



## SUBMISSION

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To: Skilled Migrant Review (MBIE)

Submission: Future of the Skilled Migrant Category

Date: 15 November 2022

Sent to: [SkilledMigrantReview@mbie.govt.nz](mailto:SkilledMigrantReview@mbie.govt.nz)

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## **Ia Ara Aotearoa Transporting New Zealand submission to MBIE: Future of the Skilled Migrant Category**

### **Introduction**

- 1 Ia Ara Aotearoa Transporting New Zealand Incorporated (Transporting New Zealand) welcomes the opportunity to make a submission on the Future of the Skilled Migrant Category. As a national association representing road freight transport companies, our membership is materially affected by immigration settings.
- 2 Migrant workers, particularly truck drivers, provide an important supplement to the road freight workforce. In 2020 we surveyed 600 trucking operators and found that 20 percent had employed a staff member on a migrant visa. With a shortage of at least 2,400 skilled workers in 2021<sup>1</sup>, the road freight industry requires immigration settings that attract drivers and other transport workers.
- 3 The trucking industry is already playing its part: wage increases in transport are outpacing other sectors<sup>2</sup>; our members are improving working conditions through flexible rosters and non-financial benefits<sup>3</sup>; and engagement with our industry traineeship programme (in partnership with MSD) is increasing.<sup>4</sup>
- 4 Transporting New Zealand is concerned that the proposed Skilled Migrant Category settings still put too much emphasis on academic and professional credentials, excluding skilled vocational professions<sup>5</sup> including truck drivers and other skilled trades.

### **Support for BusinessNZ submission**

- 5 Transporting New Zealand supports the submission of BusinessNZ, having reviewed and consulted with the organisation on their submission document.
- 6 In addition to supporting the BusinessNZ submission, Transporting New Zealand has some additional feedback to provide on Question 2 of the consultation document questions.

### **Rationale for making changes to the Skilled Migrant Category**

#### ***Question 2: Are there any other issues or opportunities that we should consider?***

##### *Supporting vocational trades and professions*

- 7 The Skilled Migrant Category Review and Immigration Rebalance is a good opportunity to consider how best to accommodate vocational professions in our immigration settings.
- 8 Trucking companies haven't been able to utilise the Skilled Migrant Category due to the points system and ANZSCO effectively excluding truck drivers and other skilled trades. The proposed changes to the Skilled Migrant Category won't address this issue. Work

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<sup>1</sup> According to modelling from PERFORM-X and DOT Loves Data. Data available on request.

<sup>2</sup> Labour cost index (salary and wage rates): September 2022 quarter, Table 3.3 "Salary and wage rates by industry and occupation".

<sup>3</sup> Illustrated in our monthly [Wellbeing Stories](#) series, also published in Road Transport News magazine.

<sup>4</sup> Information on "Te ara ki tua Road to success" is available at <https://www.roadtosuccess.nz/>.

<sup>5</sup> Occupations without professional registration or high level tertiary qualifications.

experience in industries that do not rely on qualifications needs to be properly recognised.

- 9 Worker shortages in the trucking industry are a long-term challenge. The driver workforce is aging rapidly<sup>6</sup>, there is an international shortage of heavy vehicle drivers<sup>7</sup>, our freight task is forecast to grow by 54 percent in 30 years<sup>8</sup>, and health and safety requirements further limit the candidate pool.<sup>9</sup> Industry and government need to be pulling all the levers available to mitigate this.
- 10 Temporary work permits including the existing Accredited Employer Work Visa can contribute to the immigration aspect of an enduring solution, however a residency pathway for skilled drivers should also be given serious consideration.

#### *Improving skill shortages data*

- 11 As a large and fragmented industry, it can be difficult to source accurate, independent labour data about the road freight sector. This is an obstacle to evidence-based immigration policy.
- 12 Transporting New Zealand has partnered with PERFORM-X Aotearoa, an independent, non-profit company monitoring the performance of NZ's skills system. We would appreciate the opportunity to discuss potential funding opportunities directly with MBIE.

#### **About la Ara Aotearoa Transporting New Zealand**

la Ara Aotearoa Transporting New Zealand is a national membership association representing the road freight transport industry. Our members operate urban, rural and inter-regional commercial freight transport services throughout the country.

As the peak body and authoritative voice of the road freight sector, Transporting New Zealand's purpose is creating the environment where trucking operators can drive successful, safe, sustainable businesses. Our strategic priorities are:

- Providing one industry voice for advocacy
- Promoting the road freight transport industry
- Attracting talent and promoting workforce development
- Supporting our members and customers
- Sustainability, safety and responsible emissions reduction

New Zealand's road freight transport industry employs 33,000 people (1.2% of the total workforce), and has a gross annual turnover in the order of \$6 billion. This is part of a wider transport sector that employs 108,000 people and contributes 4.8 percent of New Zealand's GDP. Road freight transport accounts for 93% of the total tonnage of freight moved in New Zealand (MoT National Freight Demands Study 2018).

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<sup>6</sup> The average truck driver's age is 54.

<sup>7</sup> International Road Transport Union, [Driver Shortage Global Report 2022](#).

<sup>8</sup> Ministry of Transport, [2020 Green Freight Strategic Working Paper](#).

<sup>9</sup> Operators of freight services require a transport service license, which involves a "fit and proper check". The inherent risk associated with driving a 44+ tonne vehicle around other road users also means employers are necessarily risk-averse when recruiting drivers.