

New Zealand's workforce challenges

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Current state of the workforce

- ***Challenging environment now and in the future*** – 40% of working age population have low literacy and numeracy; declining educational standards; education reforms; aging population; high rates of outbound migration; high labour force costs; policy uncertainty; lower skilled inbound migration currently and ongoing skill shortages.

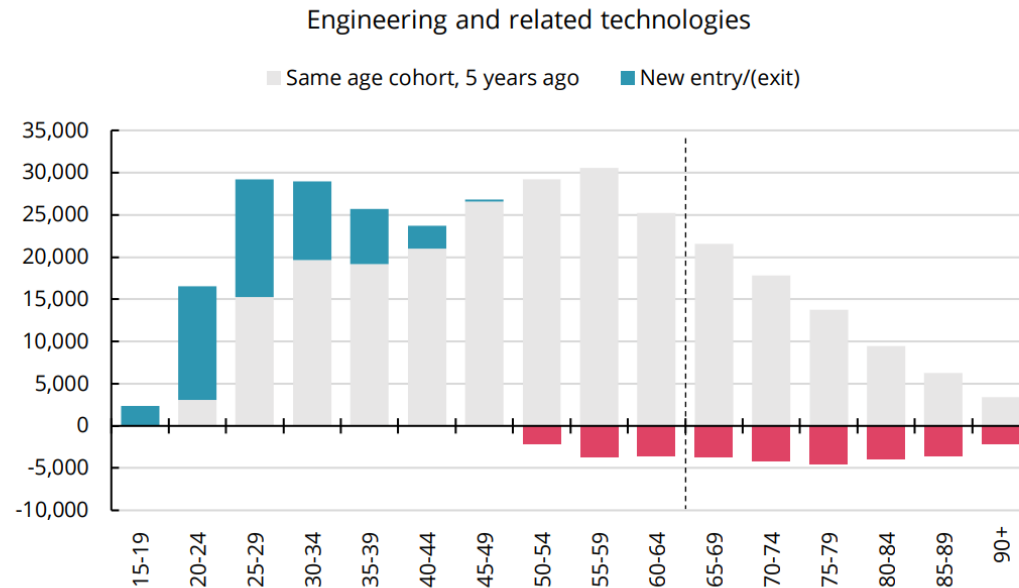
The aging population

- Strong growth in older workers – between 2012 and 2022, 55 to 64 year olds employed grew from 52% to 73%; 65 and over grew from 5% to 20%.



Source: Statistics New Zealand

Key skills in the energy sector are already in decline from the aging population

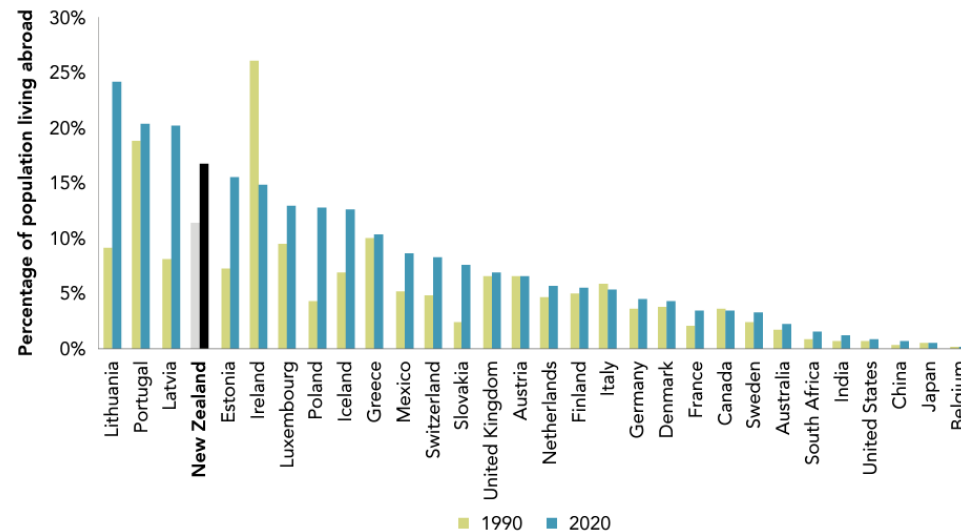


Knowledge transfer

- ***Network of provision*** – training provision both within companies and across the broader education system to provide a pipeline to industry, and how these two intersect.
- ***Nature of industry*** – coherence across education and immigration policy settings to drive best fit solutions for industry. FIFO; scale of labour need; capacity to deliver; attracting best and brightest.
- ***Workforce development*** – multiple pathways through industry and education; workforce redesign and mobility.

High outbound rates of New Zealanders will continue

Figure 2.22 Selected countries' diaspora, percentage of the resident population, 1990 and 2020



Source: NZPC calculations based on United Nations Department of Economic and Social Affairs, Population Division (2020). International Migrant Stock 2020.

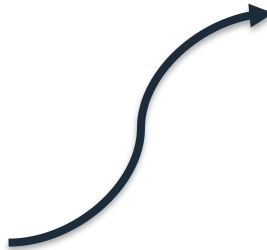
Industry attraction

- *Policy coherence and clarity to enable long term workforce development.*
- *Experiential learning – industry exposure and pathways from education to industry to a broad range of candidates.*
- *International attraction – competitive for best and brightest.*

VALUED SKILLS...

CURRENT SKILLS...

- Engineering
- Accounting
- Data Analyst
- Software development



FUTURE SKILLS...

- Critical thinking
- Fact-checking
- Prompt generation
- Emotional Intelligence
- Communication