

Loan scheme drains brains

By ADAM GIFFORD

Graduates heading overseas to escape student loans may make technology giant Motorola think twice about investing in New Zealand. The US-based manufacturer of computer chips and communications technology has identified New Zealand and Thailand as possible sites for a research facility, but it wants to be sure there are sufficient skilled people available for the facility to grow. However, Murray McCaw, managing director of IT outsourcer Comtex, has identified the student loan system as a major problem for graduate retention. If New Zealand wants to have a knowledge based economy, it must be based around people and their skills, Mr McCaw said. One of the real challenges to the industry is obtaining people and retaining them, particularly at the young end of the market. He said the majority of those who left Comtex went overseas. Many were graduates, who spent on average 16 months in the job. When we do the exit interview, we find they are leaving not just because they believe they can

get more money, but to escape paying back the student loans. On Friday Tertiary Education Minister Max Bradford is to meet Motorola Pacific general manager Ron Nissen to discuss the company's plans to develop a new research and development facility in the region. Howard Frederick, director of the New Zealand Internet Institute at Victoria University, said Motorola executives came away unimpressed from a similar meeting with ministers late last year, but have continued to explore the proposal. The University Vice-Chancellors Committee was asked to indicate the number and type of graduates with skills in electrical engineering, computer science and information systems coming onto the job market. Dr Frederick said if Motorola set up a research facility, it would want to hire 100 people a year for four years and it would want to interview 10 people for every position. That is more than the number of graduates in the relevant disciplines coming out of New Zealand institutions each year. If Motorola wants Masters and PhDs, not just graduates, focused on chip design, smart cards, e-commerce solutions and circuitry Dr

Frederick said. If three years ago the minister had put through some stimulus funding, we would be able to attract a company like Motorola today.