

Venture Taranaki - Response to Immigration Issues Paper

Venture Taranaki (VT) is Taranaki's regional development organisation, which includes the regional tourism office and the region's economic development agency. VT wishes to thank the Productivity Commission for the opportunity to participate in its inquiry into New Zealand's "working-age" immigration system.

Summary of Key Points:

Te Ao Māori

- The framework must consider that immigration in Aotearoa/New Zealand directly relates to the history of land confiscation and colonisation.
- Te Tiriti O Waitangi is the country's founding immigration document.
- Concepts from Te Aō Māori can offer a useful framework for policy. Tangata whenua could have a greater role in policy development and welcome migrants.

Regional Perspectives on Immigration

- Workforce challenges vary regionally and across industry sectors, and the framework must be flexible enough to acknowledge that.
- Migration does not necessarily go hand in hand with low productivity. Those sectors with high productivity in Taranaki have a significant proportion of highly skilled and highly educated migrants. In fact, low migration coupled with very low unemployment can stifle productivity and economic growth.
- The negative impacts of immigration can be overstated. For example, there is little evidence to support the argument that migrants in Taranaki are driving the shortage of houses or a housing boom.
- Taranaki has significant skill shortages, which will continue for some time without changes to training, population, and workforce innovation. Immigration is part of the solution, but other initiatives will help too. The region is well advanced in planning for the future of work and looking at various options to encourage skilled people to work and study here.
- Migration should be a gap filler for industries that are seeking to grow and where there are skill gaps, particularly in an economic climate of very low unemployment.
- Immigration has a range of benefits, not just economic ones.

Specific Visas

- The pause in student visas is an opportunity to realign the student visa workforce with regional skills needs. Students can become highly employable skilled migrants.
- Investor migrant visas should prioritise sharing of expertise, connections, and capital with New Zealand enterprises. The points system should encourage investment, sharing of expertise and residence in regional New Zealand.

Humanitarian Perspectives

- Barriers to migrants being successful are language, family support, social integration and prejudice and bias. The support available is of a high standard, but there is a lack of financial resourcing.

- Where possible, policy should seek to encourage families to stay together. This may require support for family members and more ways to allow children of temporary migrants into study in skill shortage areas.
- Aotearoa/New Zealand has a responsibility to ensure that migrants have a positive experience. Temporary migrants have the opportunity to be friends of New Zealand on their return to their home country, and those who stay permanently are valuable contributors to our country.

Immigration in Taranaki - History and Background

Immigration in Taranaki connects to the region's complex and fraught history. Migration has had a significant impact on Taranaki's natural environment, economy, and culture. Taranaki has been home to eight iwi for nearly a thousand years, who have cultivated the soil and fished the coastline. The whaling trade attracted the first Pakeha, and many stayed in the region and integrated themselves into Māori Society. When Pakeha arrived in the 1820s, they traded and developed significant social and economic relationships with local hapū.

The signing of Te Tiriti O Waitangi in 1840, subsequent Crown "purchases" and the illegal land confiscations of the 1860s led to mass European immigration and alienation of Māori from their land. (The Crown framed the principal pieces of confiscation legislation as "settlement" legislation). Those migrants filled labour shortages on the farms that sprung up around Maunga Taranaki. They were often from rural backgrounds looking to escape industrialisation in their home countries.¹ While most were British, the migrants included Polish, Dutch, and Swiss farmer workers and labourers.

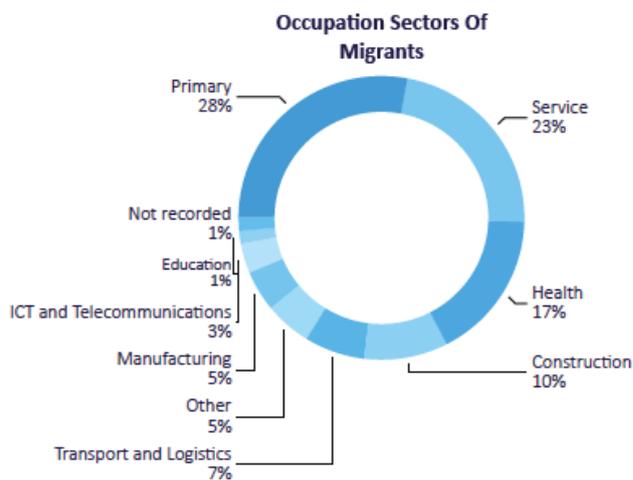
The second wave of significant migration was after World War Two until the mid-1970s. This was against a background of extreme skill and housing shortages.

Immigration in Taranaki – the current context

Immigration is a vital component of the region's workforce. However, migration is very low in Taranaki. According to the Interim Regional Skills Leadership Group Final Report, migrants make up 1.4 percent of the workforce, with just over half of those being skilled temporary migrants.² The sectors they are most likely to work in are the primary, service and health sectors.

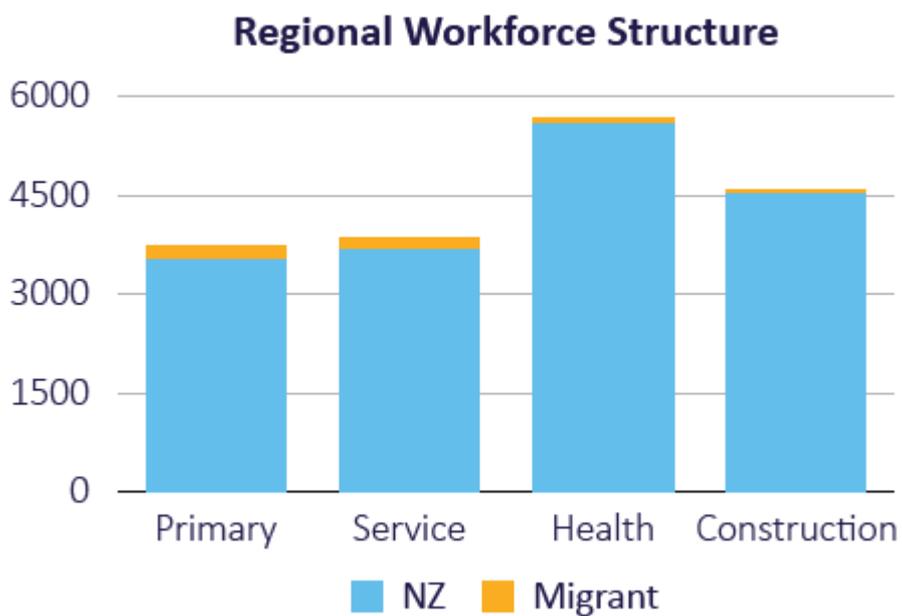
¹ . <https://nzhistory.govt.nz/culture/home-away-from-home/conclusions>.

² Note here that this figure would normally be higher, but in 2020 the region lost 900 international students, cutting the numbers of visa holders in half.

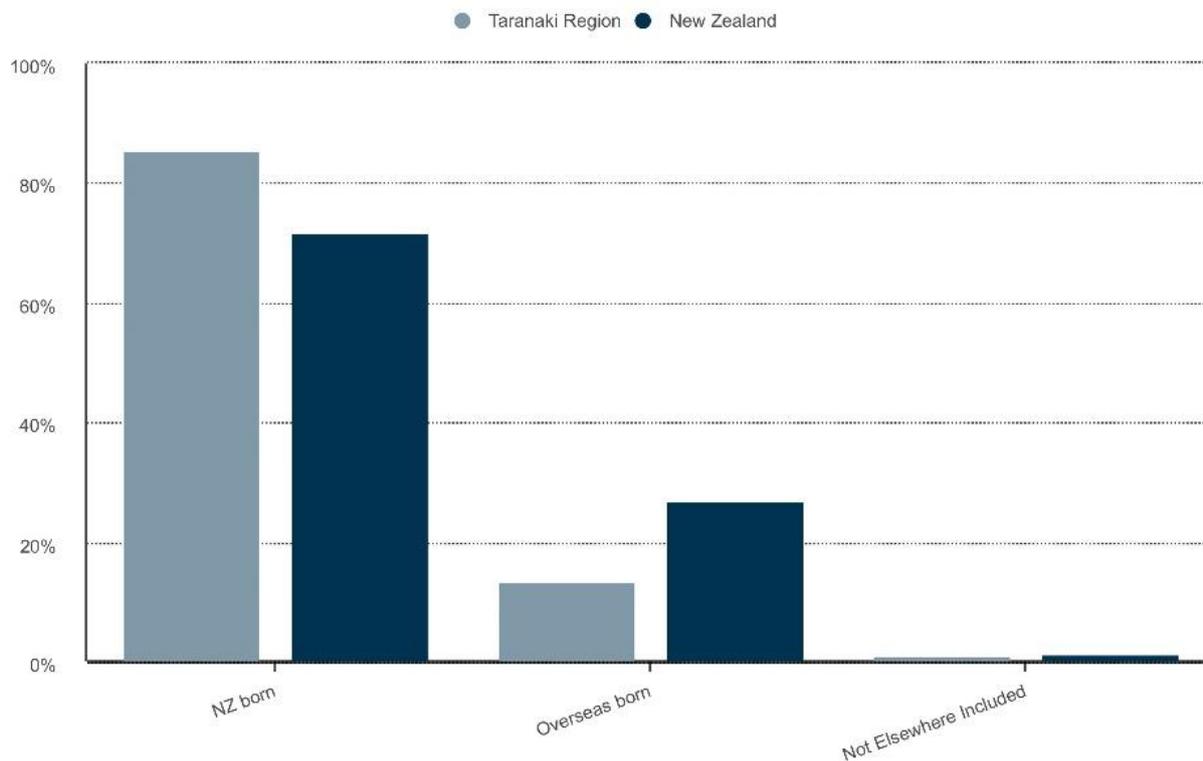


Source: iRSLG

However, migration makes up a very small proportion of the workforce of these sectors. For example:



Source: iRSLG report



Taranaki has one of the smallest proportions of essential skills migrants. Those migrants have highly specialised skills. MBIE notes:

The migrant population is more qualified than the New Zealand population, which is consistent with other regions in New Zealand. The top three occupations for permanent Skilled Migrants in Taranaki are nurses, chefs, and industrial, mechanical and production engineers. The two main source countries are India and the United Kingdom. The top three occupations for temporary Essential Skills workers are marine transport professionals; industrial, mechanical and production engineers and; mining engineers.³

In 2016 in its regional trends report MBIE noted:

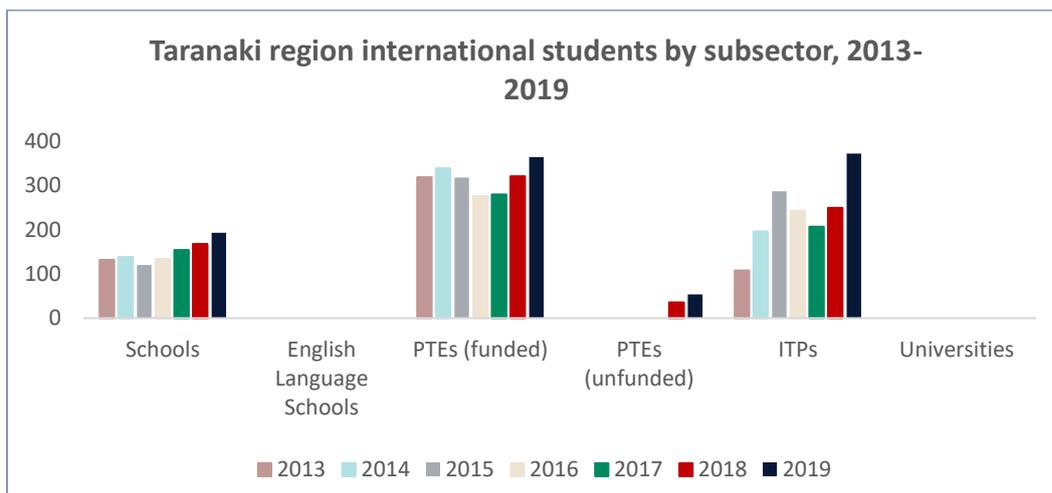
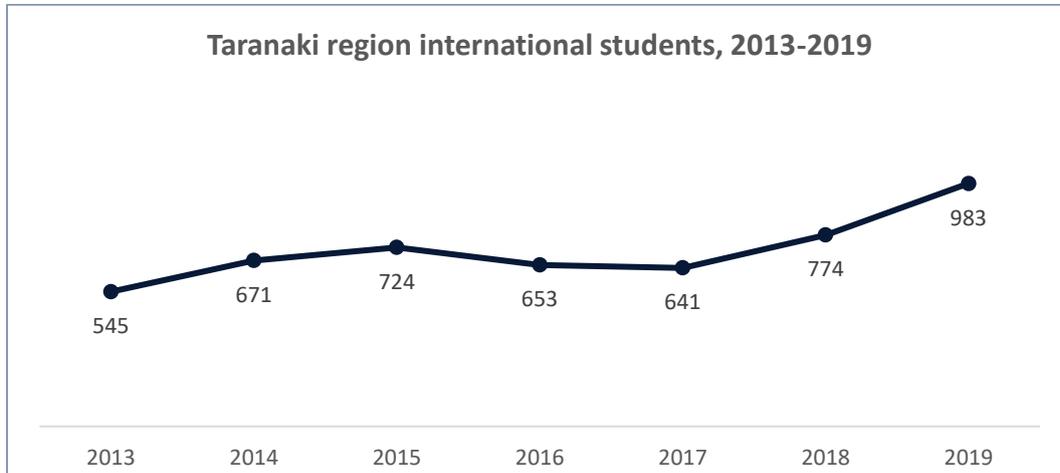
India is the main source country of SMC principal applicants in Taranaki, followed by the United Kingdom and South Africa. Together, the top three source countries represent almost half (49 percent) of the total approved SMC principal applicants in the region in 2015/16.⁴

Student visas were in 2019 the single largest category of temporary visa holders in Taranaki. Recent growth reflects investment by the region's tertiary providers and a concerted, collaborative marketing effort from VT, Education New Zealand and Taranaki's education providers. Most tertiary students study level 5 and above. Their choice of study reflects our comparative strengths in hotel management and engineering and the general trend in New Zealand towards "commerce" subjects.

³ <https://www.mbie.govt.nz/dmsdocument/3022-migration-labour-force-trends-taranaki-2014-pdf>

⁴ <https://www.mbie.govt.nz/assets/98b2848931/regional-migration-trends-taranaki-2015-16.pdf>

Taranaki has fewer people born overseas than the New Zealand average (13.1 per cent compared to 27.1 per cent). From 2006 to 2017, Taranaki had between 400-700 essential skills visa approvals per annum and between 121 and 202 skilled migrants per annum from 2009 to 2017. ⁵ According to census data, the vast majority of overseas-born people have lived in Taranaki for more than five years.



Source: Education New Zealand

Taranaki region international students by top 10 narrow fields of study in 2019	2013	2014	2015	2016	2017	2018	2019
	International Student Numbers						
Food and Hospitality	213	272	330	322	243	284	427
Business and Management	283	280	287	284	279	331	386
Sales and Marketing	100	111	100	145	137	175	303
Accountancy	138	148	147	164	174	206	302
Civil Engineering	17	39	59	72	93	120	159

⁵ (source INZ <https://www.mbie.govt.nz/immigration-and-tourism/immigration/migration-research-and-evaluation/migration-trends-report/>)

Process and Resources Engineering	<5			42	77	77	131
Geomatic Engineering	<5			12	46	69	54
Banking, Finance and Related Fields			6	<5	<5	10	29
Mechanical and Industrial Engineering and Technology	20	27	31	27	22	7	11
Nursing	<5	<5	<5	<5	<5	<5	8

Source: Education New Zealand

The Framework

The policy framework for immigration must be mindful of applying generalisations across the country or applying the metropolitan experience to regional New Zealand. The impact of immigration varies from region to region and from industry to industry. The government has acknowledged the need for regional policy setting by setting up regional skills leadership groups to develop workforce plans according to specific regional requirements.

Objective of Immigration

The overall objective of immigration should be to support the economy's sustainable growth and foster global connections. It should:

- Contribute to immediate and urgent skill shortages
- Foster knowledge transfer to New Zealanders to allow our skill base to grow
- Support migrants to become connected to New Zealand and New Zealanders and to make long term commitment to the country
- Grow global connection into key export markets
- Support New Zealand's philanthropic and humanitarian obligations.

Perhaps the most significant trade-off is the environmental impact of moving people around the globe. However, over time this impact may decrease as we move towards a more effective forms of low emissions transport.

Migration and Productivity

The review looks at how migration can increase productivity. The Productivity Commission's frontier firms work suggests that migration contributes to low wages and low productivity as firms have chosen cheap migrant labour over investment technology and salaries.

The ready availability of labour at modest or low wages (eg, through immigration policies that allow high levels of low-skill migration) has not helped either, because it has reduced firms' incentives to invest in labour-saving and productivity-enhancing equipment.⁶

The relationship between migration and productivity is complex and far from clear cut. United Kingdom for example, a report for the Migration Advisory Committee found that migration was beneficial to productivity, particularly for highly skilled migrants:

We find no evidence to substantiate concerns that immigration has any significant negative impact (either in the statistical sense or more broadly) on overall productivity. Fears that

⁶ Frontier firms report p.25

immigration is responsible, in whole or in part, for the UK's dismal productivity performance appear unfounded. The clear policy implication is that significant restrictions on immigration relative to the current position risk having a negative impact on productivity, and certainly are unlikely to improve it.

This positive impact appears to be driven by immigrants with higher skill levels, as measured either by their level of education or by occupation. The policy implication is that any new system designed to control economic migration should favour those with skills. However, the empirical analysis in this paper does not give clear guidance on whether educational qualifications, occupation (or some combination) is a better indicator of which migrants are most beneficial, and does not shed light on any negative impact of low-skilled migrants on productivity.⁷

In Taranaki, it is unclear whether there is a link between migration and productivity. In fact the size and scale of enterprises rather than migration may be the biggest barrier to investment in productivity enhancing equipment. Regionally over 80 percent of enterprises in 2020 employed five or less people.⁸ It is important to remember that migrants make up only a very small part of the regional workforce (note though, that they may be over-represented in more recent hires) even in sectors with large numbers of migrants.

There are highly skilled migrants in very productive industries, being paid wages consistently beyond the regional median. Taranaki consistently enjoys some of the highest GDP per capita in New Zealand. In 2020 the GDP grew by 2.6% compared to national growth of 1.6%. The region consistently outstrips the national level of GDP per person in productivity.

Year	Taranaki Region ⁹		New Zealand	
	Level \$ per capita	Change	Level \$ per capita	Change
2016	161,633	1.90%	122,393	1.10%
2017	160,299	-0.80%	123,120	0.60%
2018	161,664	0.90%	123,835	0.60%
2019	160,979	-0.40%	125,037	1.00%
2020	162,824	1.10%	124,988	0.00%

Still, correlation does not necessarily equate with causation. The most productive industries are those where regional specialisation and income levels outstrip the regional average, such as engineering and farm management. Those industries have higher proportions of migrant workers. However, sectors like IT and Healthcare have comparatively low productivity comparative to the NZ average *and* have higher ratios of migrants than other sectors. The table below highlights those that are more productive than NZ average:

Industry	Productivity		Capital intensity
	Taranaki Region	New Zealand	New Zealand
Mining	1,523,949	642,217	0.76
Electricity, Gas, Water and Waste Services	1,167,282	483,361	0.77

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https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/740983/Campo_Forte_Portes_2018_.pdf pp 37-38

⁸ Infometrics regional profile This is consistent with national data too.

⁹ Source Infometrics

Rental, Hiring and Real Estate Services	280,816	339,422	0.83
Agriculture, Forestry and Fishing	243,386	114,512	0.61
Financial and Insurance Services	239,957	274,046	0.57
Information Media and Telecommunications	148,472	293,069	0.58
Wholesale Trade	122,585	129,675	0.4
Transport, Postal and Warehousing	120,435	125,629	0.44
Manufacturing	113,755	125,532	0.44
Professional, Scientific and Technical Services	106,870	111,563	0.25
Construction	79,049	82,963	0.25
Public Administration and Safety	75,653	109,680	0.19
Administrative and Support Services	72,042	50,964	0.19
Health Care and Social Assistance	69,335	75,217	0.13
Retail Trade	60,972	69,335	0.32
Arts and Recreation Services	53,636	87,683	0.36
Education and Training	50,881	60,356	0.26
Other Services	35,633	56,307	0.19
Accommodation and Food Services	33,064	39,259	0.25
Total	162,824	124,988	

Source: Infometrics

Barriers to migrant productivity are often systemic issues. In 2018, VT conducted a workshop with employers to look at challenges and opportunities regarding hiring international students. Employers said that English language skills, lack of familiarity with Microsoft products, and cultural competencies were most likely to hinder the student from being productive.

Migration and Wellbeing

New Zealand must have a zero-tolerance policy towards migrant exploitation, but it is essential to distinguish between migration per se and poor behaviour by employers. It is the role of the government to police exploitation and appropriately sanction poor employers.

As a society, we must support migrants to connect with our communities and adequately fund support programmes. In Taranaki, Migrant Connections is an outstanding source of support for the community, even with limited funding.

The indicators on page 13 of the document appear to be a good start to measuring migrant wellbeing. We also support pay parity with New Zealanders as an indicator of wellbeing. VT would support this being looked at holistically from the perspective of a whole family, not just the principal migrant. Family members struggling in their new environment is a barrier to wellbeing. For example:

The move to New Zealand was relatively easy for Hashem - already having organised a job and working full time meant he was getting to know people there...For Maha the experience was quite different. It was nice in the beginning, in a supporting environment. But she had to face the fact she didn't have a job anymore and had to be a full time housewife, which wasn't who she remembered herself to be - it wasn't her.¹⁰

¹⁰ Source: Homelands, Then and Now, Migrant Connections Taranaki

In our view, successful settlement is when all family unit members have a high level of wellbeing, feel their skills are utilised and are free from exploitation.

Te Ao Māori

The concepts of rangatiratanga and manaakitanga should have a role in immigration policy and support. There is an obligation on the Crown to ensure that iwi are suitably resourced and have access to information so as to be able to participate fully.

The Treaty is New Zealand's foundation immigration document. It establishes the intention for non-Māori to settle in Aotearoa and for the Crown to make laws to govern how that settlement would happen. It also acknowledges Rangatiratanga, the right of Māori to retain their lands, estates, forests and fisheries and the right of Māori to receive equal treatment under the law. However, past immigration policies and legislation contributed to the alienation of Taranaki Māori from their land and other cultural taonga. Future policy needs to be mindful of this.

While it is more appropriate for tangata whenua to decide how they wish to engage, measures could include:

- Channels and adequate support for tangata whenua to feed into policy development
- Tools for new immigrants to understand the Treaty and Aotearoa/New Zealand's History. (Noting that many settlement support organisations offer Treaty training already).

As the discussion document points out, manaakitanga is a key principle of Māori culture. Visitors are made to feel welcome and become part of the community. Many migrants come from indigenous cultures themselves and are open to learning and understanding Māori history and culture. We agree with the document that Māori should play a significant role in welcoming new migrants to Aotearoa.

Pacific Islands Nations

New Zealand's role in the Pacific should ultimately support Pacific Island nations' economic, social, environmental, and cultural development. Any immigration policy should take care that it does not rob these nations of their best and brightest people and consequently hinder the growth of their economies, whilst also acknowledging the rights of individuals to seek out the best opportunities for themselves and their families. There is scope to develop new visas and policies that might allow for innovation, expertise and learning between New Zealand and budding leaders in the Pacific.

Policy Objectives

The government should announce its policy objectives for immigration and review the statement at least every two years. However, as the pandemic demonstrated, flexibility is needed as global circumstances can change quickly. Visas need to be responsive to regional needs. Taranaki currently faces a skill shortage. Specific examples are:

- Recent workforce planning by construction and infrastructure industry training organisation BCITO indicates that Taranaki's vertical construction workforce is currently 44 per cent (around 2000 workers) under capacity and that this demand would continue until at least 2024.
- VT's own survey of construction firms showed that the shortage was primarily in the more senior roles. There are skill shortages across all residential construction professions; qualified tradespeople (bricklayers, flooring specialists), labourers and electricians.

- A survey in 2021 by Federated Farmers found that 32 percent of farmers in Taranaki were unable to fill skilled roles. The Taranaki interim regional skills leadership group notes, uncertainty over immigration status and approaches is placing considerable stress on these families and their employers. A proportion of farm owners now cite the negative impact this is having on their mental wellbeing, and shareholder interface roles at Fonterra note a continued increase in the suicide rate of farm owners. Farmers are especially disheartened by seeing some exemptions being granted (notably for film/TV workers), but not to alleviate the burden they are carrying on farm, with mental health impacts not being seen to be prioritised.¹¹

While much has been done to encourage youth and career changers into areas of demand, it will take a few years of investment for this to filter through. Until then, the skills gap will remain. It should also be noted that even taking this into account, and alongside technological change, current population levels are unlikely to be able to meet the need for skilled workers to enable enterprises to grow.

There are challenges with pegging visa acceptance to income. It ensures that immigration does not drive wages down and favours highly skilled migrants. However, roles remain unfilled if the threshold is unaffordable for the employer. In Taranaki, the thresholds could be out of step with regional pay rates. In 2018, Taranaki's the median annual household income was \$75,000 compared to the National Median household of \$89,000.¹² By contrast, based on \$27 per hour for a 40 hour week, the immigration bright-line pay rate of 200 per cent of NZ median wage is \$112,318 per annum, suggesting that the rate is out of sync with regional wage rates.

Assessing the performance of the immigration sector

VT agrees that employers should prioritise the New Zealand labour force before recruiting temporary visa holders. Enterprises must invest in New Zealanders and shape job packages that appeal to them. Supporting immigration applications with job advertisements and documenting why local candidates were unacceptable would seem to be the best approach. This should show that the employer had careful consideration of C.V.s and took the time to interview candidates with potential. That process needs to be robust and show more than a cursory attempt to recruit New Zealanders.

The policy settings need to consider how they are interpreted. We understand that pitching immigration towards higher skilled roles, is about ensuring that migrant rights are protected and there is a skills transfer to New Zealand Enterprises. However, this could be interpreted as the policy wanting to keep low skilled roles for New Zealanders. It should be government's priority to ensure that New Zealanders skill level increase. Furthermore, the pandemic has demonstrated that many roles considered "low skilled" are in fact "essential" and integral to keeping the economy functioning.

• ¹¹ "<https://www.mbie.govt.nz/dmsdocument/12677-local-insights-report-taranaki-interim-rslg-december-2020>

• ¹² <https://www.mbie.govt.nz/dmsdocument/11453-regional-factsheet-taranaki-pdf> .

Employers recruiting temporary workers could have workplace development plans to show how they will grow capability, transfer skills and ensure that roles appeal to New Zealanders. RDAs like Venture Taranaki can support this. For example, we are working proactively with our enterprises to:

- Connect them with MSD
- Provide support for capability development in workforce planning, staff management and strategy
- Work with teachers and schools to show the sector opportunity
- Tell the story of the sectors in our region and use this to attract people in regional attraction campaigns

Regional skills shortage lists allow migration to be matched to a specific need. Regions are best placed to identify their own needs; intel from MSD, job sites, employers and professional organisations are good sources. Additionally, regional strategies such as Tapuae Roa¹³ and Taranaki 2050 clearly identify priority areas for sector development and investment.¹⁴

Skills shortage lists must be regionally responsive and tailored to the nuances of regional skills needs. We welcome the opportunity for Regionals Skill Leadership Groups to advise on regional skills shortage lists. Venture Taranaki would recommend a more holistic approach that goes beyond ANZSIC codes and considers the broad needs of sectors. The timing of skills shortage lists should sync with Regional Workforce Plans.

Investor Migrants

Taranaki is, as yet, untapped by investor migrants, but they could be a real driver of investment and productivity in the future. In the post-COVID era, New Zealand could be an appealing destination for these people. As figure 7 points out, their value includes experience, connections and market knowledge. While the existing criteria are reasonable, visas could usefully be weighted towards investors wanting to engage with local businesses or angel investment groups or with skills in priority regional growth sectors and/or entrepreneurship.

Student Visas

Venture Taranaki has worked with the International Education sector since 2014. According to Education New Zealand, the sector is worth 90 jobs and \$20 million to Taranaki. One-third of this is fees and the other third being related to spending from students, families, and people employed by the sector.¹⁵ Since the COVID 19 pandemic hit, the region has lost 800 international students, making a sizeable reduction to that \$20 million of export income and resulting in job losses.

We see no need to stop students from having post-study work rights. The post-study work rights are a point of difference between NZ and other markets. Given the investment that students have made, we support student visas having post-study work rights. Many of our international students have had successful careers in New Zealand or have been advocates for us on their return home. Students gain a good understanding of our culture and workplaces and are highly employable.

The discussion document says that during study, students tend to work in retail or hospitality. This is no different to a typical domestic student and helps students support themselves and complete their

¹³ <http://www.makeway.co.nz/>

¹⁴ <https://www.taranaki.co.nz/vision-and-strategy/taranaki-2050/>

¹⁵ <https://enz.govt.nz/assets/Uploads/Taranaki-Economic-Impact-Report-2015-16.pdf>

studies. During study there should be no restrictions on industries they can work in and it provides financial security for students.

However, there is scope to align student visas with skill shortages. It is appropriate to link students to skill shortages, ensuring that they add value to New Zealand. Those students gaining employment post-study in skill shortage areas should get longer terms than students studying a more generalist degree. Government policy currently favours Level 7 and above qualifications. While this policy encourages PhD students in high-value R&D, this does not relate to skills shortages, where a significant proportion are vocational roles. There is an opportunity to tighten rules to tie study visas with desired qualifications and skill shortages. However, we also note that graduates with generalist degrees often make significant contributions to enterprises and should not be totally excluded from work rights either.

Families of Migrants

The most humane approach to settling migrants is to allow families to come with the principal applicant, should they wish to. However, partners often find it harder to settle, with many not having their skills adequately recognised. The barriers they face include a lack of professional and business networks, prejudice from employers and others, not understanding the job application process and a lack of confidence about English language skills.

Rules around study visas for older children have impacted families' willingness to stay in their roles. We are aware of one instance where a 19-year-old with temporary migrant parents has had to leave New Zealand due to lack of funds, despite wanting to study to become a nurse - an area of regional and national skill shortage. This is unfortunate for both the family and not filling an in-demand role.

Filling Our Skills Gaps – other options

There are many ways to improve the productivity of New Zealand and grow a skilled local workforce. As an RDA, we contribute to this by:

- Working with individual enterprises to grow their R&D, entrepreneurial mindset, and capability (including through the Regional Business Partner programme).
- Working with enterprises to see how jobs can be made more attractive to existing workers and to support employers to be good employers.
- Supporting start-up enterprises (including impact enterprises).
- Telling the story of why the region is an attractive place to live and work.
- Supporting specialised clusters and sectors to establish and grow
- Facilitating and co-ordinating regional strategy
- Working with regional education providers to ensure that training is relevant and feeding into regional workforce development plans
- Participating and actively supporting the work of the Regional Skills Leadership Group.

The opportunities for filling skills gaps are:

- Review of vocational education (ROVE) – targeted tertiary training to meet skills needs.
- Free apprenticeships
- Returning skilled New Zealanders
- Youthful Māori population coupled with proactive iwi organisations focused on improving wellbeing and youth development.

- Higher numbers of women underemployed – suggesting a workforce that could be better utilised.
- Encouraging employers to look at a diverse range of potential employees, from young to older, from all backgrounds
- Encouraging older workers to stay in paid employment by developing part time packages that give flexibility and utilise their skills and experience.

The challenges are:

- For "highly skilled" research and development roles, the pipeline to work is through the university. With no university in the region, it is harder to tap into that talent pipeline.
- A perception that with the end of oil and gas exploration, the region is not a place to go if you want long term career prospects and to live in a prosperous part of the country.
- Our young people want to experience life outside the region. New Zealand has a tradition of the "OE", and our skilled people are attractive employees around the globe.
- We lose people in the 18 – 24 age group (often for tertiary study) but gain some back once they start families and buy houses.

Regionally we work to mitigate those challenges by working with universities and enterprises to promote student internships and by promoting job opportunities and regional lifestyles to attract skilled workers.

However, like many regions, we have an aging population. Immigration is not the silver bullet to fixing an aging workforce. Still, Taranaki needs a working-age population growth to meet its enterprises' future needs, and there is a real risk that this may not be possible. According to Infometrics, the workforce will grow by 7600 people from 2021 to 2030.¹⁶ Stats NZ offers a range of scenarios for *total* population growth (note this is not a working-age population).

Regional council area	Projection	Population at 30 June				
		2018	2023	2028	2033	Change
Taranaki region	High		129,800	136,400	142,500	12,700
	Medium	121,200	126,700	130,200	133,000	6,300
	Low		123,800	124,300	123,900	100

The change varies from district to district and where depopulation could happen:

		2018 ⁽³⁾	2023	2028	2033	Change
New Plymouth district	High		89,700	94,900	99,700	10000
	Medium	83,300	87,700	90,600	93,100	5400
	Low		85,700	86,500	86,800	1100
Stratford district	High		10,350	10,800	11,200	850
	Medium	9,710	10,050	10,250	10,400	350
	Low		9,820	9,750	9,590	-230
South Taranaki district	High		29,800	30,900	31,800	2000
	Medium	28,300	29,100	29,500	29,700	600
	Low		28,500	28,200	27,600	-900

¹⁶ <https://portal.infometrics.co.nz/customdashboard/VentureTaranakiWorkforceOutlook>

Government immigration policy should favour regions where labour shortage is most significant and where natural population increase less likely. If there is evidence of migration causing infrastructure pressure, then caps could be applied to manage this.

Even if policy encouraged migration, New Zealand may not be able to attract the level of migrants we once did. Many countries where skilled migrants come from face similar population challenges and migrants (and New Zealanders) are globally sought after. Other measures like encouraging more flexible work options for groups like parents of young children and older workers and more investment in technology will be necessary. However, immigration still plays a part in the short, and potentially long (given declining birth rates) term, especially while the domestic labour force upskills and training programmes refocus.

Migration and Infrastructure

The impact of migration on infrastructure is often overstated. For example, there is no evidence to suggest external migration has put pressure on Taranaki's infrastructure. It does not appear to have significantly impacted house price growth. The region is at the lower end of net migration per 1000 people, yet since 2016 the percentage house value growth has consistently outstripped that of New Zealand. In the year to February 2021 house prices rose 23 per cent.¹⁷ The causal factors are more likely low interest rates, intra-regional migration, a robust primary sector, and lack of housing supply versus natural population growth and a general trend to larger, newer homes.

Thank you once again for the opportunity to engage. We look forward to making comments on the commission's next piece of immigration work and welcome any questions or further discussions.

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Talent Advisor

on behalf of Venture Taranaki.

¹⁷ <https://www.stuff.co.nz/taranaki-daily-news/news/300251045/taranaki-house-prices-keep-rising-and-rising> .