

Parties show their colours on immigration



Politics can be expected to focus on immigration this year.

Both major political parties have now shown the direction of their policies: National is trying to slightly constrain overall immigration, while Labour is focused on restricting overseas students.

National's approach is to tweak the system (restricting low-skilled migrants to 3-year visas, limiting skilled worker visas to those earning over \$49,000 a year, increasing the points needed for skilled migrants to get residency), reducing immigration by about 8,500.

Labour's approach is to clamp down on the numbers of overseas students (tighter entrance criteria for lower-level courses, fewer overseas students allowed to work while studying here, no work visas for those who've completed study here if they don't already have a job), reducing immigration by about 30,000.

Tweak the system or restrict foreign students - which is the best approach?

Actually, business is not enthusiastic about either. Many employers are experiencing unprecedented demand for their goods and services and want to be able to continue to meet that demand.

To do that, we need to increase the size of the workforce. Education alone is currently not enough to fill that gap, which is why we are relying on migrant workers.

It would be good if the system allowed more high-skilled workers in, but lower-skilled workers are needed in many industries too. For example around 20 percent of the hospitality workforce (made up of different skill levels) - are migrants because there are not enough New Zealanders to fill the jobs, as confirmed by labour market tests.

And overseas students are not only good skilled and unskilled labour in many businesses but also contribute greatly to New Zealand's export earnings. The fear that they are causing a blowout in permanent residency numbers is overblown. Only one in ten of all migrants, including international students, stays on in New Zealand permanently.

Export education shouldn't have to suffer because of concerns over immigration.

Export education, now our sixth largest export earner, brings in over \$3 billion a year. It's a young industry that's grown since the 1989 Education Act first allowed full cost recovery from fee paying students; since the 1990s many communities in New Zealand have got involved, hosting international students enrolled in secondary schools and tertiary institutions all over the country.

I'm proud of our export education sector. It's a world leader in an internationally-growing industry, developed on the back of our great education and qualifications systems and the skills of our people.

Overall, I believe restricting migrant intakes is not in the best interest of the economy.

However there are some aspects of National's and Labour's immigration policies that would be helpful for growth.

For example, both parties support policy settings relating to temporary work that have been fairly responsive to changing labour market and economic conditions.

Both parties are offering specific policies to get more migrant workers in the regions and to make it easier for the construction industry to gain migrant workers.

Regional needs have been overlooked for some time. Skill needs in places like Southland or Taranaki need to be better represented in the occupational shortages list. For regional growth, businesses rely on a mix of skills - some provided by migrants - and it's important to give regional economies the best chance of success.

And Auckland's construction needs are critical. Policies like letting in skilled tradespeople without a labour market test would help construction firms overcome skill gaps. Such policies should not be encumbered with extra requirements on the businesses concerned so long as they are appropriately accredited and have demonstrated that they are good employers - policies to help businesses find staff should be easy to comply with, rather than imposing extra regulation.

Simplicity is needed for an effective immigration policy. Concerns about immigration levels over recent years have resulted in a system laden with rules that are complex and hard to navigate. This in itself is a constraint on business.

The danger in election year is that parties will seek votes by proposing more restrictions on immigration, to the detriment of business and the economy.

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