



Skills and visas

Migration is in the news at present. We hear concerns about large numbers of immigrants, especially in Auckland, and about the fact that many low-skilled people are getting work visas.

These concerns have a lot to do with business, so it's worth taking a look at what they mean.

The numbers need to be seen in context. Globally, temporary migration is not out of the ordinary. Just about every developed country is seeing a rapid growth in migrants because people worldwide are more mobile and many economies are in a state of flux.

In New Zealand the rise in immigration is not out of the ordinary either. New Zealand has always been a country of high inflows and outflows of people, often on a cyclical basis – only a few years ago there was huge concern about a brain drain and exodus.

The immigration effect is more noticeable in major cities because that's where migrants tend to go, and Auckland's growing pains are similar to what's happening in many other large cities in the world.

Immigration is not a simple undifferentiated pipeline; there are several ways temporary migrants come here.

First, they come as tourists. Tourism is a major earner for New Zealand, making us over \$10 billion a year and many temporary migrants are simply tourists.

They also come as students. Export education (schooling overseas students here) is another major industry, earning us about \$3 billion a year. Many young people you might see on the streets of your city or town are students paying fees to New Zealand education organisations, accommodation providers and host families.

Temporary migrants also come as working holiday-makers. This is another large group, of mostly young people from Europe, the US and other places. They fill skill gaps in many parts

of the country, for example the Christchurch rebuild and Queenstown's hospitality scene rely heavily on these workers.

Then there are people on essential skills work visas, employed in New Zealand with skills that are in short supply – or not.

There are two concerns being voiced around these.

The first is that many visa holders don't have the right skills to address our shortages of high-level skills – in trades, technical areas and so on.

The second concern is that many visa holders are low-skilled and are displacing low-skilled New Zealanders in a number of occupations.

It's suggested that our immigration system could address both issues by better targeting important skill needs.

Immigration does need to provide us with skills to drive quality economic growth while helping businesses manage the transition up the value chain.

While the immigration system could be improved – and business would like to see some changes – the issues aren't just about immigration.

We have skills shortages despite bringing in many skilled migrants basically because our economy keeps growing. The shortages are by-product of economic growth - surely a good thing.

The issue of low-skilled migrants displacing low-skilled New Zealanders is not such a good story.

Employers are commonly seeking employees who are available where the job is located, have a driver's licence, are drug-free and have a positive attitude to work – unfortunately it can be hard to find such employees in New Zealand, and a migrant on a work visa can be a better option.

What should we do about these issues?

There's no shortage of things we can do to improve the delivery of skills into the economy.

We should keep improving the targeting of skills by Immigration NZ.

We should work towards getting a more responsive education and training system to produce more of the skills we need.

We should make it easier and faster to get in-demand skills onto Immigration NZ's skills shortage lists.

We should reduce the requirements on small businesses when seeking to hire a worker from overseas.

We should investigate how to address 'willingness to work' issues.

What we shouldn't do is clamp down on temporary migrants coming here on work visas, because for many reasons in many workplaces we need them.

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