

**INDUSTRY TRAINING FEDERATION
SUBMISSION**

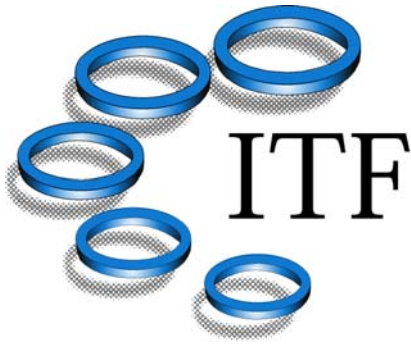
TO

**Foreign Affairs, Defence and Trade
Select Committee**

ON THE

Immigration Amendment Bill

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INTRODUCTION

1. The Industry Training Federation (ITF) is a membership-based organisation, representing Industry Training Organisations (ITOs) to government and working with agencies and sector groups to improve the policy for, and delivery of, industry training. There are currently 42 members of the ITF (out of a total of 46 ITOs) representing around 99% of all industry training funded by government.
2. The ITF believes the changes to the General Skills Category can benefit industries covered by Industry Training Organisations (ITOs) in addressing skill shortages and attracting more appropriately skilled persons to areas of New Zealand industry that needs them.
3. We support the idea of having an immigration policy that is more orientated towards the needs of employers and employment offers than the possession of qualifications by potential immigrants.
4. We suggest that the policy needs to be carefully applied and monitored to ensure that increased immigration does not lead to perverse incentives to delay and/or reduce training for current New Zealanders.
5. In December of 2002 parliament legislated for Industry Training Organisations to provide leadership within industry in skill and training needs including identifying current and future skill needs. That role needs to be included in the process of assessing skill shortages.
6. The short time frame for submissions means that the ITF is unable to provide as full a submission including references to the reports and research that we would like.

RECOMMENDATIONS

7. The ITF recommends that:
 - (a) The bill proceed
 - (b) The policy process is developed to include ITO input
 - (c) In future, the ITF be considered a stakeholder for the purposes of consultation alongside Business NZ, the NZCTU and others.
 - (d) The policy process is developed to minimise any actual or perceived perverse incentives such as the delay and/or reduction of training for current New Zealanders.

COMMENTS

8. In December 2002 Parliament specifically legislated for a new leadership role for industry skill and training needs for ITOs in the Industry Training Amendment Act 2002:
 - (c) provide leadership within the industry on matters relating to skill and training needs by---
 - (i) identifying current and future skill needs; and
 - (ii) developing strategic training plans to assist the industry to meet those needs; and
 - (iii) promoting training that will meet those needs to employers and employees¹;
9. The ITF therefore submits that ITOs are well placed to provide advice on their industries. Indeed, it would have been helpful to have considered the ITF a stakeholder in terms of the policy direction consultation.
10. The ITF notes that many ITOs have calculated future labour requirements for their industries. These calculations often show large gaps between the required labour force and the potential increase in labour force. When the calculations of industries are considered together there are clearly fewer potential new entrants to the labour market than the potential demand for labour.
11. The ITF believes that for industries where there are skill shortages that cannot be addressed solely by increasing the number of NZ trainees, recruiting overseas for those specialist skills will be an element in meeting the labour needs of those industries.
12. There are many trades with skill shortages that have moderate level qualification requirements. As qualifications are one proxy for the sets of

¹ <http://rangi.knowledge-basket.co.nz/gpacts/public/text/2002/se/051se6.html>

skills employers demand, moving to more flexible arrangements around skill shortages moves supply of skill closer to demand in this area.

13. It is reasonable that the policy be carefully applied and monitored to ensure that increased immigration does not lead to perverse incentives to delay and/or reduce training for current New Zealanders.

CONCLUSION

14. The ITF supports the objectives of the Bill, and recommends that it proceed.