;
- 5        **noted** that the text of the amendment to the Spain WHS has been concluded in the English and Spanish languages, and is equally authentic in both, although the English text will prevail in case of any differences of interpretation;
- 6        **approved** the text of the Spain WHS, attached as Annex I to the paper under ERS-23-SUB-0007, subject to any minor or technical changes arising from translation and verification;
- 7        **agreed** that New Zealand sign the Spain WHS ahead of the Scheme re-opening in April 2023;
- 8        **noted** that the Spain WHS will enter into force by an exchange of written notification via diplomatic channels;
- 9        **authorised** officials to bring the Spain WHS into force through an exchange of diplomatic notes.

Janine Harvey  
Committee Secretary

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**Present: (see over)**

**Present:**

Rt Hon Chris Hipkins (Chair)  
Hon Kelvin Davis  
Hon Michael Wood  
Hon Stuart Nash  
Hon Andrew Little  
Hon David Parker  
Hon Nanaia Mahuta

**Officials present from:**

Office of the Prime Minister  
Officials Committee for ERS

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**[In Confidence]**

Offices of the Minister of Foreign Affairs and the Minister of Immigration  
External Relations and Security Committee

## **Changes to the New Zealand-Spain Working Holiday Scheme**

### **Proposal**

- 1 This paper proposes that Cabinet approve amendments to certain conditions set out in the Agreement between New Zealand and the Kingdom of Spain on a Working Holiday Scheme (Spain WHS) and, authorise the signature and entry into force of the amended agreement.

### **Relation to government priorities**

- 2 The proposed changes will implement agreement by then-Prime Minister Ardern and Spanish President, Pedro Sanchez in 2022, to raise the WHS cap numbers and amend the work conditions in the New Zealand Spain Working Holiday Scheme (Spain WHS).
- 3 The changes proposed also relate to the government's 'Reconnecting New Zealand' framework to facilitate the return of international visitors to New Zealand and to fill labour shortages in particular industries. Noting that working holiday schemes have broad implications for the tourism industry, increasing the allocation of visas available to Spanish working holidaymakers aligns with the government's general aspirations to attract visitors from high-end tourism markets.

### **Background**

- 4 Working holiday schemes are bilateral instruments between countries that enable young people to go on holiday and undertake limited employment in the other country, for a defined period. These schemes promote closer people-to-people links, cultural exchange and can provide a boost to tourism and to the labour force through workers for (primarily) the hospitality and primary sectors. New Zealand has working holiday scheme arrangements with 45 countries. Attached as Annex II is a full list of New Zealand's current Working Holiday Schemes.
- 5 The Spain WHS came into force in 2010. The scheme is reciprocal, currently allowing for 200 people on each side to live in Spain or New Zealand for twelve months. Visa holders may currently undertake employment for a total of six months but can only work a maximum of three months for an individual employer.
- 6 At their meeting in Madrid in June 2022 Prime Minister Ardern and the President of the Government of Spain, Pedro Sánchez agreed to make the following amendments to the Spain WHS on a reciprocal basis:
  - To increase the cap from 200 to 2,000 spots;
  - To allow visa holders to work for the duration of their visa (12 months); and

- To remove the requirement to spend no more than three months working under a sole employer.

7 Following a two-year period during the COVID19 pandemic when all of our bilateral working holiday schemes were suspended, the Spain WHS reopened in April 2022. Like other schemes, the cap was subject to a one-off doubling from 200 to 400 spots.

8 s6(a), s9(2)(j)

9

10 New Zealand proposed to maintain the cap for the Spain WHS, in order to maintain appropriate mechanisms to manage the flow of working holiday visa holders and the potential impacts on housing, the labour market and the wider immigration system in the long-term. Working holiday visas numbers are not generally responsive to local labour market conditions and therefore there may be a risk of negative labour market impacts if unemployment increases in the future.

11 s6(a), s9(2)(j)

12 Under INZ Operational Instruction (WI2.1.1.f) all WHS visa holders can enrol in one or more courses of training or study of up to 6 months' duration in total during their visit to New Zealand.

13 As part of bilateral discussions with Spain on implementing the changes agreed by Prime Minister Ardern and President Sanchez, officials proposed to Spain that New Zealand be accorded the same study privileges that Spanish WHS visa holders currently have access to also make this element of the WHS reciprocal. Spain has agreed to this proposed change.

14 The Spain WHS is a treaty level instrument but provides for the parties to temporarily increase the number of visas issued without going through the formal treaty amendment process (Articles 3(3) and 7(3)).

15 Cabinet approval is required to amend the Spain WHS to legally entrench the cap increase and to change provisions of the treaty that relate to employment conditions and study reciprocity.

- 16 The Minister of Foreign Affairs has approved a bilateral treaty waiver for this amendment, and therefore it is not subject to the Parliamentary Treaty Examination process set out in Standing Order 405.
- 17 If the proposed changes are approved by Cabinet, The Ministry of Business, Innovation and Employment (MBIE) has indicated that, for 2023, the Spain WHS is scheduled to open on 13 April 2023.

## Analysis

### *New Zealand's working holiday schemes:*

18 s9(2)(g)(i)

- 19 In the medium to long term, officials will consider our wider approach to working holiday schemes to ensure the impacts on the labour market, housing market and migrant flows are managed in a sustainable way. This would seek to ensure a more consistent approach to the management of working holiday schemes over time.
- 20 An excess of low-skilled workers in New Zealand has the potential to exacerbate existing productivity issues, reduce opportunities for New Zealanders, and to create stress on housing and infrastructure. However, officials have assessed that the limited nature of the changes proposed to the Spain WHS, within the context of the wider immigration system, are not likely to impact significantly on these risks.

### *New Zealand-Spain relationship and wider considerations:*

- 21 Spain is amongst our most likeminded partners in Europe, with the relationship elevated to a strategic partnership in 2021. It is a reliable partner for New Zealand, with which we have worked closely on a number of issues. In 2021, for example, Spain provided New Zealand with 274 000 vaccine doses for our vaccination rollout. Spain is an important partner for New Zealand in the EU contact also. It is the fourth largest economy in the EuroZone and a population of 47 million. s6(a), s9(2)(j)
- 22 Implementing the changes to the bilateral WHS will meet a long-standing bilateral priority request that Spain has had of New Zealand; will under-line our commitment to deepening ties with one of our closest European partners; s6(a), s9(2)(j)

23 s6(a)

## **Implementation**

25 Immigration New Zealand has advised that it intends to open the Spain WHS in April 2023, with the increased cap and removal of the working restrictions as described in this paper, provided the changes are agreed. Spain has indicated that it can move quickly to implement the increase in cap numbers to 2000 through an exchange of diplomatic notes. The changes to working conditions require a treaty change process in the Spanish system which will be a slightly longer process (approximately 4-6 months).

## **Financial Implications**

26 There are financial implications for MBIE in implementing the changes. These costs mainly arise from IT system changes. These costs can be met from existing baseline funding.

## **Legislative Implications**

27 There are no legislative implications.

## **Population Implications**

28 Officials expect that there is unlikely to be a significant impact on New Zealand populations, as the changes proposed are relatively minor in the context of the wider immigration system.

## **Human Rights**

29 There are no human rights implications to consider in this paper.

## **Consultation**

30 The Ministry of Foreign Affairs and Trade (MFAT) has prepared this paper in consultation with the Ministry for Business, Innovation and Employment (MBIE).

## **Communications**

31 INZ will develop a communications plan to notify relevant stakeholders of the changes to the Spain WHS, following Cabinet approval and the formalisation of the Agreement. INZ web material will also be updated prior to the reopening of the scheme.



- 32 MFAT will share INZ's material on Spain WHS updates through its social media channels.

**Proactive Release**

- 33 I propose to release this Cabinet paper, with some parts withheld under section 6(a) of the Official Information Act 1982, within 30 business days of Cabinet confirming its decision.

Proactively Released by the  
Minister of Foreign Affairs

## Recommendations

The Minister of Foreign Affairs and the Minister of Immigration recommend that the Committee:

- 1 **Note** that Prime Minister Ardern and President Pedro Sánchez agreed to increase the cap of the *Agreement between New Zealand and the Kingdom of Spain on a Working Holiday Scheme* (Spain WHS) from 200 to 2000 spots per year, extend the duration of employment to twelve months and remove the three-month limit for visa holders to work under a single employer;
- 2 **Note** Spanish officials have confirmed the changes will be reciprocal for New Zealanders who obtain Working Holiday visas;
- 3 **Note** that an exchange of diplomatic Note between New Zealand and Spain has been done to increase to the cap of the Scheme as this action does not need Cabinet approval;
- 4 **Note** that the Minister of Foreign Affairs has determined that the Spain WHS is not a major bilateral treaty of particular significance and, therefore, is not subject to the Parliamentary Treaty Examination process;
- 5 **Note** that the text has been concluded in the English and Spanish languages and is equally authentic in both, although, the English text will prevail in case of any differences of interpretation;
- 6 **Approve** the text of the Spain WHS, which is attached to this paper at Annex I, subject to any minor or technical changes arising from translation and verification;
- 7 **Agree** that New Zealand sign the Spain WHS ahead of the Scheme re-opening in April 2023;
- 8 **Note** that the Spain WHS will enter into force by exchange of written notification via diplomatic channels;
- 9 **Authorise** officials to bring the Spain WHS into force through an exchange of diplomatic notes;

Authorised for lodgement

Hon Nanaia Mahuta  
Minister of Foreign Affairs

Hon Michael Wood  
Minister of Immigration

## Appendices

### Annex I: Amended Treaty Text

**New Zealand and the Kingdom Of Spain**, (Hereinafter referred to as "the Parties"),

**Wishing** to broaden mutual knowledge and understanding through increasing the opportunities for young people of both countries to enjoy periods of holiday in the other Party, including work experience; and

**Considering** that it is in the interest of the Parties to facilitate the operation of a Working Holiday Scheme ("the Scheme") for young people, so that they may broaden their life experiences, practice foreign languages and, additionally, undertake work experience

**Have come to the following agreement** regarding working holidays, hereinafter "the Agreement":

#### I – OBJECTIVES OF THE AGREEMENT

##### Article 1

1. The Parties agree that the object of this Agreement is to establish a working holiday scheme between the Parties for young people of both countries.

#### II - OBLIGATIONS OF NEW ZEALAND

##### Article 2

1. New Zealand, through Immigration New Zealand (part of the Ministry of Business, Innovation and Employment), shall, subject to Article 3, on application by a citizen of the Kingdom of Spain, issue a temporary, multiple-entry visa valid for presentation for a period of twelve (12) months from the date of issue to any person who satisfies each of the following requirements:

- (a) is a citizen of the Kingdom of Spain;
- (b) satisfies the Immigration Officer that his/her primary intention is to holiday in New Zealand, with employment being an incidental rather than a primary reason for the visit;
- (c) is aged between eighteen (18) and thirty (30) years, both inclusive, at the time of application;
- (d) is not accompanied by dependants;
- (e) possesses a Spanish passport that is valid for a period greater than the length of the person's stay.
- (f) possesses a return ticket, or sufficient funds to purchase such a ticket;
- (g) possesses sufficient funds for his/her maintenance during the period of stay in New Zealand, at the discretion of the relevant authorities;
- (h) pays the prescribed temporary visa application fee;
- (i) holds medical and comprehensive hospitalisation insurance to remain in force throughout his/her stay in New Zealand;
- (J) complies with any health requirements imposed by New Zealand; and

(k) has not participated in the Scheme previously.

### Article 3

1. New Zealand shall issue up to 2000 per annum of the temporary, multiple-entry visas mentioned in Article 2 to citizens of the Kingdom of Spain.
2. New Zealand may issue a number of temporary, multiple-entry visas mentioned in Article 2 higher than the number specified in paragraph (1) of this Article. An increase in the number of temporary, multiple-entry visas issued per annum under this paragraph shall be consistent with the terms of this Agreement and shall not require a formal amendment to this Agreement.
3. New Zealand shall notify the Kingdom of Spain through the diplomatic channel of any increase, as provided for in paragraph (2) of this Article, in the number of temporary, multiple-entry visas it issues per annum.

### Article 4

1. Any citizen of the Kingdom of Spain who holds a temporary, multiple-entry visa issued pursuant to Article 2 and who is granted permission to enter New Zealand shall be able to stay in New Zealand for a period of no more than twelve (12) months from the date of entry into New Zealand and undertake paid employment pursuant to the terms of this Agreement.

### Article 5

1. New Zealand shall require any citizen of the Kingdom of Spain who has entered New Zealand through the Scheme operating under this Agreement to comply with the laws and regulations of New Zealand and not to engage in employment that is contrary to the purpose of the Scheme.
2. Citizens of the Kingdom of Spain participating in the Scheme shall be permitted to engage in paid employment for the full duration of their stay in New Zealand (twelve months).
3. Citizens of the Kingdom of Spain participating in the Scheme may enrol in one or more training or study courses for a total duration of not more than six (6) months during the course of their visit to New Zealand.

## III - OBLIGATIONS OF THE KINGDOM OF SPAIN

### Article 6

1. The Kingdom of Spain, through the Consular Section of its Embassy in Wellington or, when justified by exceptional reasons, any other Consular Office, shall, subject to Article 7, on application by a New Zealand citizen, issue a visa under this Agreement, valid for entry in the Kingdom of Spain and for obtaining the necessary foreign identity card to any person who satisfies each of the following requirements:

(a) is a citizen of New Zealand;

(b) satisfies the Consular Office that his/her primary intention is to holiday in the Kingdom of Spain, with employment being an incidental and not a primary reason for the visit;

- (c) is aged between eighteen (18) and thirty (30) years, both inclusive, at the time of application;
- (d) is not accompanied by dependants;
- (e) possesses a New Zealand passport that is valid for a period greater than the length of the person's stay;
- (f) possesses a return ticket, or sufficient funds to purchase such a ticket;
- (g) possesses sufficient funds for his/her maintenance during the period of stay in the Kingdom of Spain, at the discretion of the relevant authorities;
- (h) pays the prescribed visa application fee;
- (i) before entering the Kingdom of Spain, holds medical and comprehensive hospitalisation insurance to remain in force throughout his/her stay in the Kingdom of Spain;
- (j) complies with any health requirements imposed by the Kingdom of Spain;
- (k) complies with the requirements imposed by Spanish immigration law and regulations, particularly in terms of admission to the country, independently from those concerning the labour market in the Kingdom of Spain; and
- (l) has not participated in the Scheme previously.

#### Article 7

1. The Kingdom of Spain shall issue up to 2000 per annum of the visas mentioned in Article 6 to citizens of New Zealand.
2. The Kingdom of Spain may issue a number of visas higher than the number specified in paragraph (1) of this Article. An increase in the number of visas issued per annum under this paragraph shall be consistent with the terms of this Agreement and shall not require a formal amendment to this Agreement.
3. The Kingdom of Spain shall notify New Zealand through the diplomatic channel of any increase as provided for in paragraph (2) of this Article, in the number of visas it issues per annum.

#### Article 8

1. Any citizen of New Zealand who holds a visa issued pursuant to Article 6 of this Agreement and who is granted permission to enter the Kingdom of Spain shall request a foreign identity card within one month after his/her arrival in the Kingdom of Spain, which will legalize his/her stay in the Kingdom of Spain for a period of not more than twelve (12) months from the date of entry into the Kingdom of Spain and allow him/her to undertake paid employment pursuant to the terms of this Agreement.

#### Article 9

1. The Kingdom of Spain shall require any citizen of New Zealand who has entered the Kingdom of Spain through the Scheme operating under this Agreement to comply with the laws and

regulations of the Kingdom of Spain and not to engage in employment that is contrary to the purpose of the Scheme.

2. Citizens of New Zealand who take part in the Scheme operating under this Agreement shall be given the appropriate administrative authorizations required to work for the full duration of their stay in the Kingdom of Spain (twelve months), irrespective of the situation in the national labour market.

3. Citizens of New Zealand participating in the Scheme may enrol in one or more training or study courses for a total duration of not more than six (6) months during the course of their visit to the Kingdom of Spain.

#### IV - GENERAL PROVISIONS

##### **Article 10**

1. Either Party may, consistent with its own law and regulations, refuse any particular applications for visas under this Agreement it receives.

2. Either Party may, consistent with its own law, refuse the entry into its territory, expel or deport, any person who has been granted a visa under this Agreement, who does not comply with the laws and regulations of that country.

##### **Article 11**

1. Either Party may, at any time, through diplomatic channels, request consultations with the other Party on the provisions and implementation of the Agreement. The other Party shall respond within sixty (60) days of such a request. The Agreement shall be subject to a review after a period of two (2) years from the date it comes into force and subsequently as requested by either Party.

##### **Article 12**

1. Each Party shall notify the other Party, by diplomatic notes, of the completion of its domestic procedures necessary for this Agreement to enter into force. This Agreement shall enter into force on the date of receipt of the later notification.

##### **Article 13**

1. Either Party may, at any time, terminate this Agreement by giving three (3) months' prior written notice to the other Party through diplomatic channels.

2. Either Party may, at any time, temporarily suspend this Agreement, in whole or part for reasons of public security, public order, public health or immigration risk. Any such suspension, and the date of its effect, shall be notified to the other Party through diplomatic channels.

3. The termination and suspension of this Agreement under paragraphs (1) or (2) of this Article shall not interfere with the rights of those citizens who have already been granted visas under this Agreement at the time the termination or temporary suspension takes effect.

Article 14

1. This Agreement may be amended at any time with the mutual written agreement of the Parties. The Parties shall confirm that they agree to the proposed amendments to this Agreement by exchange of diplomatic notes. Such amendments shall enter into force on the date of the receipt of the later notification.

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Minister of Foreign Affairs

## Annex II: Full list of all New Zealand's Working Holiday Schemes

Country	Cap (people per year)
Argentina	1000
Austria	100
Belgium	Unlimited
Brazil	300
Canada	Unlimited
Chile	940
China	1000
Croatia	100
Czech	1200
Denmark	Unlimited
Estonia	100
Finland	Unlimited
France	Unlimited
Germany	Unlimited
Hong Kong	400
Hungary	100
Ireland	Unlimited
Israel	200
Italy	Unlimited for Italy
Japan	Unlimited
Korea	3000
Latvia	100
Lithuania	100
Luxembourg	50
Malaysia	1150
Malta	50
Mexico	200
Netherlands	Unlimited
Norway	Unlimited
Peru	100
Philippines	100
Poland	100
Portugal	50
Singapore	300
Slovakia	100
Slovenia	100
Spain	200
Sweden	Unlimited
Taiwan	600
Thailand	100
Türkiye	100
United Kingdom	Unlimited*
Uruguay	200
USA	Unlimited
Viet Nam	100**

\* The UK scheme is scheduled to move to a cap of 15,000 places on 1 July 2023

\*\* The Viet Nam scheme is scheduled to move to a cap of 100 places in 2023