

Are our policies and plans adequate to cover the shortfall of New Zealand's current and future skilled workforce?

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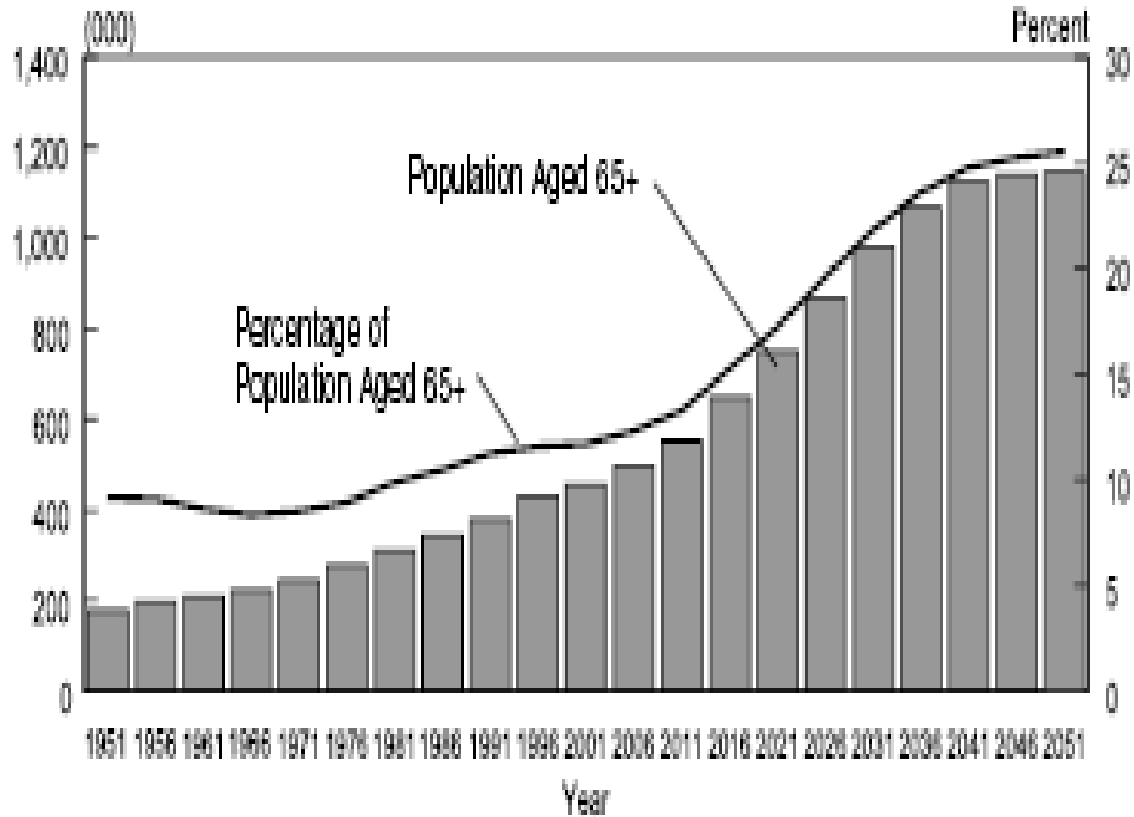
Introduction

- Globalisation – pace, competition, adaptation, preparation
- Attract talent and reduce skill loss
- Migration – Social and economic well being
- This paper looks at the skills that will be relevant to New Zealand within the context of the limitations of our immigration and employment policies and plans.

New Zealand's aging population

Figure 1

Elderly Population, 1951-2051



Projected number of older disabled persons needing care, using low, medium and high disability assumptions, 2006–2036

- Low scenario – high level of support

	65-74	75-84	85+	Total 65+
2006	13,100	22,700	18,800	54,700
2016	18,800	27,400	28,900	75,100
2026	24,100	40,800	41,100	106,100
2036	27,200	53,700	66,800	147,700

- Medium scenario – medium and high levels of support

	65-74	75-84	85 +	Total 65+
2006	55,000	71,500	38,100	164,800
2016	78,900	86,300	58,500	223,700
2026	101,400	128,600	83,300	313,300
2036	114,400	169,100	135,400	418,800

- High scenario – low, medium and high levels of support

	65-74	75-84	85+	Total 65+
2006	88,400	90,700	41,000	220,400
2016	126,900	109,400	63,000	299,300
2026	162,900	163,100	89,700	415,700
2036	183,800	214,500	145,700	544,000

Employment growth

- Employment growth is projected to be the strongest in highly skilled jobs.
- Employment growth through this period is expected to be weakest for semiskilled jobs (namely clerical and some service and primary sector workers) at or below 1% per annum.
- The demand for skilled and elementary skilled workers is also projected to weaken over time but remain at about the overall rate of employment growth.

Employment growth by skill level for skill groups for 5 and 10 years and average annual percentage changes

Skill-level	2010-15		2010-20		2015-20	
	(000)	(%)	(000)	(%)	(000)	(%)
Highly skilled (HS)	69.1	1.9%	142.5	1.9%	73.4	1.9%
Skilled (S)	41.1	1.7%	73.3	1.5%	32.2	1.2%
Semi-skilled (SS)	32.9	1.0%	60.0	0.9%	27.1	0.8%
Elementary skilled(ES)	29.2	1.8%	50.6	1.5%	21.3	1.2%
Total	172.4	1.6%	326.5	1.4%	154.1	1.3%

‘Future skills’ occupations

- It is expected that more ‘middle skill’ jobs will be needed:
 - health care professionals
 - construction and repair workers
 - transport sector workers
 - teachers
 - computer and IT professionals

Employment growth for industry groups for 5 and 10 years and average annual percentage changes

Industry Groups	2010-15 (5 years)		2010-20 (10 years)		2015-20 (5 years)	
	(000)	(%)	(000)	(%)	(000)	(%)
Primary sector	12.8	1.6%	19.5	1.2%	6.7	0.8%
Primary processing	8.4	1.7%	14.4	1.4%	6.0	1.1%
Other manufacturing	12.1	1.5%	27.8	1.6%	15.6	1.7%
Construction and utilities	26.0	2.7%	36.7	1.8%	10.7	1.0%
Private services sector	78.4	1.6%	145.8	1.5%	67.4	1.3%
Govt. admin & defence	0.07	0.2%	2.3	0.2%	1.5	0.3%
Health and education	19.5	0.9%	51.0	1.2%	31.5	1.4%
Other public services	14.5	1.9%	29.0	1.9%	14.5	1.8%
• Total	172.4	1.6%	326.5	1.4%	154.1	1.3%

Education

- 44,500 more pupils will be enrolled at primary schools by 2019 than in 2011
- 22,000 more secondary school pupils by 2024 than in 2011
- 14 per cent the number of teachers aged 60-plus now

Students in formal tertiary education 2005-2010

Year	Domestic	International	Total	Domestic	International	Total
	Public providers			Public and private training establishments		
2005	392,905	39,305	432,210	453,916	47,257	501,173
2006	385,729	35,342	421,071	447,486	42,700	490,186
2007	384,092	32,529	416,621	443,605	39,841	483,446
2008	364,242	31,617	395,859	420,857	39,767	460,624
2009	367,409	33,725	401,134	424,937	43,391	468,328
2010	363,957	35,119	399,076	420,375	45,638	466,013

Students in 2010: Statistics at a glance

Characteristic	Students enrolled	EFTS enrolled	Participation rate	Age-standardised participation rate	Students completing	8-year qualification completion rate			First-year qualification attrition rate	8-year progression rate	1-year higher-level progression rate for graduates
						Full-time	Part-time	Total			
Domestic and International Students						Domestic and International Students					
Domestic	420,375	255,339	12.1%	12.1%	116,730	75%	42%	52%	26%	31%	23%
International	45,638	30,660	na	na	14,336	77%	61%	67%	18%	39%	19%
Total	466,013	285,999	na	na	131,066	75%	44%	54%	26%	32%	23%

Students by study type and selected characteristics

Characteristic	Full-time full-year	Full-time part-year	Part-time full-year	Part-time part-year	Total
Year					
2003	171,507	67,721	105,843	110,721	455,792
2004	174,302	65,500	114,575	130,475	484,852
2005	170,158	72,242	109,466	149,307	501,173
2006	158,833	74,124	110,516	146,713	490,186
2007	159,414	72,479	111,241	140,312	483,446
2008	159,516	70,513	100,147	130,448	460,624
2009	173,213	77,339	97,665	120,111	468,328
2010	180,465	74,532	97,060	113,956	466,013
Sub-sector	Students enrolled in 2010				
Universities	105,883	15,940	31,575	25,615	179,013
Institutes of technology and polytechnics	45,664	37,451	48,767	55,457	187,339
Wānanga	16,186	6,586	7,083	12,438	42,293
Public providers	161,975	59,528	84,697	92,876	399,076
Private training establishments	23,371	15,535	15,159	21,797	75,862
Total	180,465	74,532	97,060	113,956	466,013
Qualification level	Students enrolled in 2010				
Certificates 1-3	28,927	35,364	31,159	43,756	139,206
Certificates 4	22,355	14,603	19,228	18,928	75,114
Diplomas 5-7	28,093	9,413	20,206	23,178	80,890
Bachelors degrees	96,884	12,650	19,873	17,347	146,754
Graduate certificates/diplomas	4,654	1,805	4,135	4,204	14,798
Honours & postgrad. cert/dips.	13,079	2,122	7,227	4,956	27,384
Masters	4,967	884	4,888	3,153	13,892
Doctorates	5,137	285	1,439	1,100	7,961
Total	180,465	74,532	97,060	113,956	466,013

Exodus

- Skilled people migrating to Australia and other countries.
- If the loss of trained workers and qualified professionals continues, the country's economy will suffer.
- In one year, more than 17,600 people aged between 20 and 29 moved to Australia.
- Most were in the "technicians and trades workers" and "professionals" categories, according to figures prepared for the Herald by Statistics New Zealand.

Argument

- In view of this changing job sector, this paper argues that New Zealand will need to research, review and resolve the conflict between its immigration policy and employment laws, while promoting education in specified occupations that have skills shortfall .

Immigration and employment policy

- New Zealand immigration point system.
- Under current immigration policy an offer of skilled employment must be indefinite or for a stated period of at least twelve months.
- 90 day trial period.

Research

- Research is needed to ascertain the future shortfall of skills by breaking down this 'exodus' into numbers per occupation, while taking into account those that are being turned away due to the 90 day policy and those currently pursuing their education in specific careers.

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