



Submission by

The Employers and Manufacturers Association

to

Stats NZ

on the

**The future of occupation classifications
in Aotearoa New Zealand: Consultation**

July 2024



About the Employers and Manufacturers Association (EMA)

Established in 1886, the EMA is New Zealand's largest business association representing more than 7,000 businesses in the upper half of the North Island. Combined, our members are responsible for employing around 25% of the country's workforce.

We are the unapologetic voice of the business community, advocating strongly on behalf of our members and the wider business community to ensure their voices are heard by government and decision-makers. In collaboration with our nationwide network, including BusinessNZ, Business Central, Business Canterbury and Business South, we represent and support over 76,000 member companies.

As a not-for-profit association, we provide trusted, expert and affordable advice to our members. Delivering a wide range of services, including learning and training courses, health and safety advice, employment support, and HR and PX services, we support our members to upskill and build capability in their teams.

More broadly, we aim to create an ecosystem of support for all businesses in New Zealand, enabling them, their people and their communities to prosper.

Contact

For further contact regarding this submission:

Joanna Hall
Senior Policy Advisor
Employers and Manufacturers Association
Private Bag 92-066
Auckland 1142
New Zealand

Mobile: +64 27 807 5450
E-mail: joanna.hall@ema.co.nz

Introduction and background

Thank you for the opportunity to give feedback on the future of occupation classifications in Aotearoa New Zealand.

The Australia and New Zealand Standard Classification of Occupations (ANZSCO) is a crucial classification used across multiples areas and functions, however, there has been challenges around whether it is fit for purpose, or for the New Zealand context.

With both Stats NZ and the ABS considering ANZSCO to be out of date, and this sentiment being echoed across multiple industries and agencies also, it does offer an opportunity to consider the future of occupation classification. However, given the various systems that ANZSCO feeds into, and the need for consistency for data comparison over time, evaluating a move away from ANZSCO needs to be considered carefully.

Challenges with consultation

The EMA would like to note that we do see some challenges with the consultation.

Firstly, the length of consultation seems very short and begs the question if it allows for sufficient information and perspectives to be obtained to inform policy.

And second, while the consultation paper puts forward 4 options, and specifies that option 1 is the preferred, the lack of further information, including the benefits/costs of the other options, makes it hard to compare and comment accurately on the impacts of each. This does suggest that the consultation intends to move forward with option 1 regardless.

System integration

It was notable reviewing the document that in the information around Option 1, as well as the much shorter information shared about the other options, there was very little mention of how ANZSCO is used across various systems, and how each of the options were perceived to be able to integrate and be used instead in these systems.

There are many areas where ANZSCO is currently used, which means it becomes important to make sure that any potential solution to replace it can slot in with minimal disruption. At the very least, we would expect to see an evaluation of the potential impact of such disruption and the flow on affects.

Some of these other systems are ACC, Immigration, Social Development and Education among others.

Considerations around timing for implementation

Currently within government, and across many of the systems where ANZSCO is used, both staff and funding are constrained. This will continue to be so for the foreseeable future. In addition, there is a significant reform programme underway across multiple agencies that use ANZSCO.

It is worth considering the capacity of departments/agencies/organisations to do all the work necessary around embedding a new system if that path chosen. This isn't to say it shouldn't be done, but acknowledgement of the pressure across the system right now, and an understanding of how that may impact the success of such a change programme, is crucial.

Option 1 is Tahatū centric

Option 1 is clearly favoured due to the work already done around Tahatū. While we should be trying to make sure that the information we're putting out around careers is aligned using the same system, this does create some questions around the future of Tahatū, who will be responsible for identifying and reviewing occupations, and how this will be done.

Given Tahatū is a project using government funding, sitting within the careers space where funding has both grown and shrunk over time depending on government priorities, it needs to be very clear as to what the involvement will be with its contribution to the occupation classification system and how this function will be protected in the future.

Clear roles and responsibilities, and the relationship between various stakeholders in the system, should be mapped and agreed on in principle by stakeholders before any decisions are made.

Data integrity

ANZSCO is used for many different reasons, so for any potential replacement, integrity of data is paramount that we retain the ability to benchmark internationally, as well as compare nationally over time.

This means we need a system with both the capacity to be measured against international data, consistency of classifications, and a robust review process around additions to ensure comparisons are as accurate as possible while still enabling relevant, fit for purpose classifications.

Conclusion

We would like to thank Stats NZ for the opportunity to submit on the future of occupation classifications in Aotearoa New Zealand: Consultation and look forward to engaging on next steps.