

Skill shortages, vacancies and immigration survey results

May 2022

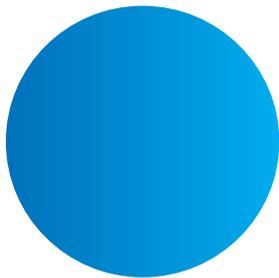


A survey was sent to EMA members to gather information on skill shortages, vacancies, and immigration recently.

There were 335 survey responses. Most of the respondent's businesses were in the manufacturing, transport, construction, health, and retail sectors (54%). Responses were received from 50 different sectors/industries.

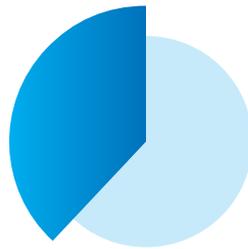
Most respondent's businesses had 20 to 99 employees (41.5%). 37% had over 100 employees, and 21.5% had less than 20 employees.

Key Findings



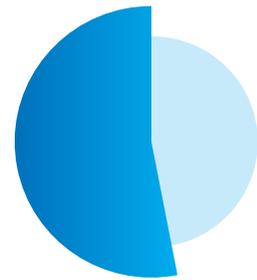
100%

100% of respondents with vacancies said they were struggling to fill them.



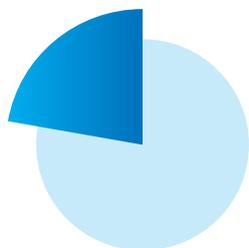
38%

38% of respondents had been advertising vacancies for over six months.



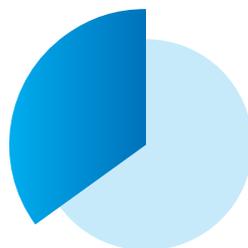
53%

53% of respondents said applicants were lacking in work readiness skills.



Between 17-22%

Between 17% and 22% of respondents said applicants were lacking in literacy, numeracy, and IT skills.



35%

35% of respondents had vacancies that would not be filled through the Accredited Employer Work Visa (AEWV) settings.

The skill levels of the vacancies often do not match the skill levels of the applicants.



Results

Vacancies

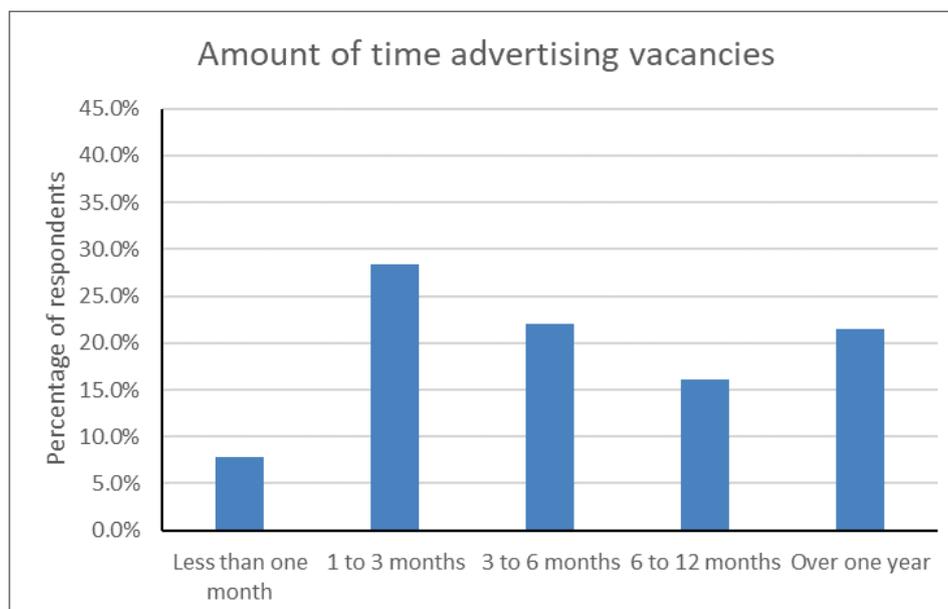
100% of respondents with vacancies within their businesses struggled to fill those vacancies. The 1.5% of respondents who said they were not struggling to fill vacancies did not have any vacancies.

The table below provides a breakdown of the number of vacancies that respondents had. This table is split between urban and rural businesses.

Some of the values in the table are too small to be significant, but were kept in the survey results for informative purposes.

URBAN			RURAL		
	Number of respondents	Percentage of respondents		Number of respondents	Percentage of respondents
1 - 5 vacancies	130	46.8%	1 - 5 vacancies	24	51.1%
6 - 10 vacancies	55	19.8%	6 - 10 vacancies	10	21.3%
11 - 20 vacancies	33	11.9%	11 - 20 vacancies	3	6.4%
21 - 50 vacancies	28	10.1%	21 - 50 vacancies	2	4.3%
51 - 100 vacancies	11	4%	51 - 100 vacancies	2	4.3%
101 - 300 vacancies	9	3.2%	101 - 300 vacancies	0	0%

As shown on the graph below, most respondents had been advertising vacancies for over one month. Around 38% of respondents had been advertising vacancies for over six months.



The table below illustrates that a greater percentage of urban businesses advertised for at least three months, then from three months to over a year, a greater percentage of rural businesses advertised.

Some of the values in the table are too small to be significant, but were kept in the survey results for informative purposes.

URBAN	Number of respondents	Percentage of respondents	RURAL	Number of respondents	Percentage of respondents
Less than one month	84	31.3%	Less than one month	10	22.7%
1 to 3 months	66	24.6%	1 to 3 months	8	18.2%
3 to 6 months	42	15.7%	3 to 6 months	9	20.5%
6 to 12 months	20	7.5%	6 to 12 months	3	6.8%
Over one year	56	20.9%	Over one year	14	31.8%

New Zealanders to fill vacancies

Most respondents shared the view that New Zealanders could fill the vacancies, however, the market demand for employees is much higher than the supply of willing New Zealanders.

This creates a large amount of competition in the job market and drives up the cost of wages. The competitive market also results in companies poaching existing employees.

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"Whilst there are people in NZ that can fulfil these roles, there is simply too much competition and not enough people for the number of positions we have. Our business is affected greatly."

"The labour market is so tight that our counterparts/competitors are reporting persistent vacancies at between 10-20% of overall service capacity. We are in a better position, but we are unlikely to sustain our present position beyond the next 3-6 months."

Respondents commented on a skills shortage for both higher-level specialised skills, and more basic skills such as work-readiness, literacy, numeracy, and other soft skills. Senior roles are particularly hard to fill as there are limited New Zealanders with the experience for these roles. There were several comments noting there are good graduates coming out of university, but it is harder to find tradespeople.

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"Yes, good graduates coming out of university, focusing on that we can't find experienced engineers. Very hard to find trades, that is impossible."

"In order to work on the NZ Electrical grid, we require competent and qualified employees holding EWRB registration. Although there are some areas where New Zealanders can fill roles, we are having to compete with others to not only recruit staff but also to retain our own staff/workforce."

"Not with BASIC literacy/numeracy and mechanical skills and who are reliable."

Some respondents shared the view that people choose not to work because the Job Seeker benefit rates are a better option than what people would receive if they chose to work.

Multiple respondents pointed out that skill shortages are exacerbated in the regions. Employees would often prefer to work in larger cities. Because of this, employers rely on migrants to fill the gap in the market.

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“Rural positions can be very difficult to fill, and with the borders being closed due to covid, there has been a shortage of immigrant workers. This has caused additional stress and pressure on our farmers resulting in increased welfare issues.”

“We are willing to train but with not enough people in the NZ market, we don't get the applications. Unemployment is low, we are working with MSD/ WINZ but there are not enough people for the jobs we have. Highly competitive for applicants across multiple industries for drivers.”

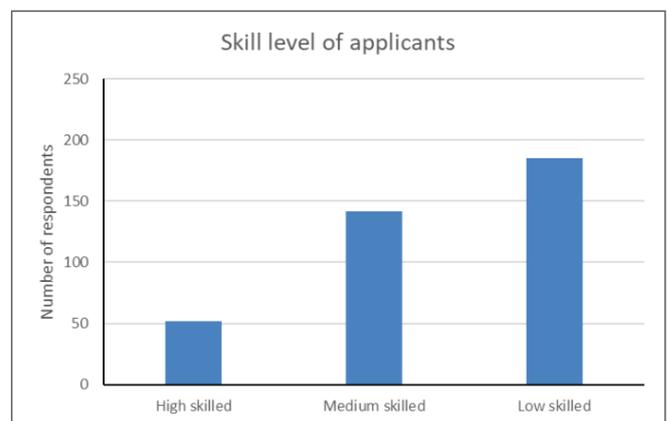
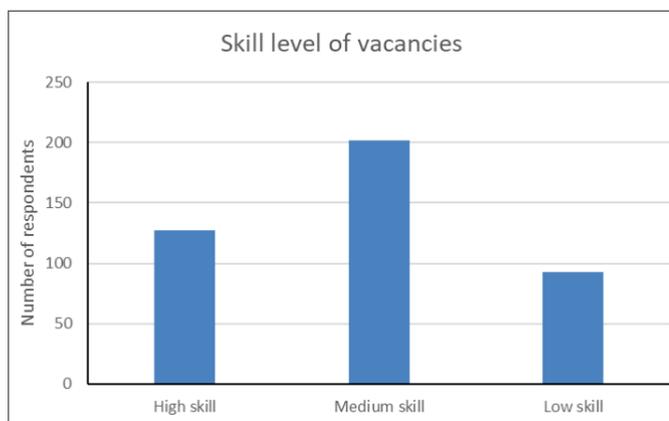
Immigration to fill vacancies

The new AEWV settings are aimed at bringing higher-skilled workers into New Zealand. Immigrants require at least a median wage (\$27.76 at 4 July 2022) with the exception of a few industries. 90% of respondents had used migrant employees in the past.

63.5% of respondents had vacancies that paid at least the median wage of \$27.76. This means that 34.5% of respondents had vacancies that would not be filled through the new immigration settings.

Skill Mismatch

Respondents were asked if the vacancies they had were for high, medium, or low skilled jobs and if the applicants for the positions were high, medium or low skilled. As shown in the graphs below, the skill levels of the vacancies often do not match the skill levels of the applicants. 27% of the job vacancies were for low skilled jobs, whilst 55% of the applicants were low skilled.



Skill Shortages

When asked what skills the respondent's businesses were lacking, some mentioned that applicants were lacking technical skills and knowledge, e.g., mechanical, electrical, aviation, plastics, optical industry, early childhood education, teachers, health sector, textiles, veterinary, transport, chefs, and welders. Applicants often lacked specific qualifications that were needed to apply for the jobs.

Other respondents were more concerned with soft skills such as attitude, motivation, reliability, communication, customer service, problem-solving, clean criminal records and drug tests, access to vehicles, work experience and willingness to commit to a full-time job.

Respondents were asked if applicants were lacking literacy, numeracy, IT and work readiness skills. 53% said applicants were lacking in work readiness, 22% said literacy, 19% said numeracy, 17% said IT, and 59% of respondents left a comment regarding skill shortages. The table below shows the difference between urban and rural businesses. Literacy, numeracy, and IT skills were seen as a bigger problem in urban areas.

Some of the values in the table are too small to be significant, but were kept in the survey results for informative purposes.

URBAN	Number of respondents	Percentage of respondents	RURAL	Number of respondents	Percentage of respondents
Literacy	61	21.9%	Literacy	5	10.4%
Numeracy	53	19.1%	Numeracy	5	10.4%
IT	49	17.6%	IT	4	8.3%
Work readiness	140	50.4%	Work readiness	25	52.1%

Other Comments

The main point that came through when respondents were asked for further comments was that businesses are simply unable to find candidates to fill roles. **Businesses are receiving little to no applicants; they are struggling to find appropriately trained individuals in New Zealand and are unable to hire immigrants.** This is having severe impacts on businesses.

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“We are happy to work with Immigration to fill our key roles. The process needs to be clear and detailed, so we know exactly what is required. Feedback around changes is critical, so we know what to expect and can plan accordingly. Really would like to fill our key roles asap so as not to disrupt the business operations and ability to deliver for our customers and the industry.”

“Our starting rate is between \$22-\$27 depending on the location (our Otahuhu, Auckland starting rate being \$27) for entry-level, no-experience-required production work. Despite this, we have been told previously by candidates that they would rather stay on the government subsidies than work at a rate of \$22-\$27. This was quite a shock to us.”

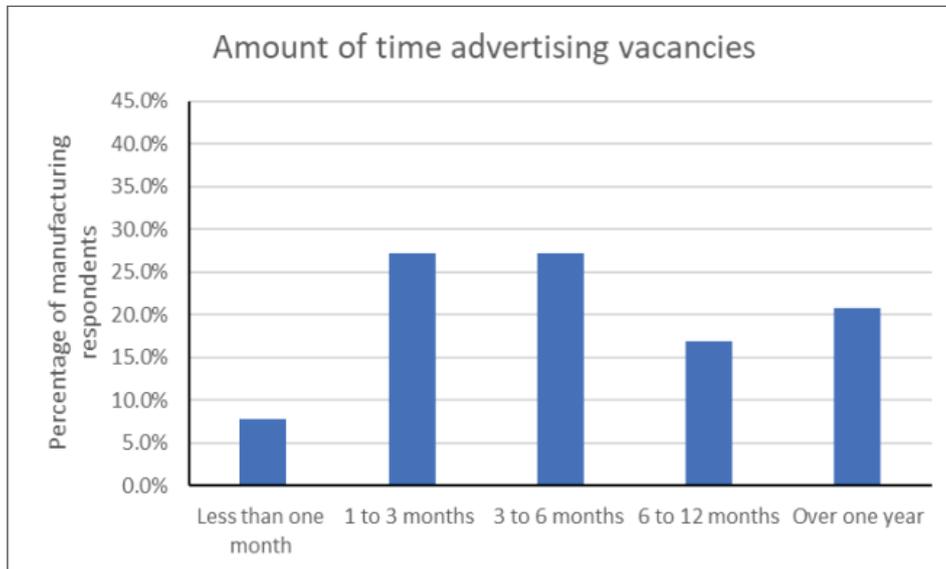
“We are walking away from a major contract as a direct result of not having enough drivers to service the contract.”

“Our industry is very specialised, so it is hard to recruit new people. Younger people are good to train but if they find they don't like the work they leave. We have had limited success in this area.”

“The median wage criteria for the new temporary work visa is likely to exacerbate existing workforce shortages in the disability and aged care sectors – perhaps to a critical extent. Our organisations are price takers from our government funders – as much as we would like to, we have no independent ability to lift wages. With low unemployment, there is not sufficient capacity in the domestic market to fill all the roles.”

Manufacturing Results

24% of survey respondents belonged to the manufacturing sector. 97% of these respondents had job vacancies needing to be filled; 54% with 1 to 5 vacancies, 33% with 6 to 25 vacancies, and 13% with over 25 vacancies. 100% of the respondents with vacancies said they were struggling to fill these vacancies.



92% of respondents had been advertising their vacancies for longer than one month; 38% for over six months.

When asked their thoughts about whether New Zealanders could fill these vacancies, manufacturers generally said that New Zealanders could fill them, but there is a shortage of potential employees in New Zealand.

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“New Zealanders can - but there is intense competition and head hunting at all levels from unskilled up.”

“Unsure – the level of skill required means the candidate pool for NZ only employees is extremely limited – being able to employ migrants on a work visa has seen us through the last two years.”

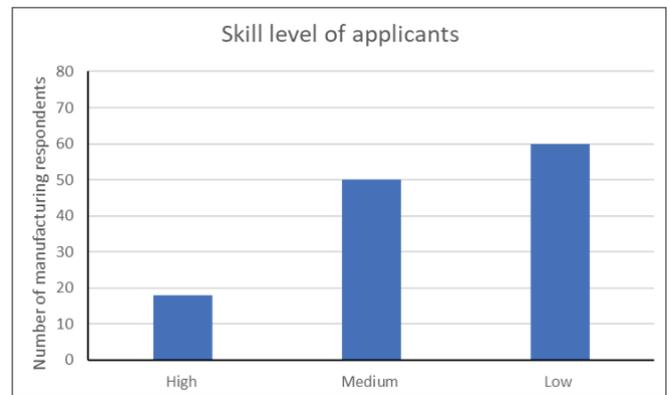
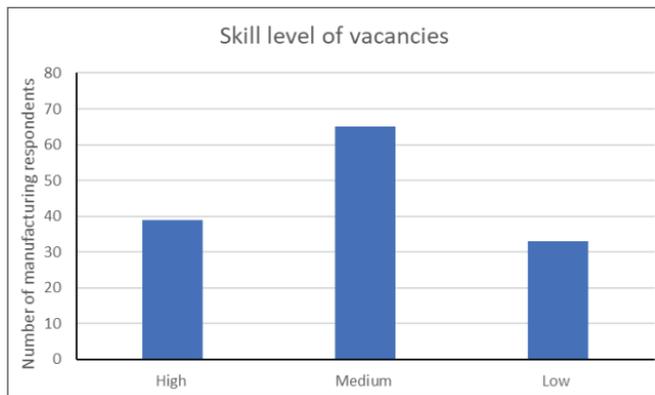
“We have tried. We are also training. We have 24 apprentices who make up 12% of our total workforce so please don't tell us to train.”

“Some – we are eventually finding people, but we are having to resort to headhunters and poaching staff from other companies. Advertising for roles is just not getting the level of response required to find the right people.”

“The New Zealanders who could fill our vacancies are not suitably qualified/experienced, or don't meet other requirements such as attendance, drug/alcohol screening, etc.”

96% of respondents had used migrant employees in the past. 64% of respondents paid at least the median wage. This means that 36% of respondents had vacancies that would not be filled through the Accredited Employer Work Visa (AEWV) settings

There is a mismatch between the skill level of vacancies and the skill level of applicants. 21% of job vacancies were low skilled, whilst 44% of job applicants were low skilled. 33% of job vacancies were high skilled, whilst 16% of job applicants were high skilled.



52% of respondents commented that job applicants were lacking in work readiness skills. 25% also said that applicants were lacking in literacy and numeracy skills and 13% were lacking in IT skills.

When respondents from the manufacturing sector were asked which skills applicants were lacking, the main themes were **attitude** and **reliability**, **industry specific experience**, **mechanical skills**, and **technical knowledge**.

These are some notable comments that were made at the end of the survey:

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“The government is doing a poor job overall addressing the low skilled job categories. Skills are one thing, but a willingness to work is another. New Zealand applicants lack this resulting in low numbers of applications under the current immigration policy and New Zealand applicants have the highest turnover rate when hired, as well, for these low-skilled jobs.”

“Lack of applicants. Advertising has received zero applicants. One ad had no applicants for three weeks and then two from overseas and two from NZ were not suitable. NZ applicants wage expectations are often high. If they are close, we have met the cost but have to pass this on to the construction industry.”

“Time to hire for our entry level production operators is 127 days. This is very high and has a detrimental impact on us meeting our customer demands and, also, employee wellbeing as we increase overtime to boost capacity. We are concerned that the situation is getting worse as application numbers dwindle. We have created ‘trainee’ roles to open the candidate pool and are prepared to train high potential youth to do the roles, but this has made little difference to our ability to fill these roles.”

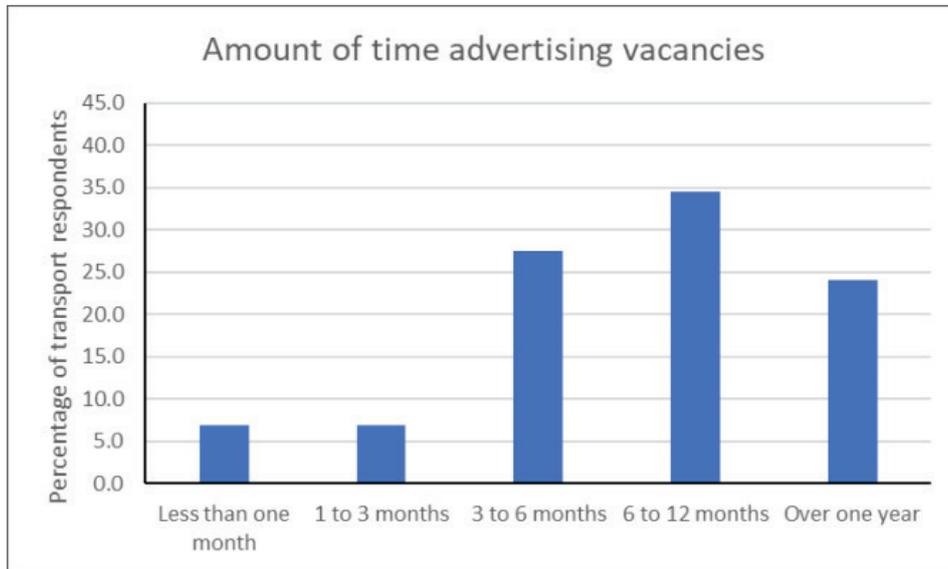
“Smaller companies do not have the ability to have internal back-ups for every skill. Those who want to work, have a job. Jobs are being reframed to accommodate the people available”

“We have been advertising continually for 10 years for Plastics Technicians and have 6 Apprentices to try to fill the gap, but that will take time, immediate need for trained immigrants.”

“The new migrant visa laws, that our Labour Government are introducing, will make the tasks longer and harder for businesses and will hinder manufacturing growth in New Zealand. Surely, we want to employ more staff, pay more income tax and companies make more money so we pay more.”

Transport Results

10% of respondents belonged to the transport sector. 93.5% of these respondents had job vacancies needing to be filled; 51.6% with 1 to 5 vacancies, 35.5% with 6 to 50 vacancies, one company with 125 vacancies and one company with 230 vacancies. 100% of the respondents with vacancies said they were struggling to fill these vacancies.



86% of respondents had been advertising vacancies for over three months.

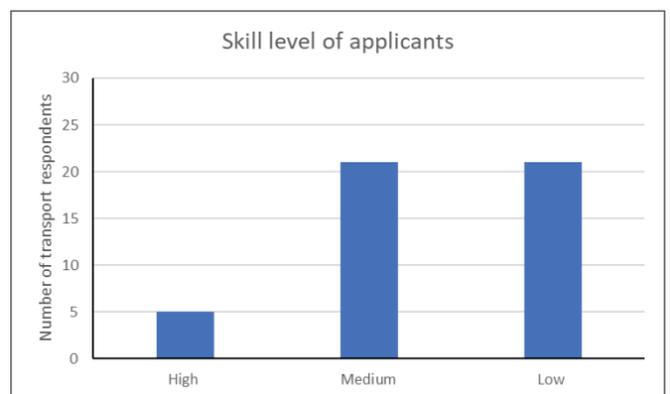
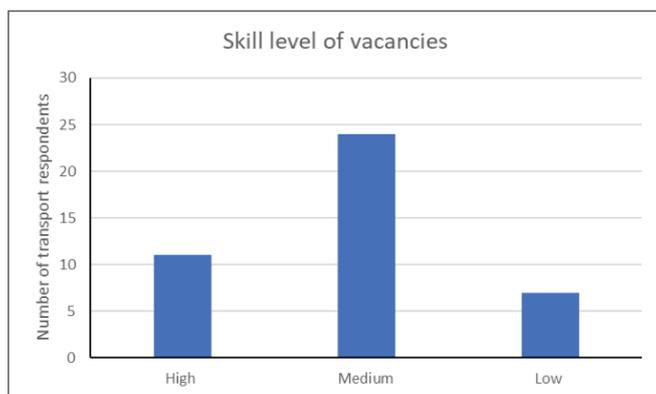
The comments made by transport sector respondents about New Zealanders filling these roles matched the general theme that there is a shortage and New Zealanders are not applying.



"There are New Zealanders that can fill, however shortage New Zealand-wide with Class 5 drivers, so not enough New Zealanders to fill all these roles."

"Whilst there are people in New Zealand that can fill these roles, there is simply too much competition, and not enough people for the number of positions we have. Our business is affected greatly."

77% of respondents had used migrant employees in the past. 68% paid at least the median wage; 32% of vacancies could not be filled with the Accredited Employer Work Visa (AEWV) settings.



The graphs above show the mismatch between the skill level of vacancies and skill level of applicants. 17% of job vacancies were low skilled, whilst 45% of job applicants were low skilled. 26% of job vacancies were high skilled, whilst 11% of applicants were high skilled.

68% of respondents said that job applicants were lacking in work readiness skills, 25% said applicants were lacking in literacy, 16% said applicants were lacking in numeracy skills and 6.5% said applicants were lacking in IT skills. When respondents from the transport sector were asked what skills applicants were lacking, the main themes included **driving skills, relevant experience, qualifications, and license criteria.**

These are some notable comments that were made at the end of the survey:

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“The past few years have seen changes in the professionalism and quality of candidates. Additionally, there appears to be a lack of work ethic and it would appear some people who apply aren't really interested in getting a job.”

“New Zealand, as with other countries, has a lack of skilled workers which is forcing pay rates to increase and subsequently price rises to match.”

“Our business will be significantly put at risk with the changes which will result in an unstable public transport system nationally, which completely undermines the government's current push for the use of public transport.”

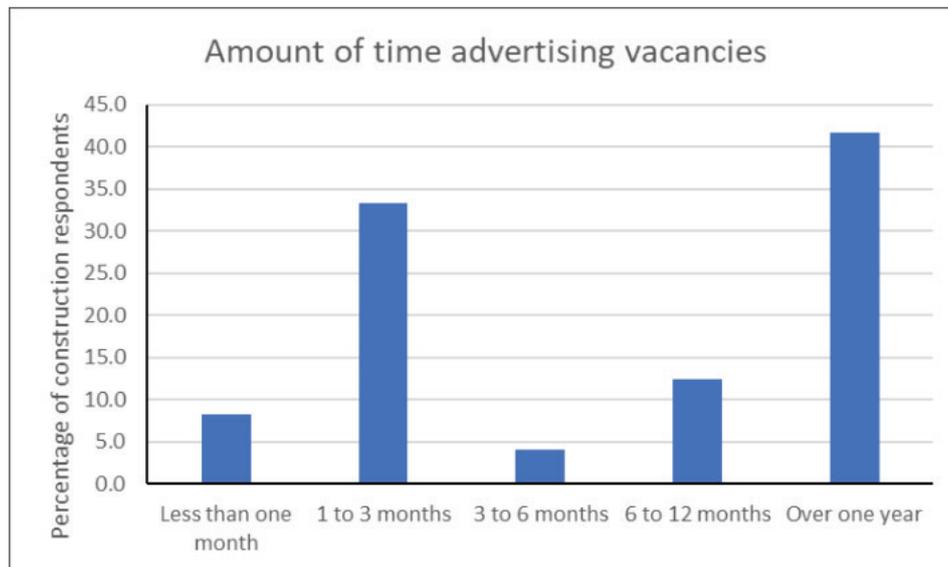
“We find that motivating locals is hard. They do not work hard and do not have the experience of foreign workers. Foreign workers are going through the stress of bringing their family over to NZ and gaining a long-term PR status in NZ. There is a driving skill shortage and finding the right people has become extremely hard. We have hired locals before, and always had trouble with them turning up to work or coming up with excuses such as they slept in or worse, ended up with a police record because of doing something illegal. They left the job because they said they make more money on benefit and selling drugs! Blunt, but it's the truth. The median wage of \$27.50 is too expensive to hire someone with lack of experience and train them to earn more and plus they cause too many accidents and therefore the risk to hire inexperienced staff is too risky for small businesses.”

“There are NOT ENOUGH TRUCK DRIVERS in NZ! In the last few years, Immigration was nearly zero so we're struggling to find workers! The people we eventually get stay on for 3-4 months and leave even if we pay very good rates (above median NZ wage); that is a waste of our time and resources!!!”

“Truck driving is not deemed to be highly skilled – it is, and they have more responsibilities than plumbers, tradies, builders, etc. They are responsible for driving vehicles worth between 250k-700k”

Construction

9% of survey respondents belonged to the construction sector. 87% of these respondents had job vacancies needing to be filled; 56.5% with 1 to 5 vacancies, 35% with 6 to 25 vacancies, one company with 80 vacancies and one company with 120 vacancies. 100% of the respondents with vacancies said they were struggling to fill these vacancies.



92% of respondents had been advertising vacancies for over one month. 54% had been advertising for over six months.

58% of respondents said New Zealanders could not fill these vacancies. The comments on this question suggested the construction sector was struggling to find New Zealanders to fill the roles.

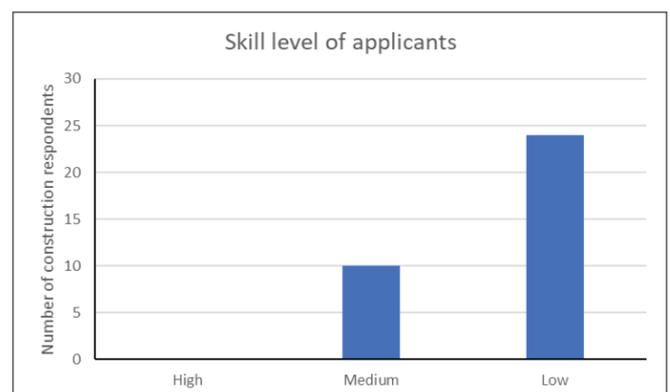
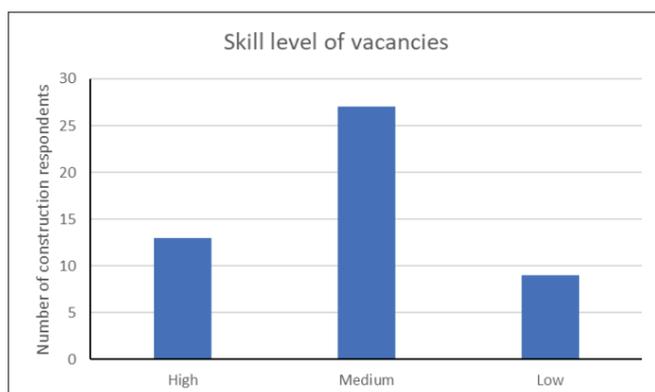
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"Have made offers but existing employers have countered and retained."

"It depends, it's been very hard finding people to fill more senior roles over the past year or so."

"The difficulty we run into is they don't have a full license and struggle with the concept of turning up to work on a regular basis."

74% of respondents had used migrants in the past and 85% paid at least the median wage. This means 15% could not be filled with the Accredited Employer Work Visa (AEWV) settings.



The graphs above show the mismatch between the skill level of vacancies and skill level of applicants. 18% of job vacancies were low skilled, whilst 71% of job applicants were low skilled. 26.5% of job vacancies were high skilled, whilst zero of job applicants were high skilled.

67% of respondents said that job applicants were lacking in work readiness skills. 14% said applicants were lacking in literacy and numeracy skills and 4.8% said applicants were lacking in IT skills. When respondents from the transport sector were asked what skills applicants were lacking, the main themes were **attitude, license classes / qualifications, and experience.**

These are some notable comments that were made at the end of the survey:

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“There is a massive shortage of riggers and scaffolders in NZ at the moment and I think it will only get worse as borders open and they start to head overseas for the bigger \$ and cheaper living.”

“The current market is very competitive; the challenge is not confined to hire the right talent but now it is also about how to retain our current staff.”

“We had to downsize our business as we can't hire.”

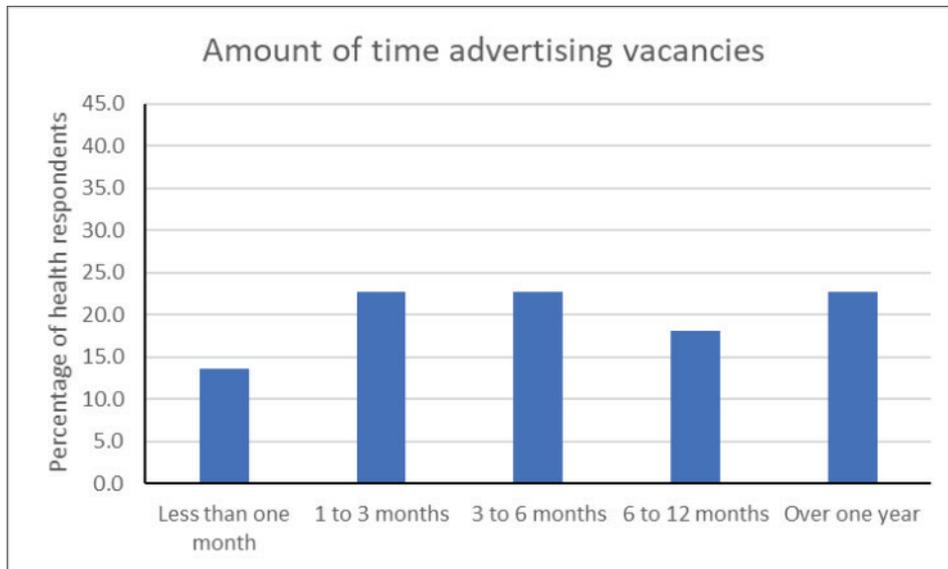
“We are currently hiring through word of mouth for low skilled staff and having to pay them a premium to keep them.”

“With migrant workers, when there is a shortage of skilled labour, other employers offer a higher rate for a project, and you end up losing these employees for another \$1.00. Migrant employees need to be on a 24/36-month contract then return home with no option of moving employers for the sake of wages. It is driving up the labour rates for employees who do not have a Trade but possess similar skills. Too many smaller players with no investment, poaching off those who have made a substantial investment to help the industry and bring over migrants.”

“It is extremely hard to operate without the right number of people – adds to H&S risks, increased poaching from other contractors. Adds to the stress of those trying to run the business and provide a service for our clients.”

Health Sector

7.5% of survey respondents belonged to the health sector. Most of these respondents were from the aged care industry. 88% of these respondents had job vacancies needing to be filled; 35% with 1 to 5 vacancies, 35% with 6 to 30 vacancies, one company with 85 vacancies, one company with 100, one company with 200 and two companies with 300 vacancies. 100% of the respondents with vacancies said they were struggling to fill these vacancies.



64% of vacancies were advertised for over three months.

81% of respondents said New Zealanders could not fill these vacancies. The comments on this question suggested the health sector was struggling to find New Zealanders to fill these roles.

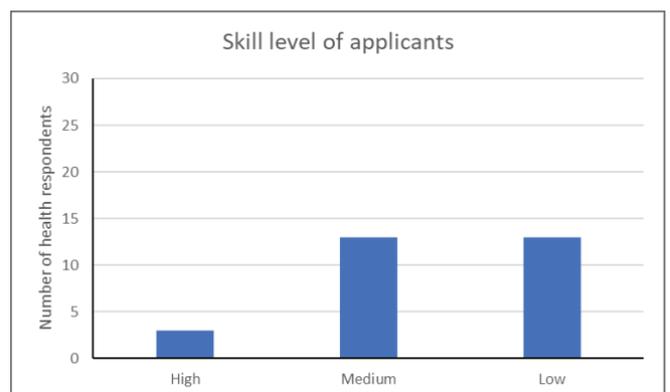
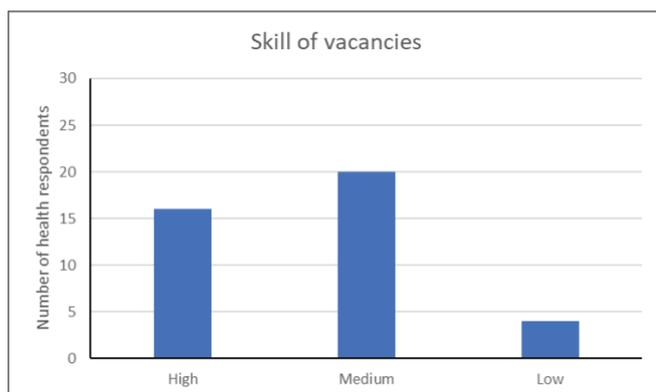


"Most roles we can fill with New Zealanders, however, for some specialised skills we do rely on overseas applicants."

"Eligible New Zealanders do not seem interested."

"Yes, but there are so little Dispensing Opticians/ Optical Assistants in the industry so difficult to attract them to our areas. Lots of Dispensing opticians/Optical Assistants and Optometrists are leaving for Australia for better pay and cheaper living."

92% of respondents had used migrants in the past and 58% pay at least the median wage. The health sector is affected more by the Accredited Employer Work Visa (AEWV) settings than other sectors with 42% of vacancies paying less than median wage.



The graphs above show the mismatch between the skill level of vacancies and skill level of applicants. 10% of job vacancies were low skilled, whilst 45% of job applicants were low skilled. 40% of job vacancies were high skilled, whilst 10% of job applicants were high skilled.

52% of respondents said that job applicants were lacking in work readiness skills. 16% said job applicants were lacking in literacy, 12% lacking in numeracy skills and 16% were lacking in IT skills. When respondents from the transport sector were asked what skills applicants were lacking, the main theme was a **lack of industry specific skills and knowledge**.

These are some notable comments that were made at the end of the survey:

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“Our service supports very vulnerable people. Without sufficient workforce capacity and capability, and adequate levels of Government funding, the community health sector will deteriorate to the point of widespread service failure. This will create considerable harm in almost all communities across the country and will lead to a massive increase in costs in secondary and tertiary healthcare services!”

“NZ businesses being small like ours compete in niche, international markets. This means the skills are highly specialised and it is simply not economic to recruit and retain the pipeline of people necessary within NZ. This means we have to be able to recruit internationally.”

“We’ve been recruiting people who have no skills or experience in the areas we need, and are spending a lot of time to upskill every new person which takes six months of training before they can work completely unsupervised. And after six months they’re only dispensing the lowest grade lenses and not the more difficult lenses. It takes another 6-18 months of training to dispense competently at the higher levels. We’ve tried to see if we can bring in migrant workers previously and spoke to an employment agency who can bring in qualified people, but there wasn’t enough support for our category. We’ve been advertising for two years, and consistently advertising for over 9 months straight and now a recruitment agency is also looking for people to fill our positions.”