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REVIEW OF ESSENTIAL SKILLS IN DEMAND LISTS SUBMISSIONS – FIRST 2010 REVIEW

SUBMISSION TO THE DEPARTMENT OF LABOUR

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BACKGROUND

The Institution of Professional Engineers New Zealand (IPENZ) is the lead national professional body representing the engineering profession in New Zealand. It has approximately 11,500 Members, including a cross-section from engineering students, to practising engineers, to senior Members in positions of responsibility in business. IPENZ is non-aligned and seeks to contribute to the community in matters of national interest giving a learned view on important issues, independent of any commercial interest.

SUBMISSION

IPENZ submitted on the second 2009 Review of Essential Skills in Demand Lists in July 2009. In that submission we noted that engineering occupational groups are projected to continue to grow at above the average rate for all occupations.

IPENZ collaborated with the Department of Labour and the Association of Consulting Engineers to consider the demand for and supply of engineers. The resulting report *Engineers in the New Zealand Labour Market* was published in June 2009. The report found that New Zealand will need an extra 6,300 engineers by 2013 – this is in addition to the number that are currently completing tertiary education or entering New Zealand as migrants.

Since the report was published the financial crisis worsened, which led to a slowing of outwards migration. More recently there has been a significant increase in infrastructure projects which has re-established the need for engineers.

A representative of the Department of Labour, Neil Cooper, presented to an IPENZ-organised forum recently. That presentation showed that the Department of Labour forecasts continuing growth in demand for professional engineers, engineering technologists and technicians for the next five years.

IPENZ has also forecast its own figures for the demand and supply of engineers. IPENZ is co-ordinating the National Engineering Education Plan project which is seeking to develop a coherent national plan for ensuring that the right number of the right types of graduate is produced to meet New Zealand's needs. As part of the project a statement on the future demand for and supply of engineers has been developed.

The statement presents two scenarios – "business as usual" and an "innovation-led economy". The business as usual scenario is based on historic patterns. The innovation-led economy scenario is based on the increased participation by engineers in building innovation-led businesses, which thus creates career diversity. The estimates of annual demand for engineers for the two scenarios are below. Figures of completions in qualifications are also presented.

Qualification Type	Annual needs: business as usual	Annual needs: innovation led economy	Qualifications completions (2008)
Level 6 Engineering Technicians	500	750	270
Level 7 Engineering Technologists	400	600	180
Level 8 Professional Engineers	1,100	1,400	1,050
Total	2,000	2,750	1,500

This shows that a significant number of engineers are needed annually, well above the number of people completing qualifications. Thus, engineers remain in significant demand and shortages continue to exist.

CONCLUSION

IPENZ considers that there are and continue to be shortages for engineers. We note that both the Immediate Skill Shortage List and the Long Term Skill Shortage List have engineering occupations listed. IPENZ supports these listings and recommends that they remain on the relevant lists.

IPENZ appreciates the opportunity to make this submission and is able to provide further clarification if required.

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