

Metropolis Plus Conference
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Labour Market Challenges

Lesley Haines
Group Manager, Workforce Policy

Department of Labour
TE TARI MAHI



Labour Market Challenges

– current staff shortages

“The Mood of the Boardroom survey’s finding that skill shortages top the list of respondents’ economic concerns is consistent with Institute of Economic Research’s March survey of business opinion. It recorded a steep rise in the proportion of firms saying it was **harder to find both skilled and unskilled labour** and a jump in the number of firms citing labour as the main constraint on increasing production” *

*SOURCE: NZ HERALD 29 MAY 2007

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Labour Market Challenges – an industry view

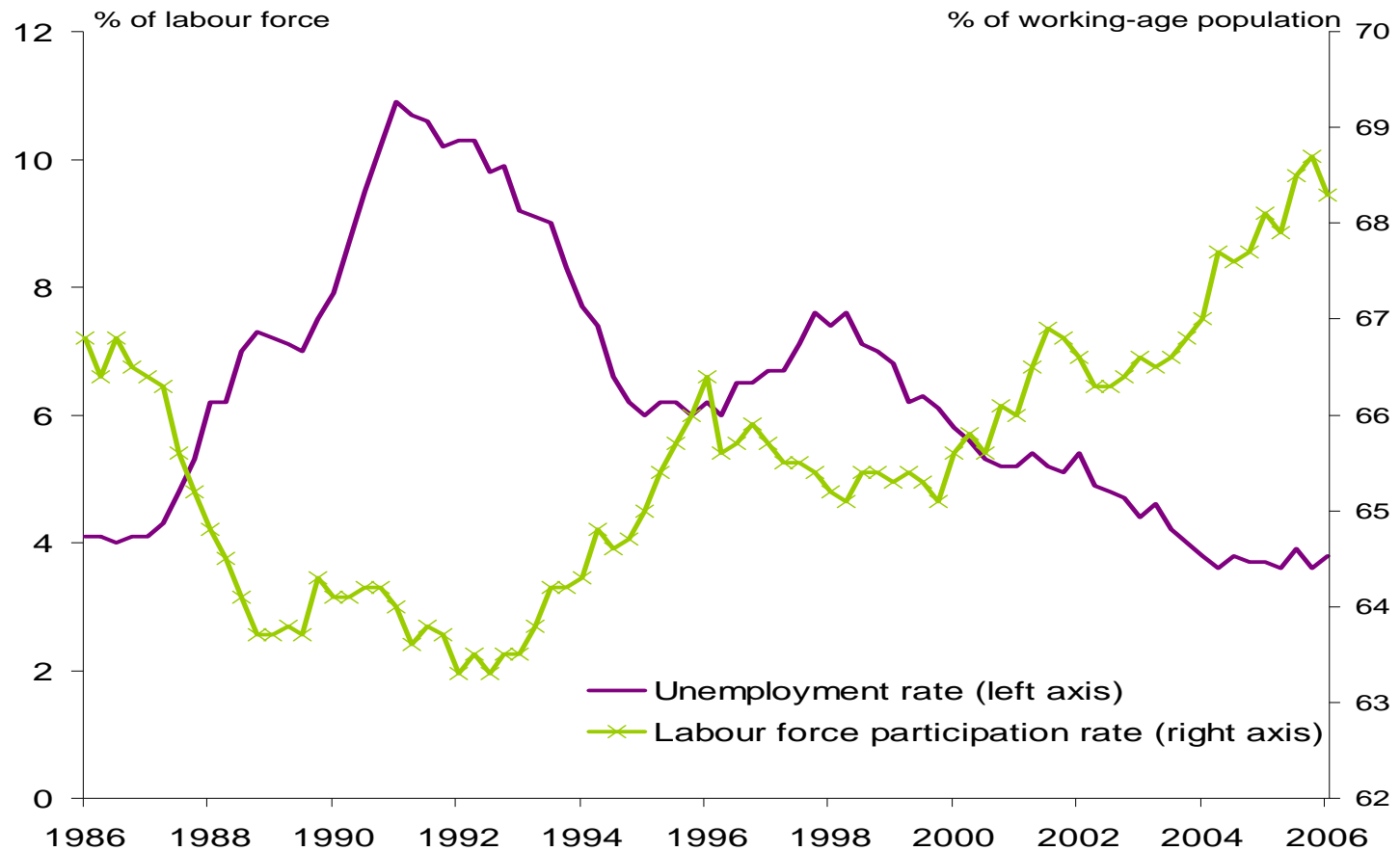
“The rest home industry says it has been fighting for two years and failing to get care-givers on Immigration New Zealand’s Skilled Migrant work list. Healthcare Providers New Zealand, which represents 80% of the country’s aged and dementia units, residential care homes and geriatric hospitals, says **many establishments are struggling to maintain staffing levels** during a time of record low unemployment.” *

*SOURCE: TARANAKI DAILY NEWS 13 SEPTEMBER 2007

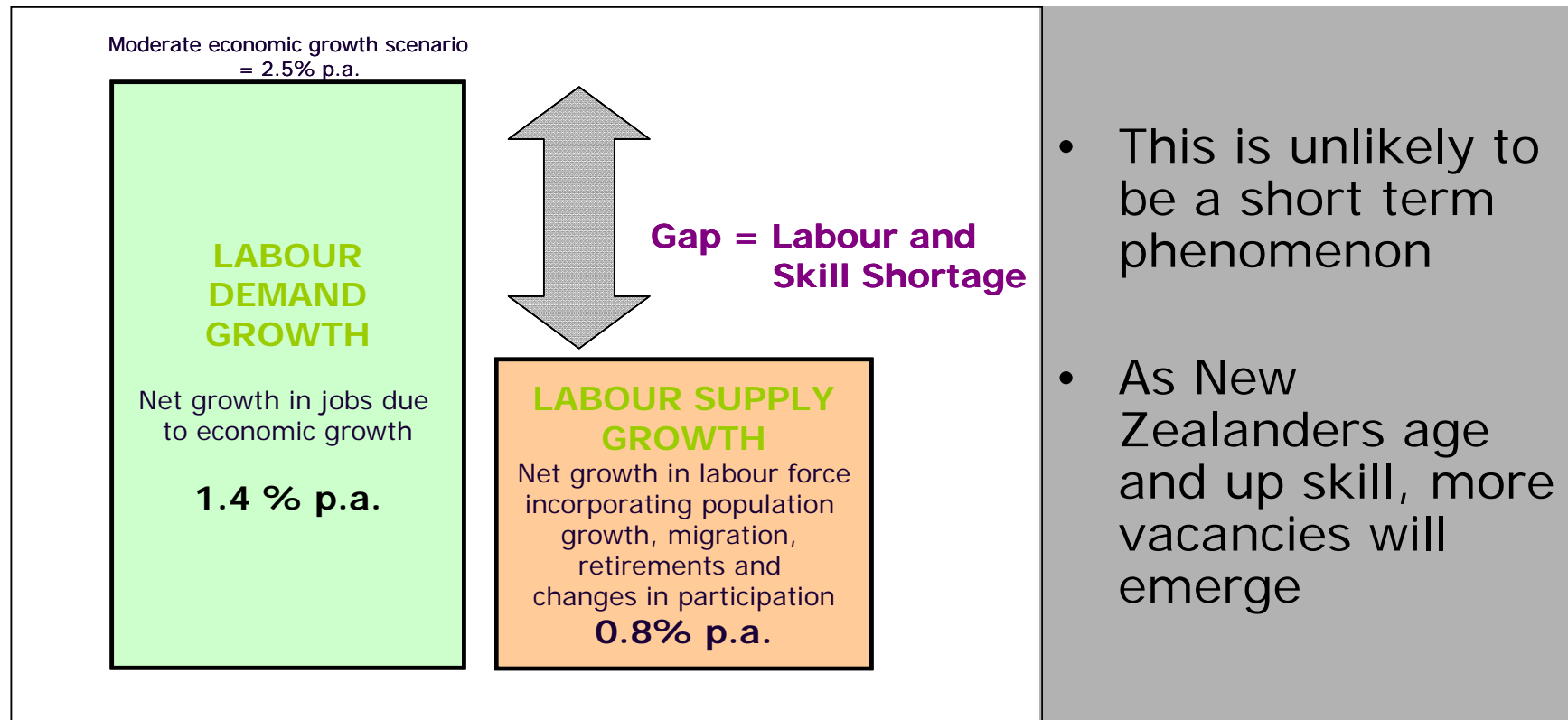


Labour Market Challenges

– not much petrol left in the tank?

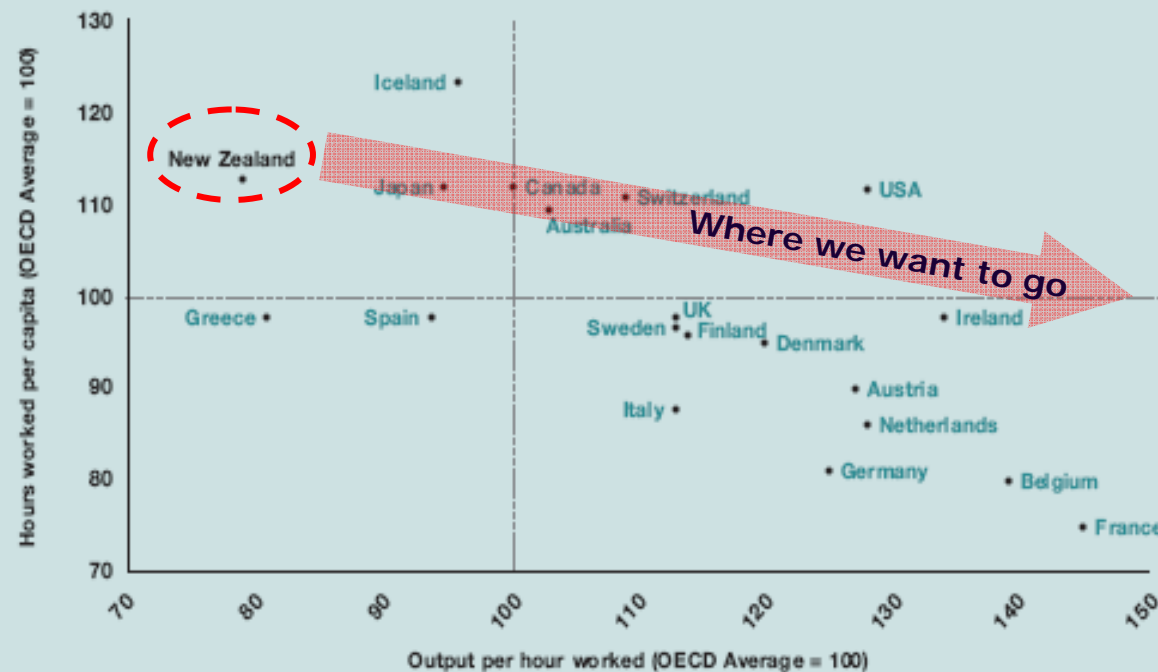


Labour Market Challenges – the future?



Not Just About the Size of the Workforce – what are we aiming for?

FIGURE 5: HOURS WORKED AND LABOUR PRODUCTIVITY, 2004



Source: Groningen Growth and Development Centre and the Conference Board, Total Economy Database, August 2005



Not Just About the Shortages in Skilled Work – do we need to get our hands dirty?

With high skilled jobs come lower skilled (DDD) jobs

- locals don't want to do them
- there is limited potential to mobilise more locals (even with significant wage increases?)
- some of the roles are particularly important socially



Need for Lower Skilled Workers?

– ten highest vacancy jobs in New Zealand

- Sales assistant
- Information clerk/receptionist
- Caregiver
- Cleaner
- General clerk
- General labourer
- Secretary
- Chef
- Waiter
- Registered nurse



*SOURCE: THE DOMINION POST 28 AUGUST 2007



Can Immigration Help?

– policy considerations

Support economic growth and labour productivity, whilst:

ensuring opportunities for New Zealanders first
maintaining quality working conditions for all
avoiding the creation of a migrant underclass, and
contributing to development in other countries



Policy Considerations

– opportunities for New Zealanders first

- Important not to depress wages so use market rate mechanisms
- When some occupations become predominantly migrant then market rate mechanism no longer works...



Policy Considerations

– quality working conditions for all

- Rigorous enforcement of labour market regulations
- English language requirements?

“Bullied, underpaid and abused with no escape...Pedro Balading wanted to come home to Manila.”

SOURCE: SYDNEY MORNING HERALD 28 AUGUST 2007



Policy Considerations

– avoid the creation of a migrant underclass

- path to residence?
- clear limit to permit duration and renewal?
- better utilise people on other permits and families?



Policy Considerations

– contribute to other's development

- remittances?
- partnerships with sending countries?



Final Thoughts...

- Lower skilled work is a hot issue and it doesn't look like it's going to go away
- Current immigration policies designed for skill shortages not labour shortages
- How do governments respond?

