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Media Release

New research: we like our migrants, low pay blamed for skills shortage

Almost 90 percent of New Zealanders are concerned at the skills shortage and 75% say that low pay is to blame.

And most people support tax, housing or resettlement incentives as ways of trying to retain skilled workers - or attract trained Kiwis back home.

These views have been revealed by nationwide research undertaken by ShapeNZ for the New Zealand Business Council for Sustainable Development.

The research has been conducted ahead of the Business Budget Summit 2007 between business leaders and Government ministers to be held in Wellington on Thursday (November 1).

The ShapeNZ survey also reveals overwhelming public agreement that skilled migrants have made an important contribution to New Zealand. 91% agree on this, and 66% support at-work internships for skilled migrants to help them learn how to work in the New Zealand work place.

Eight out of 10 believe skilled migrants can add to social diversity and improve New Zealand's way of life, and more believe that the effects of recent overseas migrants entering their own communities have been more positive (40%) than negative(16%). But there is a marked reluctance (70%) to reducing English language standards for skilled new migrants.

There is strong public support for the incentives to attract back some of the million Kiwis now working abroad.

Seventy five percent of those asked - and 74% of business owners questioned – agreed poor pay was the major factor behind difficulties in finding skilled workers.

Incentives to encourage trained New Zealanders to stay or to lure skilled Kiwis back home won widespread support.

Tax incentives (59%) were the most popular, followed by paying resettlement costs (57%) and help for skilled workers in buying homes (52%).

A large group (65%) backed bonding skilled graduates to work in New Zealand for every year of training.

The survey also reveals widespread support for encouraging skills training in schools. Over 90% backed more flexibility in allowing students skill training outside their school gates, 82% support allowing schools to run "Trade Academies" and 81% think school-based apprenticeship schemes should be piloted. Several of these proposals are in National's current employment policy. There is also support for major new investment to improve the qualifications of Maori and Pasifika students.

The Summit – the second organised by the Council – will bring together 80 business leaders and senior observers on Thursday to look at long-term solutions to major issues facing the country.

The focus this year is on tax reform, long term health funding and workplace skills shortages.

“With a booming world economy there is a global war for talent and we need to change our tax, migration and skills policies if we are to compete,” says Peter Neilson, the Chief Executive of the Business Council.

A full summary of the survey results will be presented to the Summit and can be found at <http://www.budgetsummit.org.nz>. The skills survey has 820 respondents, weighted by age, gender, personal income, employment status and party vote 2005. At a confidence level of 95% the maximum margin of error is 3.5%. The survey continues at www.shapenz.org.nz

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The Business Council believes sustainable businesses are profitable, contribute to social progress and ecological balance – and protect New Zealand’s quality of life. The Business Council’s 60 members jointly employ more than 60,000 people in managing resources, manufacturing, retailing and the service sector. Members contribute annual sales of \$44 billion to the economy, equivalent to 34% of GDP. The Business Council runs a national online survey panel, ShapeNZ, to allow public input on major issues. The panel is built from purchased lists and is representative of the population as a whole, compared with the 2006 census. ShapeNZ members register and provide demographic and previous party vote information to ensure results can be accurately weighted to reflect the New Zealand population. Registration is also available at www.shapenz.org.nz