

NZ to plan for more overseas workers to build homes

WELLINGTON: New Zealand's government said on Wednesday that it will propose new steps, such as fast-tracking visa procedures, to draw in more overseas workers to build houses, in its latest attempt to address labour shortages blamed in part for a chronic housing crunch.

Dealing with the housing shortfall has been touted as a priority for the Labour-led government, which took the helm in October after campaigning to build tens of thousands of homes in a programme dubbed 'KiwiBuild'.

The government will include 'KiwiBuild' workers on a skills shortages list, which speeds up visa approvals for plumbers, electricians and other overseas workers when companies cannot fill vacancies locally, Immigration Minister Iain Lees-Galloway said in a statement.

The skills shortages list will likely be in place in about six months, subject to a final decision after consultation with the building and construction industries, he said.

The government will also pre-approve companies with "good employment practices," so they can streamline procedures to hire workers from overseas.

"We have ambitious plans to build houses, transport links and other infrastructure, but a shortage of skilled workers is holding up the rapid progress we need to make," Lees-Galloway said. "These proposals aim to speed up the process and circumvent the need to create a new visa category," he said.

The New Zealand government estimates that the country has a shortage of about 30,000 skilled workers in the construction industry.

To try and ease some of the pain from the dearth of skilled labourers, the government also announced the previous week that it was encouraging local and international firms to invest in factories to produce thousands of prefabricated homes.

New Zealand's house prices have risen more than 50 percent in the past decade partly as the construction industry failed to keep up with demand from a growing population. Housing inflation has recently slowed but remains a concern for an otherwise robust economy.

The International Monetary Fund (IMF) said in April that while New Zealand's economy was likely to enjoy solid growth this year, the housing market still posed medium-term risks to the outlook.

The opposition National Party has criticised 'KiwiBuild' and government plans to import prefabricated materials to build new homes, saying such measures would end up exporting taxpayers' money overseas. "If now the funding will come from overseas, the flat packs will come from overseas and the workers will come from overseas, what part of KiwiBuild is Kiwi?," said Judith Collins, the party's spokesperson for housing and urban development.

—Reuters