

Omega



Recommendations to the Prime Minister's Summit on Employment

1. Develop actions that release underutilised capacity in NZ's on-shore labour market.

The extent of underemployment amongst migrants in New Zealand is unknown, but we do know of many cases where qualified people work in jobs that are no match for their qualifications and experience. Underemployment exists.

These are some of the underutilised skills on our database today

Qualification	Profession	NZ employment
BA Economics & BSc Accounting	Finance Manager	Bakery support, New World
Bachelor of Commerce & Bus Diploma	Accountant	Crew at Burger King
Doctor in Management & BSc Electronics Engineering	Instrumentation Engineer	Dishwasher, Vector Arena
BSc Computer Science	Hardware / Software Engineer	Kitchen Hand
BSc in Computer Engineering	IT Consultant	Pumping Gas

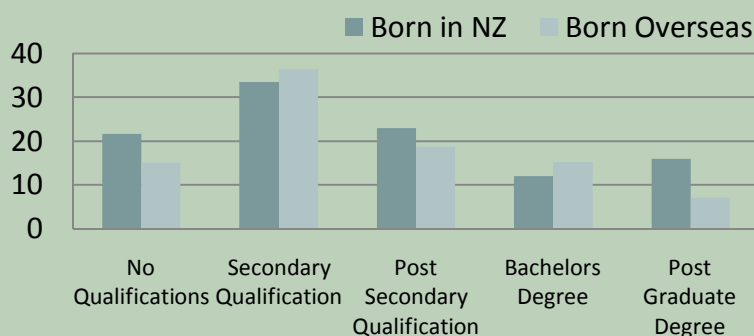
In Canada, if unrecognised qualifications alone were resolved, it would put an extra \$4-6 billion into the Canadian economy (2001)- annually. Numbers of New Zealand migrants are also forced to take survival jobs (taxi drivers, cleaners) as they battle to crack the labour market without local experience. These skilled individuals are underused capacity for NZ; they are already here, committed to staying, and more qualified than Kiwis. Getting them into jobs that fit is both an instant lift to productivity, and opens up unskilled jobs for other unskilled people.

Three effective actions are:

“Work experience programmes e.g. paid internships, bridge the gap into jobs that match skills and experience. These programmes have enjoyed an 80% success rate in Canada and also offer a cost effective resourcing solution to business.

“Mentoring programmes the world over continue to prove themselves as one of the most successful ways to make transitions – here they are proving a cost effective way of getting skilled migrants into the labour market. In Auckland, the success rate is 70%. We have also captured a willing source of volunteer support from well matched mentors.

“Recognition of international qualifications to both lift productivity and free unskilled jobs for unskilled people.



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2. Support a systematic migrant pipeline for more innovation / start-ups

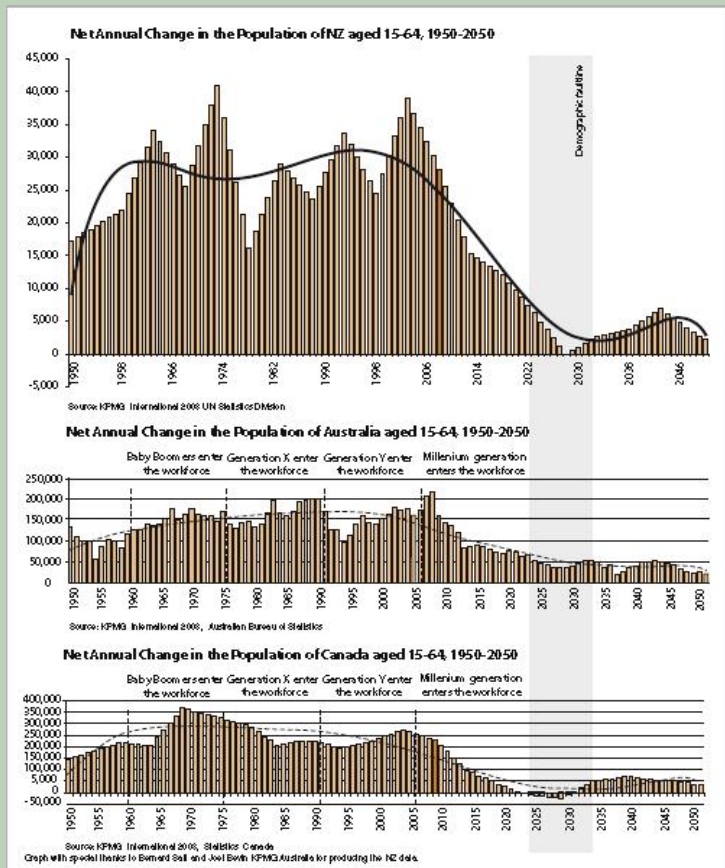
A Harvard Law School researcher showed more than half of Silicon Valley start-ups were founded by immigrants over the last decade. These immigrant-founded tech companies employed 450,000 workers and had sales of \$52 billion in 2005. He also noted that when skilled visa (H-1B) numbers in the US went down, so did patent applications filed by immigrants and when skilled visa numbers went up, patent applications followed suit. A good example is Sergey Brin - arrived in the US aged 6 from the Soviet Union, went on to co-found Google. Tech companies are also highly dependent on migrant talent for their innovation. Indian and Chinese skilled visa holders are disproportionately represented among those who file for patents. Indians contributed 7.6% and Chinese 11.8% of all patents filed from 2000 to 2004, even though they comprise less than 1% of the U.S. population each.

NZ needs a steady stream of talented internationals, not a stop start flow that varies with political shifts. Changing the rules to allow NZ educated foreigners to live in NZ is also an instant source of uplift.

3. A smooth pipeline of international talent to prepare for the 2025 demographic fault line- no labour market growth

With zero labour market growth by 2025, we have to maintain NZ's record as a destination of choice. Skills shortages remain stubborn, even with higher unemployment. **A Business NZ survey in preparation for the Employment Summit revealed that 38.5 per cent of businesses said they had a skill shortage.** Competition for necessary talent is global and in 2025, the UK, Australia, and Canada will also be competing to make up a shortfall in workers. We can continue to recruit and admit new labour now as conditions in NZ are more favourable than other economies.

As businesses search for new sources of capital, the connection of New Kiwis to capital in their countries of origin will assist recovery; these connections also open doors to global markets.



Protecting jobs for New Zealanders is important; it's also fruitful to attract international talent to fill skill shortages, create start up businesses, and to fuel innovation – all elements needed for recovery.

