

Session 1: Reconciling Short and Long-term Objectives in Migration Policies

Speaking notes – Hon Michael Woodhouse

- The theme of this session, reconciling short-term and long-term objectives in migration policies, is one which is of significant interest to me as Minister of Immigration. New Zealand has always relied on a skilled migrant workforce to meet the needs of employers.
- As noted in the recent OECD publication on recruitment of immigrant workers in New Zealand, our per capita movement of both temporary and permanent migrants is amongst the highest in the OECD. One in four workers is a migrant, and temporary migrants make up 3.6 per cent of the workforce.
- While New Zealand relies on the attraction of migrants to fill gaps in its labour force we are also extremely aware of the need to protect the labour market and employment conditions for New Zealanders. We expect employers to train and employ Kiwis before looking offshore.
- Immigration is just one tool, in my view a tool of later resort, to fill labour shortages. There are some industries and some employers who seek a foreign labour solution before the domestic solutions of better workforce planning, training and attraction strategies.
- Our policy settings are designed to enable employers' access to skilled migrant labour where appropriate. They have been developed to be responsive to economic and labour market conditions. They include tools such as skills shortage lists for temporary visas and a points system for skilled migrants. New Zealand is therefore able to balance the need for foreign workers against the need to protect job opportunities for New Zealanders.
- Like other OECD countries, New Zealand has not been immune from the global economic crisis. After the crisis the number of essential skills visas granted to temporary migrant workers dropped by around 50 per cent as a result. This was partly due to an increase in unemployment in New Zealand to a rate which, though low by OECD standards, reduced the need for temporary migrants.
- The effect of the financial crisis has been mitigated somewhat in New Zealand by the labour demand created by the rebuilding of the Canterbury region following the significant earthquakes there. The rebuild is well underway and still scaling up. Around 20,000 extra workers will be required between the end of 2016 and mid-2017, mostly in the construction sector. With an unemployment rate of around 2.6% in Canterbury it is anticipated that half of that need will be met through labour migration.
- This has two impacts, direct and indirect:
 1. The direct impact is an increase in demand for construction labour in the region of Canterbury.
 2. The indirect impacts are firstly in construction trades being drawn from out of the region resulting in those positions being back-filled, and secondly in other sectors as young kiwis choose construction related trades over other occupations, again resulting in shortages requiring an immigration response.

- Government and employers are working together to recruit the necessary construction workers, particularly from the Philippines. A special Canterbury Skills Shortage List facilitates the granting of essential skills work visas to rebuild workers. Most of this labour will be brought in temporarily, unless individual migrants meet the requirements for permanent residence and wish to remain. We have not introduced any special residence policies to facilitate this.
- When it comes to applications for permanent residence, New Zealand is quite unusual in that the majority of our applicants under the Skilled Migrant Category are already employed on temporary work visas. This is in part due to a government focus on pathways to residence, with many skilled migrant applicants having started out as international students.
- If they graduate with a high enough qualification then they are able to apply for a work visa to enable them to find skilled employment and gain work experience that may qualify them for points towards their residence application. Applicants are also able to claim a significant number of points for a skilled job offer under the points system, giving them an advantage over non-employed migrants or those without a job offer.
- New Zealand has experienced an increase in applications for residence from non-traditional markets such as India and China, mirroring the increase in international students from those countries.
- New Zealand does not have the wide-ranging freedom of movement arrangements experienced by OECD members in the European Union. New Zealand does however have a Closer Economic Relations agreement with Australia. This agreement is more facilitative of economic convergence than migration per se.
- New Zealanders have the right to a special visa that allows them to live and work in Australia, but without an automatic right to Australian residence and the associated social services. In turn Australians migrating to New Zealand are granted residence status at the border.
- For some years the New Zealand population has remained roughly steady, with numbers of migrants roughly equalling the number of New Zealanders leaving for Australia or elsewhere. In the wake of better economic conditions in New Zealand in the last couple of years however this has been reversed. New Zealand is experiencing a record net gain in permanent and long term arrivals as ex-patriates return home and the number of New Zealanders leaving for Australia decreases.
- The increase in net migration experienced over the past couple of years has led to increased public focus on immigration levels. This is particularly the case in Auckland, where the majority of migrants settle, where there are pressures on housing prices and infrastructure. Our policy settings will however continue to ensure that the best, skilled migrants are able to settle here and contribute to the economy while migrant workers will continue to be available to supplement immediate skills shortages where necessary.