



Committee for
Auckland

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Omega
Opportunities for
migrant employment
in greater Auckland

4 June 2008

Omega's Submission to the New Zealand Skills Strategy 2008 Discussion Paper

Introduction

OMEGA is a new initiative designed solely to increase the employment of internationally trained migrants in Auckland – in jobs that match their skills and experience.

More broadly, the initiative represents a collaborative, cross sector and business led strategy to address part of the skills shortages hindering our city-region and indeed our national growth. To achieve this, Omega has three main objectives:

- Increasing access and availability of value added services that support labour market integration of internationally trained professionals;
- Changing the way stakeholders value and work with internationally trained migrants; and,
- Changing the way government agencies relate to one another in planning and programming around this issue.

Omega was formed by the Committee for Auckland with financial backing from The Tindall Foundation, and is already working with well regarded large-scale Auckland employers. We welcome this opportunity to make a submission on the draft New Zealand Skills Strategy.

Omega's submission has five points of comment and recommendation:

1. Recognition of the importance of immigration to the National Skills Strategy.
2. Recommendation that the skills strategy recognises that increasing the supply of migrant talent is a key priority to achieving economic growth, and includes actions and targets to achieve this outcome.
3. Recommendation that the skills strategy acknowledges that we need to do much better when it comes to successful labour market integration of internationally trained professionals.
4. Recommendation that to achieve the desired outcomes, a systematic and integrated approach is needed involving all stakeholders and levels of government working together.
5. Recommendation that regional action plans in New Zealand's biggest cities are developed, and accompanied by a strong accountability framework with clear and measurable outcome indicators to assess progress.

Comment and Recommendation

1. Recognition of the importance of immigration to the National Skills Strategy

Migrants make important contributions to our economy, culture and civic life. They establish businesses, create jobs, stimulate the economy by increasing demand for consumer products and fill labour market needs. More importantly, as future citizens who have chosen New Zealand, they join the rest of us in the task of contributing to building a better future. The discussion paper acknowledges that New Zealand is one of the developed countries where immigration contributes to the largest increases in the working age population. Indeed, Auckland is one of the top ranking global cities when it comes to the proportion of its citizens who are foreign born – one in three. We endorse the view that New Zealand needs migrants and the skills they bring to our country.

2. Recommendation that the strategy recognises that increasing the supply of migrant talent is a key priority to achieving economic growth, and includes actions and targets to achieve this outcome.

The world continues to move at a frenetic pace. The flow of knowledge, information, goods and people – this force that we call globalisation – has changed the context and environment in many ways, including that of immigration. New Zealand's population is aging, fertility rates are decreasing, and the proposed productivity plans alone will not produce the numbers of skilled workers needed for the labour force. Our response must include attracting and integrating increasing numbers of skilled migrants into our labour market from the global pool of talent. This could include the one million kiwis off shore as part of this global talent pool, our NZ needs to grow and progress to encourage their return.

The productivity and utilisation challenges are powerfully depicted in the draft strategy. If we are serious about achieving the level of growth we have enjoyed over the last five years, a different approach is clearly needed. The business case is compelling; our internal growth and productivity improvements are limited. If it is not already the case, 100% of our net labour market growth will before long come from immigration. Real economic success will be achieved by our ability to develop new and better plans to attract and integrate global talent, and to continue increasing our labour utilisation. The timing could not be better for the National Skills Strategy to be explicit in its objectives, plans and targets to enable us to better the supply of internationally trained migrants.

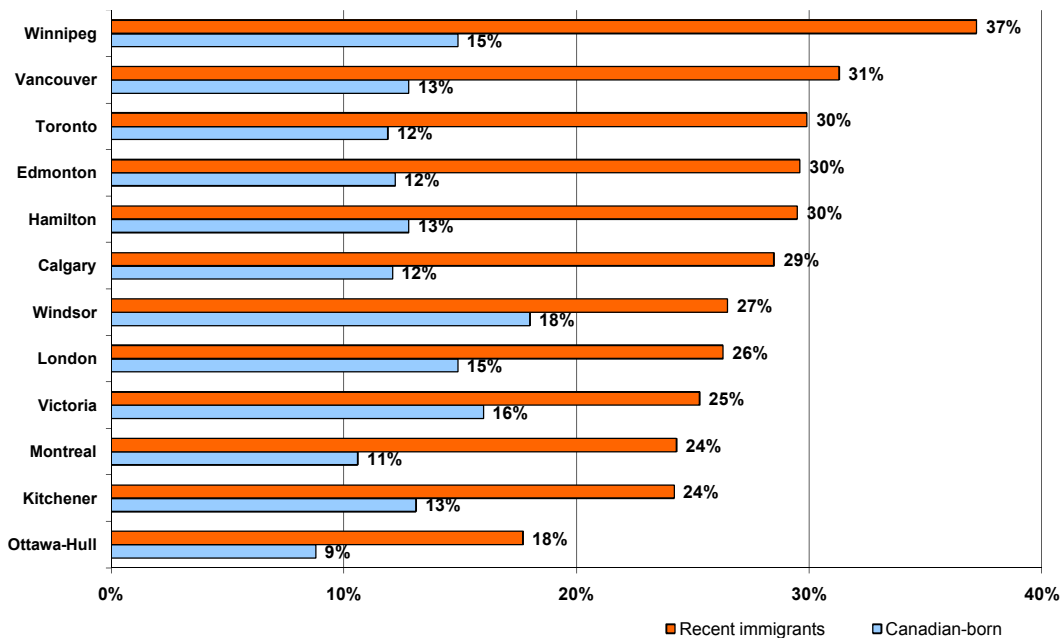
3. Recommendation that the Strategy acknowledge that we need to do much better when it comes to successful labour market integration of internationally trained migrants.

The research cited in the discussion paper suggests that we are succeeding with migrant labour market outcomes with a 'very high job uptake'. However, it is our view that job uptake detracts from the focal issue of labour productivity. It is also our view that we don't seem to be doing so well with integrating internationally trained migrants into our economy. Empirical evidence is not available to hand, but the anecdotal evidence of lawyers, engineers, doctors and IT specialists driving taxis is almost burnt into our national consciousness. We also don't know what this 'underemployment' is denying our economy. For this reason we fully support the Strategy actions to strengthen the knowledge base.

Some of those countries that are part of the intensifying global competition for talented individuals, however, possess the facts. Canada, for example has estimated based on research, that although 51% of the migrant population (aged 24 – 64) have University degrees compared to 23% of Canadians, serious barriers to proper labour market integration exist. The research suggests that for

many internationally trained professionals, a decade passes before they operate at the level of skill and responsibility they had mastered in their country of origin. It is likely that a similar situation applies in New Zealand, which means there could be a decade of skill lost to the NZ economy with a significant opportunity cost in economic and human terms. The Canadian research also puts a metric on the 'discounting' employers and recruitment agencies place on overseas experience.

% of university graduates in Canada (aged 25 to 54) employed in jobs requiring high school or less



Source: Schellenberg, Statistics Canada, September 2004

Internationally trained migrants attempting to enter the labour market in their occupations face hurdles such as lack of information, inadequate assessment and recognition of qualifications achieved abroad, lack of upgrading opportunities, lack of occupational specific language training, lack of networks and social capital, and lack of opportunities to gain New Zealand work experience.

These views do not attempt to suggest that settlement and immigration are bad; on the contrary New Zealand is a wonderful place for migrants to settle. Our comments arise out of a belief that we can all be that much better, and that the need to improve integration of internationally trained migrants is urgent, particularly for Auckland where skills shortages are the number one issue for employers, and where 60% of NZ's new talent settles.

Managing diversity is becoming one of the entry points for employers looking not only to match and increasingly diverse customer base but for those looking for innovation and fresh thinking. The capability of management to develop practices that achieve effective diversity would be a welcome addition to the 'Capability of firms' priority.

4. Recommendation that to achieve the desired outcomes, a systematic and integrated approach is needed involving all stakeholders and levels of government working together.

We also recognise that there are some excellent initiatives underway to address these barriers being undertaken by both the public and private sectors. However many are ad-hoc, time limited projects and serve only a limited number of occupations and locations. A systematic approach to attracting, integrating and keeping skilled migrants contributing to the growth of our economy is needed involving all stakeholders and all levels of government working together, and should be embedded in our National skills strategy with input and collaboration from all relevant stakeholders.

5. Recommendation that regional action plans are developed, accompanied by a strong accountability framework with clear and measureable outcome indicators to assess progress

Migrants live and work primarily in cities. It is at this local level that services, support, training and jobs exist. For there to be a seamless systematic approach to labour market integration (and other local skills issues), all the various stakeholders need to collaborate and work together at a local level. A “bottom up approach” that leverages existing capacity and creates new capacity within and between stakeholders is needed. The ARSS strategy is one example of collaborative action which would benefit from integration in the Skills strategy -

Omega is establishing themselves as a multi-stakeholder body to address labour market entry issues of internationally trained migrants in the greater Auckland region.

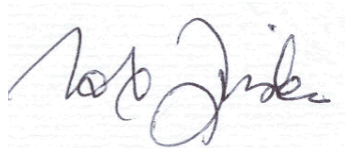
In order to succeed, the embedding of this plan within the workplace, education institutions and within government must be motivated by a strong accountability framework with clear and measureable KPI's to assess progress.

Conclusion

Growing numbers of Auckland's leading organisations are joining the below group of founding employers and actively committing their support to Omega and the issue of migrant labour integration.

Air New Zealand	Deloitte	Jasmax	Simpson Grierson
ANZ Bank	Deutsche Bank	Kensington Swan	The Warehouse Group Ltd
Auckland Airport	Fonterra	Mainzeal	University of Auckland
Auckland City Council	Fulton Hogan	Manukau City Council	URS
Auckland Dist. Health Board	Genesis Energy	Massey University	Vodafone
AUT University	Goldman Sachs JB Were	Mighty River Power	Waitakere City Council
Bank of New Zealand	Hewlett Packard	NZ Post	Watercare
Beca	HSBC	Pohlen Kean	

In addition, we are backed by a significant wealth of knowledge, research and programme experience through our association with the Toronto Regional Immigration Employment Council. We would welcome the opportunity to work with you and our other stakeholders to incorporate these suggestions into actionable plans.



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On behalf of Committee for Auckland Ltd

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