

RCSA response to the Productivity Commission’s “Immigration Fit for the Future” Preliminary Findings and Recommendations and the Immigration, Productivity and Wellbeing Issues Paper

December 2021

RCSA welcomes the opportunity to make a submission to the Productivity Commission’s inquiry into immigration policy settings for New Zealand’s long-term prosperity and wellbeing. RCSA is the peak industry body for the recruitment and staffing industry in New Zealand, representing individuals and businesses in recruitment and staffing, which includes the labour and on-hire sectors.

We acknowledge the important role of immigration settings to the economic and social environment in New Zealand. For the New Zealand economy to continue to grow, it is vital that we supplement our local workforce with skills, talent and ideas from overseas. Access to a skilled workforce is essential for the industries that underpin our economy and therefore, to our ability to sustain continued strong economic performance.

RCSA believes the needs of the economy are an important focus for policy settings in immigration. It is vital that any approach acknowledge the broader benefits of economic growth, along with the factors compounding current labour market shortages in New Zealand including record low unemployment, strong business growth, declining net migration and declining international education.

Government approaches should reflect the important role that immigration plays in ensuring we have a viable workforce available to support the country’s economic growth. A primary driver for immigration policy settings should be our capacity to deliver the labour New Zealand needs to meet economic demand.

A strong economy is also essential to creating jobs for New Zealanders. Our immigration framework should prioritise outcomes that increase the availability of labour and positively impact economic growth which will ultimately stimulate job growth and opportunities for New Zealanders.

While we agree immigration system should reflect the need for a range of skills and qualifications, they must also acknowledge and reflect the reality that there are some jobs that New Zealanders are not able, willing or skilled to do at every level. Our members are reporting significant impacts for their clients from severe labour shortages for both highly skilled and lower skilled roles. Productivity losses for employers unable to source talent to fill shortages in the construction, hospitality, health, retail and the agriculture sectors are substantial and must be considered as part of any holistic approach to immigration.

RCSA members are unanimous in their view that it is less expensive, less difficult and far more appealing to hire and train New Zealanders to fill roles than to look overseas for the same labour. There is an undeniable commitment to, and preference for, the employment of local talent over migrant labour. Hiring strategies in the staffing industry actively target New Zealanders for vacant positions and many recruitment and labour hire organisations have created dedicated roles to attract, train and facilitate supply of New Zealand skilled labour.

The sector has been innovative in its approach to attracting and training talent by actively working with local education facilities to attract graduates, supporting intern and traineeship programs and in some cases, providing payment of apprenticeship fees

There are a variety of reasons why people not already in work are unwilling to take on available roles in the labour market. Policy settings for immigration need to recognise, understand and fairly reflect that reality, which is a challenge faced by most developed countries.

While we appreciate the need to consider reform of the education and training sectors to assist with longer term skills shortages, it is vital that the immigration system is flexible, agile and responsive to labour demands as the market changes.

We agree with the observation in the interim report that characterising the education system as a 'skills pipeline' can give a misleading impression of the extent to which skills shortages or surpluses can be avoided by controlling the number of people in the training pipeline. We agree that feedback loops between the immigration and education/training systems are inconsistent and historically there has been little influence by policy makers over those systems as a 'pipeline' for longer term talent needs.

An education pipeline on its own will not be able to meet labour market demand at the speed and scale required to support a growing economy. The immigration system needs to work in partnership with employers, employees, governments and industry groups to ensure it is responsive and timely to the needs of labour supply.

We support a partnership approach to immigration between government, business, employees and training systems as the best way of ensuring the most responsive and effective way to deliver immigration settings that drive positive economic and social outcomes in New Zealand.

About RCSA

RCSA is the peak industry body for recruitment, staffing and workforce solutions in Australia and New Zealand representing over 3,000 Corporate and Individual Members.

RCSA promotes and facilitates professional practice within the recruitment and staffing industry. It sets the benchmark for industry standards through representation, education, research and business advisory support to our member organisations and accredited professionals who are bound by the RCSA Code for Professional Conduct through membership.

RCSA is a proud member of the World Employment Confederation, the voice of the employment industry at global level, representing labour market enablers in 50 countries and 7 of the largest international workforce solutions companies.