



New Zealand  
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# **The Fiscal Impact of Migrants to New Zealand 2003**

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DEPARTMENT OF  
**LABOUR**  
TE TARI MAHI



# **The Fiscal Impact of Migrants to New Zealand 2003**

April 2003

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## EXECUTIVE SUMMARY

- This study uses demographic and other data from the 2001 Census and government accounts data for the year to June 2002 to estimate the fiscal impact of migrants to New Zealand in the June 2002 fiscal year. This updates earlier estimates for the June 1998 fiscal year, which used 1996 Census information. Consistent with the earlier report, migrants are defined as persons born overseas but now usually resident in New Zealand.

### Impact of overall migrant population

- In the June 2002 year **migrants had a positive net fiscal impact of \$1.7 billion**, comprising:
  - \* \$5.8bn to government revenue in the form of income tax, GST and petrol, alcohol & tobacco excises.
  - \* \$4.1bn of government expenditure comprising education, health, New Zealand Superannuation, Work and Income benefits and student allowances.
- On an age-adjusted (18 to 64 year-old) per-head basis the fiscal impact of migrants on both revenue and expenditure was similar to that of the New Zealand born. However, both revenue and expenditure for migrants were lower, leaving the net contribution of migrants slightly higher than that of the New Zealand born.
  - \* Revenue: migrants' age-adjusted per-capita contribution to revenue was \$11,140, compared to \$12,220 for the New Zealand-born.
  - \* Expenditure: migrants' age-adjusted per-capita impact on expenditure was \$7,900, compared to \$9,250 for the New Zealand-born.
  - \* Net impact: \$3,240 for migrants compared to \$2,980 for the New Zealand born.
  - \* The 1998 year: the comparable age-adjusted per-capita net impact figures for the 1998 year were \$3,650 for migrants and \$2,180 for the New Zealand born.

### Impact of sub-groups within migrant population

- The impact of the various sub-groups *within* the migrant population reflects varying characteristics, but noticeably:
  - \* for all migrant groups differentiated by region of birth, the age-adjusted per-capita net fiscal impact was positive;<sup>1</sup>

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<sup>1</sup> Region of birth refers to Australia, Pacific Islands, UK & Eire, Europe & North America, Asia and Other.

- \* for all migrant groups differentiated by duration of residence in New Zealand, the age-adjusted per-capita net fiscal impact was positive;<sup>2</sup> and
- \* only two sub-groupings are calculated as having a negative fiscal impact; namely, *new* migrants from Asia and *new* migrants from the Pacific Islands. **However, the net impacts of migrants from each of these regions of birth become positive as their duration of residence in New Zealand increases.**
  - In particular, the tax contribution of migrants from the Pacific Islands more than doubles as they move from *new* migrant (less than 5 years in New Zealand) to *established* migrant (15 or more years in New Zealand) status.
  - Similarly, the tax contribution of migrants from Asia more than triples during the course of the same transition from *new* to *established* migrant status.

### The regional dimension

- The regional dimension of the impact of migrants is overwhelmingly dominated by the impact on Auckland (defined, here, as the four Territorial Local Authorities or TLAs). In particular:
  - \* the overseas born accounts for 34 percent of Auckland's resident population - compared to 20 per cent for the whole of New Zealand. Alternatively, 47 per cent (or about 347,000) of the total 741,000 migrant population residing in New Zealand are located in Auckland;
  - \* over \$1.8bn in income tax revenue arises from the migrants in Auckland; and
  - \* a relatively larger proportion of the overseas born in Auckland are *new* migrants. In particular, 34 per cent of migrants resident in Auckland are *new* compared to the New Zealand-wide proportion of 28 per cent.
- Despite the relatively lower income earnings and hence tax payments of this group, the fiscal impact of *new* migrants in the Auckland region remains positive. This results from the proportionately less impact on benefit, education and national Superannuation expenditure arising from this group.
- Indeed, the net fiscal impact is positive across all five New Zealand regions investigated and all three *new*, *recent* and *established* migrant categories.<sup>3</sup> This reflects the feature that the numerous differing behavioural characteristics of each sub-group within the population is balanced by other characteristics in other sub-groups.

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<sup>2</sup> Duration of residence in NZ: less than 5 years (described as *new* migrants), 5 to 14 years (*recent* migrants), 15 or more years (*established* migrants).

<sup>3</sup> The five New Zealand regions are Auckland, Wellington, Rest of North Island, Christchurch and Rest of South Island.

## **The ‘drivers’ of migrant impact**

- The primary social, economic and behavioural characteristics underlying the model used to estimate the fiscal impact of migrants can be summarised as follows:
  - \* The profile of the income of migrants drives their contribution to income tax revenue.
  - \* The profile of spending by migrants determines their impact on GST and excise receipts.
  - \* The age profile of the migrant population influences the following components of government spending :
    - education expenditure (allowing for their rate of participation in post-compulsory study);
    - health expenditure; and
    - New Zealand Superannuation (allowing for residence eligibility criteria).
  - \* Work and Income benefit payments to migrants are influenced by a combination of migrants’ income-earning ability as well as individual and social characteristics and residence eligibility criteria.
  - \* The rate of participation in post-compulsory study (allowing for income and eligibility criteria) influences payments of student allowances to migrants.

## **Comparison with the New Zealand born**

- The net fiscal impact of the New Zealand born lies within the range set by the impact of migrants from Asia and the Pacific on the one hand and those from Australia, UK & Eire and Europe & North America on the other. This reflects the social and economic characteristics of the New Zealand born - an amalgam of influences from numerous migrant groups and their families.
  - \* New Zealand is a nation of immigrants.
    - It is therefore not surprising that the economic and social behaviour of the New Zealand born reflects influences and characteristics derived as a result of migrations from numerous countries and over differing periods of New Zealand history.
    - Consequently, the overall fiscal impact of the New Zealand born lies within the boundaries of that calculated for the various sub-groups of the current migrant population.



# 1 INTRODUCTION

This study investigates and calculates the fiscal impact of migrants to New Zealand and has been prepared for the New Zealand Immigration Service (NZIS). The ‘fiscal’ impact of migrants is defined as the contribution of migrants to central government revenue less government expenditure attributable to the migrant population.

A range of information sources is used, firstly, to identify the characteristics of persons resident in New Zealand but born overseas and secondly, to determine their contribution to components of government receipts as well as their impact on selected items of government spending. The data sources used include the 2001 Census, 2002 Household Expenditure Survey, 2002 Income Survey, Government Statements of Financial Performance, Estimates of Expenditure and expenditure details.

This data enabled the fiscal impact for the year to June 2002 to be calculated. This study updates a similar exercise undertaken in 1999 which estimated the fiscal impact for the year ended June 1998.

## 1.1 Structure of report

The following chapter provides details of definitions and terminology used in this report. Chapter 3 provides a discussion of the methodology adopted for this study including data sources, as well as an outline of the limitations of this investigation. Chapter 4 contains a brief overview of the composition of the migrant population in New Zealand, while Chapter 5 discusses aspects of migrants’ participation in post-compulsory study. Chapter 6 presents the principal findings of the study, discussing the fiscal impact. The details in this section are analysed by migrants’ length of residence in New Zealand as well as by region of birth. This is followed in Chapter 7 by a summary of the fiscal impact of migrants according to their region of residence in New Zealand. The impact of an “average annual flow” of migrants is outlined in Chapter 8, followed by some concluding comments in Chapter 9.

Detailed tables are attached in Chapters 10 and 11.

## 1.2 Summary tables

The six summary tables in Chapter 10 (pages 57 to 62) are designed to provide an ‘at a glance’ listing of the fiscal impact of migrants to New Zealand. Each of these tables consists of a set of ‘cells’ or ‘boxes’ each with three entries. The upper-left-hand part of each cell shows the total contribution to government revenue, while the upper-right-hand part shows the government expenditure attributable to each of the migrant sub-groups. The ‘**bold**’ figure in the lower portion of each cell shows the net fiscal impact (i.e. the impact on government revenue less that on government expenditure).

These six tables comprise two sets of three different measures. The first set (i.e. Summary Table 1 to Summary Table 3) summarises the figures relating to migrants

(by duration of residence in New Zealand and the New Zealand born population. The second set (i.e. Summary Table 4 to Summary Table 6) summarises the fiscal impact for migrants by their region of residence in New Zealand.

Within each of these two sets are figures summarising firstly, the absolute \$m calculation of the fiscal impact; secondly, the per-capita fiscal impact; and thirdly, the age-adjusted per capita fiscal impact. The precise definitions of each of these measures are provided in Chapter 1 below.

### **1.3 Appendix tables**

Chapter 11 contains detailed tables listing the fiscal impact of migrants. The general format of these tables is as follows:

- the impact on government revenue components is provided in the upper-third of each table;
- the impact on government expenditure categories is provided in the lower-two-thirds of each table;
- the net fiscal impact is provided at the bottom of each table, along with data on the number of persons in the relevant population group;
- figures for the comparable New Zealand born group are given in the column to the left of the text;
- figures for the relevant overseas born group are given in the first three columns to the right of the text; and
- figures dividing up the impact of the migrant population, either by length of residence in New Zealand or by region of birth, are provided in sets of columns to the right of each table.

As for the Summary Tables, within each of the sets of the Appendix Tables are figures detailing three different measures, firstly, the absolute \$m calculation of the fiscal impact; secondly, the per-capita fiscal impact; and thirdly, the age-adjusted per capita fiscal impact. As noted earlier, the precise definitions of each of these measures are provided in Chapter 2.

Note that a selection of tables is presented in the body of this report. For ease of reference however, all tables are repeated later in the Appendix section.

## 2 DEFINITIONS AND TERMINOLOGY

### 2.1 Migrants

A migrant is defined as a person who was born overseas. The core data for this report comes from the 2001 Census. Some Census returns did not specify the respondent's country of birth. The numbers in this group are pro-rata allocated across the two categories (migrant and New Zealand-born) in order both to preserve the migrant-to-domestic-born ratio and to maintain consistency with nation-wide totals. Further detailed analysis was undertaken dividing the migrant population into the following groups, defined by duration of residence in New Zealand at the time of the Census (3 groups) and by region of birth (6 areas).

#### Migrant group

- *new* migrant overseas born and usually resident in New Zealand for less than 5 years
- *recent* migrant overseas born and usually resident in New Zealand for 5 to 14 years
- *established* migrant overseas born and usually resident in New Zealand for 15 or more years

#### Region of birth

- Australia
- Pacific Islands
- Europe/North America
- Asia
- UK and Eire
- Other

In addition, the analysis also investigated the impact of migrants by region of residence in New Zealand according to the following five areas.

#### Region of residence

- Auckland Auckland City, Manukau City, Waitakere City, North Shore City
- Wellington Wellington City, Hutt City, Upper Hutt City, Porirua City
- Rest of North Island
- Christchurch City
- Rest of South Island



## 2.2 Fiscal impact

Consistent with the earlier study, the fiscal effects presented in this report are limited to the following items of the central government's budget:

### a) impact on government revenues:

- i) income tax receipts - direct tax on individuals (excluding fringe benefit tax) and withholding tax on resident interest and dividend income;
- ii) GST receipts; and
- iii) excise taxes on petrol, alcohol and tobacco products.

### b) impact on government spending:

- i) education expenditure - in the early childhood, primary, secondary and tertiary sectors;
- ii) health expenditure;
- iii) welfare transfers - on the main types of benefits;
- iv) student allowances; and
- v) New Zealand Superannuation.

Principal data sources employed for this analysis were the 2001 Census and the 2002 Income Survey (Supplement to the Household Labour Force Survey). In addition, 2002 Household Expenditure Survey (HES) data was used to determine expenditure profiles.

Government Financial Statements were used to obtain details of government revenue and expenditure profiles, updating earlier data from the Ministries of Education, Health and the Department of Work and Income.

### c) per-capita impact

To enable comparability of the fiscal impact estimates across the sub-groups within the migrant and New Zealand born population, per-capita estimates are calculated and tabulated. These are defined as the absolute \$m estimates of the fiscal impact divided by the number of persons in the relevant population group. For example, the per-capita fiscal impact on income tax revenue of *new* migrants equals the total tax revenue from that group (\$750m, as per Appendix Table 1, page 63) divided by the number of *new* migrants (204,000), giving the result of \$3,677 as per Appendix Table 2, page 64.

#### d) age-adjusted per-capita impact

Furthermore, to improve the comparability of these estimates across the sub-groups, age-adjusted per-capita figures are calculated. These are provided to allow for a more correct comparison between the different migrant groups as well as with the New Zealand born. In particular, the effect of the differing age structures of the various population sub-groups (for example, there are *by definition* no under 15-year-olds in the *established* migrant group) incorrectly predetermines some of the comparisons. A more correct analysis adjusts for these age-composition effects. A simple form of this adjustment is to re-calculate the per-capita impacts on the basis of those aged 18-64.

Thus the age-adjusted per-capita figures are defined as the absolute \$m estimates of the fiscal impact divided by the number of persons aged 18-64 in the relevant population group. For example, the per-capita fiscal impact on income tax revenue of *new* migrants equals the total tax revenue from that group (\$750m, as per Appendix Table 1, page 63) divided by the number of *new* migrants aged 18-64 (136,000), giving the result of \$5,517 as per Appendix Table 3, page 65).



### 3 METHOD AND LIMITATIONS

This chapter briefly overviews the limitations to the coverage and extent of this study after providing an explanation of the methodology adopted to calculate the fiscal impact of migrants to New Zealand for each of the government revenue and expenditure components.

#### 3.1 Method

As indicated in the Introduction, the data sources used for this study include the 2001 Census, 2002 Household Expenditure Survey, 2002 Income Survey, Government Statements of Financial Performance, Estimates of Expenditure and expenditure details.

Details of the methodology adopted for each of the revenue and expenditure items follow.

Estimates for individual items of income and expenditure are detailed in Chapter 6. In most cases these estimates are calculated on an individual basis. This is clearly appropriate in calculating income tax contributions - for example - given that the New Zealand income tax system assesses (in the main) tax on personal incomes.

We calculate GST and excise duty impacts on the basis of the household's expenditure profiles, rather than translate household expenditure patterns into individual spending. For this purpose, a migrant household is defined as one where either the occupier or spouse identified themselves as born overseas (according to responses to the Census questionnaire).<sup>4</sup>

##### 3.1.1 Income tax

Estimates for income tax revenues from each of the various groups were calculated using 2001 Census data. In particular, numbers in each personal annual income band, distinguished by region of birth and duration of residence in New Zealand, were obtained. Rates from income tax scales were applied to these incomes. This calculated tax revenue from individuals was disaggregated by region of birth and migrant group. A similar method was used to obtain an estimate for the tax revenue from the New Zealand-born population.

Using tax scales ignores the impact of some tax rebates claimed by individuals. However, the largest rebate (i.e. the Low Income Rebate of 15 cents in the \$1 tax rate for annual incomes less than \$9,500) was included in these calculations.

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<sup>4</sup> This is consistent with the assumption adopted in the 1999 study. The earlier study also presented figures based on an alternative assumption based on the birthplace of the occupier only.

The figures using the above procedure were then scaled to ensure that total income tax revenue was consistent with that given in the Government's Statement of Financial Performance.

### 3.1.2 GST and excise duties

These estimates were derived from household income data (differentiated by region of birth of occupier/spouse) from the 2001 Census and the application of expenditure profiles from the 2002 HES.

The estimates provided in this paper revert to differentiating expenditure patterns by household income alone because this was the principal variable distinguishing expenditure profiles. Average weekly expenditure excluding the zero-GST housing items were obtained and the GST rate applied accordingly.

HES petrol, tobacco and alcohol weekly expenditures were used to determine shares of migrant households as well as New Zealand-born households in total expenditure on these items. These shares were applied to allocate the total excise revenue across the migrant and New Zealand-born categories. This allocation method was used to overcome the under-reporting (in aggregate) of expenditure on these items (especially tobacco & alcohol) provided by HES data.

### 3.1.3 Education and health expenditure

Age-specific education expenditure data obtained from the Ministry of Education for the 1998 study was updated using the 2002 Estimates of Expenditure *Vote* information for relevant output classes. This data was applied to the age profile of each of the migrant categories.

Expenditure covered by this data included operating grants, salary costs and external costs. External costs includes central administration services provided by the Ministry as well as the Education Review Office, support services such as the Special Education Service, and the provision of buildings but excludes the capital charge on state school property. Data from the Estimates of Expenditure for the 1998 year was used to ensure that the overall total of education spending captured by this process was comparable (in terms of category coverage) with that for the earlier study.

From 2001 Census data, the number identified as having received some income from student allowances was used to proxy the shares of the New Zealand-born and migrant population in the consumption of tertiary education services. These shares were used to allocate total tertiary expenditure across these two groups, as well as to allocate expenditure across the region of birth and migrant group sub-categories of the overseas-born population.

Age-specific health expenditure data obtained from the Ministry of Health for the 1998 study was updated using the 2002 Estimates of Expenditure *Vote* information for

relevant output classes. This data was applied to the age profile of each of the migrant categories. This expenditure data incorporated the provision of hospital (and other health) services, the management of health and disability funding and the purchase of public health services administered by the Ministry (e.g. health education and promotion, the prevention and control of communicable diseases). As for the Education category, data from the Estimates of Expenditure for the 1998 year was used to ensure that the overall total of health spending captured by this process was comparable (in terms of category coverage) with that for the earlier study.

#### 3.1.4 Benefit and student allowance payments

Comparable 1998 and 2002 Estimates of Expenditure data on benefit payments form the basis of the estimates for the main items of benefit expenditure.

For each of the benefit types, the allocations across the various sub-groups of the migrant population were determined using 2001 Census information on the numbers (converted into shares in the total) of those reporting to have received some income from the respective sources.

Total expenditure on student allowances was similarly allocated using 2001 Census data on numbers amongst the various migrant groupings receiving student allowances.

#### 3.1.5 New Zealand Superannuation payments

Calculations for this spending item followed the same process as adopted for National Superannuation in the 1999 study. Total expenditure on New Zealand Superannuation was allocated to the sub-groups of the migrant population from the shares in the numbers receiving some income from this source as identified in the 2001 Census. In this regard we note the ten-year residence criterion for receipt of New Zealand Superannuation. As a result, a portion of the Census respondents claiming receipt of income from this source are suspected to have erroneously included other types of Superannuation income in this category. On the other hand, there are numerous inter-governmental agreements which provide for migrants' Superannuation to be remitted from abroad by their birth country, but received by the migrant through the New Zealand government. In line with the earlier study, no adjustments for either of these issues have been made.

### **3.2 Limitations**

Amongst the limitations to this study that should be noted are the following:

- The study concerns the impacts of gross inward migration, not of net migration flows.

- The distinction between fiscal and economic impacts. The study is aimed only at capturing impacts on government fiscal revenues and expenditures. Economic benefits/costs (e.g. job creation, congestion costs) are not addressed.
- The estimates do not allow for life-cycle impacts of migrant characteristics. That is, the calculations are of a ‘snap-shot’ single year and issues such as migrants’ varying contributions and expenditure claims over their life-time are not captured.

These aspects are discussed in more detail below.

In identifying the above government revenue and expenditure categories, we are limiting ourselves to the direct monetary impacts on the government’s operating budget. We do not allow for the indirect revenues or expenditures that may arise due to the participation of migrants within the New Zealand economy. For example, income tax revenues would increase if migrant employers created additional jobs. On the other hand, additional unemployment benefits would need to be paid if migrants were displacing New Zealand-born workers in employment. No allowance, or indeed study, of either of these “indirect” effects is captured by this project. In this context, it is pertinent to restate comments made in the 1999 study:

“Proper analysis of these effects would require an economic assessment of migrants’ impact - not the accounting analysis that is explicitly adopted here. Were it to be undertaken, such an overall study would encompass an economy-wide modelling of the participation of migrants and domestic-born in all the sectors of the economy - viz.: as producers, consumers, investors, savers, exporters, importers, employers and employees - as well as taxpayers and expenditure recipients.

In modelling the fiscal impacts, we have assumed that migrants exhibit expenditure characteristics (e.g. in the consumption of government services) similar to those born in New Zealand, within the same age and income category. Vernez and McCarthy (1996) found that the use of public services is generally not affected by immigration status. This is consistent with other studies that find economic behaviour of migrants (e.g. in employment and labour force participation rates and consumption patterns) rapidly become statistically indistinguishable from those of the domestic-born population. For example, see Poot, Nana and Philpott (1988) for New Zealand evidence and Norman and Meikle (1985) for the Australian case.

A final point that should be noted in the definition of the fiscal impact, is the distinction between government’s current and capital (or infrastructure) expenditure. Clearly, we traverse into “congestion” issues if we include capital expenditures. This would bring forth questions like, for example, what level of migration triggers a need for additional hospitals to be established?”

It is however necessary to stress that “congestion” issues should properly be viewed within an overall economic analysis, rather than the fiscal impact which is the subject

of this study. Furthermore, we could also argue that gross inflows of migrants can in general be viewed as replacing the population lost through the gross outflows. In doing so and incorporating the impacts of these gross outflows, there is an argument that these “congestion” issues would indeed be small.

Note, in line with this discussion, the coverage of the government accounts that this study incorporates is not comprehensive. In other words, not all items of government revenue and expenditure are included in the estimates. Only those explicitly identified in the tables and figures are included. Those that are omitted are, in the main, assumed to be ‘fixed’ costs that are unrelated to population size.





## 4 MIGRANTS IN THE NEW ZEALAND POPULATION

This chapter describes the composition of the migrant population in New Zealand and notes characteristics relevant to the determination of their fiscal impact.

In particular, the age profile of a population group is likely to play a large role in determining elements of health and education expenditure. In addition, the profile of the working age section of a population group influences, to a degree, earnings and can thereby affect that group's contribution to income tax. Another dimension, the number of years that a person has been resident in New Zealand, influences eligibility for some benefit payments and New Zealand Superannuation.

### 4.1 Overview

**Table 4.1 The 1996 and 2001 New Zealand resident population**

	1996		2001		Net Change '96 to '01 Number	
	Number	% of pop'n	Number	% of pop'n		
<b>NZ Resident Population</b>						
Overseas born	611,559	17%	701,673	19%	90,114	
New Zealand born	2,848,209	79%	2,890,869	77%	42,660	
<b>Total Resident</b>	<b>3,618,300</b>		<b>3,737,277</b>		<b>118,977</b>	
<b>Overseas Born</b>						
	<i>Years resident in NZ</i>					
<i>New migrants</i>	less than 5	141,654	4%	182,259	5%	40,605
<i>Recent migrants</i>	5 to 14	132,882	4%	170,736	5%	37,854
<i>Established migrants</i>	15 or more	300,528	8%	308,913	8%	8,385

*NB: Numbers do not sum because of significant numbers of 'not specified' Census returns in all categories.*

As at the 2001 Census, there were over 701 thousand persons who identified themselves as born overseas compared to over 2.89 million New Zealand-born individuals. This was 19 percent of the total population at March 2001. Of the 701,000 overseas born there were over 300,000 *established* migrants, over 170,000 *recent* migrants and over 180,000 *new* migrants. Table 4.1 shows that in 2001 *established* migrants were 8 percent of the total New Zealand resident population, *recent* migrants 5 percent, and *new* migrants also 5 percent of the population. These figures are up a little on those in 1996 when the *established* migrants were 8 percent, but the *recent* and *new* migrants were each only 4 percent of the population.

From 1996 to 2001, the movement of *permanent and long term* (PLT) migrants (as defined through *Statistics NZ* External Migration data) resulted in a gross inflow of 324,000 people. In 2001, the total number of residents who had been in New Zealand for less than 5 years (i.e. *new* migrants) was 182,000 people. In other words, of the total PLT gross inflow of 324,000 people between 1996 and 2001, 182,000 were overseas born and stayed.

The table also shows that the New Zealand population was growing very slowly between 1996 and 2001, having increased by a total 3.3 percent over the five years, or only 0.6 percent per annum. This was partly due to net emigration in most periods from mid-1997 to mid-2001, accompanied by the relatively low birth rate, and thus low rate of net natural increase.

## 4.2 Age and gender structure of the New Zealand population

As noted above, the age and gender structure of population groups gives some indication of their likely fiscal impacts. The profile of the total New Zealand population is relatively well-balanced, though with larger numbers in the ‘economically active’ age groups of 41 to 64 years old, and to a lesser extent in the 26 to 40 years old range. Note also that there are greater numbers of females in all of the age groups over 25 years old (see Figure 4.1).

**Figure 4.1 The 2001 New Zealand resident population**

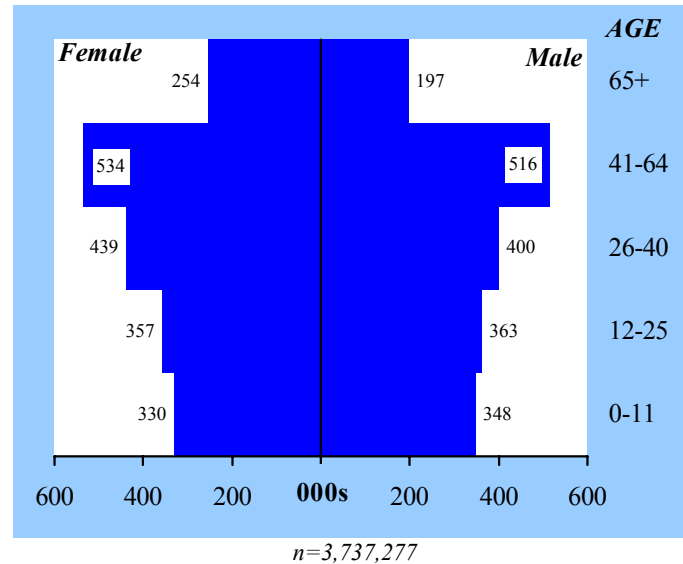
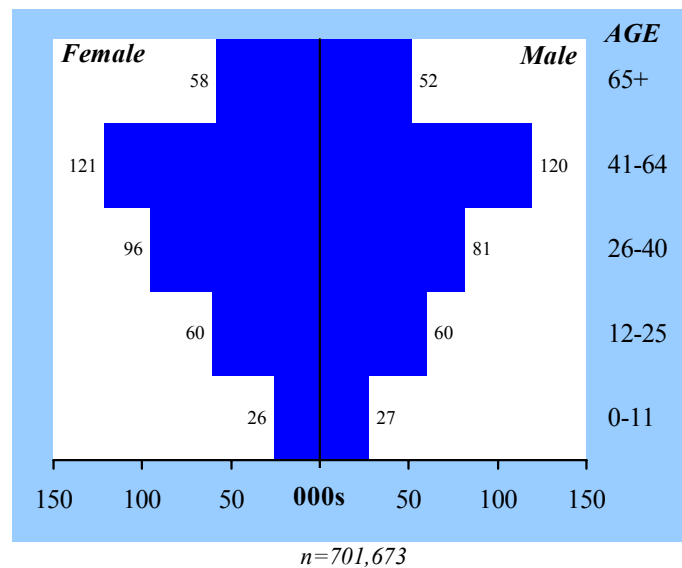


Figure 4.2 indicates that the migrant population has an even greater dominance of numbers in the ‘economically active’ age groups, particularly the 41 to 64 years old age group.

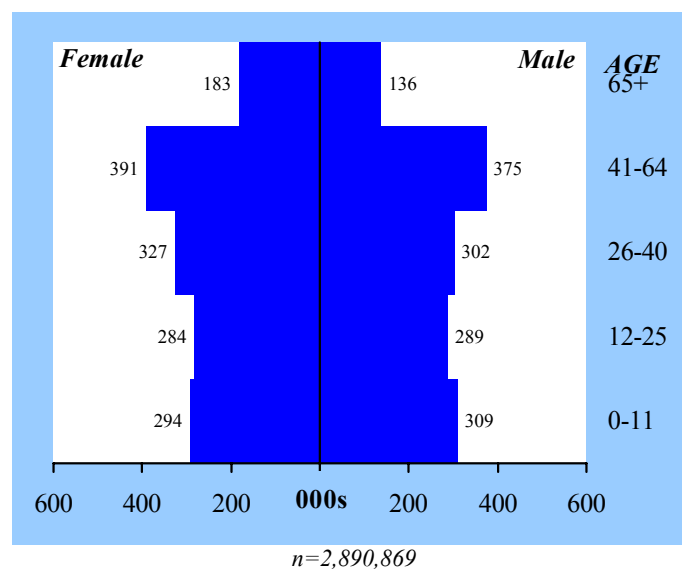
The implication is that the New Zealand-born population has a much more even spread of people across the age groups as shown in Figure 4.3. *Note that the horizontal scales are not the same, so the differences tend to be exaggerated on the*

migrant picture (Figure 4.2) compared with the New Zealand-born picture (Figure 4.3).

**Figure 4.2 The overseas born 2001 New Zealand resident population**



**Figure 4.3 The New Zealand born 2001 New Zealand resident population**



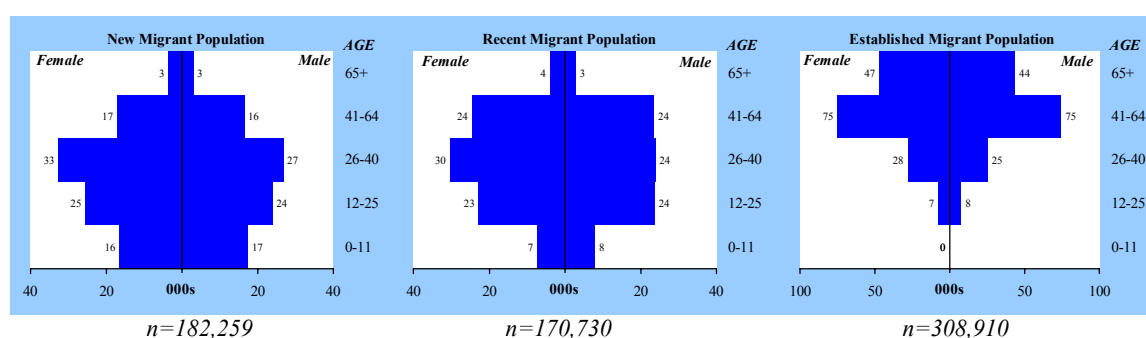
These observations suggest that the overall migrant population could be expected to have a lower per capita impact on government expenditures, as there is a smaller proportion in the younger and older age groups where, respectively, education and health costs are concentrated. They may also generate higher than per capita income tax revenues, as the proportion of the migrant population in the ‘economically active’ age groups is higher. In particular, over 70 percent of the migrant population is in the 18-64 year old age group.

### 4.3 Migrant age profiles by year of arrival

Figure 4.4 depicts the age and gender composition of the different groups within the migrant population. Note:

- *new* migrants arrived in New Zealand between 1996 and 2001;
- *recent* migrants arrived in New Zealand sometime between 1986 and 1996; and
- *established* migrants first arrived in New Zealand in 1986 or before.

**Figure 4.4 Composition of overseas born population groups 2001**



Note, again, that the scale on the horizontal axis for the established migrants chart is greater than the scales for the other two groups.

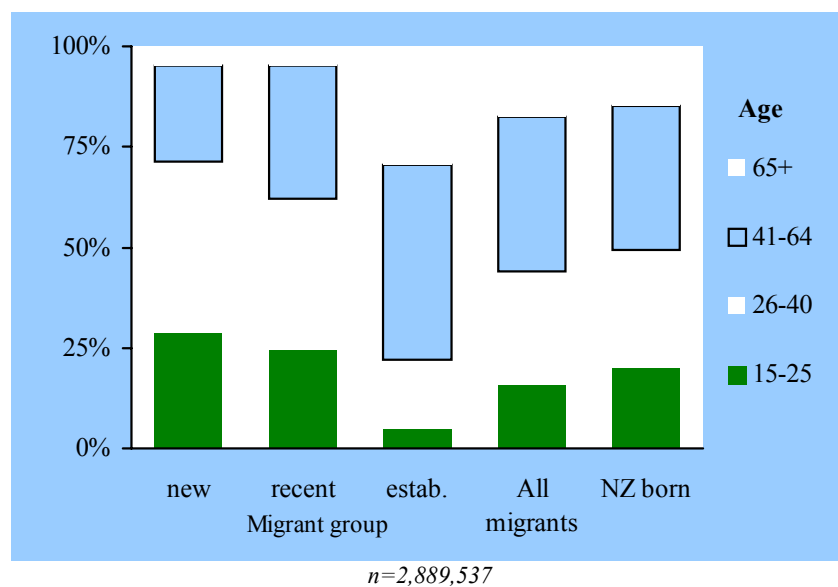
The general picture is that *new* migrants are a relatively well-balanced group of younger adults with children. There are more females than males in the 26 to 40 year age range. Many are likely to be in education and training, but there would be about 50 percent or more who are in the working-age population and potentially paying taxes.

The *recent* migrants - who arrived between 1986 and 1996 - now comprise a group equally age-balanced in the 12 to 64 years old age range. This equal distribution is in contrast to the New Zealand-born population where the numbers in age groups under 40 years old are significantly less than the 41 to 64 age group (see Figure 4.3). On the face of it this may suggest that younger adult *recent* migrants' tendency to emigrate (or re-emigrate) is lower than that of the New Zealand-born in the similar age groups. From a fiscal viewpoint, the *recent* migrant group are likely to be strong net contributors because there are few older and younger people. There are about half as many in the 12 to 25 year group (many obtaining free education and training) as there are in the economically active group 26 to 64 years. These migrants have few overseas-born children under 12 years, but they may well have New Zealand-born children.

The *established* migrants, a larger total group, arrived in 1986 or before. Hence, there are none aged 0 to 11 years, and only 15,000 aged 12 to 25 years. Again there may well be New Zealand-born children in these age-groups in the families of the *established* migrants. The large number in the 41 to 64 year age group reflects the profile of migration in earlier years and the fact that these migrants were generally in

the young adult age group, rather than children when they arrived. The picture of dominance of the 41-64 year old cohort in the *established* migrant group is further reinforced when looking at the composition of the population aged 15 years and older, as in Figure 4.5.

**Figure 4.5 Composition of population groups (age 15+ only) 2001**



Despite the older age profile of the *established* migrant group, the overall overseas born population aged 15 years or more has a remarkably similar age composition to that of the New Zealand born group.

#### 4.4 Migrant profiles by region of birth

The age and gender profiles of overseas born people from the 2001 Census classified by region of birth provide more detail of patterns of migrant flows in earlier periods, and some indications of likely fiscal impacts. These profiles are shown for six regions of birth (Australia, Pacific Islands, UK & Eire, Europe & North America, Asia and 'Other') in the appendix - see Appendix Figure 1 to Appendix Figure 4 (pages 90-93). The numbers of migrants in New Zealand by region of birth are listed in Table 4.2, with the composition of each migrant group pictured in Figure 4.6 below.

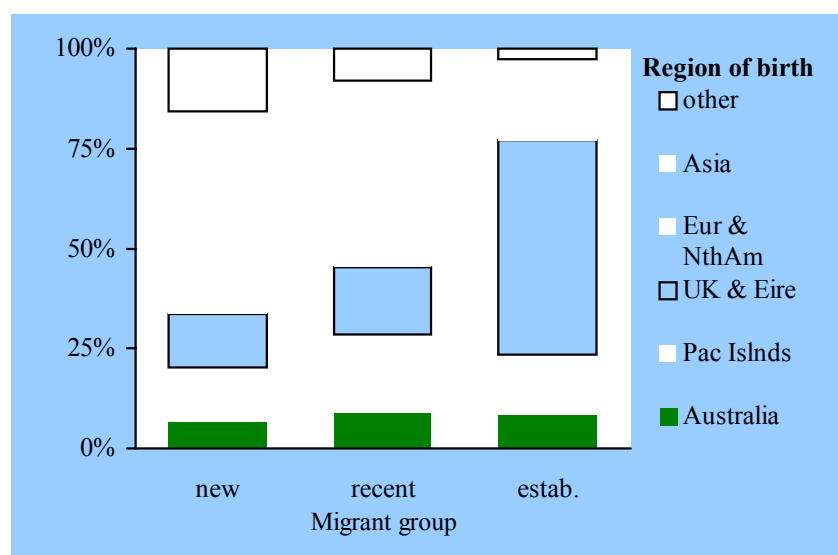
**Table 4.2 2001 Migrant population by group and region of birth**

Region of birth	Migrant group			
	<i>new</i>	<i>recent</i>	<i>established</i>	Total
Asia	73,600	61,800	21,200	156,600
Pacific Islands	24,700	33,800	46,300	104,800
UK and Eire	24,400	28,500	165,000	218,000
Europe and North America	18,300	17,300	40,400	76,000
Australia	12,100	14,800	26,00	52,800
Other	28,200	13,800	8,500	50,600
Total	181,000	170,000	307,000	658,900

As expected, the largest number within the *new* migrants group was born in Asia. This sub-group of *new* migrants has a ‘bottom-heavy’ profile with the largest group of migrants in the 12 to 25 year-old age group. (See Appendix Figure 1, page 90). This reflects the large number coming from Asia for education. In addition, there are significant numbers of young children, which indicates a high proportion of young families among new migrants from Asia. Another interesting characteristic is the dominance of females in the age groups from 12 to 64, but particularly in the 26 to 40 year-old range. We are not aware of the reason for this bias.

*New* migrants from other regions of birth, apart from Australia, generally have the largest numbers in the 26 to 40 year range and significant numbers of children, again indicating families re-locating. The Australian profile differs, with overseas-born children forming the largest age-group. Perhaps this includes some Australian-born children with their New Zealand-born parents returning to New Zealand.

**Figure 4.6 Composition of migrant group by region of birth 2001**



Profiles of *recent* migrants (see Appendix Figure 2 - page 91) - again show Asia to be the region of birth for the largest number. To a degree this reflects strong Asian migration in the period 1994 to 1996, partly associated with the changing status of

Hong Kong at that time. There were somewhat similar numbers in each age group between 12 and 64, and clearly few who arrived then are 11 years old or less now. Migrants from most regions had the majority in the age groups 26 to 64 years, except the Australian-born where most are still under 25 years.

*Established* migrants (see Appendix Figure 3 - page 92) were mostly from UK or Eire. The majority of migrants from all the groups were over 41 years old, implying that they were over 26 years old when they arrived more than 15 years ago. It is possible that some who were younger than that have adopted New Zealand-born customs and re-emigrated on their 'OE'. While there are large numbers in the 'economically active' age groups, there are also very large numbers who are 65 years and older, especially from UK & Eire, Europe & North America. The fiscal cost of this group is therefore likely to be increasing.

#### **4.5 Summary**

Ideally, these profiles of migrant groups with different periods of residence can be analysed following each future Census. These analyses will allow migration agencies and others to track the likely changes in fiscal impacts of the different groups over time, as their residence period increases.





## 5 STUDY AND THE MIGRANT POPULATION

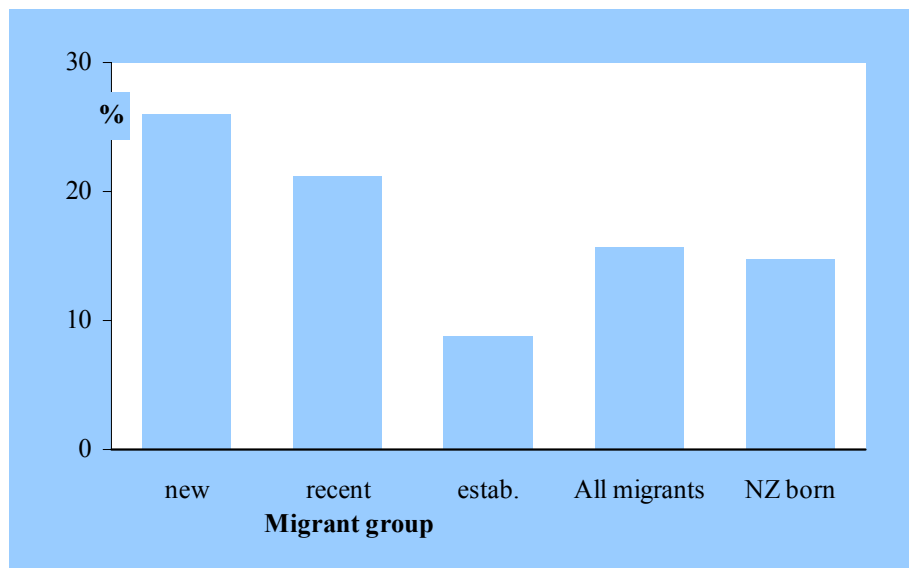
### 5.1 Overview

This chapter examines the fiscal impacts of New Zealand's migrant population who participate in study. One of the main questions examined is whether or not the migrant population and sub-groups within this population exhibit any significant difference in their rate of study compared to the New Zealand born population. This chapter draws from Census data on usually resident New Zealanders who responded as having attended a course of part-time or full-time study over the preceding four weeks. The data has been disaggregated by the duration of residence of migrants and age. The latter variable allows a focus on the rate of study of the 15 to 25 year age group.

A cautionary note about the method is needed here. Census data may include responses from Foreign Fee Paying (FFP) students who record their New Zealand address as their 'usual residence' despite their FFP status. This means that we are unable to make a clear distinction between FFP students and the rest of the migrant population who are engaged in study. This problem is expected to be most pronounced for new migrants. However, the problem is likely to have only a limited effect upon the size of the estimated fiscal impacts, because the distortion is limited to the number of FFP students who identified New Zealand as their country of usual residence. These FFP students will therefore be included as a fiscal cost in terms of the provision of public education in New Zealand when in fact they are contributing to their own education as Foreign Fee Paying students. More generally, this highlights the limitations of any definition of who is a migrant to New Zealand and who is not.

Figure 5.1 below illustrates the proportions of New Zealand born and migrants aged 15 years old and over who participated in study. There is no noticeably significant difference between the rates of study of both New Zealand born and all migrants, which is about 15 percent. However, there are some stark differences within the overseas born population based on duration of residence in New Zealand.

**Figure 5.1 Proportion of population groups participating in study (age 15+) 2001**

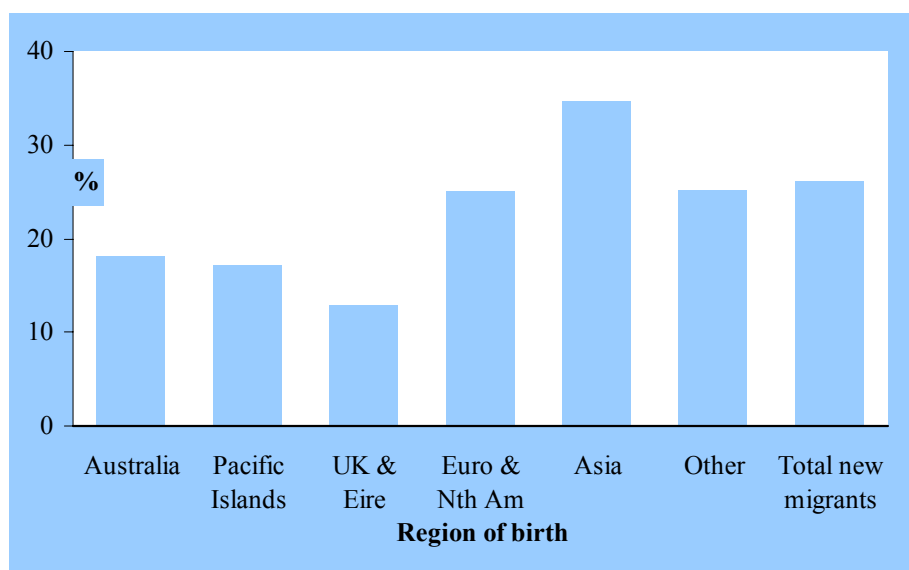


## **5.2 Study and *new* migrants**

As shown in Figure 5.1, migrants who have been in New Zealand for less than 5 years have a relatively higher rate of study than migrants who have been in New Zealand for a longer period of time. Indeed, *new* migrants have a higher rate of study than the New Zealand born population. There are a number of reasons why this is the case, with the age composition of *new* migrants being most important. The *new* migrant group is younger on average than those migrants who have been resident in New Zealand for more than 5 years. Additional reasons include enrolments in English-language courses and, as noted earlier, the possible inclusion of a number of FFP students in the *new* migrant population group.

Figure 5.2 below shows the region of birth of *new* migrants and their respective rates of study. *New* migrants from Asia have a higher rate of study compared to *new* migrants from other countries and regions. Note that this graph is for the overseas born population aged 15+ and therefore has not been adjusted to allow for the correlation between age and schooling. In other words, some of the apparent differences in rates of study could be a direct result of the differing age composition of *new* migrants across the region of birth sub-groups, as opposed to reflecting inherently different behavioural characteristics of the population groups. Nonetheless, the chart supports the view that some of the difference in rates of study can be attributed to region of birth factors such as enrolments in English language courses and/or the origin of FFP students.

**Figure 5.2 Proportion of *new* migrant population participating in study by region of birth (age 15+) 2001**

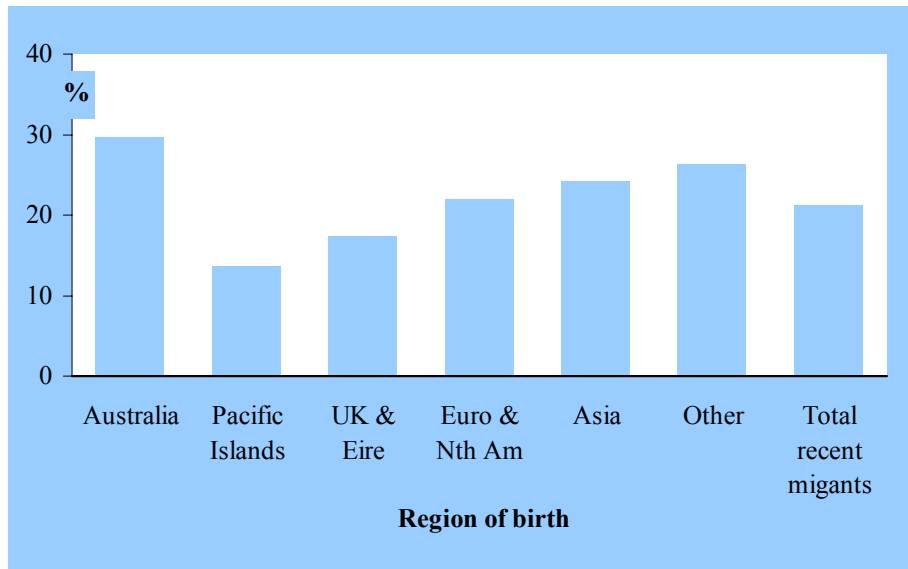


### **5.3 Study and *recent* migrants**

By comparison, the rate of study of the *recent* migrant group is less diverse across the region of birth sub-groups. Specifically, the Asian migrant population no longer stands out compared to other regions (see Figure 5.3). On the other hand, the *recent* migrant population from Australia has a higher rate of study compared to other regions of origin. This is a reversal of the *new* migrant situation, where Australians have a low rate of study compared to some other regions (see Figure 5.2).

This profile suggests that the age composition of migrants to New Zealand might also be playing an important role over time. For example, the migration of families from Australia may be leading to “second round” effects on rates of study as younger family members enter into the 15+ year age group a number of years after shifting to New Zealand. This would certainly explain why the *new* migrant Australian population has a relatively low rate of study but the *recent* (and, indeed, *established*) migrant Australian population has a relatively higher rate of study.

**Figure 5.3 Proportion of *recent* migrant population participating in study by region of birth (age 15+) 2001**



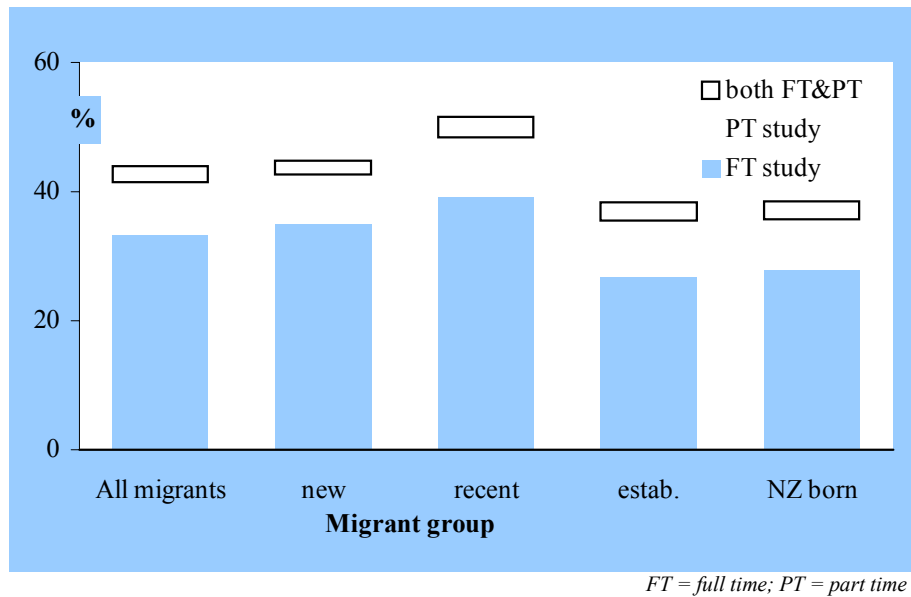
#### **5.4 Study and the 15-25 year age cohort**

The discussion above suggests that the age composition of the migrant population and the sub-groups therein will have significant and varied impacts upon their rates of study. The following discussion attempts to account for this influence by focusing solely on the 15 to 25 year age cohort. This range was chosen to focus on rates of study at the post-secondary school level and to enable differences between *new*, *recent* and *established* migrants to be investigated.

Figure 5.4 below shows the proportion of the New Zealand and overseas born populations within the 15-25 year cohort who are participating in study. The overseas born population within this age group is further disaggregated by their length of residence in New Zealand, as earlier. The figure shows that overseas born people who have been in New Zealand for 15 or more years (i.e. the *established* migrant population) and the New Zealand-born group are almost indistinguishable in terms of their rate of study– i.e. 38.5 percent.

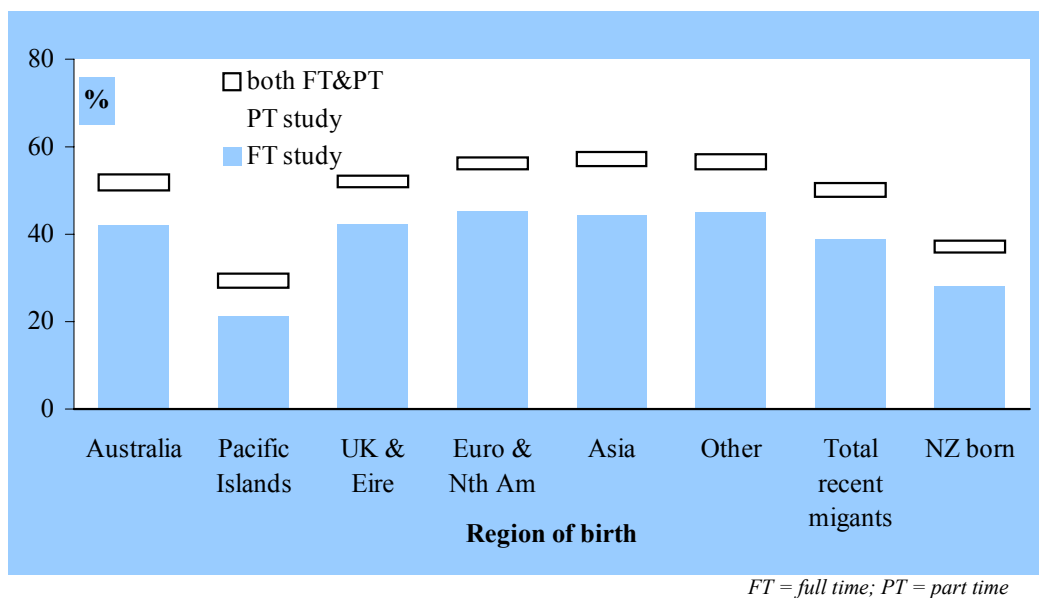
Overall however, the total overseas born population records an average rate of study of 44 percent. Noticeably, the *recent* migrant population group in the 15-25 year cohort has a rate of study which is significantly higher (over 51 percent) than the other groups. This implies those who were 10-20 years of age when they migrated to New Zealand have a much higher propensity to remain in some form of study after secondary school than the New Zealand born population.

**Figure 5.4 Proportion of 15-25 year cohorts participating in study 2001**



*Recent* migrants are examined in greater detail in Figure 5.5 below, which shows rates of study by region of birth. This figure highlights a number of interesting features within this group. Firstly, the rates of study are quite consistent across the different region of birth sub-groups, with only the population from the Pacific Islands showing a relatively low rate of study. When Census data is adjusted in this manner, the Asian population no longer stands out as having a higher rate of study relative to other regions. Secondly, the overseas born population groups from almost all of these regions of birth (except those born in the Pacific Islands) have much higher rates of study than the New Zealand born population.

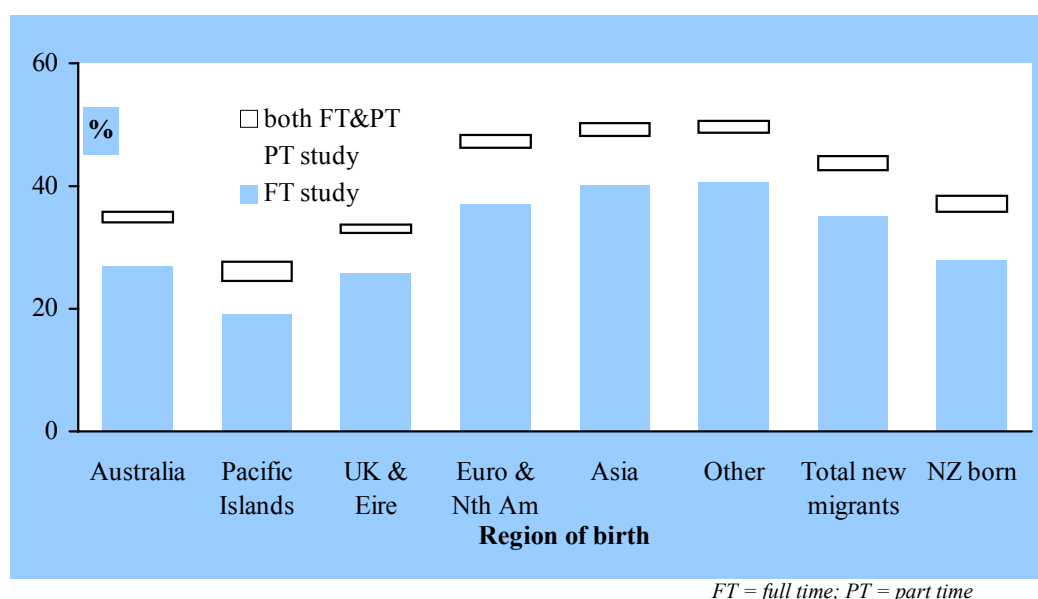
**Figure 5.5 Proportion of 15-25 year old *recent* migrants participating in study by region of birth 2001**



The different rates of study of the *new* migrant population who are also in the 15-25 year age cohort are depicted in Figure 5.6 below. This population group also has a higher rate of study than the New Zealand born population, although to a lesser extent than the *recent* migrant group described above. Again, the chart indicates that the rates of study are reasonably consistent across the different regions of birth. However, there are some notable levels of variation.

*New* migrants from Europe/North America, Asia and ‘Other’ regions of birth tend to have higher rates of study compared to *new* migrants from Australia, the Pacific Islands and UK/Eire in the 15-25 year old cohort. Noticeably, the rate of study for the New Zealand born is similar to that for *new* migrants from Australia. However, this profile is changed when examining the profile for *recent* migrants from Australia (see Figure 5.5), who have a higher rate of study than the New Zealand born population in this cohort. Also, *new* migrants from the Pacific Islands continue to have a relatively low rate of study, with this low level remaining low regardless of duration of residence in New Zealand. It is also noticeable that the rate of study for *new* migrants from UK/Eire is the second lowest amongst *new* migrants from the different regions of birth.

**Figure 5.6 Proportion of 15-25 year old *new* migrants participating in study by region of birth 2001**



## 5.5 Summary

From this examination of the data surrounding rates of study of those aged 15 and over, it is not clear that one particular set of migrants or sub-groups systematically has higher rates of study than their New Zealand born counterparts.

Nevertheless there are several features of interest that may warrant further investigation. For example, the relatively similar rates of study of *new* and *recent*

migrants born in Europe/North America, Asia and 'Other' regions is particularly noticeable. Also of note is the relatively lower rate of study of the New Zealand born.

In addition, the significantly and consistently lower participation in post-compulsory study of migrants born in the Pacific Islands is clear. This observation is not significantly altered as these migrants transition from *new* to *recent* status.

At this broad level therefore, the rate of study of migrant groups, and so their impact on government education spending, is consistent with the age-related assumptions underlying the estimates provided in this report. Estimates at much finer detail, however, would warrant more detailed analysis of the robustness of this assumption.

As discussed in the earlier 'limitations' section, the issue of 'capital' expenditure (or the need for new institutions and capacity) in the education sector is not tackled here.





## 6 THE FISCAL IMPACT

### 6.1 Overview

This chapter provides summary details of the calculated fiscal impact of migrants. Tables are interspersed where appropriate. For ease of reference, these tables are also repeated in the full set of detailed tables in the Appendix beginning page 63.

### 6.2 Summary

Table 6.1 provides details of the fiscal impact of the total overseas born population, as well as comparable figures for the New Zealand born population.

This table can be interpreted as follows:

- The migrant population contribution to income tax revenue totalled \$4,121 million (the comparable New Zealand born figure is given in the left-hand column, i.e. \$15,677m).
- The migrant population contribution to GST revenue totalled \$1,208m.
- The migrant population contribution to petrol, alcohol and tobacco excise revenue totalled \$447m.
- Thus, the migrant population total contribution to government revenue was \$5,776m.
- The migrant population impact on government's education spending totalled \$675m, with the largest expenditure component here being \$396m on primary and secondary schools.
- The migrant population impact on government's health spending totalled \$1,458m.
- The migrant population impact on New Zealand Superannuation spending totalled \$1,265m.
- The migrant population impact on Work and Income benefit spending totalled \$600m, with the largest component here being \$179m on unemployment benefits.
- The migrant population impact on student allowance payments totalled \$98m.
- Thus, the total impact of the migrant population on government expenditure was \$4,097m.

The three right-hand columns of this table further detail the migrant fiscal impact according to their length of residence in New Zealand – i.e. migrant groups *new*, *recent* and *established*.

**Table 6.1 Summary of fiscal impacts 2001 (\$m)**

NZ born	OVERSEAS BORN TOTAL		Migrant group		
			new	recent	established
<b>2001/02 \$m</b>					
<b>GOVERNMENT REVENUE</b>					
15677	Income tax	4121.1	750	981	2390
4563	GST	1207.9	272	285	651
1694	Petrol, alcohol & tobacco excises	447.1	101	105	241
21934	<u>Income tax, GST &amp; excises</u>	<u>5776.0</u>	<u>1123</u>	<u>1371</u>	<u>3282</u>
<b>GOVERNMENT EXPENDITURE</b>					
342	Early childhood educ	15.8	15	0	0
2626	Prim'y & sec'y schools	395.7	201	177	17
1011	Tertiary institutions	263.5	98	87	79
3978	<b>EDUCATION</b>	<b>675.0</b>	<b>315</b>	<b>264</b>	<b>96</b>
5217	<b>HEALTH</b>	<b>1458.4</b>	<b>278</b>	<b>270</b>	<b>910</b>
4185	<b>NZ SUPERANNUATION</b>	<b>1265.4</b>	<b>0</b>	<b>43</b>	<b>1223</b>
770	Unemployment benefit	178.8	50	57	72
1054	Domestic Purposes benefit	169.7	26	52	91
212	Sickness benefit	56.1	9	16	30
369	Invalids benefit	64.1	5	10	50
508	Supplementary benefits	131.3	36	40	55
2913	<b>WORK AND INCOME</b>	<b>600.0</b>	<b>126</b>	<b>175</b>	<b>299</b>
303	<b>STUDENT ALLOWANCES</b>	<b>98.2</b>	<b>33</b>	<b>44</b>	<b>22</b>
16596	<u>Education, Health, NZS, Std't allows, Benefits</u>	<u>4097.0</u>	<u>752</u>	<u>796</u>	<u>2548</u>
5338	<b>NET IMPACT (*)</b>	<b>1679.1</b>	<b>371</b>	<b>575</b>	<b>733</b>

\* = allowing for impacts on revenue and expenditure categories as explicitly identified in the table *only*

The fiscal impact of migrants is dominated by the contribution of the overseas born to government revenue in the form of income tax, as was the case in the earlier assessment completed in 1999.

Overall, the 741,000 overseas born population group contributed of the order \$4.1bn in income tax - or approximately \$5,560 per head. This compares with the 3.1m New Zealand born population contributing income tax revenues of \$15.7bn, or \$5,140 per head.

As shown in Table 6.1 above, the figure for income tax revenues is by far the largest component of all the individual revenue and expenditure impacts listed for all the constituent groups within the population. Indeed, for most groups the income tax

figure on its own is of the same order of magnitude as that calculated for the total impact on expenditures on education, health, New Zealand Superannuation, work and income benefits and student allowances.

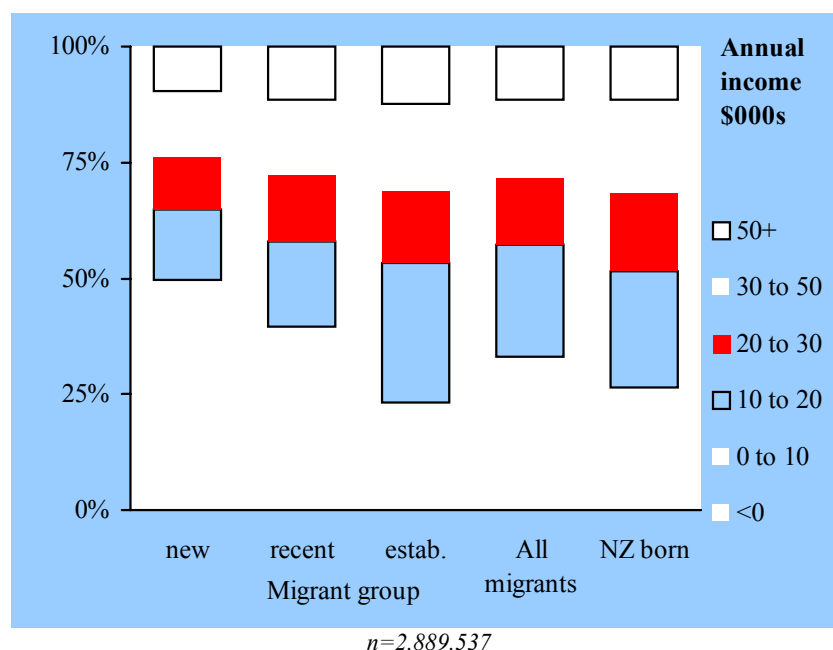
Consequently, the other principal feature indicated in Table 6.1 is that the net fiscal impact - in terms of the revenue and expenditure categories identified - of all three of the migrant groups (*new*, *recent* and *established*) is calculated as positive. Similarly, the comparative figure for the New Zealand born population is also positive.

### 6.3 Contribution to income tax revenues

In essence, income tax revenue from the various sub-groups of the population is a function of their respective incomes. In turn, the income of each group is, to an extent, dependent on its age profile. The greater the proportion in the working-age cohorts, the greater their per-capita contribution (all else equal). In addition, income rises as age (and thereby experience) rises, although the precise peak in income earned (before declining as retirement or labour force participation drops off) is unclear.

Indeed, the picture of the relative income earnings of the various migrant groups - as depicted in Figure 6.1 below - is remarkably similar to that of the proportions by age breakdown provided in Figure 4.5 on page 21.

**Figure 6.1 Proportions, by income, of each population group (age 15+ only) 2001**



Putting all these numerous and sometimes conflicting - and at other times compounding - characteristics and consequent impacts together, produces the overall findings as follows:

- The relative difference in terms of per-capita income tax contributions between the overseas born and the New Zealand born groups (i.e. \$5,560 cf. \$5,140,

respectively - detailed in Appendix Table 2, page 64) can be attributed to the comparative age-composition. In particular, as discussed elsewhere (see subsection 4.2), more than 70 percent of the overseas born group is in the 'potential working' 18-64 age group - compared to 59 percent in the New Zealand born group. In other words, the New Zealand born population has a higher percentage of its group in the non-earning and lower earning (and hence non and lower tax-paying) 0-15 year old and 65+ year old groups, respectively.

- Adjusting for this 'age composition difference', the per-head income tax contributions for all those in the 'potential working' age range of 18-64 years old, as detailed in Table 6.2 below, become \$7,950 and \$8,740 for the overseas born and New Zealand born groups, respectively.
- This turnaround in relative contributions is attributed to the relatively lower (albeit, only slightly) incomes of the overseas born. In particular, as depicted in Figure 6.1 above, 57 percent of the overseas born aged 15 years and over earn less than \$20,000 per annum - the comparable figure for the New Zealand born population is just under 51.5 percent.
- Within the migrant groups however, the age-adjusted per-head income tax contribution of the 18-64 year old age group ranges from \$5,500 for the *new* migrant group to over \$9,900 for the *established* migrant group. In other words, while the average for the overseas born compares unfavourably with that of the New Zealand born, this comparison is substantially influenced by the relatively lower income earnings of the *new* migrant group. As these migrants become established however, their relative income earnings and, hence, income tax contributions, surpass that of the New Zealand born population.

### 6.3.1 Income tax revenues by region of birth

The above-noted distinction in the fiscal impact of income tax revenues of the three migrant groups can be further investigated according to their region of birth.<sup>5</sup>

In particular, the relatively lower impact arising from the *new* migrant group (i.e. the average \$5,500) varies noticeably from a low \$2,320 for *new* migrants from the Pacific Islands and \$2,730 for those born in Asia, to a high of \$11,720 for those from the UK and Eire.

Observe however, that this difference narrows dramatically as the *new* migrants transition to *recent* and thereafter *established* status. The age-adjusted average for the *established* migrants group of \$9,900 ranges from \$5,050 for migrants from the

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<sup>5</sup> Details of these impacts, by birthplace and duration of residence in New Zealand, are provided in the appendices. In particular see Appendix Table 6, Appendix Table 9 and Appendix Table 12 for the age-adjusted per-capita figures (pages 68, 71 and 74, respectively).

Pacific Islands; \$9,170 for the Asian born; \$11,550 for those from the UK and Eire; and the same for those from Europe and North America.

Thus, while *new* migrants from the Pacific Islands undoubtedly earn lower incomes, in comparison to other groups within the overseas born population (as well as the New Zealand born), and so contribute proportionately less income tax revenues, their average income rises. Hence, their average tax contribution more than doubles as they remain in New Zealand and become more established. This observation is even more pronounced for migrants born in Asia - in whose case the average contribution to income tax more than triples.

It is also pertinent to note that the average income and hence income tax contribution of those from the UK and Eire does not appear to change substantially over the duration of their residence in New Zealand.

## **6.4 Impact on fiscal spending**

The impact on spending of the various migrant groups is related to a combination of various characteristics. These include their age-composition, participation in post-compulsory studying as well as income-earning ability. Calls on benefit payments are countered - to a degree - by migrants' reduced eligibility for certain benefit payments in the early years of their residence in New Zealand.

### 6.4.1 Education and student allowances

Table 6.1 lists the fiscal impact on education. This ranges from \$675m for the overseas born (comprising \$315m for *new* migrants, \$264m for *recent* migrants and \$96m for *established* migrants) to just under \$3,980m for the New Zealand born.

After adjusting for age composition - as in Table 6.2 below - the average for the overseas born (\$1,300) is lower than that of the New Zealand born (\$2,220). This is related to the smaller proportion of the migrant population in the 0-15 year old cohort, as noted earlier (see sub-sections 4.2 and 4.3).

Within the overseas born group, the effect of higher participation in primary, secondary and post-compulsory study is evident in the *new* and *recent* migrant groups. While the average impact on tertiary education spending is higher than the New Zealand born population - \$720 and \$620 for the *new* and *recent* migrant groups compared to \$560 for the New Zealand born - the average impact on the compulsory education sector of \$1480 and \$1250 is more in line with the New Zealand born average.

The lower overall average for the overseas born group is heavily influenced by the age-composition; in particular, by the absence from the *established* migrant sub-category, *by definition*, of under-15 year olds.

**Table 6.2 Age-adjusted per-capita fiscal impact 2001 (\$ per head age 18-64)**

NZ born	OVERSEAS BORN TOTAL		Migrant group		
			new	recent	established
<b>2001/02 \$ per head of 18-64 yos</b>					
<b>GOVERNMENT REVENUE</b>					
8736	Income tax	7949.8	5517	6938	9916
2543	GST	2330.1	2000	2013	2702
944	Petrol, alcohol & tobacco excises	862.4	740	745	1000
12223	Income tax, GST & excises	11142.3	8258	9696	13619
<b>GOVERNMENT EXPENDITURE</b>					
191	Early childhood educ	30.5	114	2	0
1463	Prim'y & sec'y schools	763.3	1482	1251	72
563	Tertiary institutions	508.3	717	617	327
2217	EDUCATION	1302.1	2313	1869	399
2907	HEALTH	2813.3	2047	1913	3774
2332	NZ SUPERANNUATION	2441.1	0	304	5073
429	Unemployment benefit	344.8	368	401	299
588	Domestic Purposes benefit	327.4	192	371	379
118	Sickness benefit	108.2	68	116	126
206	Invalids benefit	123.7	33	70	206
283	Supplementary benefits	253.2	268	281	229
1623	WORK AND INCOME	1157.4	929	1238	1239
169	STUDENT ALLOWANCES	189.4	243	309	89
9248	Education, Health, NZS, Std't allows, Benefits	7903.3	5531	5632	10575
2975	<b>NET IMPACT (*)</b>	3239.0	2726	4064	3044
1794	<b>Population aged 18-64 (000)</b>	518	136	141	241

\* = allowing for impacts on revenue and expenditure categories as explicitly identified in the table *only*

The overall older age composition of the overseas born group sufficiently outweighs the higher participation in study of several of the sub-groups within this group.

Similar influences drive the estimated fiscal impact of the various population groups on student allowances. For this spending category however, the relatively higher participation in tertiary education by the *new* and *recent* migrant groups results in an age-adjusted per-capita impact of \$189 for the total overseas born population compared to the New Zealand born average of \$169.

#### 6.4.2 Health and New Zealand Superannuation expenditure

While participation in study remains a factor in determining the fiscal impact in terms of education dollars, the impact on health and New Zealand Superannuation spending is more directly a function of the age composition of the population groups in question.

The estimated per capita health expenditure for those aged 65 years and over is nearly five times that for those in the 18-25 year old cohort. As a result, the impact on health spending from the overseas born population group totals \$1,458m (comprising \$278m, \$270m and \$910m for *new*, *recent* and *established* migrants, respectively) compared to \$5,217m for the New Zealand born, as detailed in Table 6.1.

The concentration of the health impact within the overseas born population on the *established* migrant sub-group is directly related to the higher proportion in this group in the 65 years and older age group. As depicted in Figure 4.4 on page 20, nearly 30 percent of the *established* migrant population is 65 years or older, compared with a proportion closer to 11 percent in the New Zealand born population.

This comparison is further amplified in the age-adjusted estimates of health expenditure impacts - as in Table 6.2 above (for those aged 18-64 years) - showing a figure of \$3,770 per head of those aged 18-64 years for the *established* migrant group.<sup>6</sup> This compares with the overall average for the overseas born of \$2,810, slightly under the \$2,900 figure for the New Zealand born population.

Similar observations can be noted for expenditures on New Zealand Superannuation amongst the various population groups. Again, despite the relatively high proportion in the 65 years and older age group in the *established* migrant population, the overall average impact for all overseas born is close to \$2,440 per head age-adjusted. This is comparable to a figure of \$2,330 for the New Zealand born (see Table 6.2).<sup>7</sup>

Identifying particular sub-groups within a population will inevitably highlight specific areas of revenues and expenditures of relevance to that sub-group. That is, essentially, an illustration of the very nature of the diversity of a population and/or community. Of note though, is that after putting the sub-groups together the overall impact is not that overtly dissimilar to the New Zealand born.

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<sup>6</sup> It is important to remember that expenditure on those aged 65+ **is included** in these calculations - the figure shows the relevant total expenditure estimate divided by the number of those aged 18-64.

<sup>7</sup> Again, footnote 6 applies. In particular, all Superannuation payments to those aged 65+ **is included**.



### 6.4.3 Work and Income benefits

Migrants' impact on benefit expenditure is a combination of many factors including their restricted eligibility for certain benefit types during the early years of their residence in New Zealand; their employment and income-earning ability; and their personal, social and family considerations and characteristics.

Overall, the total call on benefit payments from the overseas born is \$600m compared with over \$2,900m from the New Zealand born population (Table 6.1). The largest component within the former total is \$91m in Domestic Purposes Benefit (DPB) to the *established* migrant group compared to \$1,050m in DPB to the New Zealand born. Other benefit categories appear proportionately evenly spread across the various migrant groups.

Looking at the age-adjusted per-capita estimates in Table 6.2 above confirms the relative evenness of this spread - with an average across all overseas born of \$1,157. Amongst this group, *new* migrants have a slightly lower average of \$929 as a slightly higher unemployment benefit average is countered by the lower calls on and eligibility for DPB, invalids' and sickness payments. *Recent* and *established* migrants average slightly higher per-capita payments (near \$1,240) as invalids' and sickness benefits average closer to that of the New Zealand born.

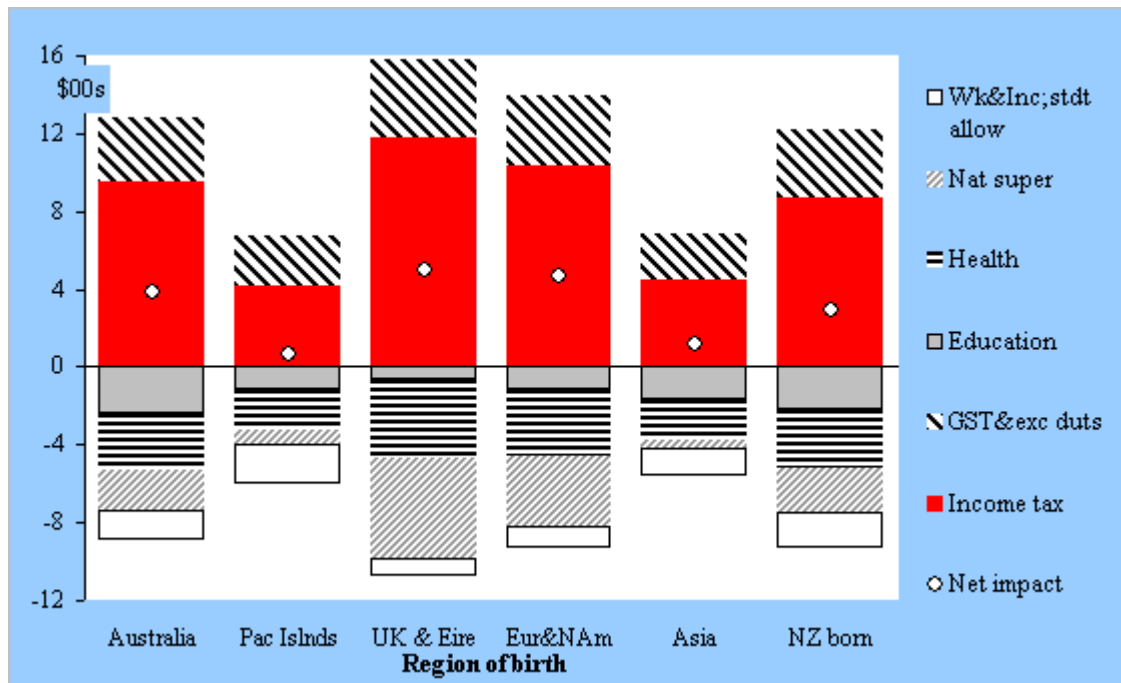
The overseas born average payments are lower than those for their New Zealand born counterparts, as calls on unemployment benefit, DPB as well as invalids' benefits are higher, on average, for the New Zealand born group. Thus, the age-adjusted per-capita New Zealand born average of \$1,623 is over \$450 above the \$1,157 overseas born average.

## **6.5 Fiscal impact and region of birth**

The diversity within each of the sub-groups in the New Zealand population is sufficiently broad for the many factors driving fiscal impacts to 'balance out' on average. These factors include age profiles, income-earning abilities, calls on benefits, propensity to engage in post-compulsory education, as well as personal, social and family characteristics.

As depicted in Figure 6.2 below, these effects show through - for example - in the group of overseas born from the UK and Eire. The detailed numbers underlying this figure are provided in Appendix Table 3 (page 65). This group, while contributing the largest per-capita amount in income tax revenues, also has the largest expenditure impact, with the age-related New Zealand Superannuation and health categories being most noticeable. In contrast, the comparatively lower tax revenues from migrants born in the Pacific Islands are accompanied by relatively lower fiscal impact on education, health and New Zealand Superannuation spending categories.

**Figure 6.2 Age-adjusted per-capita fiscal impact by region of birth 2001 (\$ per head age 18-64)**



A further contrast, albeit less striking, is with migrants from Asia. While their income tax impact is similar to that for migrants born in the Pacific Islands, their education impact (through higher participation in post-compulsory study) is greater. This is accompanied by lower impacts on Work and Income benefit spending categories, such that the net impact is similar for both groups.

Overall, the age-adjusted per-capita net fiscal impacts for all the migrant groups differentiated by birthplace are positive, or 'above the line'. Also of interest is the outcome for the New Zealand born, whose net fiscal impact appears to be situated in the central area ranged by the overseas born from Asia and the Pacific on one hand and migrants born in Australia, UK & Eire and Europe & North America on the other. This reflects the characteristics, social and economic, of the New Zealand born being an amalgam of - in part - influences from the numerous migrant groups as well as some of their families who, no doubt, are New Zealand born.

Given that New Zealand is a nation of immigrants, it is not surprising that the economic and social behaviour of the New Zealand born reflects influences gained from migrations from numerous countries as well as over differing periods of history. In this context, that the overall fiscal impact of the New Zealand born lies within the boundaries of that calculated for the various sub-groups of the current population of the overseas born is also unsurprising.

## 6.6 Summary

Similar to the findings for the 1999 study, the fiscal impact of migrants to New Zealand is dominated by their contribution to income tax revenue. Across all migrant groups income tax receipts were by far the largest revenue or expenditure category. Furthermore, in many cases, the migrant contribution to income tax revenues is larger than the sum of the impacts on education, health, NZ Superannuation, benefits and student allowances expenditure.<sup>8</sup>

Overall, in the financial year ending June 2002, migrants had a positive net fiscal impact of \$1.7 billion. This figure incorporated a \$5.8bn contribution to government revenue in the form of income tax, GST and petrol, alcohol & tobacco excises. On the expenditure side, migrants accounted for \$4.1bn of government expenditure comprising education, health, New Zealand Superannuation, Work and Income benefits and student allowances.

On an age-adjusted (18 to 64 year-old) per-head basis the fiscal impact of migrants on both revenue and expenditure was similar to that of the New Zealand born. However, both revenue and expenditure for migrants were lower, leaving the net contribution of migrants slightly higher than that of the New Zealand born.

- Revenue: migrants' age-adjusted per-capita contribution to revenue was \$11,140, compared to \$12,220 for the New Zealand-born.
- Expenditure: migrants' age-adjusted per-capita impact on expenditure was \$7,900, compared to \$9,250 for the New Zealand-born.
- Net impact: \$3,240 for migrants compared to \$2,980 for the New Zealand born.
- The 1998 year: the comparable age-adjusted per-capita net impact figures for the 1998 year were \$3,650 for migrants and \$2,180 for the New Zealand born.

It was also noticeable that for all migrant groups differentiated by region of birth, the age-adjusted per-capita net fiscal impact was positive. Furthermore, for all migrant groups differentiated by duration of residence in New Zealand, the age-adjusted per-capita net fiscal impact was also positive.

Within the migrant population, only two sub-groupings are calculated as having a negative fiscal impact; namely, *new* migrants from Asia and *new* migrants from the Pacific Islands. However, it is particularly noticeable that the net impacts of migrants from each of these regions of birth become positive as their duration of residence in

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<sup>8</sup> That is, when looking at the impacts of the various sub-categories and groups within the migrant population.

New Zealand increases. This is assisted by large increases in the contributions to income tax from these sub-groups as their duration of residence in New Zealand increases. In particular, the tax contribution of migrants from the Pacific Islands more than doubles as they move from *new* migrant to *established* migrant status. Similarly, the tax contribution of migrants from Asia more than triples during the course of the same transition from *new* to *established* migrant status.



## 7 THE FISCAL IMPACT BY REGION OF RESIDENCE

As with most countries, migrants in New Zealand are proportionately more concentrated in urban and metropolitan areas of the country. This feature has implications for both the economic and fiscal impacts of migration. These implications reach beyond the immediate or short-term costs and benefits of migration into longer-term issues such as labour mobility, regional employment and demand for supporting infrastructure and community resources.

This report, however, focuses upon the fiscal impacts (i.e. the impact upon Government revenue and expenditure) of migration and thus, this “regional dimension” focuses on the various contributions that overseas migrants in different regions of New Zealand make to the Governments coffers. In particular, this section highlights the differences in the fiscal impact of migrants in different regions within New Zealand. There appear to be some significant differences between regions related to the changing historical context of migration flows to New Zealand.

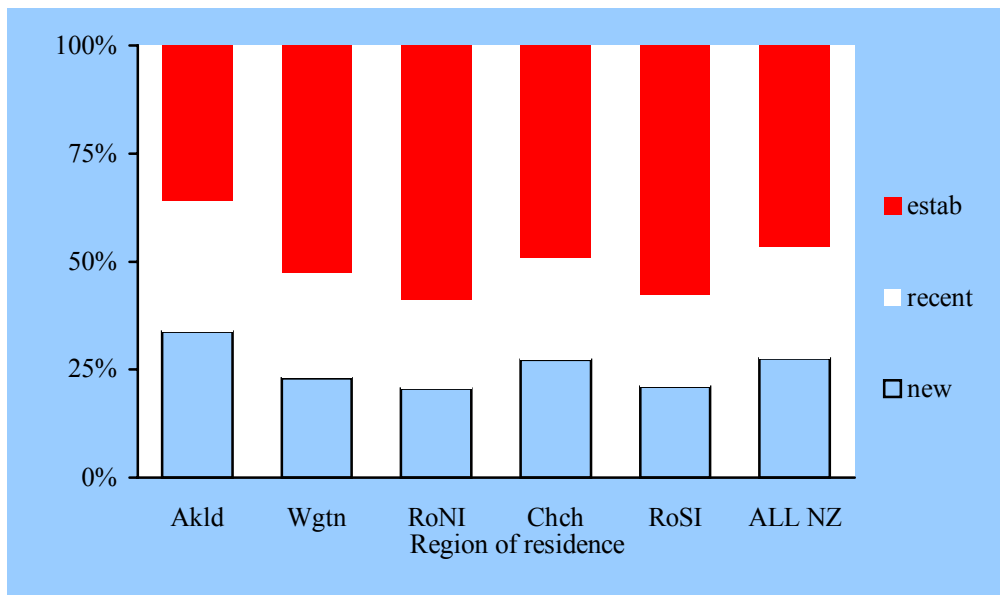
For the purposes of this study, Auckland refers to the four cities in the Auckland metropolis (i.e. Auckland, Waitakere, Manukau and North Shore); Wellington also refers to the four cities in that area (i.e. Wellington, Hutt, Upper Hutt and Porirua).

### 7.1 Auckland

Not surprisingly, the Auckland region dominates in terms of the number of migrants in New Zealand, with about 347,000 of the total 741,000 overseas born population in the 2001 Census. Thus, Auckland accounts for 47 percent of New Zealand’s total migrant population. By comparison, Auckland accounted for 22 percent of the New Zealand born population and 27 percent of New Zealand’s total population. Consequently, Auckland’s population comprises a very high proportion of overseas born people compared to the other regions within New Zealand. This is reflected in migrants accounting for 34 percent of Auckland’s population compared to 19 percent for the whole of New Zealand.

A second notable characteristic of the region’s population is that a high proportion of the overseas born resident in Auckland are *new* migrants (compared to the New Zealand-wide average). The relevant numbers are: 34 percent of Auckland’s migrant population is *new*, compared to 28 percent for the whole of New Zealand (see Figure 7.1). Alternatively, just 36 percent of Auckland’s migrant population is in the *established* migrant group, compared to 47 percent for the whole of New Zealand. This contrast is even starker for other regions, especially in the South Island, for example *established* migrants make up 50 percent of Christchurch’s migrant population.

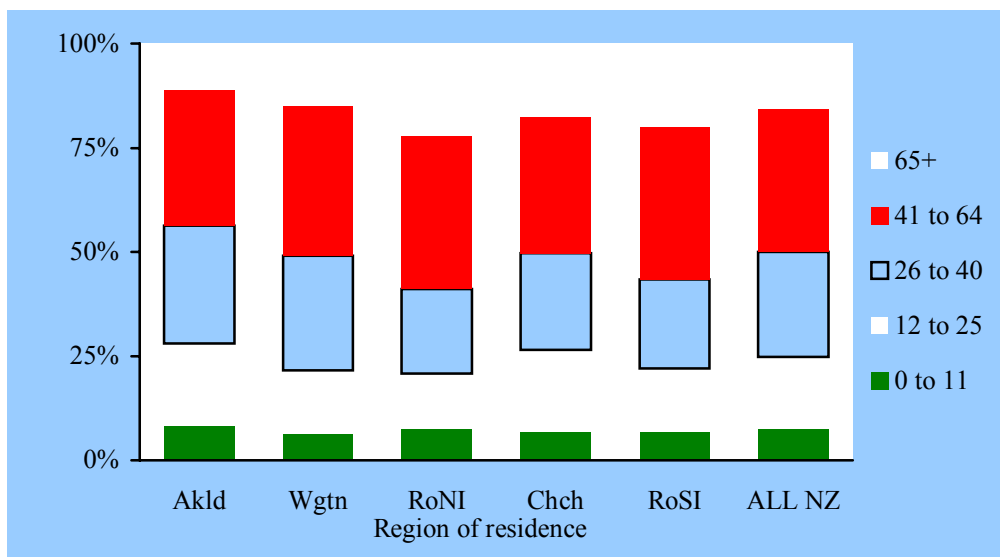
**Figure 7.1 Duration of residence of migrants in each New Zealand region 2001**



*n*=701,673

At a glance, Figure 7.1 suggests that within the North Island the further south the region, the longer the duration of residence of migrants (or, in our terms, the more *established* the migrant population). In the South Island, the RoSI region has a larger proportion of *established* migrants than Christchurch. This observation also has an age dimension. Generally speaking, the further south one goes, the older the population.<sup>9</sup> The direction of causation here is beyond the ambit of this study but we would suggest that the two factors are intertwined to some degree.

**Figure 7.2 Age composition of migrants in each New Zealand region 2001**



*n*=701,673

<sup>9</sup> This, as a very broad generalisation, holds for both the migrant and the NZ born population groups.

The differences in age composition (and/or the duration of residence) across the New Zealand regions will influence the fiscal impact of migrants in the individual regions. The regional dimension is also likely to be affected by subtle differences in the historical flows of migrants into New Zealand over quite an extended period of time. The differences between Auckland and other regions are also likely to reflect the degree of mobility of the migrant population. Specifically, the Auckland region, representing as it does, the “gateway” for *new* migrants, will have a differing profile of fiscal impact depending on the degree to which migrants transition to *recent* and *established* in other regions of New Zealand.

**Table 7.1 Fiscal impact of migrants in Auckland 2001 (\$m)**

NZ born	OVERSEAS BORN TOTAL		Migrant group		
			new	recent	established
<b>2001/02 \$m</b>					
<b>GOVERNMENT REVENUE</b>					
4214	Income tax	1838.4	391	513	934
908	GST	560.2	152	158	251
337	Petrol, alcohol & tobacco excises	207.3	56	58	93
5458	Income tax, GST & excises	2605.9	599	729	1278
<b>GOVERNMENT EXPENDITURE</b>					
93	Early childhood educ	7.9	8	0	0
591	Prim'y & sec'y schools	205.4	113	85	7
238	Tertiary institutions	138.9	56	51	32
922	EDUCATION	352.3	177	136	39
1060	HEALTH	612.0	161	150	300
688	NZ SUPERANNUATION	360.7	0	18	343
124	Unemployment benefit	86.1	31	31	24
197	Domestic Purposes benefit	89.1	17	32	40
39	Sickness benefit	30.3	6	11	13
61	Invalids benefit	26.2	3	5	18
90	Supplementary benefits	66.0	23	23	20
512	WORK AND INCOME	297.7	80	102	116
65	STUDENT ALLOWANCES	52.7	19	25	8
3247	Education, Health, NZS, Std't allows, Benefits	1675.4	437	433	806
2211	<b>NET IMPACT (*)</b>	930.4	162	296	472

\* = allowing for impacts on revenue and expenditure categories as explicitly identified in the table *only*



Nonetheless, the Auckland region remains a significant location in terms of the number of *established* migrants in New Zealand, accounting for 36 percent of this group. That *new* migrants ultimately settle elsewhere is evident in the fact that Auckland accounted for 57 percent of total *new* migrants in New Zealand. However, this observation does not account for differences in historical migration flows and the actual internal migration (e.g. inter-regional) behaviour of overseas born people over time.

Despite the relatively lower per-capita income earnings and hence tax payments of the numerically dominant *new* migrant group, the overall fiscal impact of migrants in the Auckland region is positive. This results from the proportionately lower impact on benefit, education and national Superannuation expenditure arising from this group.

As listed in Table 7.1, the total overseas born population in Auckland made a positive fiscal contribution of \$930m. This comprised \$2,606m in revenue and \$1,675m impact on expenditure. Noting, from Table 6.1, that the nationwide net fiscal impact of migrants was \$1,679m, the \$930m impact from migrants resident in Auckland represented about 55 percent of the total New Zealand-wide net fiscal impact of migrants. In terms of the primary component, i.e. income tax revenue, the contribution of migrants in Auckland totalled \$1,838m - approximately 45 percent of the \$4,121m New Zealand-wide figure for income tax from the overseas born.

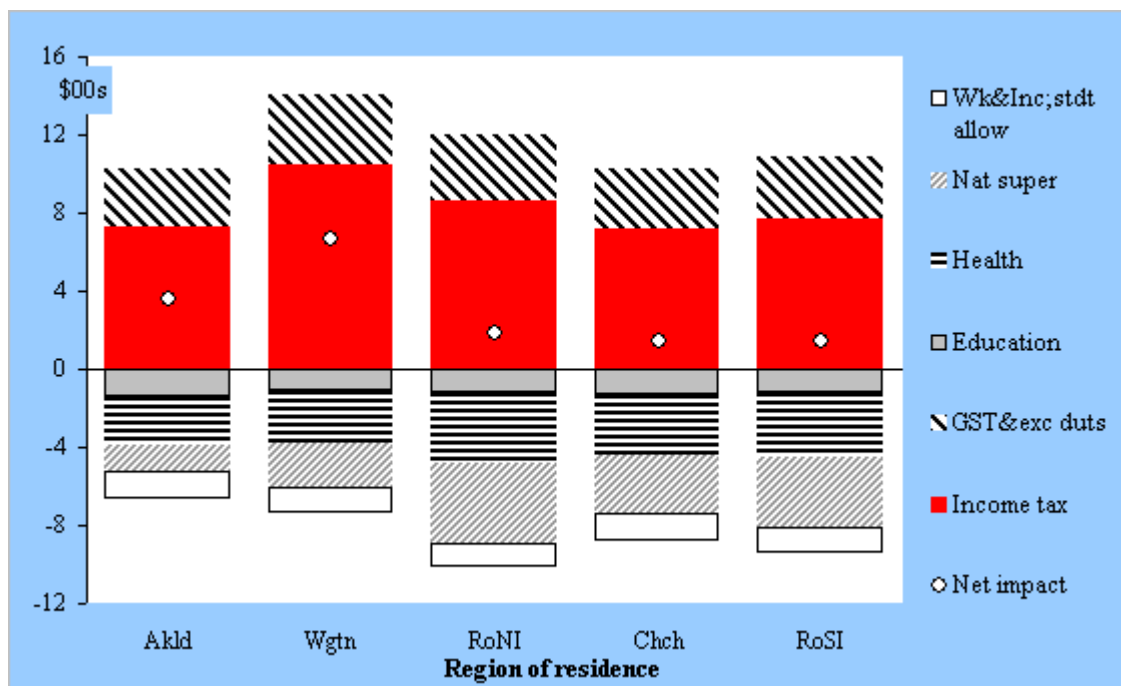
The detailed per-capita estimates for migrants in Auckland are listed in Appendix Table 14, with the age-adjusted (18-64 year old) per-capita figures provided in Appendix Table 15 (pages 76 and 77).

On the age-adjusted basis, income tax revenue from the overseas born in Auckland is estimated at \$7,235. The relatively low \$4,950 for *new* migrants is balanced by the \$9,963 for *established* migrants.

As to the expenditure impact, the profile looks very similar to that for the country, with the older age cohorts in the *established* migrant group driving health and national Superannuation estimates, counterbalanced by the relatively lower calls on benefits and Superannuation from *new* and *recent* migrants.

Overall, the younger-age profile of the overseas born resident in Auckland works to lower the relative impact on expenditure, resulting in the age-adjusted per-head net fiscal impact of \$3,662. This is greater than the \$3,239 New Zealand-wide average for all migrants, listed earlier in Table 6.2. The comparison with other regions around the country is depicted in Figure 7.3 below. An age-adjusted per-capita summary comparison table for revenue, expenditure and net impacts for each of the five New Zealand regions is provided in the appendices, see Summary Table 6, page 62.

**Figure 7.3 Age-adjusted per-capita fiscal impacts of migrants 2001 (\$ per head 18-64)**



## 7.2 Wellington

As is noticeable in Figure 7.3, the age-adjusted per capita fiscal impact for migrants resident in Wellington is similar to that for Auckland except for the income tax revenue component. The contribution from migrants in Wellington is larger. From the detailed numbers, provided in Appendix Table 18 (page 80), the age-adjusted per capita income tax revenue from migrants resident in Wellington is \$10,400 - compared with the all migrants national figure of \$7,950.<sup>10</sup> The total income tax revenue from migrants resident in Wellington is calculated as \$605m.<sup>11</sup>

This is a reflection of several features of the migrant population in Wellington. Amongst these features are the higher average incomes in this region, the relatively lower proportion of *new* migrants in Wellington (23 percent compared with 28 percent New Zealand-wide), as well as the lack of children with migrants in Wellington (only 6.4 percent of Wellington overseas born are aged under 11, compared with 7.6 percent nationwide).

The age and migrant group compositions of the overseas born resident in Wellington are noticeably similar to those of Christchurch (see Figure 7.1 and Figure 7.2). As described in sub-section 7.3 below however, the age-adjusted per-capita contribution to income tax revenues from migrants residing in Christchurch is notably less than the

<sup>10</sup> Refer Appendix Table 3, page 65.

<sup>11</sup> Refer Appendix Table 16, page 78.

\$10,400 calculated for overseas born resident in Wellington. This observation implies that the more important determinant of the higher figure attributable to migrants residing in Wellington is the higher average income in Wellington, as opposed to the difference in migrant population composition.

Also of interest in the Wellington analysis is the relatively similar net fiscal impact, in age-adjusted per capita terms, between the three migrant groups. In particular, as tabulated in Appendix Table 18 (page 80), the net fiscal impact for all migrants resident in Wellington was \$6,706 per head. The per capita net fiscal impact for the *new* migrant group was \$6,475, for the *recent* migrant group it was \$7,301 and for the *established* migrant group it was \$6,515. The numbers in Summary Table 6 (page 62) provide, at a glance, the comparison with the Auckland picture. The Auckland figures indicate a wider dispersion in the average net fiscal impact across the migrant groups, with a low of \$2,048 for *new* migrants rising to a high of \$5,037 for *established* migrants.

This comparison suggests that the fiscal impact of migrants resident in Wellington is evenly-spread across the three migrant groups, with the higher contribution to tax revenues from the *established* group being balanced by the higher impact on New Zealand Superannuation payments and health expenditure.

Consequently, the net fiscal impact for migrants resident in Wellington is calculated as \$390m (see Appendix Table 16, page 78).

### **7.3 Christchurch**

As noted above, the average age-adjusted per capita income tax contribution attributable to migrants resident in Christchurch is less than that for Wellington. As listed in Appendix Table 24 (page 86), the average in Christchurch was \$7,188, compared to \$7,235 in Auckland and \$7,950 nationally.<sup>12</sup> The total income tax revenue from migrants resident in Christchurch was calculated as \$341m (see Appendix Table 22, page 84).

These comparisons between migrants resident in Christchurch, Auckland and Wellington are informative in that they highlight the distinctive nature of each of these sub-groups within the population. For example, while the Auckland and Christchurch numbers are similar, their primary determinants differ. In particular, the main driver of the Auckland figure is the proportionately larger *new* migrant population. In contrast, the calculation for migrants resident in Christchurch is a result of the mix of the *relatively* lower average income balanced by the *relatively* smaller proportion of *new* migrants.

On the expenditure side, the characteristic amongst migrants resident in Christchurch is the relatively larger impact (compared to Auckland and Wellington) on New

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<sup>12</sup> Refer, respectively, Appendix Table 15 (page 77) and Appendix Table 3 (page 65).

Zealand Superannuation payments. This is a result of the slightly older age-profile of this group. This facet also shows through, to a lesser degree, in the health spending component.

Consequently, the total net fiscal impact of migrants resident in Christchurch is calculated as \$57m (see Appendix Table 22, page 84).

#### **7.4 Rest of New Zealand**

The two other regions of residence investigated (i.e. the Rest of the North Island and the Rest of the South Island) show characteristics similar to each other. In particular, both are comprised of a significantly higher proportion of *established* migrants within their respective overseas born population. In both of these areas nearly 60% of migrants are in the *established* group. A related feature is the significantly older age profile of migrants resident in these two regions. Approximately a quarter are aged 65 or older, with around 60% aged 41 or older (see Figure 7.2).

The combined effect of these (and other) influences results in the contribution to income tax revenue from migrants resident in the Rest of the North Island totalling \$1,059m and \$341m from those resident in the Rest of the South Island.<sup>13</sup>

On an age-adjusted per-capita basis, the relevant figures are \$8,583 for the Rest of the North Island and \$7,713 for the Rest of South Island, compared to the New Zealand-wide average of \$7,950.<sup>14</sup> While these figures are close to, or above, the national average, the older-age profile results in a relatively larger impact in terms of New Zealand Superannuation payments and health expenditure. This is visible in Figure 7.3, where the per-capita income tax (and other) revenue contributions are noticeably exceeded only by Wellington but the impact on expenditure is the greatest amongst the regions of residence depicted.<sup>15</sup>

As a result, the net fiscal impact of migrants resident in the Rest of the North Island totals \$235m, while that for the Rest of the South Island is \$66m.<sup>16</sup>

#### **7.5 Summary**

The regional dimension of the impact of migrants is overwhelmingly dominated by the impact on Auckland. In particular, migrants account for 34 percent of Auckland's resident population, compared to 20 per cent for the whole of New Zealand. Alternatively, 47 per cent (or about 347,000) of the total 741,000 migrant population

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<sup>13</sup> Refer, respectively, Appendix Table 19 (page 81) and Appendix Table 25 (page 87).

<sup>14</sup> Appendix Table 21 (page 83) and Appendix Table 27 (page 89).

<sup>15</sup> The relatively low proportion of *new* migrants is also a factor worthy of note in Wellington.

<sup>16</sup> Footnote 13 refers.

residing in New Zealand is located in Auckland. Over \$1.8bn in income tax revenue arises from migrants resident in Auckland.

It is also noticeable that a relatively larger proportion of the overseas born in Auckland are *new* migrants. In particular, 34 per cent of migrants resident in Auckland are *new* compared to the New Zealand-wide proportion of 28 per cent. Despite the relatively lower income earnings and hence tax payments of this group, the fiscal impact of *new* migrants in the Auckland region remains positive. This results from the proportionately smaller impact on benefit, education and national Superannuation expenditure arising from this group.

Indeed, the net fiscal impact is positive across all five New Zealand regions investigated and across all three *new*, *recent* and *established* migrant categories. Again the largest component in the fiscal impact across this regional dimension is the contribution to income tax revenue. Furthermore, the positive fiscal impact of migrants resident across all five NZ regions reflects the feature that the numerous differing behavioural characteristics of each sub-group within the population is balanced by other characteristics in other sub-groups.

## 8 FISCAL IMPACT OF 55,000 MIGRANT INFLOW

Table 8.1 lists the fiscal impacts of an annual average gross inflow of 55,000 migrants. The coefficients used for this calculation are those for the *new* migrant category while the composition of the 55,000 by region of birth mirrors that of the average of the permanent and long-term migrant inflow of the last two years. Note that the relevant per-capita impacts for this category of migrants (by region of birth) are detailed in Appendix Table 5 (page 67).

**Table 8.1 Fiscal impact of annual average inflow of 55,000 *new* migrants (\$m)**

OVERSEAS BORN TOTAL		Overseas born : region of birth					
		Australia	Pacific Islands	The UK and Ireland	Europe and North America	Asia	Other
<b>2001/02 \$m</b>							
<b>GOVERNMENT REVENUE</b>							
Income tax	238.0	42	5	95	30	40	26
GST	75.3	9	4	22	8	24	8
Petrol, alcohol & tobacco excises	27.9	3	2	8	3	9	3
Income tax, GST & excises	341.1	55	12	124	41	73	36
<b>GOVERNMENT EXPENDITURE</b>							
Early childhood educ	5.2	2	0	1	0	1	0
Prim'y & sec'y schools	53.9	11	4	8	4	19	7
Tertiary institutions	24.8	3	2	4	2	12	2
EDUCATION	83.9	15	6	14	7	32	10
HEALTH	74.7	10	5	17	7	28	8
NZ SUPERANNUATION	0.0	0	0	0	0	0	0
Unemployment benefit	11.8	1	1	1	1	6	2
Domestic Purposes benefit	5.9	1	1	1	1	3	1
Sickness benefit	2.0	0	0	0	0	1	0
Invalids benefit	1.1	0	0	0	0	0	0
Supplementary benefits	8.6	1	1	1	1	5	1
WORK AND INCOME	29.4	3	4	3	3	14	4
STUDENT ALLOWANCES	7.8	1	1	0	1	4	1
Education, Health, NZS, Stdt allows, Benefits	195.9	28	15	34	18	79	22
<b>NET IMPACT (*)</b>	145.2	26	-4	91	24	-6	14
<b>Population (000)</b>	55	8	4	12	5	20	6

\* = allowing for impacts on revenue and expenditure categories as explicitly identified in the table *only*

Again, as an overall group, the fiscal impact is calculated to be positive, with total net contribution from this group estimated at \$145m. Within the group though there are clear differences as noted earlier - arising from the combination of numerous factors such as age profile, rate of study, employment and income-earning abilities, eligibility for benefit payments, as well as individual, family and social characteristics.

The numbers incorporate relatively lower income tax revenue impact of *new* migrants from the Pacific Islands, as well as the higher education and studying participation amongst those born in Asia. Thus, as reflected in earlier calculations, the impact of *new* migrants from Asia and the Pacific Islands is slightly negative.

It is, however, pertinent to restate earlier findings that this fiscal impact becomes noticeably positive for both groups (and, indeed, for all other groups) as their duration of residence in New Zealand increases and ultimately becomes *established* - and, in particular, their income tax impact tends more towards the overall population average.<sup>17</sup>

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<sup>17</sup> Remembering that age-adjusted per-capita income tax impact more than doubles for the Pacific Island group and more than triples for the Asian group once they transition from *new*, to *recent* and then on to *established* migrants (see sub-section 6.3.1).

## 9 CONCLUDING COMMENTS

This study has found that the fiscal impact of migrants to New Zealand is clearly dominated by their impact on income tax revenue. This reinforces the finding of the 1999 study. In many cases this impact overwhelms the estimated impacts on the other categories of central government revenue and expenditure identified by this study.

Further reinforcing the conclusions of the 1999 study is the finding that the net fiscal impact of almost all sub-groups within the migrant population is positive. The only two exceptions are *new* migrants born in Asia and the Pacific Islands. Again, this is identical to the outcome from the 1999 study. Additional information in this study finds that the net fiscal impact is also positive for all migrant groups when distinguished by region of residence in New Zealand.

In conclusion, it is appropriate to repeat our comments from the 1999 study, noting some aspects which have not been incorporated in the fiscal impacts estimated by this project.

“Firstly, note that the focus here has been the impact of migrants on the finances of the central government. In particular, we do not venture into estimating the impact of migrants on local authority revenues and/or services.

Secondly, also not included in the estimates are the impacts on ancillary social services such as CYPFA, justice, corrections, police, etc. Again the issue here is to identify those expenditures that are ‘sunk or infrastructure costs’ (i.e. would occur irrespective of the size of the migrant population) and those that are marginal costs attributable to migrants. This aspect is also related to the capital versus current spending issue. Ideally, an economic ‘depreciation allowance’ should be attributed to the various migrant groupings (as well as the New Zealand-born group) to capture their ‘use’ of infrastructure and the requirement for such expenditure in the future.

This latter point raises the whole issue of an economic assessment of the impact of migrants on New Zealand, contrasting with the fiscal accounting estimates presented by this study.”

“In a similar vein, any potential impact on corporate tax revenue due to migrants has not been allowed for in our numbers. Additionally, we make no calculations of the effect of migrants on the balance of payments - whether through migrants transferring funds overseas, or through their demands for imported goods and services.”

“Having established, in an exploratory manner the nature and scope of the overall fiscal impact, the more beneficial step in analysing the impact of migrants would be in moving from a fiscal focus to an economic focus.”





## 10 SUMMARY TABLES

Summary Table 1 Fiscal impact of migrant population 2001/02 (\$m)

								impact on revenue	impact on spending	net fiscal impact
		Migrant group						ALL		
		new		recent		established				
Region of birth	Australia	91	47	83	74	275	189	448	310	
		<b>44</b>		<b>9</b>		<b>86</b>		<b>139</b>		
	Pacific Islands	89	116	196	176	352	276	637	567	
		<b>-27</b>		<b>20</b>		<b>76</b>		<b>69</b>		
	UK & Ireland	290	79	377	126	1853	1501	2520	1706	
		<b>212</b>		<b>251</b>		<b>352</b>		<b>815</b>		
	Europe & North America	163	70	183	70	437	378	783	519	
	<b>93</b>		<b>112</b>		<b>59</b>		<b>265</b>			
Asia	294	318	377	284	231	137	902	739		
	<b>-24</b>		<b>93</b>		<b>95</b>		<b>163</b>			
Other	193	119	152	63	123	52	467	235		
	<b>73</b>		<b>89</b>		<b>70</b>		<b>233</b>			
Not specified	3	3	4	3	11	15	18	22		
	<b>0</b>		<b>0</b>		<b>-4</b>		<b>-5</b>			
<b>ALL MIGRANTS</b>		1123	752	1371	796	3282	2548	5776	4097	
		<b>371</b>		<b>575</b>		<b>733</b>		<b>1679</b>		
<b>NEW ZEALAND BORN</b>								21934	16596	
								<b>5338</b>		

**Summary Table 2 Per-capita fiscal impact 2001/02 (\$ per head)**

				Migrant group				impact on revenue	impact on spending
				new	recent	established		<b>net fiscal impact</b>	
								<b>ALL</b>	
Region of birth	Australia	6719	3472	4980	4461	9464	6497	7581	5236
		<b>3247</b>		<b>519</b>		<b>2967</b>		<b>2345</b>	
	Pacific Islands	3206	4180	5192	4652	6788	5321	5428	4836
		<b>-974</b>		<b>539</b>		<b>1467</b>		<b>592</b>	
	UK & Ireland	10632	2875	11812	3956	10028	8124	10330	6991
		<b>7757</b>		<b>7856</b>		<b>1904</b>		<b>3339</b>	
	Europe & North America	7996	3426	9401	3623	9656	8354	9199	6092
		<b>4571</b>		<b>5777</b>		<b>1302</b>		<b>3108</b>	
	Asia	3566	3858	5449	4107	9762	5767	5146	4215
		<b>-293</b>		<b>1342</b>		<b>3995</b>		<b>932</b>	
	Other	6072	3765	9862	4063	12903	5519	8250	4140
		<b>2307</b>		<b>5799</b>		<b>7384</b>		<b>4110</b>	
	Not specified	3303	3774	4469	4129	6539	9156	5180	6524
		<b>-471</b>		<b>340</b>		<b>-2616</b>		<b>-1344</b>	
<b>ALL MIGRANTS</b>		5504	3687	7175	4167	9490	7369	7795	5529
		<b>1817</b>		<b>3007</b>		<b>2121</b>		<b>2266</b>	
<b>NEW ZEALAND BORN</b>								7185	5436
								<b>1749</b>	

**Summary Table 3 Age-adjusted per-capita fiscal impact (\$ per head age 18-64)**

				Migrant group				impact on revenue	impact on spending
				new	recent	established		<b>net fiscal impact</b>	
								<b>ALL</b>	
Region of birth	Australia	14879	7688	12316	11033	12350	8478	12783	8829
		<b>7191</b>		<b>1283</b>		<b>3872</b>		<b>3954</b>	
	Pacific Islands	4935	6434	6409	5743	7738	6065	6769	6031
		<b>-1499</b>		<b>666</b>		<b>1673</b>		<b>738</b>	
	UK & Ireland	15369	4156	16541	5540	15655	12683	15748	10658
		<b>11213</b>		<b>11001</b>		<b>2972</b>		<b>5090</b>	
	Europe & North America	11566	4955	12831	4946	15753	13629	13957	9242
		<b>6611</b>		<b>7885</b>		<b>2124</b>		<b>4715</b>	
	Asia	5026	5438	6785	5114	12442	7351	6802	5571
		<b>-412</b>		<b>1671</b>		<b>5091</b>		<b>1231</b>	
	Other	9726	6030	13845	5704	15962	6827	12148	6096
		<b>3696</b>		<b>8141</b>		<b>9135</b>		<b>6052</b>	
	Not specified	5253	6002	6776	6261	12879	18031	8993	11326
		<b>-749</b>		<b>516</b>		<b>-5153</b>		<b>-2334</b>	
<b>ALL MIGRANTS</b>		8258	5531	9696	5632	13619	10575	11142	7903
		<b>2726</b>		<b>4064</b>		<b>3044</b>		<b>3239</b>	
								12223	9248
<b>NEW ZEALAND BORN</b>								<b>2975</b>	

Summary Table 4 Fiscal impact by region of residence (\$m)

								impact on revenue	impact on spending
								net fiscal impact	
Region of residence		Migrant group						ALL	
		new		recent		established			
AUCKLAND	Overseas born	599	437	729	433	1278	806	2606	1675
		<b>162</b>		<b>296</b>		<b>472</b>		<b>930</b>	
								NZ born	5458
								<b>2211</b>	
WELLINGTON	Overseas born	147	66	187	79	479	279	814	424
		<b>81</b>		<b>108</b>		<b>201</b>		<b>390</b>	
								NZ born	2473
								<b>1178</b>	
REST OF NORTH ISLAND	Overseas born	221	143	283	168	979	937	1483	1247
		<b>78</b>		<b>115</b>		<b>42</b>		<b>235</b>	
								NZ born	8480
								<b>1046</b>	
CHRISTCHURCH	Overseas born	78	58	78	58	239	221	395	337
		<b>20</b>		<b>19</b>		<b>18</b>		<b>57</b>	
								NZ born	1912
								<b>364</b>	
REST OF SOUTH ISLAND	Overseas born	78	48	95	59	306	305	479	413
		<b>29</b>		<b>36</b>		<b>1</b>		<b>66</b>	
								NZ born	3611
								<b>540</b>	

**Summary Table 5 Per-capita fiscal impact by region (\$ per head)**

								impact on revenue	impact on spending
								<b>net fiscal impact</b>	
Region of residence		Migrant group						<b>ALL MIGRANTS</b>	
		new		recent		established			
AUCKLAND	Overseas born	5121	3737	6916	4106	10243	6457	7507	4826
		<b>1384</b>		<b>2810</b>		<b>3786</b>		<b>2680</b>	
							NZ born	8205	4881
							<b>3324</b>		
WELLINGTON	Overseas born	8082	3630	9675	4088	11463	6665	10251	5341
		<b>4453</b>		<b>5587</b>		<b>4798</b>		<b>4910</b>	
							NZ born	9111	4770
							<b>4341</b>		
REST OF NORTH ISLAND	Overseas born	5573	3605	7190	4259	8640	8270	7711	6487
		<b>1968</b>		<b>2931</b>		<b>370</b>		<b>1223</b>	
							NZ born	6498	5697
							<b>801</b>		
CHRISTCHURCH	Overseas born	5053	3739	5872	4407	8615	7975	6998	5980
		<b>1315</b>		<b>1465</b>		<b>640</b>		<b>1018</b>	
							NZ born	7111	5759
							<b>1352</b>		
REST OF SOUTH ISLAND	Overseas born	5616	3510	6828	4241	8061	8031	7287	6280
		<b>2106</b>		<b>2587</b>		<b>30</b>		<b>1007</b>	
							NZ born	6659	5664
							<b>995</b>		

**Summary Table 6 Age-adjusted per-capita regional fiscal impact (\$ per head age 18-64)**

								impact on revenue	impact on spending
								<b>net fiscal impact</b>	
Region of residence		Migrant group						<b>ALL MIGRANTS</b>	
		new		recent		established			
AUCKLAND	Overseas born	7577	5529	8973	5326	13627	8590	10256	6594
		<b>2048</b>		<b>3646</b>		<b>5037</b>		<b>3662</b>	
								NZ born	14076
								<b>5702</b>	
WELLINGTON	Overseas born	11754	5279	12644	5343	15566	9051	14000	7294
		<b>6475</b>		<b>7301</b>		<b>6515</b>		<b>6706</b>	
								NZ born	14567
								<b>6941</b>	
REST OF NORTH ISLAND	Overseas born	8929	5775	10870	6438	13477	12900	12015	10108
		<b>3154</b>		<b>4431</b>		<b>577</b>		<b>1906</b>	
								NZ born	11374
								<b>1403</b>	
CHRISTCHURCH	Overseas born	7525	5567	7979	5988	12974	12009	10247	8756
		<b>1958</b>		<b>1990</b>		<b>964</b>		<b>1491</b>	
								NZ born	11495
								<b>2186</b>	
REST OF SOUTH ISLAND	Overseas born	8339	5212	9875	6133	12096	12051	10824	9329
		<b>3127</b>		<b>3742</b>		<b>45</b>		<b>1496</b>	
								NZ born	11107
								<b>1659</b>	

# 11 APPENDIX TABLES AND FIGURES

## Appendix Table 1 Fiscal impact of migrant population 2001 (\$m)

NZ born	OVERSEAS BORN TOTAL		Migrant group			Overseas born : region of birth						
			new	recent	established	Australia	Pacific Islands	The United Kingdom and Ireland	Europe and North America	Asia	Other	Not specified
<b>2001/02 \$m</b>												
<b>GOVERNMENT REVENUE</b>												
15677	Income tax	4121.1	750	981	2390	333	389	1879	578	587	345	10
4563	GST	1207.9	272	285	651	84	181	468	150	230	89	6
1694	Petrol, alcohol & tobacco excises	447.1	101	105	241	31	67	173	55	85	33	2
21934	<b>Income tax, GST &amp; excises</b>	<b>5776.0</b>	<b>1123</b>	<b>1371</b>	<b>3282</b>	<b>448</b>	<b>637</b>	<b>2520</b>	<b>783</b>	<b>902</b>	<b>467</b>	<b>18</b>
<b>GOVERNMENT EXPENDITURE</b>												
342	Early childhood educ	15.8	15	0	0	3	2	3	2	3	2	0
2626	Prim'y & sec'y schools	395.7	201	177	17	62	57	51	38	130	56	2
1011	Tertiary institutions	263.5	98	87	79	21	51	52	25	92	22	1
3978	<b>EDUCATION</b>	<b>675.0</b>	<b>315</b>	<b>264</b>	<b>96</b>	<b>87</b>	<b>111</b>	<b>105</b>	<b>64</b>	<b>224</b>	<b>80</b>	<b>3</b>
5217	<b>HEALTH</b>	<b>1458.4</b>	<b>278</b>	<b>270</b>	<b>910</b>	<b>97</b>	<b>191</b>	<b>624</b>	<b>190</b>	<b>267</b>	<b>82</b>	<b>8</b>
4185	<b>NZ SUPERANNUATION</b>	<b>1265.4</b>	<b>0</b>	<b>43</b>	<b>1223</b>	<b>72</b>	<b>72</b>	<b>826</b>	<b>204</b>	<b>63</b>	<b>21</b>	<b>8</b>
770	Unemployment benefit	178.8	50	57	72	15	43	36	16	52	17	1
1054	Domestic Purposes benefit	169.7	26	52	91	14	65	38	13	29	9	1
212	Sickness benefit	56.1	9	16	30	4	21	13	4	10	4	0
369	Invalids benefit	64.1	5	10	50	5	19	25	6	6	2	1
508	Supplementary benefits	131.3	36	40	55	9	31	28	12	40	10	1
2913	<b>WORK AND INCOME</b>	<b>600.0</b>	<b>126</b>	<b>175</b>	<b>299</b>	<b>47</b>	<b>180</b>	<b>140</b>	<b>52</b>	<b>137</b>	<b>42</b>	<b>3</b>
303	<b>STUDENT ALLOWANCES</b>	<b>98.2</b>	<b>33</b>	<b>44</b>	<b>22</b>	<b>7</b>	<b>15</b>	<b>11</b>	<b>9</b>	<b>47</b>	<b>9</b>	<b>0</b>
16596	<b>Education, Health, NZS, Stdt allows, Benefits</b>	<b>4097.0</b>	<b>752</b>	<b>796</b>	<b>2548</b>	<b>310</b>	<b>567</b>	<b>1706</b>	<b>519</b>	<b>739</b>	<b>235</b>	<b>22</b>
5338	<b>NET IMPACT (*)</b>	<b>1679.1</b>	<b>371</b>	<b>575</b>	<b>733</b>	<b>139</b>	<b>69</b>	<b>815</b>	<b>265</b>	<b>163</b>	<b>233</b>	<b>-5</b>

\* = allowing for impacts on revenue and expenditure categories as explicitly identified in the table *only*



**Appendix Table 2 Per-capita fiscal impact 2001 (\$ per head)**

NZ born	OVERSEAS BORN TOTAL	Migrant group			Overseas born : region of birth							
		new	recent	established	Australia	Pacific Islands	The United Kingdom and Ireland	Europe and North America	Asia	Other	Not specified	
<b>2001/02 \$ per head</b>												
<b>GOVERNMENT REVENUE</b>												
5136	Income tax	5561.8	3677	5134	6910	5628	3319	7699	6790	3349	6096	2838
1495	GST	1630.1	1333	1490	1883	1425	1539	1920	1758	1312	1572	1709
555	Petrol, alcohol & tobacco excises	603.3	493	551	697	528	570	711	651	486	582	633
7185	<b>Income tax, GST &amp; excises</b>	<b>7795.3</b>	<b>5504</b>	<b>7175</b>	<b>9490</b>	<b>7581</b>	<b>5428</b>	<b>10330</b>	<b>9199</b>	<b>5146</b>	<b>8250</b>	<b>5180</b>
<b>GOVERNMENT EXPENDITURE</b>												
112	Early childhood educ	21.3	76	1	0	59	19	12	22	18	36	28
860	Prim'y & sec'y schools	534.0	988	925	50	1054	486	207	443	740	997	578
331	Tertiary institutions	355.6	478	456	228	354	438	213	293	522	385	291
1303	<b>EDUCATION</b>	<b>911.0</b>	<b>1541</b>	<b>1383</b>	<b>278</b>	<b>1467</b>	<b>943</b>	<b>432</b>	<b>758</b>	<b>1280</b>	<b>1418</b>	<b>897</b>
1709	<b>HEALTH</b>	<b>1968.2</b>	<b>1364</b>	<b>1415</b>	<b>2630</b>	<b>1640</b>	<b>1626</b>	<b>2557</b>	<b>2231</b>	<b>1522</b>	<b>1445</b>	<b>2372</b>
1371	<b>NZ SUPERANNUATION</b>	<b>1707.8</b>	<b>0</b>	<b>225</b>	<b>3535</b>	<b>1214</b>	<b>611</b>	<b>3383</b>	<b>2394</b>	<b>362</b>	<b>374</b>	<b>2319</b>
252	Unemployment benefit	241.2	245	297	208	245	363	149	187	296	299	196
345	Domestic Purposes benefit	229.1	128	274	264	243	555	156	157	168	151	205
69	Sickness benefit	75.7	45	86	88	65	180	52	51	56	69	108
121	Invalids benefit	86.5	22	51	144	89	166	102	70	34	38	177
166	Supplementary benefits	177.2	178	208	160	154	266	116	143	227	182	175
954	<b>WORK AND INCOME</b>	<b>809.7</b>	<b>619</b>	<b>916</b>	<b>863</b>	<b>796</b>	<b>1530</b>	<b>574</b>	<b>607</b>	<b>781</b>	<b>738</b>	<b>861</b>
99	<b>STUDENT ALLOWANCES</b>	<b>132.5</b>	<b>162</b>	<b>228</b>	<b>62</b>	<b>119</b>	<b>126</b>	<b>44</b>	<b>101</b>	<b>269</b>	<b>165</b>	<b>75</b>
5436	<b>Education, Health, NZS, Std't allows, Benefits</b>	<b>5529.2</b>	<b>3687</b>	<b>4167</b>	<b>7369</b>	<b>5236</b>	<b>4836</b>	<b>6991</b>	<b>6092</b>	<b>4215</b>	<b>4140</b>	<b>6524</b>
1749	<b>NET IMPACT (*)</b>	<b>2266.0</b>	<b>1817</b>	<b>3007</b>	<b>2121</b>	<b>2345</b>	<b>592</b>	<b>3339</b>	<b>3108</b>	<b>932</b>	<b>4110</b>	<b>-1344</b>
3053	<b>Population (000)</b>	<b>741.0</b>	<b>204</b>	<b>191</b>	<b>346</b>	<b>59</b>	<b>117</b>	<b>244</b>	<b>85</b>	<b>175</b>	<b>57</b>	<b>3</b>

\* = allowing for impacts on revenue and expenditure categories as explicitly identified in the table *only*

**Appendix Table 3 Age-adjusted per capita fiscal impact 2001 (\$ per head age 18-64)**

NZ born	OVERSEAS BORN TOTAL	Migrant group			Overseas born : region of birth							
		new	recent	established	Australia	Pacific Islands	The United Kingdom and Ireland	Europe and North America	Asia	Other	Not specified	
<b>2001/02 \$ per head of 18-64 yos</b>												
<b>GOVERNMENT REVENUE</b>												
8736	Income tax	7949.8	5517	6938	9916	9490	4139	11738	10303	4426	8976	4927
2543	GST	2330.1	2000	2013	2702	2403	1920	2927	2668	1734	2315	2967
944	Petrol, alcohol & tobacco excises	862.4	740	745	1000	890	710	1083	987	642	857	1098
12223	<b>Income tax, GST &amp; excises</b>	<b>11142.3</b>	<b>8258</b>	<b>9696</b>	<b>13619</b>	<b>12783</b>	<b>6769</b>	<b>15748</b>	<b>13957</b>	<b>6802</b>	<b>12148</b>	<b>8993</b>
<b>GOVERNMENT EXPENDITURE</b>												
191	Early childhood educ	30.5	114	2	0	99	23	18	34	24	53	49
1463	Prim'y & sec'y schools	763.3	1482	1251	72	1778	606	316	672	977	1468	1004
563	Tertiary institutions	508.3	717	617	327	597	546	324	445	690	567	505
2217	<b>EDUCATION</b>	<b>1302.1</b>	<b>2313</b>	<b>1869</b>	<b>399</b>	<b>2473</b>	<b>1176</b>	<b>658</b>	<b>1150</b>	<b>1692</b>	<b>2088</b>	<b>1558</b>
2907	<b>HEALTH</b>	<b>2813.3</b>	<b>2047</b>	<b>1913</b>	<b>3774</b>	<b>2765</b>	<b>2028</b>	<b>3899</b>	<b>3385</b>	<b>2011</b>	<b>2127</b>	<b>4117</b>
2332	<b>NZ SUPERANNUATION</b>	<b>2441.1</b>	<b>0</b>	<b>304</b>	<b>5073</b>	<b>2047</b>	<b>762</b>	<b>5158</b>	<b>3632</b>	<b>479</b>	<b>550</b>	<b>4027</b>
429	Unemployment benefit	344.8	368	401	299	414	453	227	283	391	441	341
588	Domestic Purposes benefit	327.4	192	371	379	409	692	238	239	222	222	357
118	Sickness benefit	108.2	68	116	126	109	225	79	78	74	102	188
206	Invalids benefit	123.7	33	70	206	151	207	155	106	45	56	307
283	Supplementary benefits	253.2	268	281	229	259	332	176	216	300	267	303
1623	<b>WORK AND INCOME</b>	<b>1157.4</b>	<b>929</b>	<b>1238</b>	<b>1239</b>	<b>1342</b>	<b>1908</b>	<b>875</b>	<b>922</b>	<b>1032</b>	<b>1087</b>	<b>1495</b>
169	<b>STUDENT ALLOWANCES</b>	<b>189.4</b>	<b>243</b>	<b>309</b>	<b>89</b>	<b>201</b>	<b>157</b>	<b>68</b>	<b>154</b>	<b>356</b>	<b>243</b>	<b>130</b>
9248	<b>Education, Health, NZS, Std't allows, Benefits</b>	<b>7903.3</b>	<b>5531</b>	<b>5632</b>	<b>10575</b>	<b>8829</b>	<b>6031</b>	<b>10658</b>	<b>9242</b>	<b>5571</b>	<b>6096</b>	<b>11326</b>
2975	<b>NET IMPACT (*)</b>	<b>3239.0</b>	<b>2726</b>	<b>4064</b>	<b>3044</b>	<b>3954</b>	<b>738</b>	<b>5090</b>	<b>4715</b>	<b>1231</b>	<b>6052</b>	<b>-2334</b>
1794	<b>Population aged 18-64 (000)</b>	<b>518</b>	<b>136</b>	<b>141</b>	<b>241</b>	<b>35</b>	<b>94</b>	<b>160</b>	<b>56</b>	<b>133</b>	<b>38</b>	<b>2</b>

\* = allowing for impacts on revenue and expenditure categories as explicitly identified in the table *only*

**Appendix Table 4 Fiscal impact of *new* migrants 2001 (\$m)**

OVERSEAS BORN TOTAL	Overseas born : region of birth						
	Australia	Pacific Islands	The United Kingdom and Ireland	Europe and North America	Asia	Other	Not specified
<b>2001/02 \$m</b>							
<b>GOVERNMENT REVENUE</b>							
Income tax	750.3						
GST	272.0						
Petrol, alcohol & tobacco excises	100.7						
<b>Income tax, GST &amp; excises</b>	<b>1122.9</b>						
<b>GOVERNMENT EXPENDITURE</b>							
Early childhood educ	15.5						
Prim'y & sec'y schools	201.5						
Tertiary institutions	97.5						
<b>EDUCATION</b>	<b>314.5</b>						
<b>HEALTH</b>	<b>278.3</b>						
<b>NZ SUPERANNUATION</b>	<b>0.0</b>						
Unemployment benefit	50.1						
Domestic Purposes benefit	26.1						
Sickness benefit	9.3						
Invalids benefit	4.5						
Supplementary benefits	36.4						
<b>WORK AND INCOME</b>	<b>126.3</b>						
<b>STUDENT ALLOWANCES</b>	<b>33.0</b>						
<b>Education, Health, NZS, Std allow, Benefits</b>	<b>752.2</b>						
<b>NET IMPACT (*)</b>	<b>370.8</b>						

\* = allowing for impacts on revenue and expenditure categories as explicitly identified in the table *only*

**Appendix Table 5 Per-capita fiscal impact of *new* migrants 2001 (\$ per head)**

OVERSEAS BORN TOTAL	Overseas born : region of birth							
	Australia	Pacific Islands	The United Kingdom and Ireland	Europe and North America	Asia	Other	Not specified	
<b>2001/02 \$ per head</b>								
<b>GOVERNMENT REVENUE</b>								
Income tax	3677.3	5167	1510	8107	5876	1939	4287	1473
GST	1333.1	1133	1238	1843	1548	1187	1303	1336
Petrol, alcohol & tobacco excises	493.4	419	458	682	573	440	482	494
<b>Income tax, GST &amp; excises</b>	<b>5503.8</b>	<b>6719</b>	<b>3206</b>	<b>10632</b>	<b>7996</b>	<b>3566</b>	<b>6072</b>	<b>3303</b>
<b>GOVERNMENT EXPENDITURE</b>								
Early childhood educ	75.9	253	76	105	91	38	63	104
Prim'y & sec'y schools	987.6	1333	1066	712	832	948	1212	994
Tertiary institutions	478.0	312	545	347	438	574	379	463
<b>EDUCATION</b>	<b>1541.5</b>	<b>1899</b>	<b>1687</b>	<b>1164</b>	<b>1361</b>	<b>1560</b>	<b>1654</b>	<b>1562</b>
<b>HEALTH</b>	<b>1364.2</b>	<b>1174</b>	<b>1349</b>	<b>1450</b>	<b>1389</b>	<b>1390</b>	<b>1301</b>	<b>1430</b>
<b>NZ SUPERANNUATION</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Unemployment benefit	245.3	125	303	87	206	286	302	254
Domestic Purposes benefit	127.7	79	276	43	112	126	105	120
Sickness benefit	45.3	20	120	16	29	35	54	70
Invalids benefit	22.2	26	60	16	11	16	16	23
Supplementary benefits	178.4	77	212	60	171	225	177	194
<b>WORK AND INCOME</b>	<b>619.0</b>	<b>327</b>	<b>971</b>	<b>222</b>	<b>528</b>	<b>689</b>	<b>654</b>	<b>660</b>
<b>STUDENT ALLOWANCES</b>	<b>161.9</b>	<b>72</b>	<b>174</b>	<b>39</b>	<b>148</b>	<b>220</b>	<b>155</b>	<b>121</b>
<b>Education, Health, NZS, Stdt allows, Benefits</b>	<b>3686.6</b>	<b>3472</b>	<b>4180</b>	<b>2875</b>	<b>3426</b>	<b>3858</b>	<b>3765</b>	<b>3774</b>
<b>NET IMPACT (*)</b>	<b>1817.2</b>	<b>3247</b>	<b>-974</b>	<b>7757</b>	<b>4571</b>	<b>-293</b>	<b>2307</b>	<b>-471</b>
<b>Population (000)</b>	<b>204</b>	<b>14</b>	<b>28</b>	<b>27</b>	<b>20</b>	<b>82</b>	<b>32</b>	<b>1</b>

\* = allowing for impacts on revenue and expenditure categories as explicitly identified in the table *only*

**Appendix Table 6 Age-adjusted per-capita fiscal impact of *new* migrants 2001 (\$ per head age 18-64)**

OVERSEAS BORN TOTAL		Overseas born : region of birth						
		Australia	Pacific Islands	The United Kingdom and Ireland	Europe and North America	Asia	Other	Not specified
<b>2001/02 \$ per head of 18-64yos</b>								
<b>GOVERNMENT REVENUE</b>								
Income tax	5517.2	11443	2324	11719	8499	2733	6867	2343
GST	2000.1	2508	1905	2664	2238	1674	2087	2124
Petrol, alcohol & tobacco excises	740.3	928	705	986	828	619	772	786
Income tax, GST & excises	8257.6	14879	4935	15369	11566	5026	9726	5253
<b>GOVERNMENT EXPENDITURE</b>								
Early childhood educ	113.8	561	117	152	131	54	101	166
Prim'y & sec'y schools	1481.7	2953	1640	1030	1203	1336	1941	1581
Tertiary institutions	717.2	691	839	502	634	809	607	737
EDUCATION	2312.7	4204	2596	1683	1968	2199	2650	2484
HEALTH	2046.8	2599	2076	2096	2009	1959	2084	2274
NZ SUPERANNUATION	0.0	0	0	0	0	0	0	0
Unemployment benefit	368.1	277	466	126	297	403	484	404
Domestic Purposes benefit	191.6	175	425	63	162	178	168	191
Sickness benefit	68.0	45	185	23	42	49	87	111
Invalids benefit	33.3	57	92	23	15	23	26	37
Supplementary benefits	267.7	171	326	86	247	317	284	308
WORK AND INCOME	928.7	725	1494	321	764	971	1048	1050
STUDENT ALLOWANCES	242.9	160	268	57	214	310	248	193
Education, Health, NZS, Stdt allows, Benefits	5531.1	7688	6434	4156	4955	5438	6030	6002
<b>NET IMPACT (*)</b>	2726.4	7191	-1499	11213	6611	-412	3696	-749
<b>Population aged 18-64 (000)</b>	136	6	18	19	14	58	20	1

\* = allowing for impacts on revenue and expenditure categories as explicitly identified in the table *only*

**Appendix Table 7 Fiscal impact of recent migrants 2001 (\$m)**

OVERSEAS BORN TOTAL	Overseas born : region of birth						
	Australia	Pacific Islands	The United Kingdom and Ireland	Europe and North America	Asia	Other	Not specified
<b>2001/02 \$m</b>							
<b>GOVERNMENT REVENUE</b>							
Income tax	981.2						
GST	284.7						
Petrol, alcohol & tobacco excises	105.4						
<b>Income tax, GST &amp; excises</b>	<b>1371.2</b>						
<b>GOVERNMENT EXPENDITURE</b>							
Early childhood educ	0.2						
Prim'y & sec'y schools	176.9						
Tertiary institutions	87.2						
<b>EDUCATION</b>	<b>264.3</b>						
<b>HEALTH</b>	<b>270.5</b>						
<b>NZ SUPERANNUATION</b>	<b>42.9</b>						
Unemployment benefit	56.7						
Domestic Purposes benefit	52.5						
Sickness benefit	16.4						
Invalids benefit	9.8						
Supplementary benefits	39.7						
<b>WORK AND INCOME</b>	<b>175.1</b>						
<b>STUDENT ALLOWANCES</b>	<b>43.6</b>						
<b>Education, Health, NZS, Std allow, Benefits</b>	<b>796.5</b>						
<b>NET IMPACT (*)</b>	<b>574.8</b>						

\* = allowing for impacts on revenue and expenditure categories as explicitly identified in the table *only*

**Appendix Table 8 Per-capita fiscal impact of *recent* migrants 2001 (\$ per head)**

OVERSEAS BORN TOTAL	Overseas born : region of birth						
	Australia	Pacific Islands	The United Kingdom and Ireland	Europe and North America	Asia	Other	Not specified
<b>2001/02 \$ per head</b>							
<b>GOVERNMENT REVENUE</b>							
Income tax	3684	3114	9092	7076	3713	7504	2513
GST	946	1516	1985	1697	1267	1721	1427
Petrol, alcohol & tobacco excises	350	561	735	628	469	637	528
<b>Income tax, GST &amp; excises</b>	<b>4980</b>	<b>5192</b>	<b>11812</b>	<b>9401</b>	<b>5449</b>	<b>9862</b>	<b>4469</b>
<b>GOVERNMENT EXPENDITURE</b>							
Early childhood educ	2	2	1	1	1	1	0
Prim'y & sec'y schools	2349	642	877	966	707	1106	1106
Tertiary institutions	294	540	338	359	534	450	349
<b>EDUCATION</b>	<b>2645</b>	<b>1184</b>	<b>1216</b>	<b>1326</b>	<b>1242</b>	<b>1558</b>	<b>1454</b>
<b>HEALTH</b>	<b>1033</b>	<b>1473</b>	<b>1555</b>	<b>1374</b>	<b>1443</b>	<b>1324</b>	<b>1470</b>
<b>NZ SUPERANNUATION</b>	<b>99</b>	<b>231</b>	<b>582</b>	<b>101</b>	<b>151</b>	<b>85</b>	<b>257</b>
Unemployment benefit	193	405	155	229	336	349	251
Domestic Purposes benefit	174	621	166	207	199	194	139
Sickness benefit	39	184	38	60	72	90	141
Invalids benefit	42	115	43	27	33	34	108
Supplementary benefits	115	281	112	154	250	205	188
<b>WORK AND INCOME</b>	<b>562</b>	<b>1605</b>	<b>513</b>	<b>677</b>	<b>890</b>	<b>870</b>	<b>827</b>
<b>STUDENT ALLOWANCES</b>	<b>122</b>	<b>159</b>	<b>90</b>	<b>145</b>	<b>381</b>	<b>225</b>	<b>120</b>
<b>Education, Health, NZS, Stdt allows, Benefits</b>	<b>4461</b>	<b>4652</b>	<b>3956</b>	<b>3623</b>	<b>4107</b>	<b>4063</b>	<b>4129</b>
<b>NET IMPACT (*)</b>	<b>519</b>	<b>539</b>	<b>7856</b>	<b>5777</b>	<b>1342</b>	<b>5799</b>	<b>340</b>
<b>Population (000)</b>	<b>191</b>	<b>38</b>	<b>32</b>	<b>19</b>	<b>69</b>	<b>15</b>	<b>1</b>

\* = allowing for impacts on revenue and expenditure categories as explicitly identified in the table *only*

**Appendix Table 9 Age-adjusted per-capita fiscal impact of *recent* migrants 2001 (\$ per head age 18-64)**

OVERSEAS BORN TOTAL	Overseas born : region of birth							
	Australia	Pacific Islands	The United Kingdom and Ireland	Europe and North America	Asia	Other	Not specified	
<b>2001/02 \$ per head of 18-64yos</b>								
<b>GOVERNMENT REVENUE</b>								
Income tax	6938.2	9110	3845	12732	9658	4623	10535	3811
GST	2013.1	2340	1872	2780	2316	1578	2416	2164
Petrol, alcohol & tobacco excises	745.1	866	693	1029	857	584	894	801
Income tax, GST & excises	9696.4	12316	6409	16541	12831	6785	13845	6776
<b>GOVERNMENT EXPENDITURE</b>								
Early childhood educ	1.6	6	2	1	1	1	2	0
Prim'y & sec'y schools	1250.6	5808	792	1229	1318	881	1553	1677
Tertiary institutions	616.7	728	667	474	490	665	632	529
EDUCATION	1868.9	6542	1461	1703	1809	1547	2187	2205
HEALTH	1912.7	2555	1818	2177	1875	1796	1859	2230
NZ SUPERANNUATION	303.6	245	285	815	139	188	120	389
Unemployment benefit	400.9	477	500	216	313	418	489	381
Domestic Purposes benefit	370.9	429	766	233	283	247	272	210
Sickness benefit	116.3	96	227	53	81	90	126	213
Invalids benefit	69.5	103	142	60	36	41	47	164
Supplementary benefits	280.6	285	347	156	210	312	287	286
WORK AND INCOME	1238.2	1390	1982	719	924	1108	1222	1254
STUDENT ALLOWANCES	308.5	301	196	126	198	474	316	182
Education, Health, NZS, Stdt allows, Benefits	5631.9	11033	5743	5540	4946	5114	5704	6261
<b>NET IMPACT (*)</b>	<b>4064.5</b>	<b>1283</b>	<b>666</b>	<b>11001</b>	<b>7885</b>	<b>1671</b>	<b>8141</b>	<b>516</b>
<b>Population aged 18-64 (000)</b>	<b>141</b>	<b>7</b>	<b>31</b>	<b>23</b>	<b>14</b>	<b>56</b>	<b>11</b>	<b>1</b>

\* = allowing for impacts on revenue and expenditure categories as explicitly identified in the table *only*



**Appendix Table 10 Fiscal impact of *established* migrants 2001 (\$m)**

OVERSEAS BORN TOTAL	Overseas born : region of birth						
	Australia	Pacific Islands	The United Kingdom and Ireland	Europe and North America	Asia	Other	Not specified
<b>2001/02 \$m</b>							
<b>GOVERNMENT REVENUE</b>							
Income tax	2389.6						
GST	651.2						
Petrol, alcohol & tobacco excises	241.0						
<b>Income tax, GST &amp; excises</b>	<b>3281.8</b>						
<b>GOVERNMENT EXPENDITURE</b>							
Early childhood educ	0.1						
Prim'y & sec'y schools	17.3						
Tertiary institutions	78.8						
<b>EDUCATION</b>	<b>96.2</b>						
<b>HEALTH</b>	<b>909.5</b>						
<b>NZ SUPERANNUATION</b>	<b>1222.5</b>						
Unemployment benefit	72.0						
Domestic Purposes benefit	91.2						
Sickness benefit	30.4						
Invalids benefit	49.7						
Supplementary benefits	55.2						
<b>WORK AND INCOME</b>	<b>298.6</b>						
<b>STUDENT ALLOWANCES</b>	<b>21.5</b>						
<b>Education, Health, NZS, Std allow, Benefits</b>	<b>2548.3</b>						
<b>NET IMPACT (*)</b>	<b>733.5</b>						

\* = allowing for impacts on revenue and expenditure categories as explicitly identified in the table *only*

**Appendix Table 11 Per-capita fiscal impact of *established* migrants 2001 (\$ per head)**

OVERSEAS BORN TOTAL	Overseas born : region of birth						
	Australia	Pacific Islands	The United Kingdom and Ireland	Europe and North America	Asia	Other	Not specified
<b>2001/02 \$ per head</b>							
<b>GOVERNMENT REVENUE</b>							
Income tax	6910.2						
GST	1883.1						
Petrol, alcohol & tobacco excises	697.0						
Income tax, GST & excises	9490.2						
<b>GOVERNMENT EXPENDITURE</b>							
Early childhood educ	0.3						
Prim'y & sec'y schools	50.1						
Tertiary institutions	227.8						
EDUCATION	278.2						
HEALTH	2630.2						
NZ SUPERANNUATION	3535.2						
Unemployment benefit	208.2						
Domestic Purposes benefit	263.8						
Sickness benefit	87.9						
Invalids benefit	143.9						
Supplementary benefits	159.6						
WORK AND INCOME	863.4						
STUDENT ALLOWANCES	62.2						
Education, Health, NZS, Std't allows, Benefits	7369.2						
<b>NET IMPACT (*)</b>	2121.1						
<b>Population (000)</b>	346						

\* = allowing for impacts on revenue and expenditure categories as explicitly identified in the table *only*

**Appendix Table 12 Age-adjusted per-capita fiscal impact of *established* migrants 2001 (\$ per head age 18-64)**

OVERSEAS BORN TOTAL	Overseas born : region of birth							
	Australia	Pacific Islands	The United Kingdom and Ireland	Europe and North America	Asia	Other	Not specified	
<b>2001/02 \$ per head of 18-64yos</b>								
<b>GOVERNMENT REVENUE</b>								
Income tax	9916.2	9070	5056	11549	11552	9167	12181	7359
GST	2702.3	2394	1957	2997	3067	2390	2760	4029
Petrol, alcohol & tobacco excises	1000.2	886	724	1109	1135	885	1021	1491
Income tax, GST & excises	13618.7	12350	7738	15655	15753	12442	15962	12879
<b>GOVERNMENT EXPENDITURE</b>								
Early childhood educ	0.4	1	1	0	0	1	1	0
Prim'y & sec'y schools	71.9	243	71	26	69	138	129	201
Tertiary institutions	326.9	531	350	267	325	391	370	333
EDUCATION	399.2	775	422	293	395	529	499	534
HEALTH	3774.4	2874	2150	4519	4860	2821	2621	6520
NZ SUPERANNUATION	5073.1	3150	1384	6819	7273	2852	2584	8978
Unemployment benefit	298.8	432	415	245	261	273	259	273
Domestic Purposes benefit	378.5	467	748	267	255	288	288	558
Sickness benefit	126.1	131	239	93	94	107	107	224
Invalids benefit	206.4	191	296	194	187	123	146	577
Supplementary benefits	229.1	275	324	194	204	209	197	310
WORK AND INCOME	1239.0	1497	2023	993	1001	1000	996	1943
STUDENT ALLOWANCES	89.3	182	87	58	100	149	127	56
Education, Health, NZS, Stdt allows, Benefits	10574.9	8478	6065	12683	13629	7351	6827	18031
<b>NET IMPACT (*)</b>	<b>3043.8</b>	<b>3872</b>	<b>1673</b>	<b>2972</b>	<b>2124</b>	<b>5091</b>	<b>9135</b>	<b>-5153</b>
<b>Population aged 18-64 (000)</b>	<b>241</b>	<b>22</b>	<b>45</b>	<b>118</b>	<b>28</b>	<b>19</b>	<b>8</b>	<b>1</b>

\* = allowing for impacts on revenue and expenditure categories as explicitly identified in the table *only*

**Appendix Table 13 Fiscal impact of migrants in Auckland 2001 (\$m)**

NZ born	OVERSEAS BORN TOTAL		Migrant group		
			new	recent	established
<b>2001/02 \$m</b>					
<b>GOVERNMENT REVENUE</b>					
4214	Income tax	1838.4	391	513	934
908	GST	560.2	152	158	251
337	Petrol, alcohol & tobacco excises	207.3	56	58	93
5458	Income tax, GST & excises	2605.9	599	729	1278
<b>GOVERNMENT EXPENDITURE</b>					
93	Early childhood educ	7.9	8	0	0
591	Prim'y & sec'y schools	205.4	113	85	7
238	Tertiary institutions	138.9	56	51	32
922	EDUCATION	352.3	177	136	39
1060	HEALTH	612.0	161	150	300
688	NZ SUPERANNUATION	360.7	0	18	343
124	Unemployment benefit	86.1	31	31	24
197	Domestic Purposes benefit	89.1	17	32	40
39	Sickness benefit	30.3	6	11	13
61	Invalids benefit	26.2	3	5	18
90	Supplementary benefits	66.0	23	23	20
512	WORK AND INCOME	297.7	80	102	116
65	STUDENT ALLOWANCES	52.7	19	25	8
3247	Education, Health, NZS, Std't allows, Benefits	1675.4	437	433	806
2211	<b>NET IMPACT (*)</b>	930.4	162	296	472

\* = allowing for impacts on revenue and expenditure categories as explicitly identified in the table *only*

**Appendix Table 14 Per-capita fiscal impact of migrants in Auckland 2001 (\$ per head)**

NZ born	OVERSEAS BORN TOTAL		Migrant group		
			new	recent	established
<b>2001/02 \$ per head</b>					
<b>GOVERNMENT REVENUE</b>					
6334	Income tax	5295.7	3346	4864	7489
1364	GST	1613.7	1296	1497	2010
507	Petrol, alcohol & tobacco excises	597.2	480	554	744
8205	<u>Income tax, GST &amp; excises</u>	<u>7506.6</u>	<u>5121</u>	<u>6916</u>	<u>10243</u>
<b>GOVERNMENT EXPENDITURE</b>					
140	Early childhood educ	22.9	66	1	0
888	Prim'y & sec'y schools	591.8	970	805	57
358	Tertiary institutions	400.2	477	487	255
1387	<b>EDUCATION</b>	1014.9	1513	1293	313
1594	<b>HEALTH</b>	1762.8	1378	1428	2407
1034	<b>NZ SUPERANNUATION</b>	1039.1	0	171	2747
186	Unemployment benefit	248.0	265	296	192
296	Domestic Purposes benefit	256.7	146	305	320
59	Sickness benefit	87.4	53	101	108
92	Invalids benefit	75.5	24	51	145
135	Supplementary benefits	190.0	192	218	164
769	<b>WORK AND INCOME</b>	857.6	680	972	928
97	<b>STUDENT ALLOWANCES</b>	151.9	166	242	62
4881	<u>Education, Health, NZS, Std allow, Benefits</u>	<u>4826.3</u>	<u>3737</u>	<u>4106</u>	<u>6457</u>
3324	<b>NET IMPACT (*)</b>	<b>2680.2</b>	<b>1384</b>	<b>2810</b>	<b>3786</b>
665	<b>Population (000)</b>	<b>347.1</b>	<b>117</b>	<b>105</b>	<b>125</b>

\* = allowing for impacts on revenue and expenditure categories as explicitly identified in the table *only*

**Appendix Table 15 Age-adjusted per-capita fiscal impact of migrants in Auckland 2001 (\$ per head age 18-64)**

NZ born	OVERSEAS BORN TOTAL		Migrant group		
			new	recent	established
<b>2001/02 \$ per head of 18-64 yrs</b>					
<b>GOVERNMENT REVENUE</b>					
10867	Income tax	7235.4	4950	6311	9963
2341	GST	2204.7	1917	1943	2674
869	Petrol, alcohol & tobacco excises	816.0	710	719	990
14076	<u>Income tax, GST &amp; excises</u>	<u>10256.2</u>	<u>7577</u>	<u>8973</u>	<u>13627</u>
<b>GOVERNMENT EXPENDITURE</b>					
240	Early childhood educ	31.3	98	2	1
1524	Prim'y & sec'y schools	808.5	1435	1044	76
615	Tertiary institutions	546.9	705	632	340
2379	<b>EDUCATION</b>	1386.7	2238	1678	416
2735	<b>HEALTH</b>	2408.6	2039	1853	3202
1774	<b>NZ SUPERANNUATION</b>	1419.7	0	222	3654
320	Unemployment benefit	338.8	392	384	255
508	Domestic Purposes benefit	350.8	216	396	425
101	Sickness benefit	119.4	79	131	143
157	Invalids benefit	103.1	35	66	193
232	Supplementary benefits	259.6	285	283	218
1319	<b>WORK AND INCOME</b>	1171.8	1007	1261	1234
167	<b>STUDENT ALLOWANCES</b>	207.5	246	314	83
8374	<u>Education, Health, NZS, Std allow, Benefits</u>	<u>6594.2</u>	<u>5529</u>	<u>5326</u>	<u>8590</u>
5702	<b>NET IMPACT (*)</b>	<b>3662.0</b>	<b>2048</b>	<b>3646</b>	<b>5037</b>
388	<b>Population aged 18-64 (000)</b>	<b>254</b>	<b>79</b>	<b>81</b>	<b>94</b>

\* = allowing for impacts on revenue and expenditure categories as explicitly identified in the table *only*

**Appendix Table 16 Fiscal impact of migrants in Wellington 2001 (\$m)**

NZ born	OVERSEAS BORN TOTAL		Migrant group		
			new	recent	established
<b>2001/02 \$m</b>					
<b>GOVERNMENT REVENUE</b>					
1926	Income tax	605.1	107	139	359
399	GST	152.1	30	35	88
148	Petrol, alcohol & tobacco excises	56.3	11	13	33
2473	<b>Income tax, GST &amp; excises</b>	<b>813.6</b>	<b>147</b>	<b>187</b>	<b>479</b>
<b>GOVERNMENT EXPENDITURE</b>					
32	Early childhood educ	1.7	2	0	0
229	Prim'y & sec'y schools	33.9	16	16	2
106	Tertiary institutions	28.5	9	9	11
367	<b>EDUCATION</b>	<b>64.1</b>	<b>27</b>	<b>25</b>	<b>12</b>
421	<b>HEALTH</b>	<b>155.9</b>	<b>25</b>	<b>27</b>	<b>104</b>
246	<b>NZ SUPERANNUATION</b>	<b>131.1</b>	<b>0</b>	<b>5</b>	<b>126</b>
69	Unemployment benefit	20.1	5	6	9
77	Domestic Purposes benefit	17.7	3	5	10
14	Sickness benefit	5.6	1	2	3
23	Invalids benefit	6.4	0	1	5
42	Supplementary benefits	13.5	3	4	6
225	<b>WORK AND INCOME</b>	<b>63.3</b>	<b>12</b>	<b>18</b>	<b>33</b>
35	<b>STUDENT ALLOWANCES</b>	<b>9.4</b>	<b>3</b>	<b>4</b>	<b>3</b>
1295	<b>Education, Health, NZS, Std't allows, Benefits</b>	<b>423.9</b>	<b>66</b>	<b>79</b>	<b>279</b>
1178	<b>NET IMPACT (*)</b>	<b>389.7</b>	<b>81</b>	<b>108</b>	<b>201</b>

\* = allowing for impacts on revenue and expenditure categories as explicitly identified in the table *only*

**Appendix Table 17 Per-capita fiscal impact of migrants in Wellington 2001 (\$ per head)**

NZ born	OVERSEAS BORN TOTAL		Migrant group		
			new	recent	established
<b>2001/02 \$ per head</b>					
<b>GOVERNMENT REVENUE</b>					
7098	Income tax	7624.6	5859	7222	8580
1469	GST	1917.0	1623	1790	2104
545	Petrol, alcohol & tobacco excises	709.5	601	663	779
9111	<u>Income tax, GST &amp; excises</u>	<u>10251.0</u>	<u>8082</u>	<u>9675</u>	<u>11463</u>
<b>GOVERNMENT EXPENDITURE</b>					
118	Early childhood educ	20.8	89	1	0
843	Prim'y & sec'y schools	427.8	879	834	44
392	Tertiary institutions	358.7	492	459	254
1353	<b>EDUCATION</b>	<b>807.2</b>	<b>1459</b>	<b>1294</b>	<b>298</b>
1552	<b>HEALTH</b>	<b>1964.0</b>	<b>1360</b>	<b>1419</b>	<b>2479</b>
908	<b>NZ SUPERANNUATION</b>	<b>1652.4</b>	<b>0</b>	<b>244</b>	<b>3023</b>
253	Unemployment benefit	252.9	274	330	208
283	Domestic Purposes benefit	222.7	141	273	235
53	Sickness benefit	71.0	51	82	75
83	Invalids benefit	80.8	19	47	123
156	Supplementary benefits	170.7	179	204	152
829	<b>WORK AND INCOME</b>	<b>798.1</b>	<b>664</b>	<b>936</b>	<b>793</b>
128	<b>STUDENT ALLOWANCES</b>	<b>118.9</b>	<b>148</b>	<b>194</b>	<b>72</b>
4770	<u>Education, Health, NZS, Std't allows, Benefits</u>	<u>5340.7</u>	<u>3630</u>	<u>4088</u>	<u>6665</u>
4341	<b>NET IMPACT (*)</b>	<b>4910.4</b>	<b>4453</b>	<b>5587</b>	<b>4798</b>
271	<b>Population (000)</b>	<b>79.4</b>	<b>18</b>	<b>19</b>	<b>42</b>

\* = allowing for impacts on revenue and expenditure categories as explicitly identified in the table *only*



**Appendix Table 18 Age-adjusted per-capita fiscal impact of migrants in Wellington 2001 (\$ per head age 18-64)**

NZ born	OVERSEAS BORN TOTAL		Migrant group		
			new	recent	established
<b>2001/02 \$ per head of 18-64 yos</b>					
<b>GOVERNMENT REVENUE</b>					
11347	Income tax	10413.3	8521	9438	11652
2348	GST	2618.1	2360	2340	2857
872	Petrol, alcohol & tobacco excises	969.0	873	866	1057
14567	<b>Income tax, GST &amp; excises</b>	<b>14000.4</b>	<b>11754</b>	<b>12644</b>	<b>15566</b>
<b>GOVERNMENT EXPENDITURE</b>					
189	Early childhood educ	28.4	129	2	0
1347	Prim'y & sec'y schools	584.2	1278	1089	59
627	Tertiary institutions	489.9	715	600	345
2163	<b>EDUCATION</b>	<b>1102.5</b>	<b>2122</b>	<b>1691</b>	<b>405</b>
2482	<b>HEALTH</b>	<b>2682.4</b>	<b>1977</b>	<b>1855</b>	<b>3366</b>
1451	<b>NZ SUPERANNUATION</b>	<b>2256.8</b>	<b>0</b>	<b>319</b>	<b>4105</b>
405	Unemployment benefit	345.5	398	432	283
453	Domestic Purposes benefit	304.1	205	357	319
85	Sickness benefit	96.9	74	107	102
133	Invalids benefit	110.4	28	62	167
250	Supplementary benefits	233.1	261	267	206
1326	<b>WORK AND INCOME</b>	<b>1090.1</b>	<b>965</b>	<b>1224</b>	<b>1077</b>
205	<b>STUDENT ALLOWANCES</b>	<b>162.4</b>	<b>215</b>	<b>254</b>	<b>97</b>
7626	<b>Education, Health, NZS, Std't allows, Benefits</b>	<b>7294.0</b>	<b>5279</b>	<b>5343</b>	<b>9051</b>
6941	<b>NET IMPACT (*)</b>	<b>6706.4</b>	<b>6475</b>	<b>7301</b>	<b>6515</b>
170	<b>Population aged 18-64 (000)</b>	<b>58</b>	<b>13</b>	<b>15</b>	<b>31</b>

\* = allowing for impacts on revenue and expenditure categories as explicitly identified in the table *only*

**Appendix Table 19 Fiscal impact of migrants in Rest of North Island 2001 (\$m)**

NZ born	OVERSEAS BORN TOTAL		Migrant group		
			new	recent	established
<b>2001/02 \$m</b>					
<b>GOVERNMENT REVENUE</b>					
5793	Income tax	1059.3	150	205	704
1959	GST	309.1	52	57	200
727	Petrol, alcohol & tobacco excises	114.4	19	21	74
8480	<u>Income tax, GST &amp; excises</u>	<u>1482.7</u>	<u>221</u>	<u>283</u>	<u>979</u>
<b>GOVERNMENT EXPENDITURE</b>					
142	Early childhood educ	3.8	4	0	0
1174	Prim'y & sec'y schools	95.7	43	47	5
396	Tertiary institutions	53.2	17	14	22
1712	<b>EDUCATION</b>	<b>152.7</b>	<b>64</b>	<b>62</b>	<b>27</b>
2271	<b>HEALTH</b>	<b>432.6</b>	<b>54</b>	<b>55</b>	<b>323</b>
1935	<b>NZ SUPERANNUATION</b>	<b>503.0</b>	<b>0</b>	<b>14</b>	<b>489</b>
364	Unemployment benefit	42.5	8	10	24
543	Domestic Purposes benefit	40.4	4	9	27
99	Sickness benefit	12.6	1	3	9
165	Invalids benefit	18.4	1	2	15
234	Supplementary benefits	29.5	6	7	17
1405	<b>WORK AND INCOME</b>	<b>143.3</b>	<b>20</b>	<b>31</b>	<b>92</b>
110	<b>STUDENT ALLOWANCES</b>	<b>15.8</b>	<b>5</b>	<b>6</b>	<b>5</b>
7434	<u>Education, Health, NZS, Std't allows, Benefits</u>	<u>1247.5</u>	<u>143</u>	<u>168</u>	<u>937</u>
1046	<b>NET IMPACT (*)</b>	<b>235.3</b>	<b>78</b>	<b>115</b>	<b>42</b>

\* = allowing for impacts on revenue and expenditure categories as explicitly identified in the table *only*

**Appendix Table 20 Per-capital fiscal impact of migrants in Rest of North Island  
2001 (\$ per head)**

NZ born	OVERSEAS BORN TOTAL		Migrant group		
			new	recent	established
<b>2001/02 \$ per head</b>					
<b>GOVERNMENT REVENUE</b>					
4439	Income tax	5508.5	3771	5221	6217
1501	GST	1607.2	1315	1437	1768
557	Petrol, alcohol & tobacco excises	594.8	487	532	655
6498	<u>Income tax, GST &amp; excises</u>	<u>7710.6</u>	<u>5573</u>	<u>7190</u>	<u>8640</u>
<b>GOVERNMENT EXPENDITURE</b>					
109	Early childhood educ	19.9	95	1	0
899	Prim'y & sec'y schools	497.8	1087	1206	46
304	Tertiary institutions	276.5	432	358	194
1312	<b>EDUCATION</b>	<b>794.3</b>	<b>1614</b>	<b>1565</b>	<b>240</b>
1741	<b>HEALTH</b>	<b>2249.5</b>	<b>1359</b>	<b>1409</b>	<b>2853</b>
1483	<b>NZ SUPERANNUATION</b>	<b>2615.7</b>	<b>0</b>	<b>346</b>	<b>4319</b>
279	Unemployment benefit	220.8	205	266	211
416	Domestic Purposes benefit	210.3	110	241	235
76	Sickness benefit	65.5	32	68	76
127	Invalids benefit	95.5	21	53	136
179	Supplementary benefits	153.3	140	169	152
1077	<b>WORK AND INCOME</b>	<b>745.4</b>	<b>509</b>	<b>797</b>	<b>810</b>
85	<b>STUDENT ALLOWANCES</b>	<b>82.3</b>	<b>124</b>	<b>142</b>	<b>47</b>
5697	<u>Education, Health, NZS, Std't allows, Benefits</u>	<u>6487.1</u>	<u>3605</u>	<u>4259</u>	<u>8270</u>
801	<b>NET IMPACT (*)</b>	<b>1223.5</b>	<b>1968</b>	<b>2931</b>	<b>370</b>
1305	<b>Population (000)</b>	<b>192.3</b>	<b>40</b>	<b>39</b>	<b>113</b>

\* = allowing for impacts on revenue and expenditure categories as explicitly identified in the table *only*

**Appendix Table 21 Age-adjusted per-capita fiscal impact of migrants in Rest of North Island 2001 (\$ per head age 18-64)**

NZ born	OVERSEAS BORN TOTAL		Migrant group		
			new	recent	established
<b>2001/02 \$ per head of 18-64 yos</b>					
<b>GOVERNMENT REVENUE</b>					
7771	Income tax	8583.3	6041	7893	9697
2628	GST	2504.3	2107	2172	2758
976	Petrol, alcohol & tobacco excises	926.9	780	804	1021
11374	<b>Income tax, GST &amp; excises</b>	<b>12014.5</b>	<b>8929</b>	<b>10870</b>	<b>13477</b>
<b>GOVERNMENT EXPENDITURE</b>					
190	Early childhood educ	31.1	152	2	0
1574	Prim'y & sec'y schools	775.7	1741	1824	71
532	Tertiary institutions	430.9	692	541	303
2297	<b>EDUCATION</b>	<b>1237.6</b>	<b>2585</b>	<b>2366</b>	<b>374</b>
3047	<b>HEALTH</b>	<b>3505.1</b>	<b>2177</b>	<b>2130</b>	<b>4451</b>
2596	<b>NZ SUPERANNUATION</b>	<b>4075.8</b>	<b>0</b>	<b>523</b>	<b>6738</b>
488	Unemployment benefit	344.0	328	401	329
728	Domestic Purposes benefit	327.8	177	365	366
132	Sickness benefit	102.0	51	102	119
222	Invalids benefit	148.7	34	80	212
314	Supplementary benefits	238.8	224	256	238
1885	<b>WORK AND INCOME</b>	<b>1161.4</b>	<b>815</b>	<b>1204</b>	<b>1264</b>
148	<b>STUDENT ALLOWANCES</b>	<b>128.3</b>	<b>198</b>	<b>215</b>	<b>73</b>
9972	<b>Education, Health, NZS, Std't allows, Benefits</b>	<b>10108.1</b>	<b>5775</b>	<b>6438</b>	<b>12900</b>
1403	<b>NET IMPACT (*)</b>	<b>1906.4</b>	<b>3154</b>	<b>4431</b>	<b>577</b>
746	<b>Population aged 18-64 (000)</b>	<b>123</b>	<b>25</b>	<b>26</b>	<b>73</b>

\* = allowing for impacts on revenue and expenditure categories as explicitly identified in the table *only*

**Appendix Table 22 Fiscal impact of migrants in Christchurch 2001 (\$m)**

NZ born	OVERSEAS BORN TOTAL		Migrant group		
			new	recent	established
<b>2001/02 \$m</b>					
<b>GOVERNMENT REVENUE</b>					
1316	Income tax	277.1	50	55	172
435	GST	86.0	20	17	49
161	Petrol, alcohol & tobacco excises	31.8	7	6	18
1912	<u>Income tax, GST &amp; excises</u>	<u>394.9</u>	<u>78</u>	<u>78</u>	<u>239</u>
<b>GOVERNMENT EXPENDITURE</b>					
25	Early childhood educ	1.1	1	0	0
198	Prim'y & sec'y schools	30.2	16	13	1
99	Tertiary institutions	21.6	8	7	6
323	<b>EDUCATION</b>	<b>52.8</b>	<b>25</b>	<b>20</b>	<b>8</b>
483	<b>HEALTH</b>	<b>115.5</b>	<b>20</b>	<b>18</b>	<b>77</b>
423	<b>NZ SUPERANNUATION</b>	<b>112.3</b>	<b>0</b>	<b>3</b>	<b>110</b>
74	Unemployment benefit	14.8	4	5	6
88	Domestic Purposes benefit	10.3	1	3	6
23	Sickness benefit	3.7	0	1	2
41	Invalids benefit	5.6	0	1	5
52	Supplementary benefits	11.1	3	3	5
279	<b>WORK AND INCOME</b>	<b>45.5</b>	<b>9</b>	<b>12</b>	<b>25</b>
40	<b>STUDENT ALLOWANCES</b>	<b>11.3</b>	<b>3</b>	<b>5</b>	<b>3</b>
1548	<u>Education, Health, NZS, Std't allows, Benefits</u>	<u>337.5</u>	<u>58</u>	<u>58</u>	<u>221</u>
364	<b>NET IMPACT (*)</b>	<b>57.5</b>	<b>20</b>	<b>19</b>	<b>18</b>

\* = allowing for impacts on revenue and expenditure categories as explicitly identified in the table *only*

**Appendix Table 23 Per-capita fiscal impact of migrants in Christchurch 2001 (\$ per head)**

NZ born	OVERSEAS BORN TOTAL		Migrant group		
			new	recent	established
<b>2001/02 \$ per head</b>					
<b>GOVERNMENT REVENUE</b>					
4895	Income tax	4909.4	3256	4111	6208
1616	GST	1524.5	1311	1285	1757
600	Petrol, alcohol & tobacco excises	564.3	485	476	650
7111	<u>Income tax, GST &amp; excises</u>	6998.2	5053	5872	8615
<b>GOVERNMENT EXPENDITURE</b>					
94	Early childhood educ	19.3	70	1	0
736	Prim'y & sec'y schools	534.8	1029	975	50
370	Tertiary institutions	382.3	541	516	231
1200	<b>EDUCATION</b>	936.4	1640	1492	281
1798	<b>HEALTH</b>	2047.2	1327	1380	2765
1574	<b>NZ SUPERANNUATION</b>	1990.8	0	204	3948
276	Unemployment benefit	261.7	234	356	232
329	Domestic Purposes benefit	183.1	81	214	225
86	Sickness benefit	66.4	32	67	85
153	Invalids benefit	98.7	17	49	168
193	Supplementary benefits	196.3	190	250	174
1037	<b>WORK AND INCOME</b>	806.2	554	937	883
149	<b>STUDENT ALLOWANCES</b>	199.5	217	395	96
5759	<u>Education, Health, NZS, Stdt allows, Benefits</u>	5980.1	3739	4407	7975
1352	<b>NET IMPACT (*)</b>	1018.1	1315	1465	640
269	<b>Population (000)</b>	56.4	15	13	28

\* = allowing for impacts on revenue and expenditure categories as explicitly identified in the table *only*

**Appendix Table 24 Age-adjusted per-capita fiscal impact of migrants in  
Christchurch 2001 (\$ per head age 18-64)**

NZ born	OVERSEAS BORN TOTAL		Migrant group		
			new	recent	established
<b>2001/02 \$ per head of 18-64 yos</b>					
<b>GOVERNMENT REVENUE</b>					
7912	Income tax	7188.2	4849	5586	9348
2613	GST	2232.2	1953	1746	2646
970	Petrol, alcohol & tobacco excises	826.2	723	646	979
11495	<u>Income tax, GST &amp; excises</u>	<u>10246.5</u>	<u>7525</u>	<u>7979</u>	<u>12974</u>
<b>GOVERNMENT EXPENDITURE</b>					
153	Early childhood educ	28.2	104	1	0
1190	Prim'y & sec'y schools	783.0	1532	1325	76
598	Tertiary institutions	559.8	805	701	347
1941	<b>EDUCATION</b>	1371.0	2442	2027	423
2906	<b>HEALTH</b>	2997.5	1977	1875	4164
2545	<b>NZ SUPERANNUATION</b>	2914.9	0	277	5946
446	Unemployment benefit	383.1	348	484	350
531	Domestic Purposes benefit	268.1	121	291	338
139	Sickness benefit	97.2	48	92	128
248	Invalids benefit	144.6	25	67	253
312	Supplementary benefits	287.3	283	340	262
1676	<b>WORK AND INCOME</b>	1180.4	825	1273	1330
242	<b>STUDENT ALLOWANCES</b>	292.2	324	536	145
9309	<u>Education, Health, NZS, Stdt allows, Benefits</u>	<u>8755.9</u>	<u>5567</u>	<u>5988</u>	<u>12009</u>
2186	<b>NET IMPACT (*)</b>	<u>1490.6</u>	<u>1958</u>	<u>1990</u>	<u>964</u>
166	<b>Population aged 18-64 (000)</b>	39	10	10	18

\* = allowing for impacts on revenue and expenditure categories as explicitly identified in the table *only*

**Appendix Table 25 Fiscal impact of migrants in Rest of South Island 2001 (\$m)**

NZ born	OVERSEAS BORN TOTAL		Migrant group		
			new	recent	established
<b>2001/02 \$m</b>					
<b>GOVERNMENT REVENUE</b>					
2428	Income tax	341.2	52	69	220
863	GST	100.5	18	19	63
320	Petrol, alcohol & tobacco excises	37.2	7	7	23
3611	<u>Income tax, GST &amp; excises</u>	<u>478.9</u>	<u>78</u>	<u>95</u>	<u>306</u>
<b>GOVERNMENT EXPENDITURE</b>					
49	Early childhood educ	1.3	1	0	0
435	Prim'y & sec'y schools	30.4	13	16	2
170	Tertiary institutions	21.4	7	6	8
654	<b>EDUCATION</b>	<b>53.0</b>	<b>22</b>	<b>22</b>	<b>10</b>
980	<b>HEALTH</b>	<b>142.4</b>	<b>18</b>	<b>19</b>	<b>105</b>
892	<b>NZ SUPERANNUATION</b>	<b>158.2</b>	<b>0</b>	<b>4</b>	<b>154</b>
139	Unemployment benefit	15.4	2	4	9
149	Domestic Purposes benefit	12.1	1	3	9
36	Sickness benefit	3.8	0	1	3
79	Invalids benefit	7.6	0	1	6
90	Supplementary benefits	11.2	2	3	6
493	<b>WORK AND INCOME</b>	<b>50.1</b>	<b>6</b>	<b>11</b>	<b>33</b>
53	<b>STUDENT ALLOWANCES</b>	<b>8.9</b>	<b>3</b>	<b>4</b>	<b>3</b>
3072	<u>Education, Health, NZS, Std't allows, Benefits</u>	<u>412.7</u>	<u>48</u>	<u>59</u>	<u>305</u>
540	<b>NET IMPACT (*)</b>	<b>66.2</b>	<b>29</b>	<b>36</b>	<b>1</b>

\* = allowing for impacts on revenue and expenditure categories as explicitly identified in the table *only*



**Appendix Table 26 Per-capita fiscal impact of migrants in Rest of South Island  
2001 (\$ per head)**

NZ born	OVERSEAS BORN TOTAL		Migrant group		
			new	recent	established
<b>2001/02 \$ per head</b>					
<b>GOVERNMENT REVENUE</b>					
4477	Income tax	5192.3	3788	4979	5780
1591	GST	1528.7	1334	1349	1665
591	Petrol, alcohol & tobacco excises	565.8	494	499	616
6659	<u>Income tax, GST &amp; excises</u>	<u>7286.7</u>	<u>5616</u>	<u>6828</u>	<u>8061</u>
<b>GOVERNMENT EXPENDITURE</b>					
91	Early childhood educ	19.6	91	1	0
802	Prim'y & sec'y schools	462.3	947	1120	46
313	Tertiary institutions	325.0	531	431	212
1206	<b>EDUCATION</b>	<b>806.9</b>	<b>1569</b>	<b>1552</b>	<b>258</b>
1808	<b>HEALTH</b>	<b>2167.4</b>	<b>1324</b>	<b>1370</b>	<b>2765</b>
1644	<b>NZ SUPERANNUATION</b>	<b>2407.8</b>	<b>0</b>	<b>280</b>	<b>4060</b>
256	Unemployment benefit	233.9	171	283	239
275	Domestic Purposes benefit	184.8	56	194	228
67	Sickness benefit	57.5	24	47	73
146	Invalids benefit	115.0	20	61	169
166	Supplementary benefits	170.7	154	197	167
909	<b>WORK AND INCOME</b>	<b>761.9</b>	<b>426</b>	<b>782</b>	<b>877</b>
98	<b>STUDENT ALLOWANCES</b>	<b>136.0</b>	<b>191</b>	<b>257</b>	<b>72</b>
5664	<u>Education, Health, NZS, Stdt allows, Benefits</u>	<u>6279.9</u>	<u>3510</u>	<u>4241</u>	<u>8031</u>
995	<b>NET IMPACT (*)</b>	<b>1006.8</b>	<b>2106</b>	<b>2587</b>	<b>30</b>
542	<b>Population (000)</b>	<b>65.7</b>	<b>14</b>	<b>14</b>	<b>38</b>

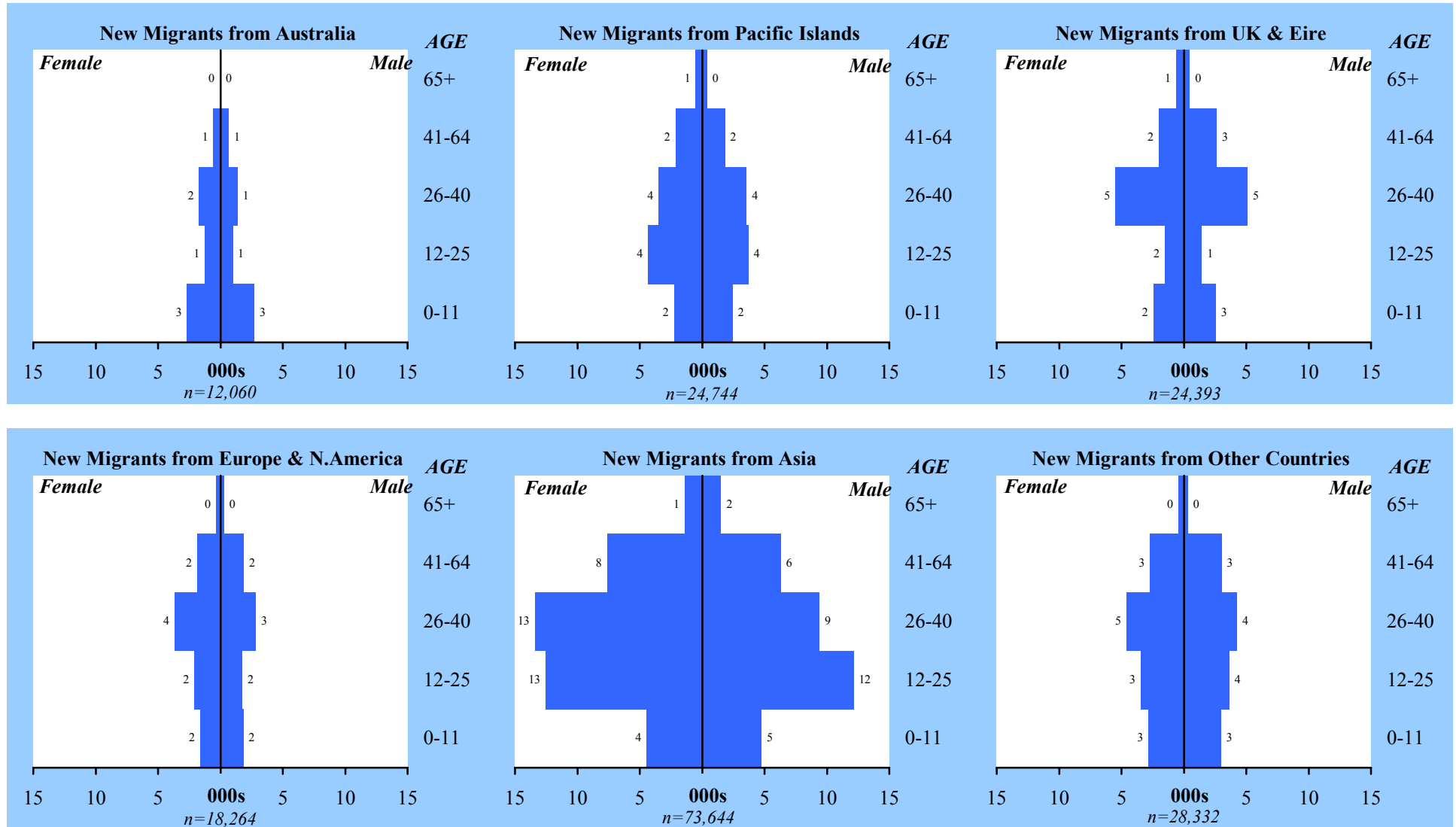
\* = allowing for impacts on revenue and expenditure categories as explicitly identified in the table *only*

**Appendix Table 27 Age-adjusted per-capita fiscal impact of migrants in Rest of South Island 2001 (per head age 18-64)**

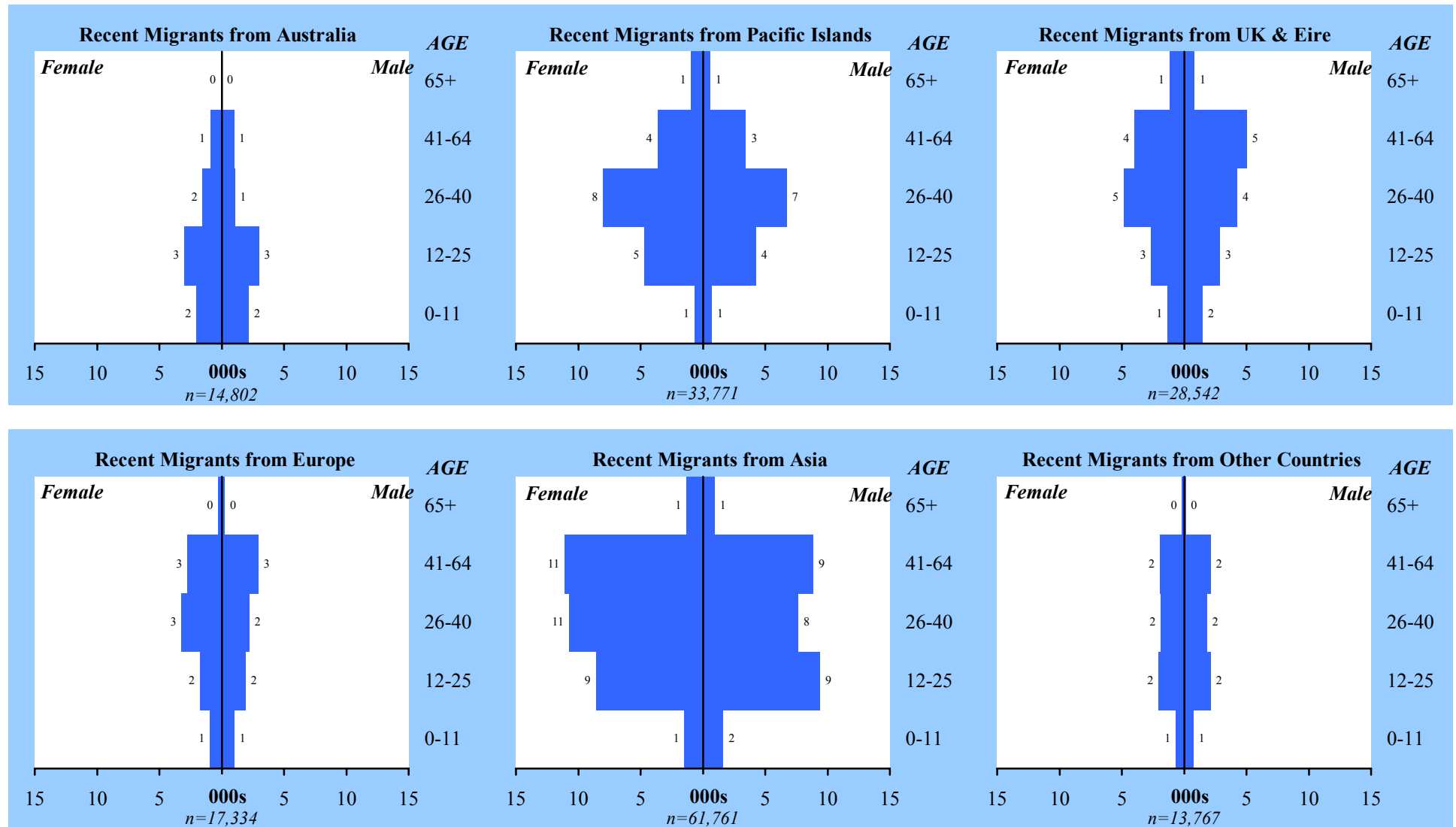
NZ born	OVERSEAS BORN TOTAL		Migrant group		
			new	recent	established
<b>2001/02 \$ per head of 18-64 yos</b>					
<b>GOVERNMENT REVENUE</b>					
7468	Income tax	7713.0	5624	7201	8673
2654	GST	2270.8	1981	1951	2498
985	Petrol, alcohol & tobacco excises	840.4	733	722	925
11107	<b>Income tax, GST &amp; excises</b>	<b>10824.2</b>	<b>8339</b>	<b>9875</b>	<b>12096</b>
<b>GOVERNMENT EXPENDITURE</b>					
152	Early childhood educ	29.1	136	2	0
1337	Prim'y & sec'y schools	686.7	1406	1620	69
522	Tertiary institutions	482.8	789	623	317
2012	<b>EDUCATION</b>	<b>1198.6</b>	<b>2330</b>	<b>2244</b>	<b>387</b>
3015	<b>HEALTH</b>	<b>3219.6</b>	<b>1966</b>	<b>1981</b>	<b>4150</b>
2742	<b>NZ SUPERANNUATION</b>	<b>3576.7</b>	<b>0</b>	<b>405</b>	<b>6092</b>
427	Unemployment benefit	347.4	254	409	358
458	Domestic Purposes benefit	274.5	83	280	343
111	Sickness benefit	85.5	36	68	110
243	Invalids benefit	170.8	30	88	254
277	Supplementary benefits	253.5	229	285	251
1516	<b>WORK AND INCOME</b>	<b>1131.7</b>	<b>632</b>	<b>1131</b>	<b>1315</b>
163	<b>STUDENT ALLOWANCES</b>	<b>202.0</b>	<b>284</b>	<b>371</b>	<b>108</b>
9448	<b>Education, Health, NZS, Std't allows, Benefits</b>	<b>9328.6</b>	<b>5212</b>	<b>6133</b>	<b>12051</b>
1659	<b>NET IMPACT (*)</b>	<b>1495.6</b>	<b>3127</b>	<b>3742</b>	<b>45</b>
325	<b>Population aged 18-64 (000)</b>	<b>44</b>	<b>9</b>	<b>10</b>	<b>25</b>

\* = allowing for impacts on revenue and expenditure categories as explicitly identified in the table *only*

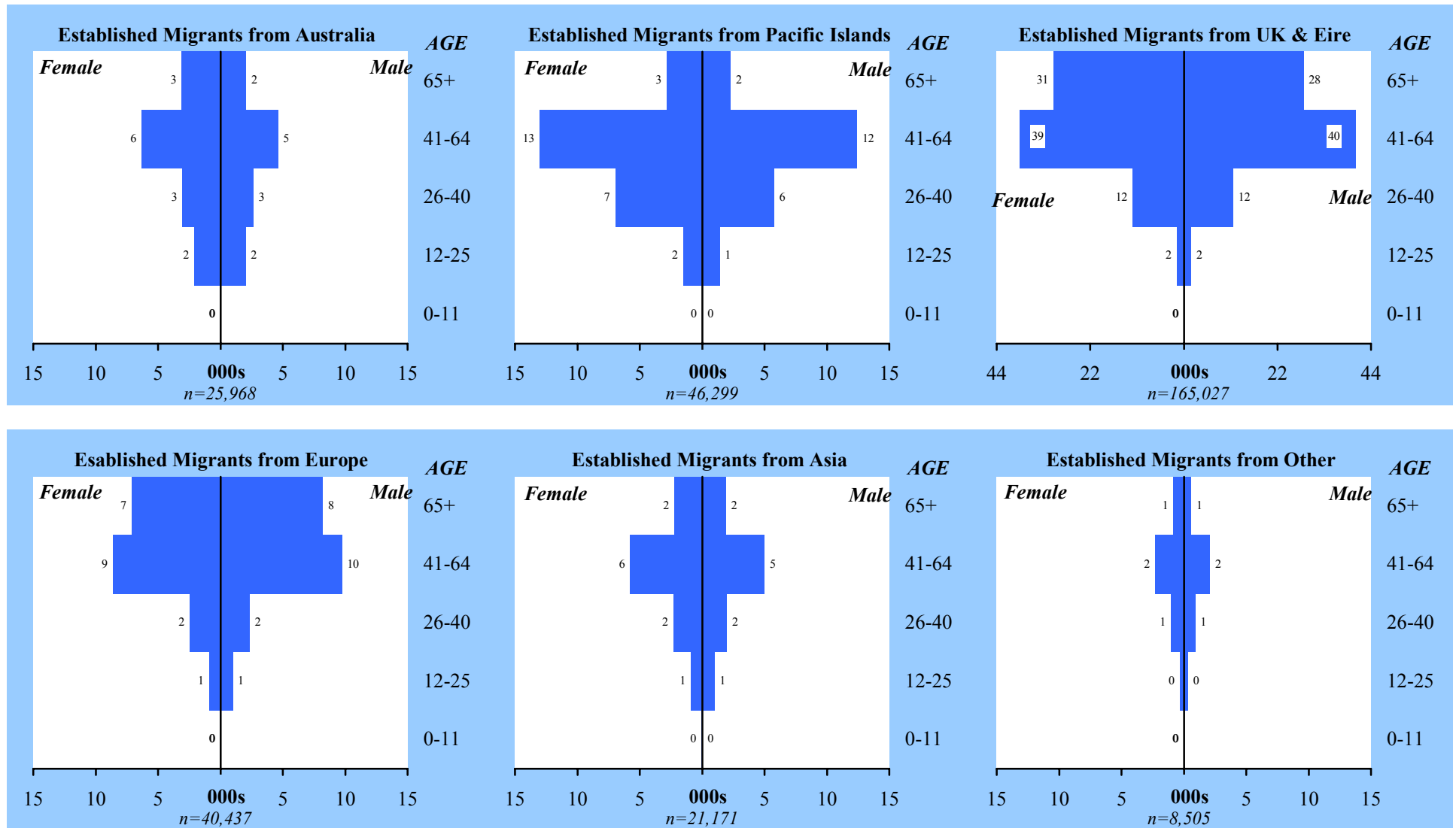
Appendix Figure 1 Age and gender composition of *new migrants 2001*



Appendix Figure 2 Age and gender composition of recent migrants 2001



Appendix Figure 3 Age and gender composition of established migrants 2001



Appendix Figure 4 Age and gender composition of all migrants by region of birth 2001

