



Focus on the skills gap, not immigrants

One in four people in New Zealand is foreign-born.... and meanwhile, many New Zealanders routinely leave to live in other countries.

This is what New Zealand is like – it's migration central, awash with people coming and going, and it has always been this way.

Changes to immigration policy have highlighted this migration picture and what it means for business.

Business has long asked for more immigration, as in more access to more skilled migrants to do the jobs that New Zealanders aren't available for.

The Immigration NZ changes announced recently go some way towards that, by imposing higher skills requirements for migrants (more points needed to qualify for entry).

This is a partial answer to what business wants. It's only partial because the points system will be able to deliver higher skills, but not necessarily the specific skills in most demand.

It might not answer the specific need for more engineers, construction managers, quantity surveyors, technologists, technicians and ICT workers – the actual skills needed today.

Fortunately, there is work underway to achieve more weighting in the points system to achieve specific skills such as these. Business will be hoping that this work comes to fruition soon.

Without it, we face the danger of a breakdown in the political consensus around migration policy.

If we are not able to import migrants with the specific skills needed, there will be little support for bringing in many migrants without them. There are already many generalisations being made about migrants taking Kiwis' jobs and destroying the fabric of New Zealand life and so on.

These generalisations are not true. The fabric of New Zealand life, rather than being destroyed by immigration, is largely the result of ongoing immigration and is colourful, interesting and diverse as a result.

And migrants are not taking Kiwis' jobs. The research on the labour market effects of migrants in New Zealand indicates those coming into New Zealand on work visas are not competing with New Zealanders.

Unskilled unemployed New Zealanders – our most vulnerable group – are less affected by competition from migrants than by changes in the job market with its increasing need for literacy, numeracy, technology and people skills.

For this group, upskilling is their most pressing need.

This is why the education system needs our focus as debate on immigration continues.

There needs to be more help for unskilled adults to get upskilled in basic areas of literacy, numeracy, communication and computing. Lack of these skills is holding back productivity in many New Zealand workplaces.

Our education system is largely focused on front-loading – ensuring young people leave education or training at the beginning of their adult life equipped with high-level skills.

This is positive, but the education system should also be focused on second-chance education for those who failed to achieve skills from the beginning.

It would be helpful to get more of a focus on lifetime learning, or learning throughout life, so unskilled people can become better equipped to get more and better jobs.

This need is recognised in recommendations for tertiary education made recently by the Productivity Commission.

Among other things, the Commission recommends funding students rather than education institutions – having vouchers for education which could be spent by people at any stage of their life on approved courses of study. That would mean for example adults in need of upskilling would have the resources available to achieve it.

While this would mean a fairly radical change to the education system, this kind of initiative and others considered by the Productivity Commission could do a great deal to address our skills gap.

In my view New Zealand's shortage of in-demand skills is one of the most important and difficult problems we face, and changes in education should be a hot topic.

We are a nation of immigrants and descendants of immigrants, and our economy needs ongoing migration to cope with the skills gap we have at present.

We should be looking harder at fixing the Kiwi skills gap rather than worrying so much about immigrants.