

Labour & Immigration
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Migration Trends Key Indicators Report

July 2010 – June 2011



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Department
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TE TARI MAHI



MIGRATION TRENDS KEY INDICATORS REPORT: JULY 2010 – JUNE 2011

Purpose

This report summarises key indicators of migration trends for the 2010/11 financial year (1 July 2010 through 30 June 2011). The report focuses on three areas:

- Migration flows
- New Zealand Residence Programme (NZRP)
- Temporary entry.

All data is sourced from the Department of Labour and, unless otherwise stated, is reported as a count of individual people rather than the number of applications. The purpose of this reporting is to show the number of people who enter New Zealand rather than the number of visas they were granted. In practice, counting individual people gives lower numbers for temporary workers and students than when reporting the number of applications decided, as individuals can make more than one application in a year.¹

Summary of key points

- Net permanent and long-term (PLT) migration was 3,867 in the year ending 30 June 2011, down from 16,504 in the year ended 30 June 2010. Annual PLT departures have been rising since early 2010 and accelerated in early 2011. Net migration is expected to decrease further over the next few months.²
- 40,737 people were approved for residence in 2010/11, which was below the NZRP planning range of 45,000-50,000. The shortfall reflects labour market conditions, the effects of the global economic crisis on skilled migration internationally³ and disruptions caused by the Canterbury earthquakes.
- 90% of Skilled Migrant Category (SMC) principal migrants were approved with a job or job offer in skilled employment in 2010/11 compared to 81% in 2009/10.
- Temporary work approval numbers in 2010/11 were up slightly on last year due to increases in the number of working holidaymakers (up 8 percent) and those approved a 'study to work' visa (up 16 percent). Indian students are driving the increase in 'study to work' visas.
- Essential Skills work approvals for 2010/11 decreased by 3 percent from the same period in the previous year. The labour market is improving and the unemployment rate is expected to fall to 5.3 percent by 2013.⁴ As economic growth accelerates it is likely that the number of Essential Skills approvals will increase.

¹ The Department of Labour also reports temporary work and student data as counts of applicants or applications, which are higher than the number of individuals reported here (for example, see the Immigration New Zealand website at www.immigration.govt.nz/statistics). The permanent residence statistics are uniform across the Department of Labour.

² <http://www.dol.govt.nz/publications/lmr/lmr-migration-factsheet.asp>

³ OECD (2011), International Migration Outlook: SOPEMI 2011, OECD Publishing.

http://dx.doi.org/10.1787/migr_outlook-2011-en

⁴ <http://www.dol.govt.nz/publications/lmr/lmr-labour-market-update.asp>

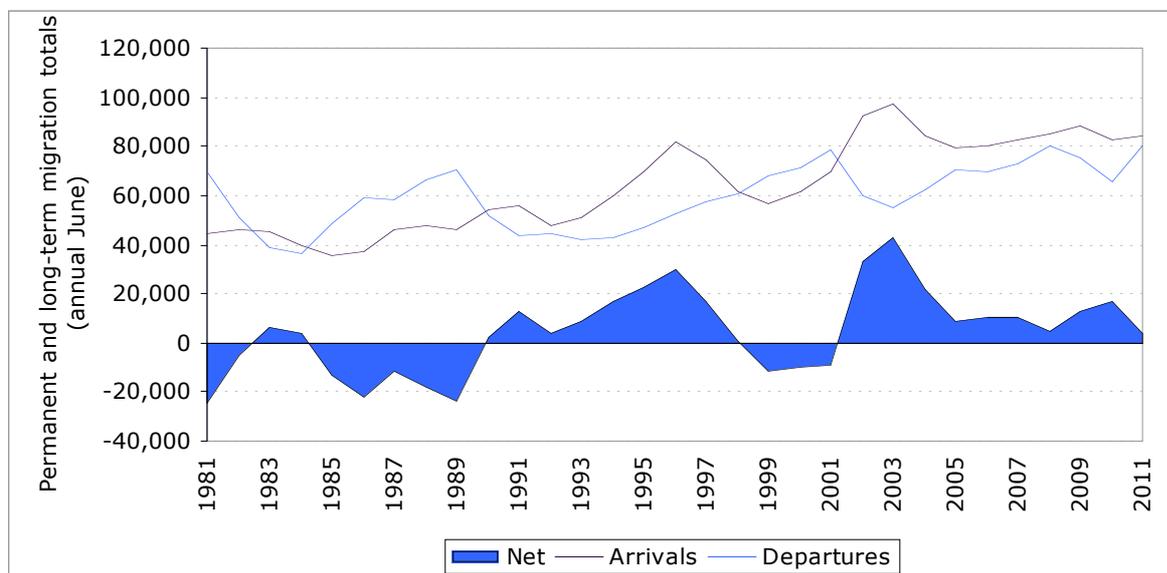
- 74,872 people were approved a student visa in 2010/11, up 2 percent on the previous year. Student numbers from India have continued to grow and India has become a prominent source country in the export education sector.
- Prior to the 22 February 2011 Canterbury earthquake, visitor numbers for the current year were ahead of the 2009/10 trend. The ongoing seismic activity in Canterbury, as well as international natural events, such as the Japanese earthquake and tsunami and the Chilean volcanic ash cloud, disrupted this trend. The total number of visitor arrivals in 2010/11 was similar to 2009/10.

Migration Flows

Net permanent and long-term (PLT) migration was 3,867 in the year ending 30 June 2011, down from 16,504 in the year ended 30 June 2010 (Figure 1). PLT arrivals increased 2% and departures increased 22% from the year ending 30 June 2010. New Zealand citizens who had previously held off migrating during uncertain economic times and those leaving Christchurch after the earthquake contributed to the increase in departures in the year end June 2011.

The number of people departing to Australia continued to increase, likely due to Australia's attractive economic and labour market conditions. Departures of New Zealand citizens to Australia were up 46% (12,492 more departed) in the year end June 2011 compared to the year end June 2010, whilst the arrivals of New Zealand citizens from Australia were down by 12% (1,263 less arrived) in the same time period.

Figure 1: Permanent and long-term migration totals (annual June years) 1981 to 2011



Source: Statistics New Zealand

New Zealand Residence Programme

The New Zealand Residence Programme (NZRP) planning range was 45,000-50,000 permanent residence approvals in the 2010/11 financial year. This range is unchanged from 2009/10.

The economic slowdown continues to have a significant impact on migration flows globally. Like other OECD countries, New Zealand has not been immune to the decrease in skilled migration. Potential skilled migrants are less willing and able to migrate, while fewer skilled job offers have been available in New Zealand.

The ongoing seismic activity in the Canterbury region has affected job opportunities in the region, disrupted immigration processing through infrastructure damage and affected the resettlement of refugees to New Zealand through the Refugee Quota Programme.

Residence approvals

In 2010/11, 40,737 people were approved for residence, which was below the NZRP planning range of 45,000-50,000. A decrease in the number of Skilled/Business stream migrants due to the factors outlined in the section above formed a large proportion of the overall decrease. The decline rate for resident applications (15%) remained similar to the previous year (14%). Table 1 shows the breakdown of residence approvals by stream.

Table 1: Residence approvals by stream: 2010/11 financial year⁵

Stream	People approved	% of NZRP
Skilled/Business stream	23,145	57
Uncapped Family stream	9,597	24
Capped Family stream	5,229	13
International/Humanitarian stream	2,766	7
Total	40,737	100

The top source countries for residents in 2010/11 were the United Kingdom (16%), China (13%), India (10%), South Africa and the Philippines (8% respectively). Table 2 shows the resident approvals by nationality for 2009/10 and 2010/11.

Table 2: Resident approvals from the top source countries for 2009/10 and 2010/11 financial years

Nationality	2009/10	2010/11	% change
United Kingdom	7,773	6,549	-16%
China	5,909	5,262	-11%
India	3,712	4,218	14%
South Africa	5,310	3,396	-36%
Philippines	4,152	3,179	-23%
Other	18,863	18,133	-4%
Total	45,719	40,737	-11%

Compared to the previous year, a drop in skilled migration has seen a decrease in residence approvals from all of the main source countries with the exception of India, which increased by 14 percent. Of the other top source countries, the United Kingdom decreased by 16 percent, China decreased by 11 percent, South Africa decreased by 36 percent and the Philippines decreased by 23 percent.

⁵ Uncapped Family stream was previously named the Uncapped Family Sponsored stream. Capped Family stream was previously named the Parent and Sibling/Adult Child stream.

Skilled Migrant Category (SMC)

In 2011/10, 21,212 people were approved for residence through the SMC compared with 26,652 in 2009/10 and 27,011 in 2008/09. The number of people applying through the SMC in 2010/11 decreased by 19% compared to the previous year. A reflection of the prevailing economic conditions, the decrease reflects fewer Expression of Interest applications that met the selection criteria and had a job offer.

Currently, the top source countries of SMC approvals are the United Kingdom (17%), India (13%), South Africa and the Philippines (12% each), and China and Fiji (8% each). SMC approvals from these top source countries decreased from the same period last year with the exception of India, which increased by 27 percent. This increase is due to a growing number of former Indian international students who transition to temporary work and then to permanent residence. This trend is likely to continue as India gains more prominence in the export education sector.

Ninety percent of SMC principal applicants had a job or job offer (compared with 81% in 2009/10) and 70% gained points for recognised work experience (similar to the 72% in 2009/10).

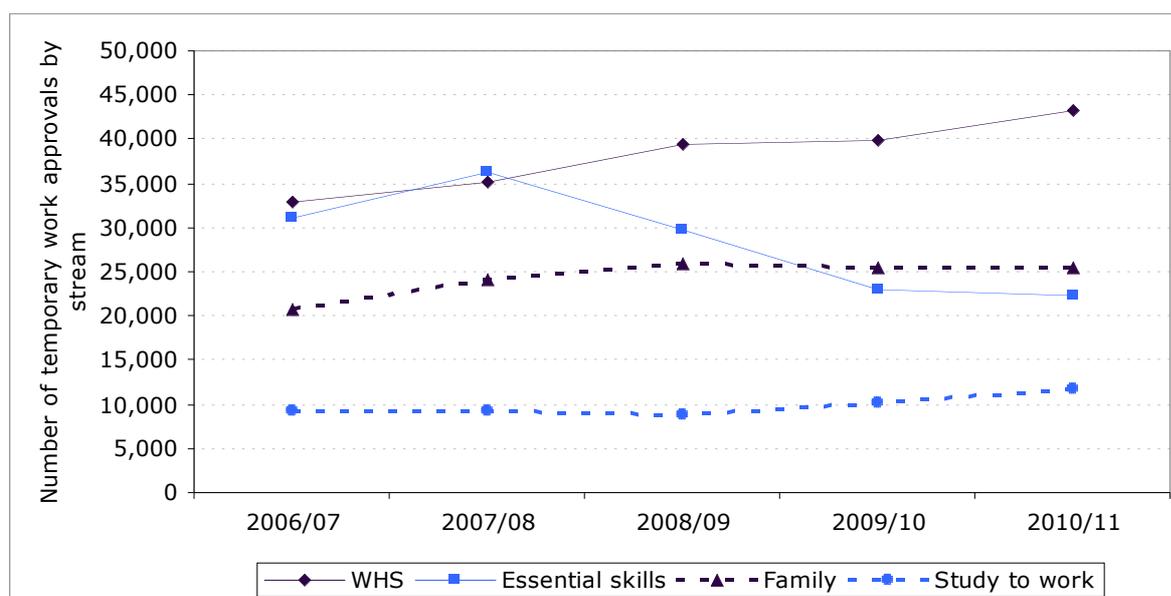
In 2011, most SMC principal applicants were approved onshore (85%), of whom 97% had a job or job offer. Of the 15% approved offshore, 52% had a job or job offer.

Temporary migration

Workers

The number of people approved for a work visa in 2010/11 was 137,011, up from the 129,982 approvals in the previous year. Working holidaymakers increased 8 percent and those approved a 'study to work'⁶ visa increased by 16 percent. These increases offset the lower numbers of Essential Skills workers, which decreased 3 percent (refer Figure 2).

Figure 2: Number of temporary worker approved by stream 2006/07 to 2010/11



⁶ Includes the Graduate Job Search and Practical Experience Post Study policies.

The main source countries of temporary workers in 2010/11 were the United Kingdom (13%), India (11%), China (8%), Germany (7%) and the United States of America (6%). The main source countries are unchanged from 2009/10 although, reflecting a long-term trend, India's share increased (from 9%) while the United Kingdom's share decreased (from 14%).

Essential Skills workers⁷

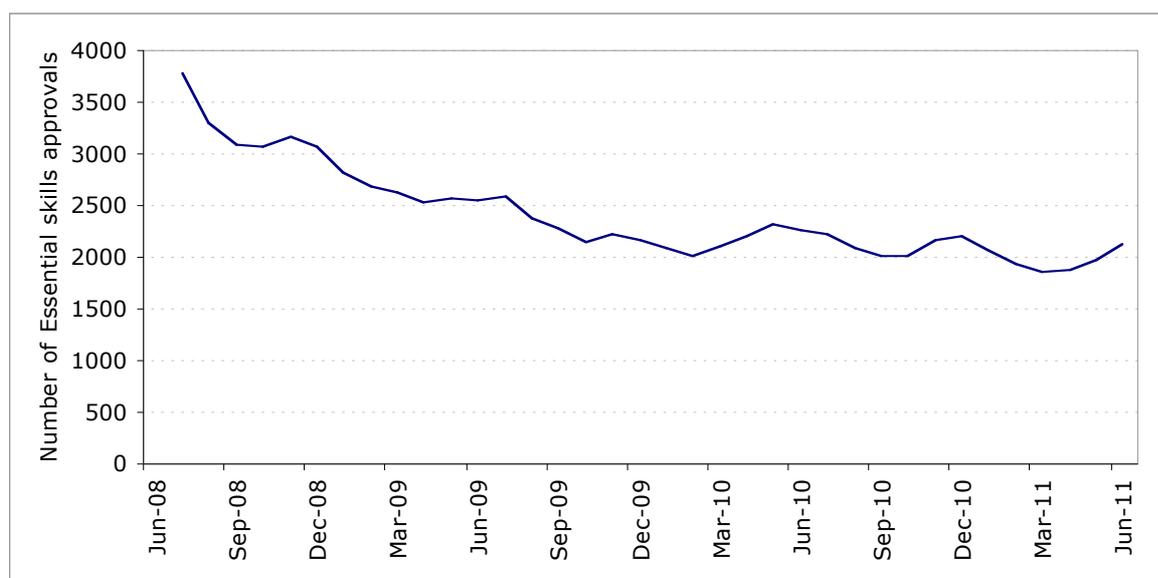
The demand for Essential Skills workers slowed from October 2008. The number of applications decided in 2010/11 decreased by 20 percent compared to the previous year due to a drop in the number of applications received. This reflects the lower demand for labour in 2010/11, which was exacerbated by the Canterbury earthquakes. Job opportunities are expected to increase as the economic recovery accelerates and the Christchurch rebuild gains momentum.

The number of Essential Skills workers with a job in the Canterbury region decreased from 189 approved in the month of February 2011 to 69 approvals during March. The decline in March was due to disruptions in the processing of applications, in addition to the impacts of the earthquake on the job market in Canterbury. The approval numbers recovered in April (154 approvals) and reached 256 approvals in June 2011.

The main source countries of Essential Skills workers in 2010/11 were the United Kingdom (14%), the Philippines (13%), Fiji and India (8% each) and China (6%).

Essential Skills work approvals for 2010/11 decreased by 3 percent from the same period in the previous year. With the exception of the Philippines (4 percent increase) and India (7 percent increase) approval numbers for the other main source countries decreased. The United Kingdom decreased by 3 percent, China decreased by 7 percent, and Fiji decreased by 6 percent. Figure 3 shows the approval numbers from July 2008 to June 2011.

Figure 3: Number of Essential Skills workers approved July 2008 to June 2011⁸



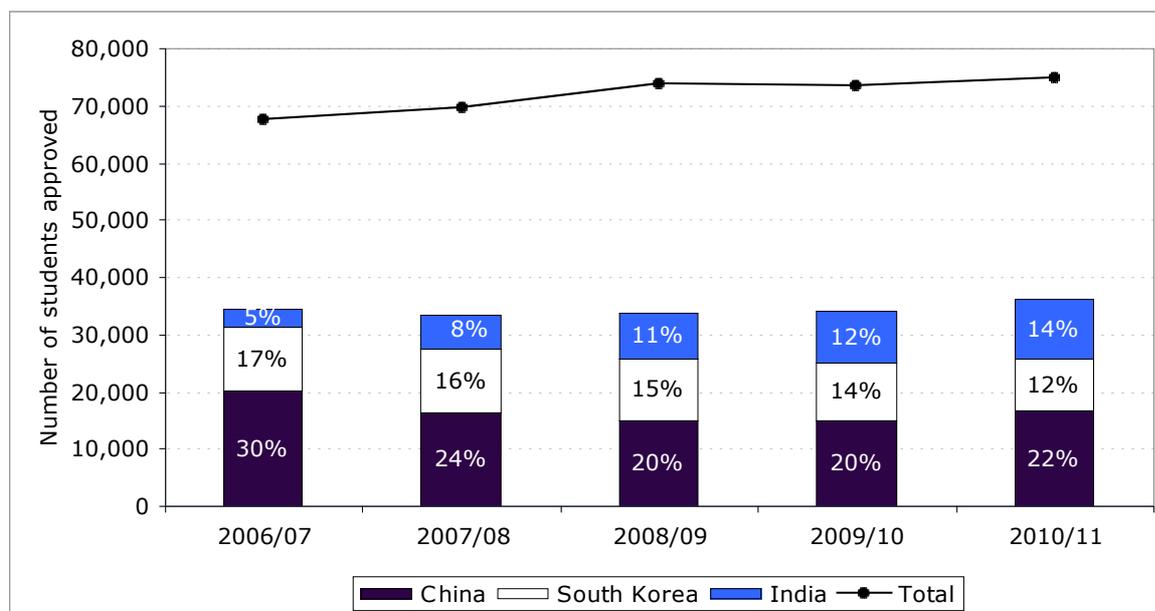
⁷ Includes the following policies: Approved in Principle, Essential Skills, Essential Skills - Skill Level 1, General, and Specialist skills.

⁸ This graph is a three month rolling average.

Students

In 2010/11, 74,872 people were approved for a student visa, a 2 percent increase from 73,387 in 2009/10. Figure 4 shows the total number of students approved over the last five years and the number from each of the three main source countries.

Figure 4: Number of students approved compared to top source countries 2006/07 to 2010/11



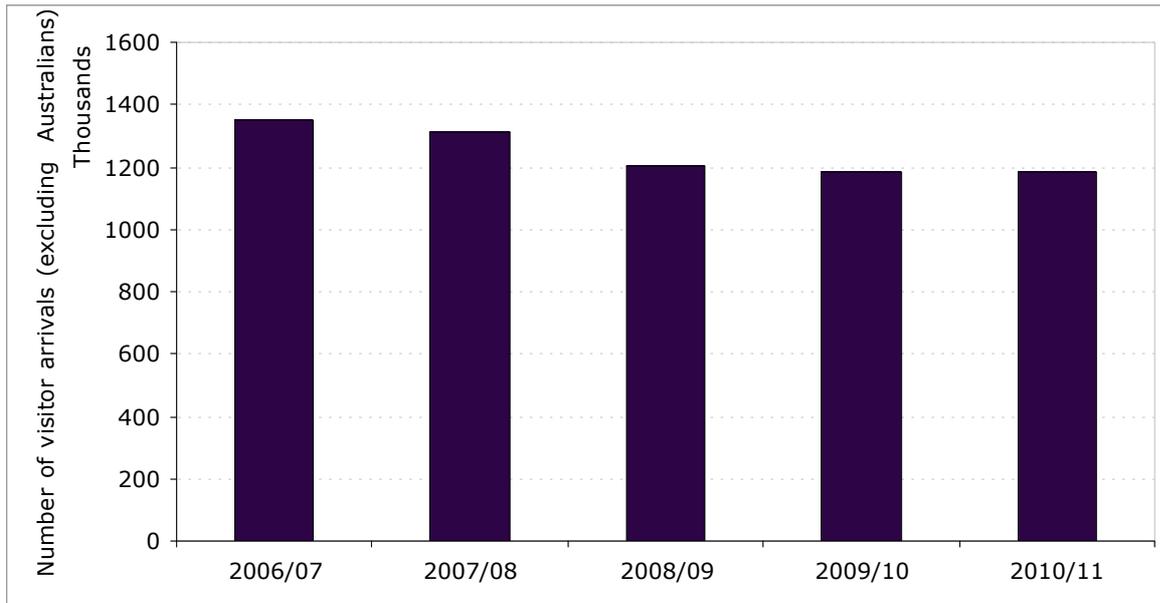
In 2010/11, the largest source countries of students were China (22%), India (14%) and South Korea (12%). Compared with the number of student approvals in 2009/10, approvals from China had an 11 percent increase, India had a 17 percent increase, while South Korea decreased by 12 percent. In March 2011, a new branch of Immigration New Zealand was opened in Mumbai to facilitate the increasing demand from India.

Visitors (excluding Australians)⁹

In the first half of the 2010/11 year, visitor numbers were ahead of the 2009/10 trend. However natural events, including the combined impacts of the Canterbury earthquakes, Japan earthquake and the volcanic ash from the Chilean volcano, interrupted air travel during the second half of the 2010/11 year. Overall, the total arrivals in 2010/11 were similar to 2009/10 (Figure 5).

⁹ Number of people issued a visitor visa on arrival in New Zealand.

Figure 5: Number of visitor arrivals (excluding Australians) 2006/07 to 2010/11



The top source countries for visitor arrivals for the year to June 2011 were the United Kingdom (17%), the United States of America (15%), China (10%) and Japan (6%). Compared to the previous year, there was a decrease in visitors from the United Kingdom (11 percent decrease) and the United States of America (2 percent decrease). Visitors from China increased compared to the previous year (28 percent increase). A new joint office of Immigration New Zealand and Tourism New Zealand has opened in Shanghai to help attract and facilitate visitors in New Zealand.

Overall, the total arrivals in 2010/11 were similar to 2009/10. The average annual growth in tourist numbers for 2010-2016 is forecast at 3.5%.¹⁰ The Ministry of Economic Development expects an increase in tourism in the first half of 2011/12, with an anticipated forecast of 85,000 international visitor arrivals for the Rugby World Cup 2011.¹¹

For further information please visit <http://dol.govt.nz/research> or email research@dol.govt.nz

¹⁰ <http://www.tourismresearch.govt.nz/Data--Analysis/Key-Statistics/>

¹¹ <http://www.tourismresearch.govt.nz/Data--Analysis/Forecasts/RWC-2011-Preliminary-Forecasts/>

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