Immigration in the context of MBIE’s wider policy goals and objectives

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Government priorities & the Business Growth Agenda:

Government’s Strategic Priorities

- Building a more productive and competitive economy
- Delivering better public services within tight financial constraints
- Responsibly managing the Government’s finances
- Rebuilding Christchurch

- Export Markets
- Infrastructure
- Business Growth Agenda
- Innovation
- Natural Resources
- Skilled and Safe Workplaces
- Capital Markets
MBIE's overarching goal is to "Grow New Zealand for All":

**INCREASE REAL HOUSEHOLD INCOME 40% BY 2025**
From a median household income of around $1300 to $1800 a week.

**OBJECTIVES**

- **MORE COMPETITIVE BUSINESSES**
  - Double labour productivity growth
  - Increase exports/GDP ratio to 40%

- **JOB OPPORTUNITIES FOR ALL**
  - Unemployment under 4%

- **AFFORDABLE HOUSING**
  - Lower ratio of housing costs to income

**MBIE OUTCOMES**

- More supportive and dynamic business environment
- An increased number of highly skilled people and innovative firms
- The built environment better supports a well-functioning economy
- Greater value sustainably derived from the natural environment
- More productive and prosperous sectors, regions, and people
For immigration, the focus is on “maximising the contribution of the system to long-term growth”:

• Are we attracting the best skills, ideas and investments to support the economy?

• What do we need to do to manage the economic effects of a permanent pool of temporary and low skilled migrants?

• How can we maximise the contribution of immigration to the regions?

• How can we facilitate access, while managing risk?
Permanent Long Term Migration Trends

number of people

-20,000 0 20,000 40,000 60,000 80,000 100,000 120,000 140,000

Net migration
Arrivals
Departures

May-10 May-11 May-12 May-13 May-14 May-15
Number of people approved temporary visas

- Students
- Work - Essential Skills
- Work - Family
- Work - WHS
- Total workers

Years:
- 2010/11
- 2011/12
- 2012/13
- 2013/14
- 2014/15
Recent migrant share of wage/salary jobs by industry

Proportion of recent migrants (%)

- Agriculture, Forestry and Fishing
- Mining, Electricity, Gas, Water and Waste
- Manufacturing
- Construction
- Wholesale Trade
- Retail Trade
- Accommodation and Food
- Transport, Postal and Warehousing
- Information Media and Telecommunications
- Financial and Insurance
- Rental, Hiring and Real Estate
- Professional, Scientific and Technical
- Administrative and Support
- Public Administration and Safety
- Education and Training
- Health Care and Social Assistance
- Arts and Recreation
- Other
- Total

Recent Migrant share (March 2011)  Recent migrant share (March 2014)
Temporary migrant share of wage/salary jobs by industry
Recent migrant share of jobs (incl. temporary migrants)
DISCLAIMER:

- The results in the previous three slides are not official statistics, they have been created for research purposes from the Integrated Data Infrastructure (IDI) managed by Statistics NZ.

- The opinions, findings, recommendations and conclusions expressed in this paper are those of the author(s). Statistics NZ and the NZ Ministry of Business Innovation and Employment take no responsibility for any omissions or errors in the information contained here.

- Access to the data used in this study was provided by Statistics NZ in accordance with security and confidentiality provisions of the Statistics Act 1975. Only people authorised by the Statistics Act 1975 are allowed to see data about a particular person, business or organisation. The results in this paper have been confidentialised to protect individual people and businesses from identification. Careful consideration has been given to the privacy, security and confidentiality issues associated with using administrative data in the IDI. Further detail can be found in the Privacy Impact Assessment for the IDI available from www.stats.govt.nz.

- The results are based in part on tax data supplied by Inland Revenue to Statistics NZ under the Tax Administration Act 1994. This tax data must be used only for statistical purposes, and no individual information may be published or disclosed in any other form, or provided to Inland Revenue for administrative or regulatory purposes. Any person who has had access to the unit-record data has certified that they have been shown, have read, and have understood section 81 of the Tax Administration Act 1994, which relates to privacy and confidentiality. Any discussion of data limitations or weaknesses is in the context of using the Integrated Data Infrastructure prototype for statistical purposes, and is not related to the data’s ability to support Inland Revenue’s core operational requirements.
Key challenges and opportunities:

- Improve the selection, attraction and retention of high-skilled migrants.
- Reduce long-term reliance on migration (especially temporary migration) in our lower productivity and lower wage industries.

This is not so much about changing the quantity of migrants as it is about increasing the quality of the skills they bring to our labour market.
To respond to these challenges and opportunities we want to place a greater focus on:

- **Coordination between immigration settings and other government interventions** focused on economic growth (e.g. tertiary education, welfare, funding and support provided to firms and businesses etc.).

- **Not only the selection, but also the attraction, integration, retention and effective utilisation of migrants.**

- **Regional and sector needs**, in a way that targets specific labour market and industry characteristics and provides the correct incentives for individuals and firms to invest in training and development, and capital.

- **Consistency in identifying and managing trade-offs** in immigration settings and other constraints (e.g. housing) against our wider long term economic growth objectives.
In practice, we are already:

- Taking advantage of the coordination opportunities that exist between the immigration system, the education and welfare system, and government’s business facing infrastructure.
- Increasing our efforts in attracting and integrating migrants – with a focus on regional and sector needs.
- Making a significant investment in modernising the immigration system.
Questions?
Thank you