

3. IMMIGRATION AND EMPLOYMENT DEVELOPMENT

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The purpose of this report is to advise the Strategy and Finance Committee of the progress that Canterbury Development Corporation has made on a number of matters relating to immigration and employment promotion that it was requested to action as a result of the Council's consideration of the report on the Mayor's attendance at the OECD Learning Cities and Regions Conference held in Melbourne last year.

IMMIGRATION POLICY FOR CHRISTCHURCH

The Council resolved that CDC be requested to:

- (a) *Discuss with other agencies the scope and feasibility of a possible immigration policy for Christchurch and report back to the Strategy and Finance Committee.*

To date there has been no formal development of a regional immigration policy although there has been pilot work carried out by CDC suggesting that a targeted policy is feasible.

A document "Live the Life, Living and working in Christchurch" was developed by CDC approximately two years ago and was distributed through New Zealand Immigration Service (NZIS) offices in London, Singapore and New Zealand (to target potential immigrants already in NZ on short stay work permits and visas). The pamphlet contained a Registration of Interest form for working in Christchurch.

The results were mixed in that while the initiative attracted enquiries across a range of occupations and skill sets they were not adequately matched to the job specific needs of Christchurch employers.

NZIS remain keen, particularly in the UK, to further explore regionally focused initiatives and based on research to date, a successful formula is seen to require a minimum of the following elements.

- Comprehensive background information on Christchurch and Canterbury (note Ashburton has significant skill and labour shortages) available in hard copy and as a dedicated web site.
- Commitment from Canterbury employers (via CECC and CMA) to 'post' jobs on a dedicated web site notice board.
- Promotion of the notice board to Canterbury Employers via CDC, CMA and CECC newsletters, websites. Promotion of the overseas end by NZIS and by attendance at fairs and in appropriate migration journals.
- The involvement of NZIS staff overseas to screen respondents to ensure they comply with the current immigration eligibility criteria before putting them into contact with the vacancy of choice.
- Attendance by Canterbury representatives, probably via CDC, at carefully targeted immigration shows particularly in the UK. Otago (Dunedin and Central Otago interests) have had success with this direct approach and CDC have held preliminary discussions about a South Island presence at a major event in London in October.

There are a number of issues regarding such an approach:

- Lead times between employer advertising and securing staff are often lengthy and as a result less than attractive to employers.
- Significant expense, particularly around creating awareness of the web site among potential immigrants meaning that a targeted approach into a small number of key markets is necessary. Otago experience suggests UK is a good start point.

CDC has not discussed the above with other agencies such as CMA and CECC at this stage but we are aware that NZIS are keen to explore regionally based immigration solutions and Otago would work with us to attend selected immigration shows to achieve cost efficiencies.

The recently announced changes to Government immigration policy will make a regional based approach to immigration both easier and more useful. In particular it will be easier to focus on matching would be immigrants to specific skill needs and specific employers. CDC is looking at ways to work with employers in Canterbury to gain best effect from this change.

RESEARCH AND DEVELOPMENT INVESTMENT

CDC was requested to:

- (b) *Investigate the options for remedying the low level of New Zealand business investment in research and development and advise the Council so it might advocate to Government for the necessary changes.*

There has been considerable research carried out that has both documented and provided possible explanations for New Zealand's low (in OECD comparative terms) level of investment in research and development by the private sector.

There is little doubt that historic comparisons confirm NZ's low performance in this area but two reasons are frequently cited for this:

- Reporting practices. Because of what was seen until recently by business as the punitive tax treatment of R&D expenditure, a proportion of legitimate expense in this area was assigned to other cost centres to allow tax deductibility.
- The heavy weighting of the primary sector in the New Zealand economy which has traditionally been a low investor in R&D.

Two issues need to be clarified before CCC decides to advocate to Government for further changes in the tax treatment of R&D and other initiatives aimed to increase the private sector R&D spend.

- Time to assess the impact of the more liberalised R&D tax write off regime.
- Time to assess the impact of the current enhanced government focus (2003 budget) on R&D investment and grants, innovation and research – industry partnerships all of which can be expected to increase the R&D spend.

Given the above, a formal CCC submission to Government in this area is not seen as a high priority.

EDUCATION AND EMPLOYMENT

The Council resolved that the Canterbury Development Corporation in conjunction with the Mayors Taskforce for Jobs be requested to:

- (a) *Look further at the links between educational achievement and a high skills economy particularly in the light of the evidence that we have very good achievements in education and continuing education but these do not seem to be translating well into economic development and skilled employment growth.*
- (b) *Investigate a pathways to jobs programme designed to help young people better plan their transition to work and their working lives.*
- (c) *Investigate the feasibility of a new public works scheme designed to provide opportunities for people to get work experience while undertaking work of community benefit that would not otherwise get done.*
- (d) *Investigate and advise the Council on what it might do to promote improved workforce planning.*
- (e) *Look at what needs to be done to ensure that intending immigrants are clear, before they arrive, as to the 'equivalency' of their qualifications and what, if any, retraining they will need to undertake before they are able to practice their specialist skills in New Zealand.)*

Transition to Work (b)

The Mayors Taskforce is currently co-ordinating initial work in this area – CDC will report back in collaboration with the Mayors Taskforce at a later time.

Possible Public Work Scheme (c)

The CDC in partnership with the Community Employment Group (CEG,) CCC's Sustainable Christchurch, Recovered Materials Foundation (RMF) and in anticipated partnership with Work and Income New Zealand is currently investigating the feasibility of a new works and employment scheme. Feedback from employer consultations identified that they would be interested in employing and investing in job seekers who have significant barriers to work if the required support was in place and if there was a centralised co-ordination of this to avoid the contacting of multiple organisations.

The new works and employment scheme has a number of innovative features.

- It will combine community organisations, the private sector and local bodies, by aggregating the synergies of existing programmes and encouraging and facilitating new, specifically targeted initiatives.
- It will develop a measure of degrees of work readiness that is agreed to by all contributing organisations while meeting the needs of the employer. This will be an objective measure which will capture skills and attributes in a number of areas.
- Those who are ready to work will be put on a database that will be the referral point when vacancies arise. Other people will be supported to develop skill action plans to increase their employability.

It is at this point that work schemes conventionally stop. The point of difference of this scheme is to introduce private sector employers as fully participating and informed partners.

- By working closely with employers it will be determined not only what skills, and attitudes they are seeking for each vacancy but also concessions they are able to make. Some applicants for positions might not be ideal but may, with structured post placement support be able to successfully grow into the job.
- Employers would be supported to take on and invest in job seekers that they may not usually employ.
- Employers have stated that employment breakdown most often occurs when the improvement incline is interrupted by sporadic episodes that they are not equipped to handle.
- This scheme will deal with these occurrences by co-ordinating targeted post placement support that will be immediately available at no cost to the employer. Staff from the organisation the employee came from will provide the support. This will ensure a good understanding and relationship. These organisations will be paid for their services by a centrally administered fund.

In draft form this scheme has received broad community support. If funding can be sourced it is recommended that a pilot with one or two employers and 10-20 employees be run to further test its robustness and ability to generate sustainable outcomes.

Promoting Improved Workforce Planning (a & d)

The current labour market challenges highlights the dichotomy faced in our current climate of low unemployment.

On one hand we have businesses citing a lack of staff as constraining their growth while on the other hand we have a pool of jobseekers that do not have the appropriate entry-level skills for these industries. Compounding this, in the ensuing years we will also be faced with a shrinking labour market due to our ageing population and a shortage of skilled workers.

Canterbury Development Corporation is in a unique position having both economic and employment development arms. This point of difference means it is well placed to develop an integrated social and economic response to the changing labour market through a regional workforce development strategy.

The latest DOL Skills Shortages Report, December 2002 quarter, shows high current skills and labour shortages. Key points in the report include:

- the difficulty in finding skilled labour increased to a net 39% in the December quarter from 37% in the September quarter.
- the number of firms reporting labour as the main constraint on expansion rose from 12% in the September 2002 quarter to 16% in the December quarter, the highest it has been since 1974.
- shortages are more acute in the South Island with 48% of southern firms report having difficulty finding skilled staff.

Establishing a Workforce Development Team

In order to address the labour market issues outlined in the national research CDC proposes to change the focus of their Employment team from focusing on a small group of individual employers to a strategic workforce development function. This can be achieved through a combination of realigning internal resources and additional initial funding to develop and disseminate demographic and local labour market information.

The Workforce Development team's role would encapsulate:

- Development of Baseline and quarterly update of Canterbury Labour Market Information (CLMI).
- Inclusion of Regional Demographic Trends – Portal Consulting (Dr Ian Pool and Dr Janet Sceats).
- Dissemination of CLMI using a communication plan to target groups.
- Ongoing facilitation of structured formal networks between Industry/Employer and Tertiary Providers (TAONZ, local universities, private training providers).
- Rapid Response Industry/Employer demand led courses.
- Strong connection tertiary graduates and local job market.
- Development of short term reactive and long term proactive Workforce Development Strategy.
- Strategic recruitment alignment with CREDS, local business development, cluster and MRI requirements and major regional developments.
- Project based initiatives in response to new or expanding contracts or ventures in the region.
- Employer Education and Jobseeker skills work.

CDC has an ability to act as a neutral facilitator to bring together Tertiary providers and Employer/Industry representatives to develop regional courses, plans and responses that can better meet regional workforce requirements.

The three main areas the Workforce Development Team will work in are:

1. Labour Market and Demographic Information and Dissemination
 - Develop and regularly update a robust overview Canterbury labour market information including demographic trends
 - Comprehensive understanding of the workforce requirements of Employers and Employer groups in Canterbury.
 - Canterbury Regional Labour Market Information dissemination to students, families, schools and the wider community through collaboration with our other Employment Service units
2. Skills and Training Aligned with Industry Requirements
 - Tertiary sector is well connected and responsive to Industry through CDC network
 - Facilitation of regional workforce initiatives and rapid response action groups of tertiary providers and Industry
3. Workforce Alignment with Regional Development Strategy
 - Greater integration and alignment of employment and economic development arms of CDC.
 - Targeted to complement Canterbury Economic Development strategy
 - Provide added value and a more integrated service for CDC supported Clusters, Businesses, Hitlab, Ultralab.
 - Target areas of skill shortages.
 - To ensure that business growth is not limited by supply of labour.
 - Jobseeker requirements are better represented and met.

“Equivalency” Qualifications (e)

The New Zealand Immigration Service is currently looking at changing how people enter New Zealand with a stronger emphasis on settlement. This means that issues of qualifications, targeted employment opportunities (matching skill shortages, matching people to available jobs) and training will be identified before arrival. This should significantly improve the area of qualification equivalency and reduce the mismatches currently occurring.

CDC have identified through their refugee and migrant employment strategy there are already a large number of immigrants, many with qualifications, who are already in Christchurch and in great need of employment. CDC works in this area by providing funding and support to community organisations working with migrants and refugees and through our own Ethnic Communities Employment Advocate Project.

It is thought that any work with intending immigrants is currently the domain of NZIS and they are actively making changes this area. Once these initiatives have had time to emerge and are functioning, CDC would be open to looking at potential ways of providing added value support. This issue is relevant to the concept of an immigration policy for Christchurch.

Staff

- Recommendation:**
1. That the information be received.
 2. That CDC be asked to continue investigating:
 - (a) improved approaches to attracting immigrants with the required job skills to Christchurch;
 - (b) the feasibility of a new style public works scheme.
 3. That the CDC's move to a workforce development model to enable it to better address employment issues be noted and supported.

Chair's

- Recommendation:** That the above recommendation be adopted.