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FISCAL IMPACTS OF IMMIGRATION 2005/06

Economic Impacts of Immigration Working Paper Series

FISCAL IMPACTS OF IMMIGRATION

2005/06

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1 Executive Summary

This report estimates a defined fiscal impact of New Zealand's resident migrants on a set of government activities, and gives comparable figures for the New Zealand-born population. The report also summarises the fiscal impact of migrant sub-groups by the duration of residence, region of birth and region of residence. The study examines occupational and study characteristics of migrants, and considers migrants' long-run impacts on the economy.

As at the census night in March 2006, New Zealand had a migrant population of approximately 927,000. The study estimates that this migrant population had a positive net fiscal impact of $3,288m in the year to 30 June 2006. The net impact of migrants estimated in this study represents growth of approximately 15 percent per annum in real terms, compared to a similar study by BERL in 2003. The New Zealand-born population of 3.1m people had a lower net fiscal impact of $2,838m.

The net impact is made up of the difference between fiscal revenue and expenditure. The study estimated migrants contributed a total of $8,101m through income taxes, GST and excise duties. Estimated fiscal expenditure on the migrant population was $4,813m. This includes government spending on education, health, benefits/allowances and superannuation.

The study shows that all sub-groups of the migrant population had positive net impacts, although these impacts differed by the duration of residence, region of birth and region of residence in New Zealand. The net fiscal impact of migrants climbs with duration of residence, although this is partly attributable to the age profile of these groups. The net fiscal impact per head was $2,680 for recent migrants, $3,470 for intermediate migrants and $4,280 for earlier migrants, while the comparable figure for the New Zealand-born population was $915 per head.

The latest study show substantial increases in the positive net fiscal impact of migrants compared with BERL's previous fiscal impact studies in 1999 and 2003,. The net fiscal impact of migrants grew 80% between 2002 and 2006 (in real terms). This change was driven by fiscal revenue growing more quickly (29 percent) than expenditure (8 percent). As the migrant population grew by 25 percent of this period, the per capita fiscal impact also rose – by 44 percent. These positive impacts flowed through regardless of duration of residence, with the largest proportional increases coming from the recent and earlier migrant groups.

The total net fiscal impact of migrants rises with duration for all migrant groups but migrants from the Other region category (i.e. Africa, the Middle East and South America). The net impact per capita by region of birth differs markedly between recent and earlier migrants. It rises with duration for Pacific Island migrants but falls for migrants from the UK, Ireland, Europe and North America.

Migrants residing in the Auckland region dominate the overall fiscal impact, and this region is home to over 45 percent of all migrants in New Zealand. As they become earlier, migrants tend to shift out of the metropolitan areas in and around Auckland and Christchurch to Wellington, the Rest of North Island and Rest of South Island regions.

Migrants tend to move to higher paid occupations as duration of residence increases. A higher proportion of migrants tend to be unemployed or not in the labour force than the New Zealand-born. The occupational mix of migrants differs by their region of birth, which may reflect differences in immigration criteria by region of birth. There does not appear to be a strong effect on the occupational mix by region of residence.

The final section of the study complements the main snapshot focus of this project by considering the long-run impact of migrants. A production function framework is used to suggest how immigration may affect the structure and performance of the economy. In the long-run, immigration may affect resource availability and use, the dynamism of the economy and how the New Zealand economy connects with the rest of the world.

2 Introduction

The Department of Labour commissioned Business and Economic Research Limited (BERL) to investigate the fiscal impact of migrants to New Zealand. This report estimates central government fiscal revenues and expenditure for the resident migrant population of New Zealand, along with comparisons for the New Zealand-born population. The 'fiscal' impact of migrants is defined as the contribution of migrants to central government revenue less government expenditure attributable to the migrant population. The study does not cover all components of the government accounts. It focuses on a subset of components that respond to changes in the population size and that can be sensibly related to such changes.

Census and government administrative data were used to identify the characteristics of overseas-born New Zealand residents and determine their contribution to components of government receipts and government spending.

This study calculated the fiscal impact for the year to 30 June 2006. It updates similar exercises undertaken in 1999 and 2003 (BERL references #3452 and #4195), which estimated the fiscal impact for the years ended June 1998 and June 2002, respectively.

2.1 Structure of report

The remainder of the report is divided into eight main sections, a summary, and appendices.

Section 3 sets out the data sources, definitions and methods BERL used for this study.

Section 4 contains a demographic analysis of the migrant population in New Zealand.

Section 5 discusses aspects of migrants' participation in post-compulsory education, and Section 6 examines the occupational characteristics of immigrants.

Section 7 and Section 8 contain the main estimates of the study. Section 7 presents the principal findings of the study, including analyses of the fiscal impacts of migrants by migrants' length of residence in New Zealand as well as by region of birth. Section 8 disaggregates the fiscal impacts of migrants according to their region of residence in New Zealand.

Section 9 extends the core study to look at the potential long term impacts of migrants.

Section 10 summarises the study and provides some concluding comments. Summary and detailed tables are appended in sections 11 and 12.

2.2 Summary tables

Section 11 aims to provide quick reference tables on the fiscal impact of migrants.

Each table has a set of three summary impacts. The upper-left-hand figure shows the total contribution to government revenue; the upper-right-hand figure shows the contribution to government expenditure; and finally, the bolded figure shows the net fiscal impact (i.e. the impact on government revenue less that on government expenditure).

The six summary 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.

Each set of tables provides the following measures:

- the absolute $m calculation of the fiscal impact;
- the per capita fiscal impact; and,
- the working age population per capita fiscal impact.

Section 3.2 defines these measures.

2.3 Appendix tables

Selected tables are included in the body of this report. For ease of reference, a full set of tables is provided in the Appendix (section 12).

Each set of appendix tables contains the three measures as for the summary tables. Each appendix table contains the following elements:

- the impact on government revenue (in the upper part);
- the impact on government expenditure (in the lower part);
- the net fiscal impact (at the bottom), along with data on the number of persons in the relevant population group where relevant;
- figures for the comparable New Zealand-born group (at the left-hand side);
- figures for the relevant overseas-born group overall (in the centre); and,
- figures dividing up the impact of the migrant population, either by length of residence in New Zealand or by region of birth (at the right-hand side).

3 Method

This section defines the categories used in this study, outlines key terminology, and sets out the method used to calculate the fiscal impact of migrants to New Zealand for each of the central government's revenue and expenditure components analysed in the study.[1] It also notes limitations to the coverage and extent of this study.

The definitions used in this study replicate, where possible, those used in BERL's previous studies of the fiscal impacts of migrants to New Zealand.[2] This allows valid comparisons to be made between the studies.

3.1 Data sources

The principal population data source employed for this analysis was the 2006 census. Census data cross-tabulations were provided for migrants by region of birth, duration of residence in New Zealand, plus income, age and region of residence where relevant. In addition, 2003/04 Household Expenditure Survey (HES) data and the Treasury's Long Term Fiscal Model (LTFM) were used to determine population expenditure profiles by age group.[3]

Crown Financial Statements, Budget Estimates and Budget documents were used to obtain details of aggregate central government revenue and expenditure profiles. This was complemented by data provided specifically for this project from the Ministry of Social Development, on beneficiaries, and the Ministry of Education, on students.

3.2 Definitions and analytical categories

A migrant is defined as a person who was born overseas. Some census returns did not specify the respondent's country of birth. For estimation purposes, the numbers in the non-specified group are pro-rata allocated across the two categories (migrant and New Zealand-born). This reallocation aims to preserve the migrant-to-domestic-born ratio and to maintain consistency with nation-wide totals.

[1] The fiscal impacts on local government fall outside the scope of this report. Where migrants are wealthier than their New Zealand-born counterparts and live in more expensive dwellings, they may contribute greater amounts to TLA and regional council revenues while having similar impacts on expenditure. Research on migrant wealth was presented during the finalisation of this report: Gibson J (2007) What explains the wealth gap between immigrants and the New Zealand-born? Christchurch: NZAE conference, 29 June 2007.

[2] Figures in the millions or thousands are rounded to the nearest whole number as appropriate.

[3] LTFM health cost weights were inflated from 2003/04$ to 2005/06$ using appropriate GDP deflators.

The migrant population was divided into sub-categories for additional analyses, according to their duration of residence in New Zealand at the time of the census (3 groups) and by region of birth (6 specified areas). The categories are listed below.

Table 3.1 Migrant group definitions

Group	Notes:
recent migrant	overseas born and usually resident in New Zealand for less than 5 years
intermediate migrant	overseas born and usually resident in New Zealand for 5 to 14 years
earlier migrant	overseas born and usually resident in New Zealand for 15 or more years

Table 3.2 Region of birth definitions

Region of birth	Notes:
Australia	
Pacific Islands	Melanesia, Micronesia, Polynesia
The United Kingdom and Ireland	
Europe and North America	Excluding the UK and Ireland
Asia	South, Central and Eastern Asia
Other	Africa, the Middle East, and South America
Not specified	

In addition, the analysis also investigated the impact of migrants by five regions of residence in New Zealand and eleven occupation groups as follows.

Table 3.3 Region of residence definitions

Region of residence	Notes:
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	

Table 3.4 Occupation group definitions

Occupation group
Legislators, administrators and managers
Professionals
Technicians and associate professionals
Clerks
Service and sales workers
Agriculture and fishery workers
Trades workers
Plant and machine operators and assemblers
Labourers and related elementary service workers
Not elsewhere included
No occupation

3.3 Fiscal impact

The fiscal impacts analysed in this study are limited to the following items of the central government's budget. The impact components are consistent with the earlier study.

Government revenue components	
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.

Government spending components	
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.

3.3.1 Per capita fiscal impact

Per capita estimates allow some comparison of the fiscal impacts across sub-groups within the migrant and New Zealand-born populations. These impacts equal the relevant estimated total divided by the number of persons in the relevant population group. For example, the per capita fiscal impact on income tax revenue of *recent* migrants equals the total tax revenue from that group ($1,075m, as per Appendix Table 1, page 83) divided by the number of *recent* migrants (299,000), giving the result of $3,596 (as per Appendix Table 2, page 84).

3.3.2 Working age population per capita fiscal impact

The working age population (WAP) per capita figures are also calculated to improve the comparability of these estimates across the sub-groups. These figures allow for the effect of the differing age structures of the various sub-populations. For example, there are no under 15-year-olds in the earlier migrant group. The impact of this sub-group on primary and secondary education is partly determined by the category's duration-related definition. It can therefore be useful to adjust for age-composition effects. A simple adjustment is to calculate the per capita impacts for those aged 18-64. This approach differs from age standardisation.[4]

The WAP per capita figures equal the total fiscal impact estimate for a population group divided by the number of people aged 18-64 in the relevant population group. For example, the WAP per capita fiscal impact on income tax revenue of recent migrants equals the total tax revenue from that group ($1,075m) divided by the number of recent migrants aged 18-64 (210,000), giving the result of $5,130 (as per Appendix Table 3, page 85).

3.4 Estimation method

This study uses population income and expenditure profiles to disaggregate government revenue and expenditure data. As indicated in section 3.1 a range of administrative data sets were combined with data provided from government ministries specifically for this study. The methods used for each of the revenue and expenditure estimates are detailed below.

Section 5 details the estimates for the main revenue and expenditure items. In most cases these estimates are calculated on an individual basis. This reflects that the New Zealand tax system is based, for the most par, on the individual.

GST and excise duty impacts are based on household expenditure profiles, rather than translating 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 census responses).

3.4.1 Income tax

Estimates for income tax revenues from each of the various groups were calculated using 2006 census data. The census data specifies the number of people in each personal annual income band, distinguished by region of birth and duration of residence in New Zealand. 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.

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. The estimates were calibrated with Budget data on tax receipts by income.

3.4.2 GST and excise duties

These estimates were derived from household income data (differentiated by region of birth of occupier/spouse) from the 2006 census and the application of expenditure profiles from the 2003 HES. The study estimates differentiate expenditure patterns by household income, which is the principal variable for the expenditure profiles used in this study.

HES data were used to determine the share of average weekly expenditure by income deciles on petrol, tobacco, alcohol and total net expenditure. Census data gave the shares of migrant and New Zealand-born households in particular income deciles (by region of birth and duration of residence). These shares were used to apportion total GST and excise revenue across the migrant groups (by region of birth and duration of residence) and New Zealand-born. This allocation method was used to overcome the under-reporting (in aggregate) of expenditure on these items (especially tobacco and alcohol) in the HES data.

3.4.3 Education and health expenditure

Total expenditure was calibrated to the relevant output classes in the Vote Estimates. The approach used here, and in the previous studies, assumes that migrants have the same age-related education and health service use patterns as the New Zealand-born population. This approach reflects data availability but may overestimate some education and health expenditure attributed to migrants. First, some usually resident, but non-migrant, students

[4] Age standardisation adjusts the estimated impacts to allow for the age distributions of the sub-populations.

may be counted as residents eligible for government subsidised education when then pay full tuition fees. Second, residency requirements and health checks for some classes of migrants means that the health of the average migrant may be higher than that of the average New Zealander.

Age-specific aggregate education expenditure data were obtained from the Ministry of Education for this study. These data was applied to the age profile of each of the migrant categories (by region of birth and duration of residence). Education expenditure data cover operating grants, salary costs and external costs. External costs include 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 capital grants and expenditure.

By using data from the Estimates of Expenditure, total education spending is comparable (in terms of category coverage) with that for the earlier studies for primary, secondary and tertiary education. In addition to Vote: Education expenditure on Early Childhood Education (ECE), data on Ministry of Social Development (MSD) Childcare subsidies (of $110m) was included in total ECE expenditure. This reflects current ECE expenditure levels and is conceptually consistent with including funding related to population size. However, it affects the comparability with the earlier studies. These subsidies were not included as they were a small part of government expenditure at the time of the previous studies.[5]

Age-specific tertiary student enrolment data was sourced from the Ministry of Education. This age profile was used to allocate the tertiary education expenditure from the 2006 Estimates for Vote: Education. The use of tertiary education services by the New Zealand-born and migrant population were then estimated by splitting the age-based expenditure profile using demographic profiles from the census data.

The Treasury's LTFM contains an age-specific health cost profile (in 2003/04 dollar terms, and inflated to 2005/06 dollar terms for this study). This profile was applied to the relevant output classes from the 2006 Estimates for Vote: Health. This expenditure data covers 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). Total health spending is comparable (in terms of category coverage) with the earlier studies.

[5] Appendix Table 28 to Appendix Table 30 report impact estimates without the MSD childcare subsidy expenditure. The estimates in these tables are directly comparable to the earlier studies, where this component was not included. The primary analysis and commentary in this report refer to expenditure including the subsidy expenditure.

3.4.4 Benefit and student allowance payments

Information on benefit payments in the 2006 Estimate for Vote: Social Development was used to estimate benefit expenditure. Estimates were made for the main benefits including the unemployment benefit[6], domestic purposes benefit, invalids' benefit, sickness benefit, and supplemental benefits including the accommodation allowance, the disability allowance and the student allowance (the last of which is listed separately).

For each of the benefit types, except student allowances, the proportion of the population in the various sub-categories of the migrant and New Zealand-born population were determined using data provided by MSD.[7] These data contained information on the number of people on benefits according to their region of residence and duration of residence in New Zealand (for migrants). Total benefit expenditure was then allocated according to the share of beneficiary recipients in each sub-category. The sub-analysis for benefit expenditure by region of birth applied the proportions by region of birth and benefit type from the 2006 Census to MSD data on the number of people receiving particular types of benefit.[8]

Census 2006 data were used to estimate student allowance expenditure by population group. Total expenditure on student allowances was allocated across the New Zealand-born and migrant sub-populations using the census information converted into shares of the total.

3.4.5 New Zealand Superannuation payments

New Zealand Superannuation payments were calculated in a similar way to the main benefits, using MSD and census data. Total expenditure on New Zealand Superannuation was allocated to the sub-categories of the migrant and New Zealand-born population according to the shares in the MSD data.

The MSD data were adjusted to allow for the New Zealand Superannuation criterion that a person must reside in New Zealand for ten years to be eligible for this benefit. The MSD data combined the number of people receiving either New Zealand Superannuation or the Veteran's Pension. The data indicated that a small number of recent migrants (residing in

6 The unemployment benefit appropriation includes emergency benefit (EB) expenditure. The EB may be accessed by intermediate migrants who are not eligible for other benefits or New Zealand Superannuation. MSD does not report official statistics for emergency benefit payments. The base emergency benefit rate is the same as the rate for the unemployment benefit, but payments may be higher where the client meets certain criteria. Therefore, the average emergency benefit rate is likely to be higher than that the general unemployment benefit rate.

7 MSD provided data on the number of migrants and New Zealand-born receiving specified main and supplementary benefits by region of residence and duration of residence (for immigrants).

8 As the Census data contain information on income by benefit type, the unemployment benefit estimates are based on the number of beneficiaries rather than the number of people without employment. The number of people without employment would also count those that are technically not in the labour force. But people in that group would not necessarily receive an unemployment benefit, such as students or people aged 65+.

New Zealand for less than 5 years) received one or other of these benefits. As this group does not meet the eligibility requirement for New Zealand Superannuation, these numbers were not included in allocating total New Zealand Superannuation expenditure across the migrant and New Zealand-born population.

No adjustment was made for superannuation remitted from abroad by a migrant's birth country, but received by the migrant through the New Zealand government. This approach is consistent with the earlier studies.

3.4.6 Regional analysis

Following estimation of the overall fiscal impacts of migrants to New Zealand, the study investigated the impact of migrants within particular regions of New Zealand. The five regions are specified in Table 3.3 above.

Census 2006 contains information on the region of residence for sub-categories of the migrant and New Zealand-born population. These data were used to disaggregate the main impact estimates according to the region of residence according to the share of the population in the relevant group in that area. Where feasible, this aggregation process also took into account the age profile of a particular regional population, for example, in calculating education expenditure by region.

3.5 Study and the migrant population

This analysis uses a similar method to that used in BERL's 2003 report. Census 2006 data about usually resident New Zealanders were used to examine participation in study by migrants. This analysis is based on responses with a specified country of birth.

3.6 Occupation group analysis

The study analyses the occupations of the working age migrant and New Zealand-born population, that is people aged 15 years plus, according to the eleven occupational categories as specified in Table 3.4 above. The analysis is based on Census 2006 data for responses with a specified country of birth, and is organised according to the categories as specified in section 3.2.

3.7 Scope and limitations

This project is one of several projects in the Department of Labour's Economic Impacts of Immigration (EII) research programme. As such the study focuses on a subset of relevant issues and is subject to a number of limitations.[9]

First, a separate literature review was not proposed for this particular project in the EII programme.[10] A literature review could aim to establish alternative methods to measure the fiscal impact of immigration, what the impact of population trends, such as ageing, are on public expenditure and how to compare populations with different compositions.

Second, the study concerns the impacts of gross immigration, not of net migration flows.

Third, the study concentrates on fiscal rather than economic impacts. The study is a snapshot of the fiscal impacts on government revenues and expenditures. The main estimates do not capture wider or generational economic benefits/costs (e.g. job creation or congestion costs). Section 0 addresses conceptual issues around the long term impact of migrants. The study is limited to estimating the direct monetary impacts on the government's operating budget. We do not allow for the indirect or induced revenues or expenditures that may arise due to the participation of migrants in the New Zealand economy.

Fourth, the study does not cover all components of the government accounts. This study includes the components explicitly identified in the study's tables and figures. These components respond to changes in the population size and can be sensibly related to such changes. The omitted components are mainly assumed to be 'fixed' costs that are unrelated to population size or are components such as 'lumpy' capital investment that are conceptually difficult to allocate in response to small changes in the population. Initial immigration and settlement impacts are omitted as one-off impacts for recent migrants only.

In addition, the estimates do not allow for life-cycle impacts of migrant characteristics. That is, the calculations are of a 'snap-shot' single year. Issues such as migrants' varying contributions and expenditure claims over their lifetime are not captured. Dynamic micro simulation might be used to establish the lifetime contribution of a particular type of migrant, but such a technique is beyond the scope of this project.

Fifth, this study captures a number of influences on differences in the fiscal impacts between population groups. Data limitations restrict the degree to which within group differences can be used to estimate overall impacts. This report takes into account differences in age,

[9] These aspects are discussed in more detail in section 3.2 of BERL's 2003 study.

10 A intermediate, brief review of relevant literature on the fiscal impact of immigration is available in Poot and Cochrane (2005) Measuring the economic impact of immigration: a scoping paper, PSC DP48.

gender, income, country of birth and years (and region) of residence in New Zealand. As noted above in the methods sections above, however, in some cases it is necessary to use aggregate data where within group data is unavailable.

Sixth, the extent of non-response to census questions changed between the 2001 Census and 2006 Census. For example, the number of people with unspecified birthplaces rose from 3.9 percent of the 2001 usually resident population to 4.5 percent of the 2006 usually resident population. On the other hand, the non-response rate for the duration of residence in New Zealand by overseas-born migrants fell from 5.7 percent in 2001 to 4.3 percent in 2006. Changes in the non-response rates may affect the reported inter-censal changes. That is, some observed changes may reflect measurement rather than behaviour changes.

4 Overseas- and New Zealand-born Populations

This section describes the composition of the overseas-born and New Zealand-born populations in New Zealand. It examines characteristics that are relevant to the determination of their fiscal impact.

The age profile of a population group is likely to be a significant determinant of both fiscal revenue and expenditure. Age is strongly correlated with earnings. The age profile of a group is likely to affect a group's income tax contribution and consumption patterns which influence consumption taxes. In addition, the age profile is a determinant of the demand for health services, education and benefits such as student allowances and superannuation.

The duration of residence in New Zealand is also a significant factor in determining eligibility for some benefit payments and New Zealand Superannuation.

4.1 Overview

The 2006 census recorded 885,000 overseas-born New Zealand residents and over 2.96 million New Zealand-born individuals. The migrant population is equivalent to 22 percent of the total population at March 2006. This level represents a 26 percent increase in the migrant population since the 2001 census.

Table 4.1 shows population groups in the New Zealand resident population.

Table 4.1 The 2001 and 2006 New Zealand resident population

		2001		2006		Net change
NZ resident population		**Number**	**% of pop'n**	**Number**	**% of pop'n**	**'01-'06 Number**
Overseas born		701,673	19%	885,147	22%	183,474
NZ born		2,890,869	77%	2,960,214	73%	69,345
Total resident population		**3,737,277**		**4,027,947**		**290,670**
Overseas born	**Years in NZ**					
Recent migrants	< 5	182,259	5%	273,243	7%	90,984
Intermediate migrants	5-14	170,736	5%	226,266	6%	55,530
Earlier migrants	15+	308,913	8%	347,463	9%	38,550

NB: Numbers do not sum to the totals because of significant numbers of 'not specified' census returns.

Between January 2001 and December 2005 StatsNZ recorded a gross inflow of 429,000 permanent and long term (PLT) migrants (StatsNZ 2007). Of these migrants, 71 percent

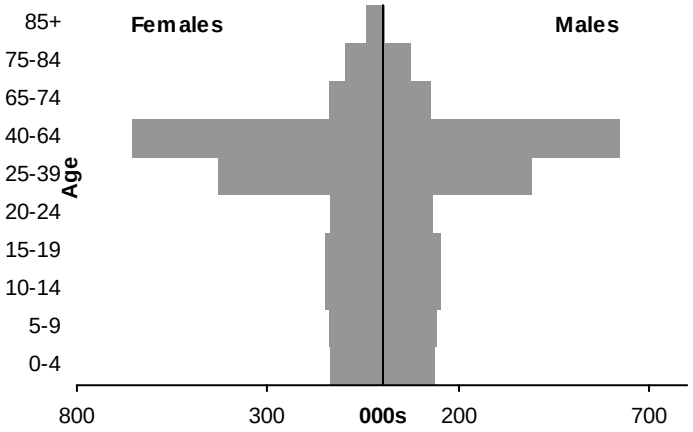
(303,000) were overseas-born. Given the census recorded 273,000 recent migrants (overseas-born residents who had been in New Zealand for less than 5 years), this suggests approximately 90 percent of overseas-born PLT migrants arriving between 2001 and 2006 stayed in New Zealand.[11] This is an increase over the rate during the preceding 1996-2001 inter-censal period of approximately 84 percent.

The table also shows that New Zealand experienced moderate population growth over the 2001-2006 inter-censal period. The population grew by 8 percent over the five years, or approximately 1.5 percent per annum. While net migration was positive in all years (ending June) from 2002 to 2006, the overall rate of population growth was pulled down by a relatively low rate of natural increase (the excess of births over deaths) and a high rate of emigration by the New Zealand-born.

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, with between 6 and 8 percent of the total population falling in each five year age band up to 64 years old and the remaining 5 percent of the population falling in the 65+ category. There are more males in each age group up to 25 years old, while there are more females in each age group over 25 years old (see Figure 4.1).

Figure 4.1 The New Zealand resident population 2006

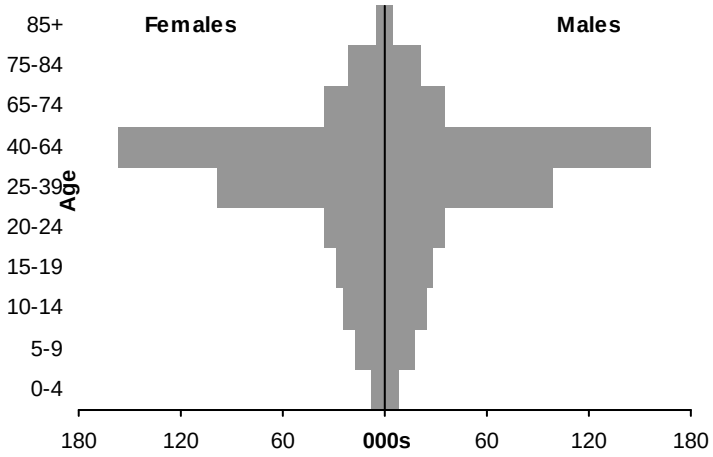


N=4,027,950

[11] This rate is not precise, as the Census numbers are recorded as at Census night in March while the PLT numbers are aggregate statistics to the year ending in December.

Figure 4.2 indicates that the migrant population has a relatively small proportion of people in the younger age groups and a larger proportion of people in the conventional working age groups, particularly the 41 to 64 year old age group.

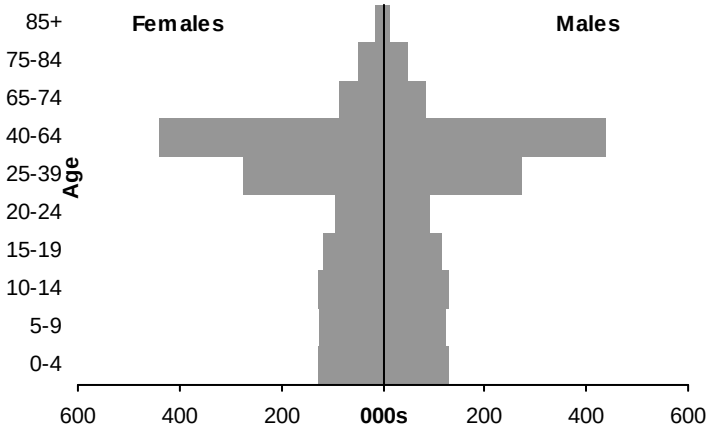
Figure 4.2 The overseas-born New Zealand resident population 2006



n=885,138

Comparing Figure 4.2 and Figure 4.3, it is apparent that the New Zealand-born population has a much more even spread of people across the age groups as shown in Figure 4.3. In addition, there are larger numbers of females than males in the over 18 year old age groups.

Figure 4.3 The New Zealand-born New Zealand resident population 2006



n=2,960,217

The observations above suggest that the overall migrant population could be expected to have a lower per capita impact on government expenditures due to its overall age profile. In particular, the overseas-born population has less than half the number of people in the younger age groups, where education costs are concentrated, compared to the New Zealand-born population. The proportion of the population aged 65 years and over is slightly higher in

the overseas-born population, which may increase the per capita expenditure given this age group tends to have higher per capita health expenditure. This higher expenditure will be offset somewhat as some overseas-born residents would have delayed entitlement to New Zealand Superannuation.

The overseas-born population may also generate higher per capita income tax revenues, as the proportion of the migrant population in the conventional working age groups is higher. In particular, over 70 percent of the migrant population is in the 18-64 year old age group, but the comparable figure for the New Zealand-born population is just under 60 percent.

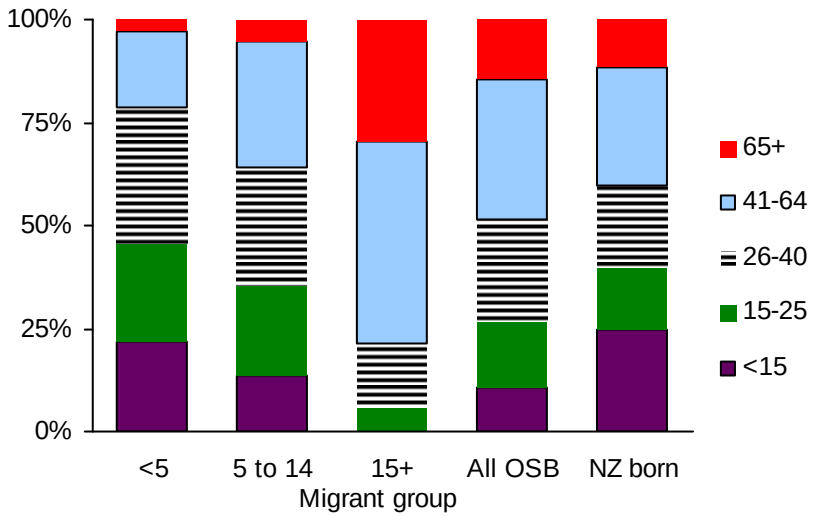
4.3 Migrant profiles by age

Migrants are categorised according to the number of years since their arrival, as at Census night on 7 March 2006.

- Recent migrants arrived in New Zealand between 2001 and 2006.
- Intermediate migrants arrived in New Zealand sometime between 1991 and 2001.
- Earlier migrants first arrived in New Zealand in 1991 or before.

Figure 4.4 shows the age profile of the migrant groups and New Zealand-born population.

Figure 4.4 Composition of population groups 2006



This figure indicates that the overseas-born population has a slightly older age structure than the New Zealand-born population. It also shows that there is substantial variation in the age composition of the various migrant groups.

By definition, the earlier migrant group has no-one aged under 15 years old. However, Figure 4.5, which focuses on people over 15 years and older, reveals that the earlier migrant group

has an older age profile overall. The figure also indicates that for the population aged over 15 years old, the overseas-born population has a relatively similar age structure to the New Zealand-born population.

Figure 4.5 Composition of population groups (age 15+ only) 2006

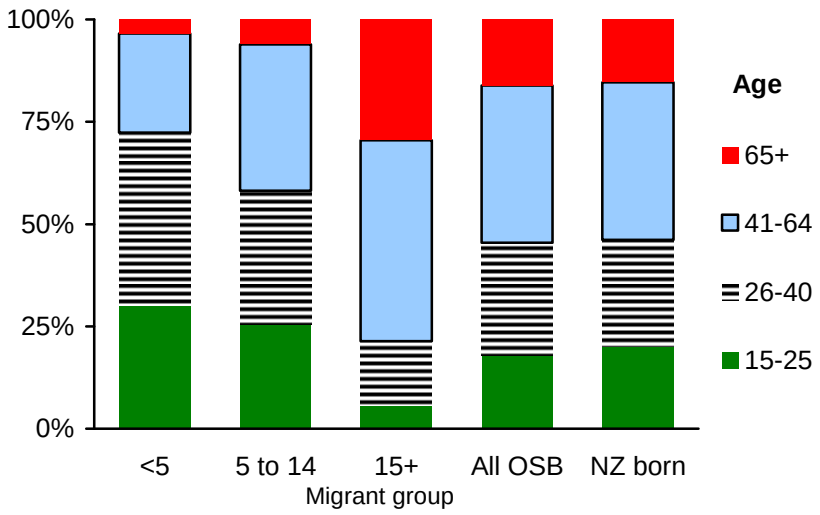
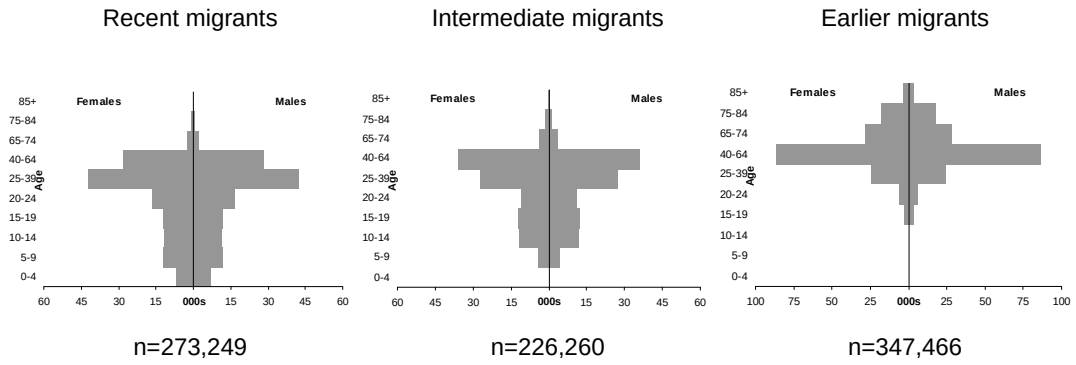


Figure 4.6 depicts the age and gender composition of the different groups within the migrant population.

Figure 4.6 Composition of overseas-born population groups 2006



NB. The scale on the horizontal axis is greater for earlier migrants than the other two groups.

Overall, the recent migrants group has a relatively well-balanced age profile, which is similar to that of the New Zealand-born population. There are more females than males in the 18 to 40 year age range. In contrast to the other migrant groups and the New Zealand-born population, there are more males than females in the 41-64 year old age groups.

Intermediate migrants tend to have an older age profile than recent migrants, with only 20 percent of this group aged under 18 compared to 27 percent for recent migrants and 30 percent for the New Zealand-born. However, this group is likely to have a larger proportion of

children born in New Zealand (and therefore not counted as migrants) than the recent migrant group. Over one quarter of intermediate migrants are clustered in the 26-40 year age range, and with almost another third in the 41-64 year age range. This relatively equal distribution contrasts 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, as shown in Figure 4.3. Approximately one person in twenty in this group is aged 65 plus versus one in ten for the New Zealand population

From a fiscal viewpoint, the intermediate migrants group are likely to have a large positive net impact because this group has a relatively high proportion of working age people. The lower number of people in the younger and older age groups is likely to mean lower education, health and superannuation expenditure, and higher tax revenue than the New Zealand-born.

The earlier migrant group is the largest migrant group, but by definition contains no people aged younger than 15 years old. Furthermore, just under 6 percent of this group is aged under 25 years old. Again, earlier migrant families are likely to have a larger proportion of New Zealand-born children. The large proportion 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.

4.4 Migrant profiles by region of birth

Below, demographic profiles of overseas-born people from the 2006 census are classified by region of birth. The duration groups provide additional detail on the pattern of migrant flows across time. Profiles are shown for the six regions of birth, as defined in section 3.2, and include: Australia, the Pacific Islands, UK and Ireland, Europe and North America, Asia and Other.

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 4.7 below.[12]

[12] Table 4.2 does not include people born overseas but who did not specify a duration of residence or a region of birth (43,779 people in total).

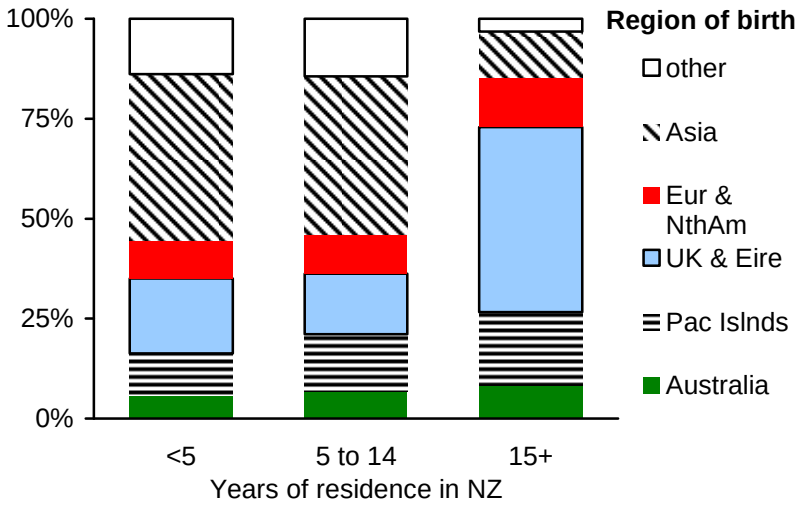
Table 4.2 Migrant population by group and region of birth 2006

	Migrant group			
	<5	5 to 14	15+	Total
Australia	15,588	15,240	28,998	**59,826**
Pac Islnds	28,668	32,250	62,760	**123,678**
UK & Ireland	50,814	33,927	159,723	**244,464**
Eur & NthAm	25,818	22,350	42,828	**90,996**
Asia	113,265	88,695	39,681	**241,641**
Other	37,461	32,325	10,977	**80,763**
All OSB	**271,614**	**224,787**	**344,967**	**841,368**

People born in Asia made up the largest number within the recent migrants group. This sub-group of recent migrants has a 'bottom-heavy' profile with over 30 percent falling in the 12 to 25 year-old age group. This reflects the large number coming from Asia for education.

Recent migrants from all regions of birth have the largest numbers in the 25 to 40 year range, with significant numbers of children indicating families re-locating. The Australian profile differs, with almost double the average rate of children born overseas. This may reflect the influence of Australian-born children who live with their New Zealand-born parents returning to New Zealand.

Figure 4.7 Composition of migrant group by region of birth 2006



Profiles of intermediate migrants again show the largest number of people born in Asia. The majority of intermediate migrants from all regions were in the 26 to 40 year old age group.

Most earlier migrants come from the United Kingdom or Ireland, with the next largest group coming from the Pacific Islands. This indicates that migrants from these regions settle and stay longer than migrants born in other regions. The majority of earlier migrants were in the

41-64 year old age group. This group also contains a significant proportion (29 percent) of people aged 65+.

4.5 Migrant profiles by region of residence

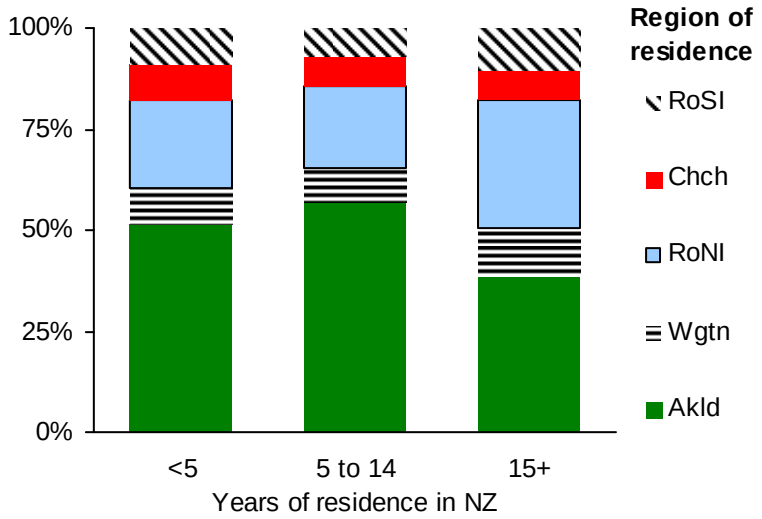
Figure 4.8 shows the breakdown of migrant groups by region of residence in New Zealand.

Overall, most recent migrants arrive and settle in urban and metropolitan areas of New Zealand, with the majority living in Auckland. This trend is even more pronounced for intermediate migrants, where a larger proportion lives in Auckland. Auckland has the lowest net decrease in migrants as duration of residence increases. This may indicate that migrants may settle and remain in Auckland more easily than other regions, or it may indicate that some migrants may shift to Auckland as they become more earlier.

Ultimately, however, the immigrant population tends to shift out of the metropolitan cities of Auckland and Christchurch to Wellington, the Rest of North Island and Rest of South Island regions as it becomes earlier.

As demand for services and revenue change with age, which as shown above is closely correlated with duration of residence, migration is likely to have different fiscal impacts across New Zealand.

Figure 4.8 Migrant population by group and region of residence 2006



5 Study and the Migrant Population

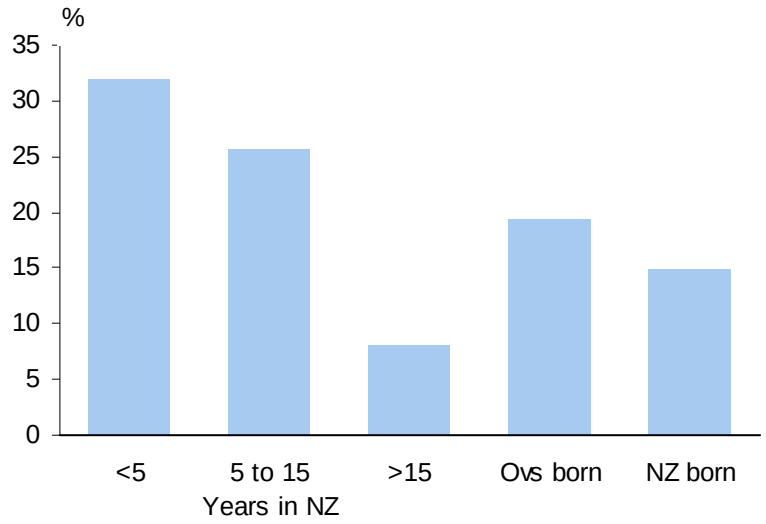
This section examines New Zealand migrants who participated in study. In particular, the section examines whether the migrant population and sub-groups within this population differed in their rate of study compared to the New Zealand-born population.

This section uses a similar method to that used in BERL's 2003 study. It draws on Census 2006 data about usually resident New Zealanders who responded that they had been studying intermediately.

The Census data do not separately identify whether usually resident respondents are FFP students or residents eligible for government subsidised educational services. Therefore, the estimates in this report are likely to overestimate education expenditure by foreign students in New Zealand. That is, some usually resident students would be treated as migrants who receive subsidised education rather than FFP students. Data from Infometrics indicates that there were just over 44,500 full fee paying (FFP) overseas students in New Zealand in 2005, while the Census recorded almost 142,000 overseas-born people engaged in study. While not all FFP students may have recorded New Zealand as their usual place of residence, up to 31.5% of the overseas students recorded in the Census may have been FFP students rather than New Zealand residents receiving government subsidies.

Figure 5.1 below shows the mix of resident migrants and New Zealand-born aged 15 years old and over intermediately engaged in study. The rate of study by migrants overall (at just over 19 percent) was higher than the New Zealand-born (just under 15 percent). There were substantial differences in study participation amongst the overseas-born population according to their duration of residence in New Zealand.

Figure 5.1 Proportion of population groups participating in study (age 15+) 2006



5.1 Study amongst recent migrants

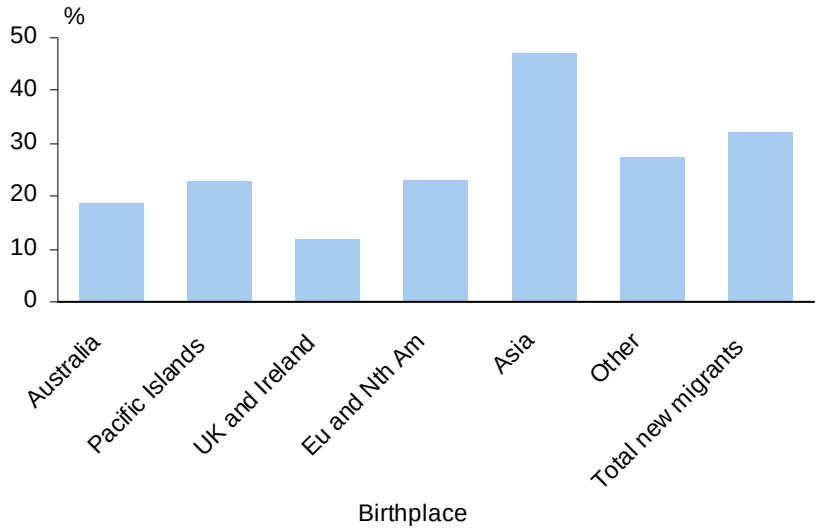
Figure 5.1 shows that recent migrants had a relatively higher rate of study (at 32 percent) than migrants who have been in New Zealand for a longer period of time. The higher rate of study was related to the age composition of recent migrants. The recent migrant group had a younger age profile than more earlier migrants. The average age of recent migrants was approximately 29 years old, while the average age for intermediate migrants was 35 and for earlier migrants it was 54. In additional to the age profile of recent migrants, this group was more likely to enrol in English-language courses.[13]

Figure 5.2 below shows the region of birth of recent migrants and their respective rates of study. This figure is based on the overseas-born population aged 15+; it has not been adjusted to allow for the correlation between age and schooling. Some of the apparent differences in rates of study could be a direct result of the differing age composition of recent migrants across the region of birth sub-groups, as opposed to reflecting inherently different behavioural characteristics of the population groups. Nonetheless, the figure 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.

[13] This group may also include foreign full fee paying (FFP) students, who are not migrants but are included in the census data as they identified New Zealand as their country of usual residence. This problem is expected to be most pronounced for the recent migrant estimates. However, any distortion to the estimated fiscal impacts is limited by the number of non-immigrant FFP students that were recorded as usually resident. Education data suggest that approximately 60 percent of foreign students enrol in courses of study lasting less than 12 months. The Census Guide Notes indicate overseas residents staying in New Zealand for less than 12 months should record their home country address as their usually resident address.

FFP students misallocated as migrants will 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 full fee paying students. Equivalently, such students will also generate GST and income tax revenue. Therefore the net fiscal impact of international students is likely to be underestimated.

Figure 5.2 Proportion of recent migrants studying by region of birth (age 15+) 2006



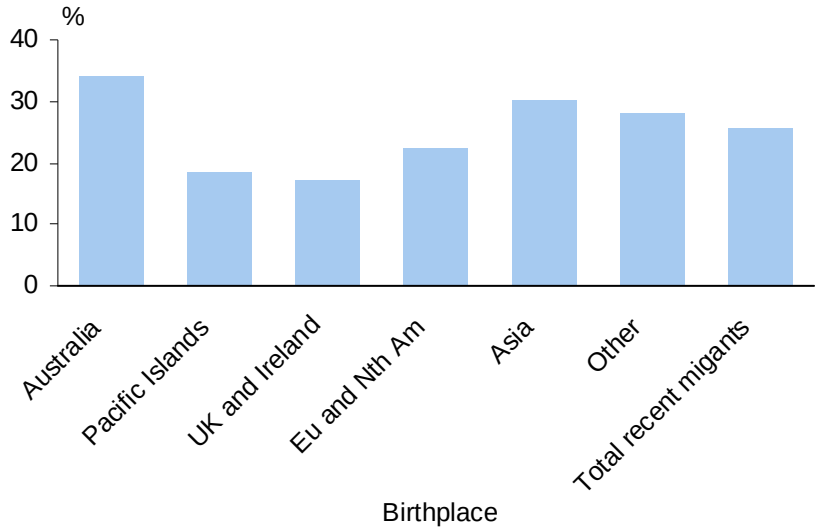
Recent migrants from Asia had the highest rate of study (47 percent) amongst recent migrants.

5.2 Study amongst intermediate migrants

Study participation rates amongst the intermediate migrant group were less diverse across the region of birth sub-groups than among recent migrants. The Australian group had the highest participation rate (34 percent), followed by the Asian migrant population (30 percent), as shown in see Figure 5.3.

These participation rates suggest that the family structure of migrants to New Zealand may also play 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 explain why the recent Australian migrants had a relatively low rate of study but intermediate (and also earlier) migrant Australians had a relatively higher rate of study.

Figure 5.3 Proportion of intermediate migrants studying by region of birth (age 15+) 2006



5.3 Study amongst the 15-25 year age cohort

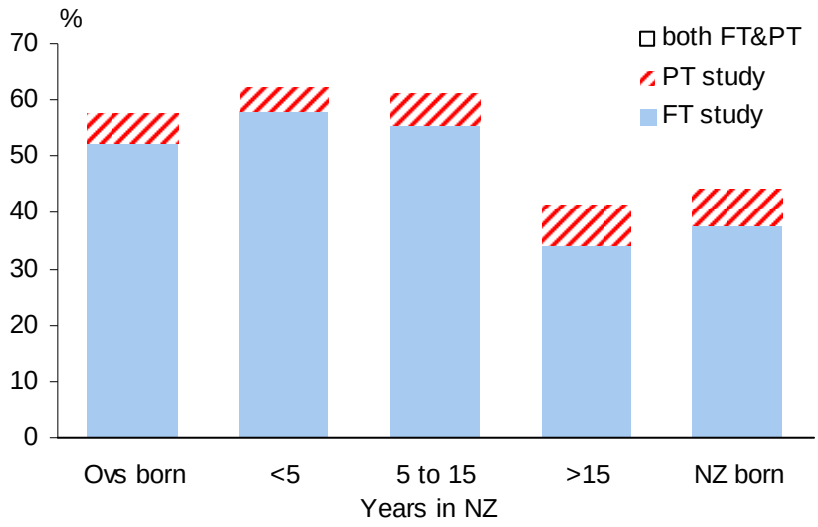
The discussion above suggests that the age composition of the migrant population and its sub-groups is a significant influence on study participation rates. The following discussion examines this influence by examining the 15 to 25 year age cohort. This range predominantly focuses on post-secondary school study and allows investigation of differences between recent, intermediate and earlier migrants.

Figure 5.4 below shows the proportion of the New Zealand and overseas-born populations within the 15-25 year cohort participating in study. The overseas-born population within this age group is further disaggregated by the length of residence in New Zealand.

Overall, the migrant population had an average rate of study of 58 percent. The recent and intermediate migrant groups in the 15-25 year cohort had similar rates of study (62 and 61 percent, respectively), but they differed markedly from the rate amongst the earlier migrant group (at 41 percent). This implies those who were 10-20 years of age when they migrated to New Zealand had a much higher propensity to remain in some form of study after secondary school than the earlier migrant population.

Figure 5.4 shows that the rate of study by earlier migrants was similar to the rate for the New Zealand-born (44 percent). The figure also indicates almost no people engaged in full- and part-time study simultaneously, which is a notable change from the 2003 study.

Figure 5.4 Proportion of 15-25 year cohorts participating in study 2006

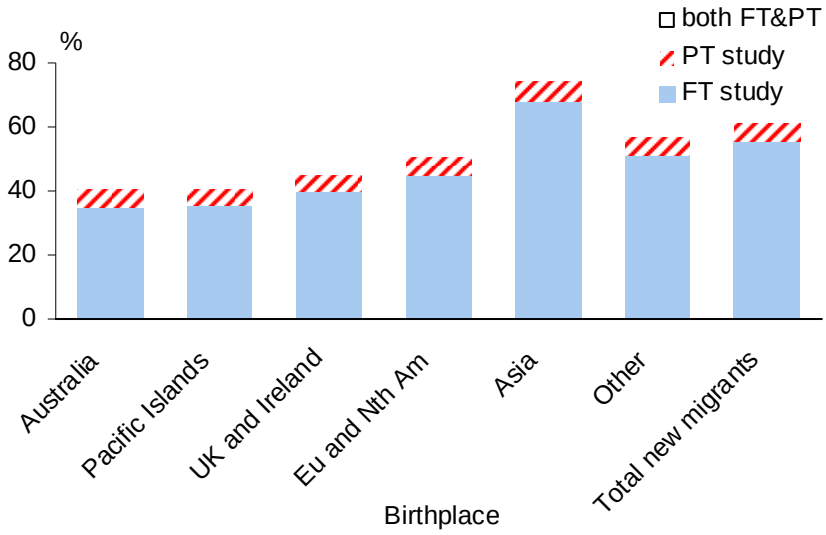


FT = full time; PT = part time

Figure 5.5 below shows the rates of study of the recent migrant population in the 15-25 year age cohort. This population group also had a higher rate of study than any other population group. The figure indicates that study rates were reasonably consistent across the different regions of birth, excepting the Asian migrant population.

Almost three out of four recent Asian migrants were engaged in study (at a rate of 73 percent). This rate was substantially higher than the next highest two groups of recent migrants from Europe/North America and 'Other', at 49 and 57 percent, respectively. Recent Australian (41 percent), Pacific Island (41 percent) and UK/Irish (44 percent) immigrants had rates of study that were similar to the New Zealand-born rate (44 percent) compared to recent migrants from the remaining regions.

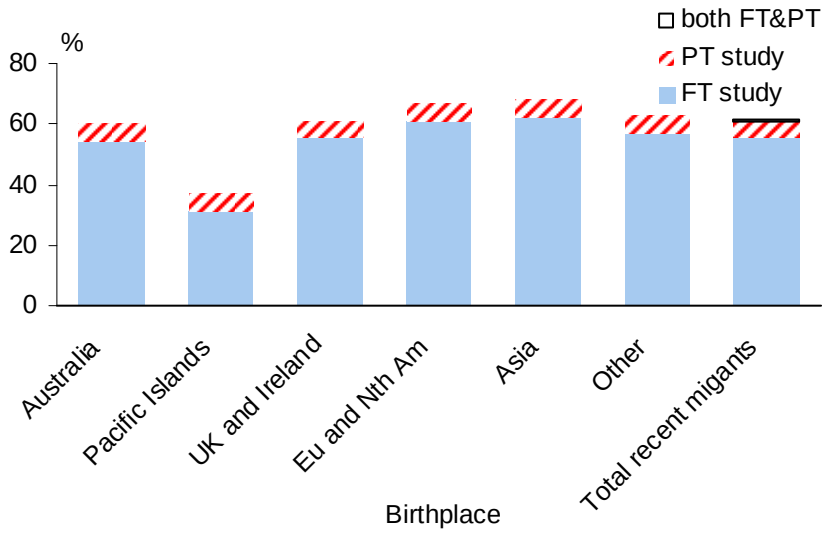
Figure 5.5 Proportion of 15-25 year old recent migrants studying by region of birth 2006



FT = full time; PT = part time

The study participation profile changes markedly for intermediate immigrants, as shown in Figure 5.6 below. This figure indicates the rates of study were reasonably consistent across the region of birth sub-groups, with only the population from the Pacific Islands showing a relatively low rate of study.

Figure 5.6 Proportion of 15-25 year old intermediate migrants studying by region of birth 2006



FT = full time; PT = part time

5.4 Summary of migrants' participation in study

Overall, migrants had a higher rate of participation in study than the New Zealand-born population. This difference was most obvious in the recent and intermediate migrant population, while earlier migrants tended to have a lower participation rate than the other two migrant populations and the New Zealand-born population.

Examination of study participation rates by those aged 15 and over indicates that migrants from Asia had significantly higher rates of study than any other group. Europe/North America and 'Other' also had higher rates of study than migrants from other regions and their New Zealand-born counterparts.

A second observation is lower participation in post-compulsory study by migrants born in the Pacific Islands. The participation rate was not significantly altered as these migrants transitioned from recent to intermediate status. This contrasts with the overall study participation rate of recent and intermediate Pacific Island migrants, which falls from 23 to 18 percent.

6 Occupation and the Migrant Population

This section examines the occupational characteristics of New Zealand working age immigrants (aged 15 years plus). This section analyses nine different occupation groups[14], according to a migrant's region of residence, region of birth and length of residence in New Zealand. The discussion also makes comparisons with the New Zealand-born population.

6.1 Overview

Overall, the number of migrants currently in the labour force and employed was 476,000, excluding those who were either unemployed or not in the labour force (340,000). Apart from the 'No occupation' category[15] from the census, the professionals category was the largest occupation category for migrants, accounting for about 18 percent.[16] This is followed by 16 percent in legislators, administrators and managers category and 14 percent in service and sales workers category.

The top three occupations among the New Zealand-born population were legislators, administrators and managers (14 percent), professionals (14 percent) and service and sales workers (13 percent). This reflects New Zealand's economic conditions and the focus on those three occupation categories. Only 3 percent of the total migrants were agriculture and fishery workers, compared to the 8 percent in the New Zealand-born population. The rest of the occupations account for almost the same percentages in both the New Zealand and overseas-born populations.

[14] The study uses eleven occupation categories in total; nine of these categories relate to specific occupations. The eleven categories are: legislators, administrators and managers; professional; technicians and associate professionals; clerks; service and sales workers; agriculture and fishery workers; trades workers; plant and machine operators and assemblers; labourers and related elementary service; not elsewhere included and no occupation.

[15] 'No occupation' means unemployed or not in the labour force.

[16] Occupational category percentages reported in this section are calculated excluding the 'No occupation' category.

Table 6.1 Occupation summary 2006

NZ born	OVERSEAS BORN TOTAL		Overseas born : years in NZ		
			less than 5	between 5 and 14	15 or more
	Occupation (000)				
215	Legislators, Admin's and Mgr's	69	16	19	33
206	Professionals	86	24	26	37
180	Technicians and Associate Prof'ls	60	17	17	26
168	Clerks	51	14	13	23
203	Service and Sales Workers	66	22	19	25
114	Agriculture and Fishery Workers	16	4	3	8
133	Trades Workers	35	10	8	17
119	Plant & Machine Oper'rs and Assmblr's	31	7	8	16
94	Lab'rs and Elem'ntry Service Wrkrs	28	8	7	13
78	Not Elsewhere Included	35	11	9	15
729	No occupation (*)	340	96	80	163
2238	Total	816	230	210	376

* unemployed or not in the labour force

In terms of the length of residence in New Zealand, there were slightly fewer recent migrants in the legislator, administrator and manager category (12 percent), compared to the average of total migrants (14 percent). However, more recent migrants worked as service and sales worker (16 percent), whereas the average of total overseas-born was 14 percent. Intermediate and earlier migrants had the same occupational mix as the average, with the exception of fewer earlier migrants working as service and sales workers.

Table 6.1 indicates that the New Zealand-born population had the lowest proportion of people unemployed or not in the labour force (33 percent). The equivalent proportion for the recent migrant category was 42 percent. This rate dropped for intermediate migrants to 38 percent, before rising to 43 percent for earlier migrants. The higher rate for the latter category is likely to reflect the older age profile of this group rather than a lower propensity for employment amongst the conventional working age cohort in this population.

6.2 Occupation by region of birth

The region of birth has seven categories – Australia, Pacifica Islands, The United Kingdom and Ireland, Europe and North America, Asia, Other and Not specified. Generally speaking, the legislator, administrator and manager, and professional categories were the top two occupations except for Pacific Island-born migrants. Technicians and associate professionals was also a large occupation category, employing a large percentage of migrants across all the region of birth categories.

Table 6.2 gives the proportion of people reporting a particular occupation by region of birth

Table 6.2 Occupation by region of birth 2006 (percent)

NZ born		OVERSEAS BORN TOTAL	Overseas born : region of birth						
			Australia	Pacific Islands	The United Kingdom and Ireland	Europe and North America	Asia	Other	Not specified
	Occupation %								
14	Legislators, Admin's and Mgr's	14	16	7	18	15	14	14	11
14	Professionals	18	16	9	22	22	16	24	11
12	Technicians and Associate Prof'ls	13	13	8	15	14	11	14	9
11	Clerks	11	11	10	11	9	11	11	8
13	Service and Sales Workers	14	15	13	10	12	19	13	13
8	Agriculture and Fishery Workers	3	5	2	4	5	2	3	3
9	Trades Workers	7	8	9	8	7	5	8	8
8	Plant & Machine Oper'rs and Assmblr's	7	5	16	4	4	6	4	7
6	Lab'rs and Elem'ntry Service Wrkrs	6	5	13	4	4	6	4	7
5	Not Elsewhere Included	7	4	13	4	7	9	5	22
100	Total	100	100	100	100	100	100	100	100

There were almost 50,000 Australian born migrants in New Zealand, of which 66 percent were employed and 34 percent were either unemployed or not in the labour force. The majority of Australian born migrants worked as legislators, administrators and managers (16 percent), professionals (16 percent) and service and sales workers (15 percent). These occupations were also the top three amongst the total overseas-born population. More Australian born migrants preferred legislation, administration and managing and service and sales jobs, at 2 percent more than the overseas-born average in New Zealand. Only 4,000 Australian born migrants worked in the labourer and related elementary services and plant and machine operating and assembling fields, accounting for around 10 percent altogether.

As for the Pacific Island-born migrants, 58 percent were in the labour force but with a slightly different preference in terms of occupation. 16 percent were plant and machine operators and assemblers; 13 percent were services and sales workers; and 13 percent were labourers and related elementary service workers. Very few Pacific Island-born migrants worked as legislators, administrators and managers, accounting for only 7 percent.

With 239,000 migrants from the United Kingdom and Ireland, this region was the largest source of New Zealand migrants. 60 percent of these migrants (141,000) had employment. 22 percent of the migrants from this region of birth worked as professionals, 18 percent were legislators, administrators and managers, and 15 percent were technicians and associate professionals. These percentages were higher than the overseas-born averages of 18 percent, 14 percent and 13 percent, respectively.

Migrants from Europe and North America had similar occupational preferences, with a large percentage working as professionals (22 percent), legislators, administrators and managers (15 percent) and technicians and associate professionals (14 percent). A relatively small number of the migrants born in the regions of United Kingdom and Ireland and Europe and

North America undertook jobs in plant and machine operating and assembling and labour and related elementary services.

Asian born migrants were the second largest group in the overseas-born population with 233,000 migrants in New Zealand. Almost 16 percent of these migrants worked as professionals, which was 2 percentage points lower than the total overseas-born average. Service and sales (19 percent) and legislation, administration and managing (14 percent) jobs were popular amongst Asian born migrants. The rate of service and sales jobs amongst Asian migrants was over 5 percentage points higher than the overseas-born average.

6.3 Occupation by region of residence

Overall, legislators, administrators and managers and professionals were the two largest occupations among overseas-born populations across all the country. Although regional difference still existed in terms of absolute numbers, there was no major difference with regard to the percentage of each occupation in a particular region. Moreover, the New Zealand-born population and overseas-born population had similar occupation preferences, according to their percentages in each region.

Table 6.3 Occupation in Auckland 2006

NZ born		OVERSEAS BORN TOTAL		Overseas born :years in NZ		
				less than 5	between 5 and 14	15 or more
	Occupation (000)					
59	Legislators, Administrators and Managers	33		8	9	16
54	Professionals	39		11	12	16
48	Technicians and Associate Professionals	30		9	8	13
41	Clerks	27		8	7	12
38	Service and Sales Workers	31		10	9	12
4	Agriculture and Fishery Workers	2		0.5	0.5	1.1
26	Trades Workers	17		5	4	8
16	Plant and Machine Operators and Assemblers	17		4	4	9
16	Labourers and Related Elementary Service Work	15		4	4	7
13	Not Elsewhere Included	17		5	4	7
142	No occupation	157		44	37	75
458	Total	384		108	99	177

The Auckland region employed 227,000 migrants, and employed the largest proportion of the overseas-born population (48 percent) out of the five regions. Professionals (17 percent), legislators, administrators and managers (15 percent) and service and sales workers (14 percent) were the top three occupations for overseas-born migrants in this region. More recent migrants worked in this region as technicians and associate professionals (14 percent) and service and sales workers (16 percent), compared to the averages of 13 percent and 14 percent, respectively. Fewer recent migrants worked in the areas of legislation,

administration and managing; the rate for this group was over 2 percentage points lower than the regional average of overseas-born population. Intermediate and earlier migrants had similar occupation choices, with legislators, administrators and managers, professionals and technicians and associate professionals making up the top three. These choices were similar to those of New Zealand-born.

Wellington, as the capital city, had a high proportion of the population employed as professionals and legislators, administrators and managers, with 23 percent and 15 percent, respectively, for the overseas-born population and 21 percent and 17 percent, respectively, for the New Zealand-born population.[17] Around 14 percent of total migrants in Wellington worked in the field of services and sales. In particular, the recent migrants, worked in this area, accounted for 17 percent of the total migrant population in Wellington. The number of migrants working in agriculture and fishery was about 0.6 percent in Wellington, lower than that in Auckland (0.9 percent).

In Christchurch, the top three occupations were legislators and administrators and managers, professionals and services and sales workers for both New Zealand-born and overseas-born population.[18] Over 20 percent of the intermediate migrants were working as professionals in Christchurch, significantly higher than proportion in the New Zealand-born population (15 percent).

The rest of New Zealand (i.e. the Rest of North Island and Rest of South Island regions) had similar percentages as in the regions described above, with a large proportion working as legislators, administrators and managers and professionals.[19] The service and sales occupations also employed a large percentage of migrants.

Among the top three occupations, there were more earlier migrants working in the fields of legislation, administration and management, but more recent migrants working as service and sales workers. As the duration of residence in New Zealand increases, migrants tend to have more similar occupations to the New Zealand-born population. In other words, earlier migrants made almost the same occupational choices as the New Zealand-born.

[17] Detailed data may be found in Appendix Table 15.

[18] Detailed data may be found in Appendix Table 16.

[19] Detailed data may be found in Appendix Table 17 and Appendix Table 18.

7 The Fiscal Impact

7.1 Overview

This section summarises the fiscal impact calculated for migrants to New Zealand. The summary includes commentary plus key tables. Appendix 12, beginning on page 83, contains a full set of impact tables, including the tables in this section for ease of reference.

7.1.1 Summary

Aggregate impacts of the migrant population are summarised below, with a numerical summary given in Table 7.1. [20]

The migrant population contributed:

- income tax revenue of $4,794 million (the comparable New Zealand-born figure was $15,284m, which is given in the left-hand column of Table 7.1 below).
- GST revenue totalled $2,741m.
- petrol, alcohol and tobacco excise revenue totalled $567m.

The total contribution of the migrant population to government revenue was $8,101m.

Government expenditure on the migrant population included:

- education spending of $1,036m, of which 58 percent was for primary and secondary education.
- health spending totalling $2,165m.
- New Zealand Superannuation spending of $755m.
- Work and Income benefit payments of $741m, including $151m for unemployment benefits, $197m for domestic purposes benefits, $117m for sickness benefits and $98m for invalids' benefits. Supplementary benefits amounted to $179m.
- student allowances of $115m.

The total impact of the migrant population on government expenditure was $4,813m.

The net fiscal impact of the migrant population was $3,288m. This indicates that the migrant population's contribution to government revenue exceeded government expenditure on the migrant population. This compares to a net $2,838m for the New Zealand-born population.

Table 7.1 details the fiscal impact of the total overseas-born migrant population, along with comparable figures for the New Zealand-born population.

The three right-hand columns of this table split total migrant fiscal impacts according to the length of residence in New Zealand, i.e. migrant groups recent (less than five years), intermediate (five to fourteen years) and earlier (fifteen years plus).

Table 7.1 Summary of fiscal impacts 2006 ($m)

NZ born		OVERSEAS BORN TOTAL		Overseas born : years in NZ: less than 5	between 5 and 14	15 or more
	2005/06 $m					
	GOVERNMENT REVENUE					
15284	Income tax	4794		1075	1189	2530
7836	GST	2741		723	709	1309
1635	Petrol, alcohol & tobacco excises	567		147	145	275
24755	Income tax, GST & excises		8101	1945	2043	4113
	GOVERNMENT EXPENDITURE					
616	Early childhood educ	43		42	1	0
3101	Prim'y & sec'y schools	560		310	239	11
1250	Tertiary institutions	433		177	130	126
4967	EDUCATION		1036	529	370	137
6870	HEALTH		2165	492	438	1235
5660	NATIONAL SUPER		755	0	59	697
563	Unemployment benefit	151		32	64	55
2695	Other main benefits	412		31	134	247
927	Supplementary benefits	179		21	66	91
4185	WORK AND INCOME		741	84	264	393
236	STUDENT ALLOWANCES		115	40	52	23
21917	Education, Health, NS, Stdt allows, Benefits		4813	1145	1184	2485
2838	**NET IMPACT (*)**		3288	801	859	1628

* The Net Impact refers to the revenue and expenditure categories explicitly identified in the table only.

Income tax from overseas-born people was the largest component of the fiscal impact of migrants during 2005/06. Income tax revenue alone would cover almost all (over 90 percent) of total government expenditure on the migrant population. Notably, while the migrant population's income tax revenue (in real dollar terms) increased between the 2003 study and 2006, GST revenue has just over doubled.

[20] After reallocating people who had an unspecified birthplace as noted in section 3.2, the overseas born migrant population contains 927,000 people and the New Zealand-born population contains 3.1m people.

Overall, the 927,000 overseas-born residents contributed income tax of approximately $5,170 per head. This compares with income tax revenue of $4,929 per head by the 3.1m New Zealand-born population.

In contrast to BERL's 2003 assessment, however, the GST contribution has climbed to 34 percent from 21 percent of migrants' contribution to government revenue.

Table 7.2 spreads total estimated expenditure and revenue across the relevant population group to provide per capita ($pc) figures.

Table 7.2 Per capita fiscal impact, 2006 ($pc)

NZ born		OVERSEAS BORN TOTAL		Overseas born : years in NZ: less than 5	between 5 and 14	15 or more
	2005/06 $ per head					
	GOVERNMENT REVENUE					
4929	Income tax	5170		3596	4799	6651
2527	GST	2956		2416	2864	3440
527	Petrol, alcohol & tobacco excises	611		492	585	722
7984	Income tax, GST & excises		8737	6504	8248	10813
	GOVERNMENT EXPENDITURE					
199	Early childhood educ	46		140	4	0
1000	Prim'y & sec'y schools	604		1037	966	29
403	Tertiary institutions	467		591	526	331
1602	EDUCATION	1117		1767	1495	360
2216	HEALTH	2335		1644	1770	3246
1825	NATIONAL SUPER	815		0	237	1832
181	Unemployment benefit	163		108	258	145
869	Other main benefits	444		104	540	648
299	Supplementary benefits	193		70	268	240
1350	WORK AND INCOME	800		282	1066	1033
76	STUDENT ALLOWANCES	124		133	211	61
7068	Education, Health, NS, Stdt allows, Benefits		5191	3826	4779	6532
915	**NET IMPACT (*)**		3547	2677	3469	4281
3101	**Population (000)**		927	299	248	380

Table 7.1 shows that all three migrant groups (by duration of residence) had positive net fiscal impacts and that the total net impact climbs as duration of residence increases. Table 7.2 shows a similar picture to the total estimates, but takes into account the difference in populaiton group size. The net fiscal impact per head for recent migrants was $2,677, for intermediate migrants it was $3,469 and for earlier migrants it rises to $4,281. The comparative net fiscal impact figure for the New Zealand-born population is also positive, although significantly lower at $915 per head. This reflects differences in population

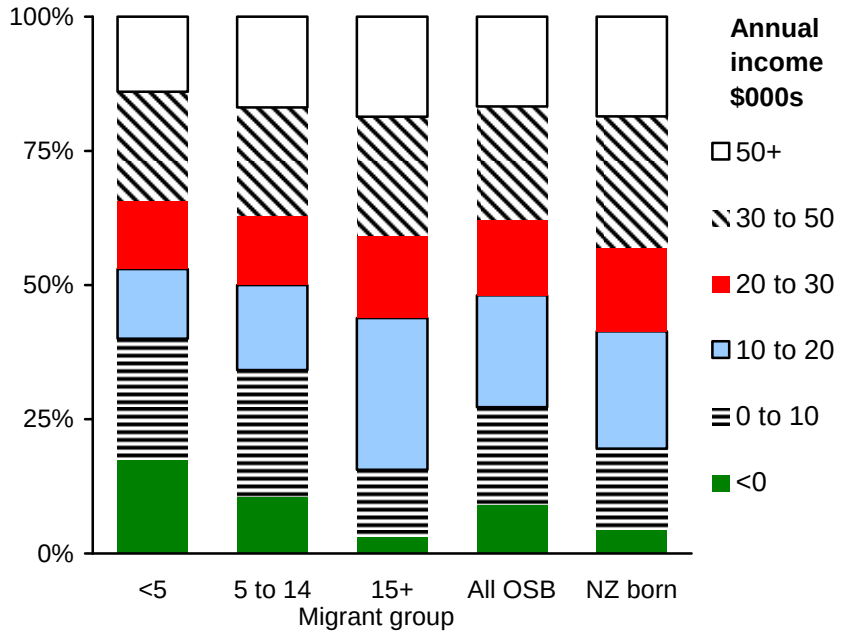
demography and benefit entitlement. For example, the proportion of the New Zealand-born population aged less than 18 years old was twice as high as for the migrant population (30 percent versus 15 percent).

7.2 Contribution to income tax revenues

Income tax revenue from the various sub-groups of the population reflects their respective incomes. A group's age profile typically underlies its income profile, as it reflects the proportion of working age people and where they are distributed along their lifecycle income path. A population group with a large proportion of working age people is likely to generate a higher per capita contribution (all other things the same). Further, income rises with age (due to experience) across a person's working lifecycle before declining with retirement (as labour force participation drops off).

Figure 7.1 below shows the relative income earnings of the various migrant groups. This picture is broadly consistent with the age breakdown in Figure 4.5 on page 28. Migrants aged 15 to 25 years old accounted for 16 percent of the migrant population and 14 percent of migrants earned $20,000-$30,000pa. Migrants between 41 and 64 years old accounted for 34 percent of the migrant population and 38 percent of migrants earned $30,000+ per annum. The broader group of migrants aged between 18 and 65 years of age (reflecting a classic working lifecycle) accounted for 71 percent of all migrants resident in New Zealand in 2006, while 61 percent of migrants earned more than $15,000 per annum.

Figure 7.1 Proportions, by income, of each population group (age 15+), 2006



Key features of the income tax profile of migrant and New Zealand-born residents include:

- Per capita income tax by the overseas-born population was approximately $5,170, compared to $4,930 by the New Zealand-born population. The age structure of the two populations is one factor contributing to higher per capita income tax by overseas-born residents. Approximately 71 percent of overseas-born residents were in the conventional working lifecycle group of 18 to 64 years of age while the comparative figure for people born in New Zealander was 59 percent. This indicates that there was a greater proportion of earning and higher earning people in the migrant population than in the New Zealand-born population.

- After allowing for the difference in age structure, per capita income tax for migrants in the conventional lifecycle age range of 18 to 64 years old was approximately $7,280 and $8,400 for New Zealand-born residents.

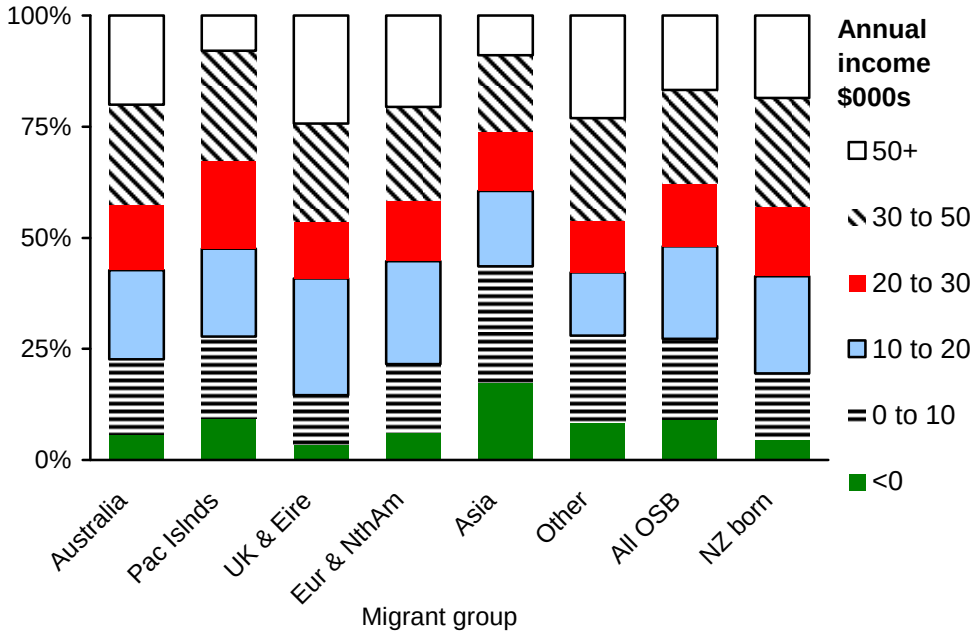
- The difference in per capita tax revenue reflects a lower proportion of overseas-born residents in the higher income bands. Approximately 48 percent of migrants earned $20,000pa or less, while the comparable figure for New Zealand-born residents was 41 percent.

- The proportion of migrants in higher income bands increases with duration of residence, indicating that recent migrants may experience some disruption to their career or earnings, but this effect dissipates as they become earlier. Per capita income tax revenue rises from $3,600 for recent migrants to $6,650 for earlier migrants. This is similar to the finding in the 2003 study, where earlier migrants contributed approximately 35 percent more to income tax revenue per capita than the New Zealand-born.

7.2.1 Income tax revenues by region of birth

The fiscal impact on income tax revenues of migrants differ substantially by their region of birth and by duration of residence.

Figure 7.2 Proportions of income according to region of birth (age 15+), 2006



Overall, migrants from Australia, the UK and Ireland have a similar income profile to New Zealand-born residents. Migrants from Asia and the Pacific Islands tended to have a lower income profile with 61 percent and 48 percent, respectively, earning $20,000pa or less. The finding for Asian migrants is likely to reflect the high proportion of Asian migrants engaged in study. The finding for Pacific Island migrants is consistent with the occupational analysis in section 6, which showed that these migrants mainly tend to hold elementary or service jobs involving lower skill levels with proportionately fewer holding professional jobs.

Duration of residence, however, has a strong effect on the earning profile of each regional group. For example, per capita income tax revenue from recent Pacific Island migrants was $2,770 and for recent Asian migrants it was $2,680. Once these groups reside in New Zealand fifteen years or more and become earlier, however, the level is almost two thirds higher for Pacific Island migrants to $4,510 and more than doubles for Asian migrants to $6,380.

These changes may reflect skill accumulation by Pacific Island migrants, and post-study employment by Asian migrants. This pattern also appears to reflect a stronger increase in labour force participation relative to other migrant groups as duration of residence increases, particularly for Asian migrants. For example, the proportion of Asian migrants with no occupation drops 12 percent (from 50 percent to 44 percent of the population group) between being a recent migrant and a intermediate migrant.

Census figures also indicate that the proportion of people unemployed or not in the labour force fall consistently for Pacific Island and Asian immigrants as the duration of residence

increases, while for migrants as a whole this rate falls and then rises (as people move into retirement). Census figures also show that approximately 31 percent of recent Pacific Island migrants and 32 percent of recent Asian migrants had no income or did not state their source of income. These rates drop to 17 percent and 16 percent, respectively, for intermediate migrants from these regions of birth, and to 9 percent and 7 percent for earlier migrants.

The per capita income tax contribution of UK and Ireland migrants rises rapidly between arriving ($9,840) and residing in New Zealand for 5 years or more ($8,250). Migrants from this region appear to settle in to the labour market relatively quickly, however, as the contribution for a intermediate migrant is similar to that for an earlier migrant (at $7,320). The change between these two groups is likely to reflect differences in age composition rather than how long they have resided in New Zealand. Approximately 36 percent of intermediate migrants from the UK and Ireland were aged 41-64 while the comparable figure for earlier migrants was a third higher at 48 percent.

7.2.2 Impact on GST revenue

GST accounted for just over one third (34 percent) of migrants' contribution to fiscal revenue, which is slightly higher than the proportion by the New Zealand-born population (32 percent). This proportion falls with duration of residence from 37 percent for recent migrants to 32 percent for earlier migrants, which is approximately the same proportion as that for New Zealand-born residents.

GST per capita was $2,960 for the resident migrant population and $2,530 for the New Zealand-born population.

GST revenue rises substantially as migrants become earlier, which reflects the increase in average income, and therefore purchasing power, with duration of residence. GST per capita for recent migrants sat at approximately $2,420, rising to $2,860 for intermediate migrants and doubling to $4,940 for earlier migrants.

The proportion of fiscal revenue from GST rises less quickly than income tax. This is partly a reflection of the regressive nature of GST (and the progressive nature of income tax). That is, consumption expenditure tends to use a larger proportion of income the lower the person's income. Therefore, the incidence of GST tends to be higher for people on lower incomes.

7.3 Impact on fiscal expenditure

The analysis of fiscal spending covers education, health and welfare benefits. The impact of migrants on fiscal spending is driven by underlying demand factors such as age, family status, and participation in education and labour markets. The fiscal impact of these

demands, however, is mediated by eligibility constraints which tend to reduce their impact in the early years of their residence in New Zealand relative to their New Zealand-born cohorts.

7.3.1 Education and student allowances

Table 7.1 on page 46 outlines education expenditure estimated for migrants. Total education expenditure for overseas-born New Zealand residents was $1,036m. This was comprised of $529m for recent migrants, $370m for intermediate migrants and $137m for earlier migrants. Total education expenditure for the New Zealand-born was almost five times greater at $4,967m.

Allowing for the differences in population group size, the expenditure differences remain apparent in the per capita estimates, as shown in Table 7.2. Total education expenditure per person overall was approximately $1,120, with splits of $1,770 for recent migrants, $1,500 for intermediate migrants and $360 for earlier migrants. The equivalent figure for people born in New Zealand was $1,600.

One factor behind the difference in per capita levels is the age structure of the three duration categories of overseas-born and New Zealand-born residents, and the corresponding impact on education participation rates. Overall, 15 percent of the migrant population was under 18 years old versus 30 percent of the New Zealand-born population. Those aged 18 or less accounted for 27 percent of recent migrants, 20 percent of intermediate migrants, and only 1 percent of earlier migrants. This structure reflects the absence from the earlier migrant category, by definition, of people aged under 15 years old.

The New Zealand-born had higher per capita education expenditure of $1,600. The difference between the overseas-born and New Zealand-born levels reflects the proportion of people in the age groups where education is compulsory. As a result, the New Zealand-born had substantially higher early childhood and primary/secondary education expenditure per capita, which tends to raise the per capita education figures for the New Zealand-born. This effect pulls up the New Zealand average despite the higher participation by migrants in post-compulsory education.

Table 7.2 indicates that student allowances were highest for recent and intermediate migrants, with per capita levels of $133 for recent migrants and $211 for intermediate migrants. Taken alongside the estimates of tertiary education expenditure, these figures suggest that a large number of migrants may come to New Zealand to study or move into tertiary education shortly after settling in New Zealand. Due to high participation in tertiary education amongst migrants overall, the per capita student allowance figure for migrants ($124) was greater than that for the New Zealand-born ($76).

7.3.2 Health and New Zealand Superannuation expenditure

Health care and superannuation expenditure is closely tied to the age structure of a population. This reflects underlying demand factors and eligibility criteria. Health expenditure tends to fall after the first few years of life before rising rapidly towards the end of a person's lifecycle. Relative to young to middle aged adults, health expenditure per person for 0-4 year olds is almost three quarters higher. It is over five and a half times higher for those aged 65 plus.

Due to these expenditure relativities, the impact on health spending from the overseas-born population group totalled $2,165m (comprising $492m, $438m and $1,235m for recent, intermediate and earlier migrants, respectively) compared to $6,870m for the New Zealand-born, as detailed in Table 7.1.

The large proportion of total migrant health expenditure by the earlier migrant group translates through to the per capita estimates of health expenditure, as shown in Table 7.2 above. Per head health expenditure for earlier migrants was $3,250. This is almost two fifths higher than the overall average for the overseas-born of $2,340. Taking all three migrant groups together, the overall average for overseas-born is slightly higher than the figure for the New Zealand-born population of $2,220.

Overall, New Zealand Superannuation expenditure for immigrants was $815 per person. [21] This expenditure, however, was concentrated in the earlier migrant group (at $1,830) compared to intermediate migrants ($237) and recent migrants[22] ($0). This concentration reflects the older age structure of earlier migrants and that earlier migrants are more likely to meet New Zealand eligibility requirements than the intermediate migrant group (recent migrants are not eligible). The figure for earlier migrants is comparable to that for the New Zealand-born ($1,830), as shown in Table 7.2.

7.3.3 Work and Income benefits

Overall, total benefit expenditure on immigrants was $741m compared with just under $4,185m from the New Zealand-born population (Table 7.1).

The largest expenditure component was on other main benefits ($412m), which conflate the Sickness Benefit ($117m), Domestic Purposes Benefit ($197m) and Invalids Benefit ($98m). Supplementary benefits to migrants accounted for $179m of expenditure, and migrants received $151m of Unemployment Benefit payments.

[21] These calculations include expenditure on those aged 65+. The figure is divided across the entire population group to provide a per capita estimate.

[22] Recent migrants are Ineligible as they do not meet the 10 year residency requirement.

Other main benefit expenditure shows rising per capita levels as migrants become earlier. The levels are $104, $540 and $648 for the three duration categories, respectively.

The per capita expenditure pattern is mirrored for supplementary benefits, which includes Accommodation Supplement and Disability Allowance. The comparable per capita figures rise from $100 for recent migrants, to $362 for intermediate migrants and then fall slightly to $344 for earlier migrants.

The pattern is mixed for per capita unemployment benefit expenditure. Total expenditure for the recent migrant group was lower than for the other duration categories. This is reflected in a lower per capita unemployment benefit payment of $108. An explanation for this lower level of expenditure for recent migrants is that generally, people have to reside in New Zealand for at least two years before they are eligible to apply for an unemployment benefit. This means that only a subset of recent migrants is eligible for such a benefit.[23] In addition, it is likely a combination a intermediate strong economy, changes to immigration policy to better focus on skills and employment and the introduction of recent settlement support initiatives all contributed to the outcomes for recent migrants.

Unemployment benefit payments more than double for the intermediate migrant group to $258, reflecting the smaller number of people in the intermediate migrant group and greater eligibility. Although the total expenditure for the earlier migrant group ($55m) was similar to the intermediate migrant group ($64m), the larger cohort of earlier migrants pulls the per capita level for earlier migrants down to $145. Overall, unemployment benefit expenditure for the overseas-born (at $163 per person) was lower than the New Zealand-born (at $181 per person).

7.4 Fiscal impact and region of birth

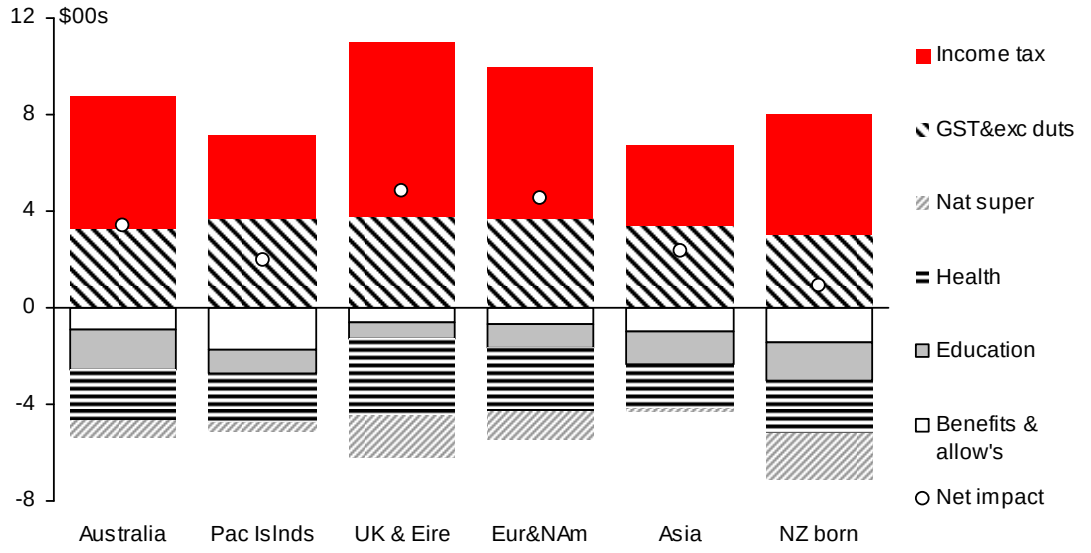
Migrant groups from different regions of birth exhibit substantial diversity in their personal, family and social characteristics. Reflecting this diversity, the fiscal impacts across the groups differ markedly. The net impact per head ranges from $1,990 for Pacific Island migrants to $4,850 for migrants from the UK and Ireland. Appendix Table 31 to Appendix Table 33 provide detailed estimates of the fiscal impact by region of birth.

The relative differences in per capita fiscal revenue were smaller than the net impacts, with a range of $6,990 for Asian migrants to $11,050 for migrants from the UK and Ireland. Australian, North American, and Other migrants had similar per capita revenue impacts of between $8,860 and $9,960. Pacific Island migrants contributed $7,140, which is close to the Asian migrant level.

[23] Some migrants may be eligible through hardship or reciprocal arrangements with their country of origin.

Figure 7.3 below reveals how differences in per capita revenue and expenditure contribute to the variation in net impacts. This figure shows that all migrant groups had a positive net fiscal impact (indicated by the circles in the figure).

Figure 7.3 Per capita fiscal impact by region of birth 2006



The British group stands out as both the biggest source of income tax revenue and expenditure by migrants. This is likely to reflect both the earning profile and age structure of this group, resulting in the largest per capita net impact of $7,280 per person.

Pacific Island and Asian migrants had relatively similar per capita fiscal revenue profiles, and contributed $3,450 and $3,260 per capita, respectively. There is a marked difference in the expenditure mix for these two groups. The differences tend to balance out, however, so net impact overall was similar at $1,990 and $2,360, respectively.

Education expenditure for was lower for Pacific Island migrants than Asian migrants, at $1,050 versus $1,340 per capita. Early childhood expenditure was moderately lower amongst Asian migrants than Pacific Island migrants ($30 versus $41). The main wedge between these two groups is due to large differences in expenditure at the primary, secondary and tertiary levels. Notably, Asian migrants had the highest levels of tertiary education expenditure and student allowances out of all the migrant groups, at $631 per capita and $233, respectively. Section 5.1 showed that 47 percent of recent Asian migrants who were older than 15 years were studying; many of these people would be foreign fee paying students. This study does not capture revenue to the international education sector.

Pacific Island migrants received the largest amount per capita of all migrant groups from Work and Income (WINZ), at $1,600. The majority of this expenditure was distributed as other main benefits ($1,020), although the percentage of benefit expenditure on unemployment benefits

for this group (18 percent) was lower than the overall average for the migrant group (20 percent). In contrast, Asian migrants received significantly less in total WINZ benefits ($737) relative to migrants overall, but they received a larger proportion of benefits via unemployment benefits (28 percent). The difference in benefit expenditure between these groups reflected, in part, the higher education participation rates of Asian migrants, and corresponding differences in education and education-related expenditure.

Australian migrants stand out from other migrant groups in terms of early childhood, primary and secondary education expenditure. Total expenditure for this group was $5,330 per capita differs from the average level for all migrant groups of $5,190. It remained below the level for the New Zealand-born of $7,070. Expenditure on health, New Zealand Superannuation and benefits was lower for the Australian group than the New Zealand-born. The net per capita impact of the Australian group of $3,430 was lower than the average migrant ($3,550) but was over three and a half times higher than that for the New Zealand-born ($915).

7.5 Comparison with previous fiscal impact studies

This section compares the estimated impacts from the three studies BERL has completed. The earlier studies estimated the fiscal impact of immigrants for the years ended June 1998 (measured in $1997/98) and June 2002 (measured in $2001/02).

All figures in this section are reported in $2005/06 terms. The figures from the earlier studies have been inflated to current values using appropriate GDP inflators. This conversion removes the effects of inflation to provide a time-consistent unit of measure. For example, in nominal dollar terms total income tax rose between 2002 and 2006 from $19,799m to $20,077m. However, after allowing for the effect of inflation, income tax revenue in 2002 was equivalent to $21,495m in $2005/06 terms, indicating a fall in real income tax revenue.

Table 7.3 summarises the estimated fiscal impacts from the three studies, reporting the figures for the New Zealand-born and the overseas-born.[24] Appendix Table 5 and Appendix Table 6 convert the figures in Table 7.3 to total and per annum percentage changes between each study period.

The positive net fiscal impact of migrants grew by $1,465m between 2002 and 2006. This change represents an increase of 80 percent in real terms over the four-year period. The growth reflects increases in both revenue and expenditure. The former grew by 29 percent and exceeded expenditure growth of 8 percent.

[24] Appendix Table 8 to Appendix Table 10 disaggregate the estimated fiscal impacts for the three studies by the recent, intermediate, and earlier migrant groups.

Table 7.3 Comparison of fiscal impacts: 1998, 2002, 2006 ($m)

	NZ born			Overseas born		
	1997/98	2001/02	2005/06	1997/98	2001/02	2005/06
	2005/06 $m					
GOVERNMENT REVENUE						
Income tax	16365	17021	15284	4083	4474	4794
GST	4616	4954	7836	1376	1311	2741
Petrol, alcohol & tobacco excises	1883	1839	1635	553	485	567
Income tax, GST & excises	22865	23814	24755	6012	6271	8101
GOVERNMENT EXPENDITURE						
Early childhood educ	314	371	616	15	17	43
Prim'y & sec'y schools	2613	2851	3101	323	430	560
Tertiary institutions	1055	1097	1250	200	286	433
EDUCATION	3982	4319	4967	539	733	1036
HEALTH	5235	5664	6870	1258	1583	2165
NATIONAL SUPER	4683	4543	5660	1378	1374	755
Unemployment benefit	941	836	563	330	194	151
Other main benefits	1872	1776	2695	286	315	412
Supplementary benefits	555	552	927	153	143	179
WORK AND INCOME	3368	3163	4185	768	651	741
STUDENT ALLOWANCES	320	329	236	88	107	115
Edn, Health, NS, Stdt allows, Benefits	17588	18019	21917	4031	4448	4813
NET IMPACT (*)	5277	5795	2838	1981	1823	3288

The picture of a growing positive net fiscal impact by overseas-born migrants between the latest two studies contrasts with the picture for the New Zealand-born. The net fiscal impact of the New Zealand-born has been positive across all three studies. However, growth in tax revenue from the New Zealand-born has been constant (although there have been changes in the underlying tax components) while fiscal expenditure for the New Zealand-born accelerated. As a result, the net impact of the New Zealand-born climbed between 1998 and 2002, but declined between 2002 and 2006.

Fiscal expenditure for the New Zealand-born rose by $3,899m (net) between 2002 and 2006. Increased health expenditure accounted for 31 percent of this net change. New Zealand Superannuation payments contributed a further 29 percent of the net increase, Work and Income payments 26 percent and education expenditure 17 percent while the fall in student allowance payments offset the increase in expenditure by 2 percent.

Table 7.4 below shows the average change per annum between one study and the subsequent study. For example, it shows that the net fiscal impact of overseas-born migrants increased by an average of 16 percent per annum between 2002 and 2006. This annual average increase is equivalent to the total increase of 80 percent over the four year period as indicated in Table 7.3 (and which is shown in Appendix Table 5).

Across all three studies both fiscal revenue and expenditure have grown in real terms for overseas-born migrants. The net fiscal impact of migrants grew more quickly between 2002 and 2006, but fell slightly between 1998 and 2002. This acceleration reflects faster growth in tax revenue in the later period (7 percent versus 2 percent) and slower expenditure growth (2 percent versus 3 percent).

Table 7.4 Comparison of fiscal impacts: 1998, 2002, 2006 (%pa)

	NZ born			Overseas born		
	1997/98	2001/02	2005/06	1997/98	2001/02	2005/06
	% change (per annum average) between studies					
GOVERNMENT REVENUE						
Income tax		1%	-3%		2%	2%
GST		2%	12%		-1%	20%
Petrol, alcohol & tobacco excises		-1%	-3%		-3%	4%
Income tax, GST & excises		1%	1%		1%	7%
GOVERNMENT EXPENDITURE						
Early childhood educ		4%	14%		3%	26%
Prim'y & sec'y schools		2%	2%		7%	7%
Tertiary institutions		1%	3%		9%	11%
EDUCATION		2%	4%		8%	9%
HEALTH		2%	5%		6%	8%
NATIONAL SUPER		-1%	6%		0%	-14%
Unemployment benefit		-3%	-9%		-12%	-6%
Other main benefits		-1%	11%		2%	7%
Supplementary benefits		0%	14%		-2%	6%
WORK AND INCOME		-2%	7%		-4%	3%
STUDENT ALLOWANCES		1%	-8%		5%	2%
Edn, Health, NS, Stdt allows, Benefits		1%	5%		2%	2%
NET IMPACT (*)		2%	-16.3%		-2%	16%

Some of the growth in New Zealand-born expenditure between 2002 and 2006 is due to the expansion of childcare subsidies benefiting the New Zealand-born. However, the average annual change in early childhood expenditure still climbed by 8 percent even after removing childcare subsidies provided by MSD. To put this in context, by excluding these subsidies the average annual change in the net impact of New Zealand-born would fall to -15.6 percent compared to -16.3 percent (see Appendix Table 6 and Appendix Table 7).

Table 7.5 gives the estimated per capita fiscal impacts from the three studies, reporting the figures for the New Zealand-born and the overseas-born.[25] Overall, the net fiscal impact for migrants grew by 44 percent between the 2002 and 2006.

Table 7.5 Comparison of per capita fiscal impact: 1998, 2002, 2006 ($pc)

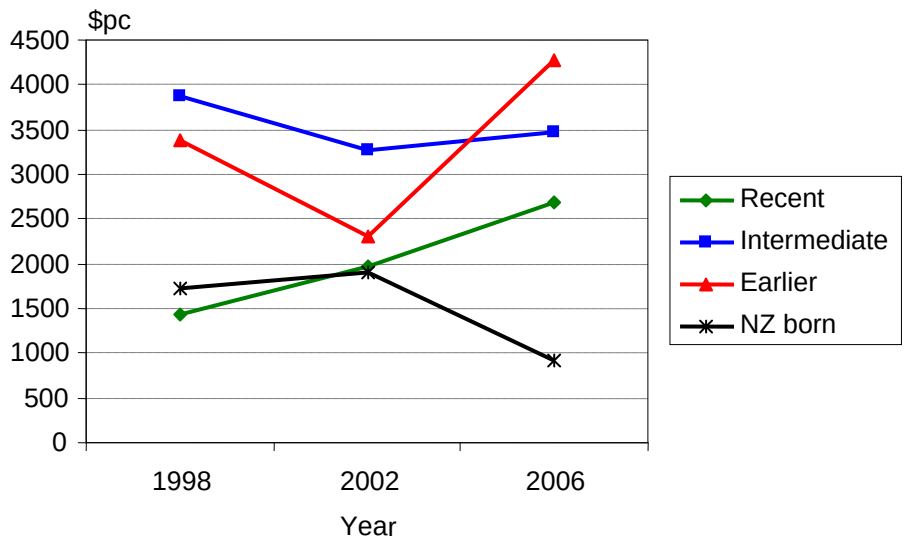
	NZ born			Overseas born		
	1997/98	**2001/02**	**2005/06**	**1997/98**	**2001/02**	**2005/06**
			2005/06 $ per head			
GOVERNMENT REVENUE						
Income tax	5350	5576	4929	6217	6038	5170
GST	1509	1623	2527	2095	1770	2956
Petrol, alcohol & tobacco excises	616	602	527	843	655	611
Income tax, GST & excises	7475	7801	7984	9154	8463	8737
GOVERNMENT EXPENDITURE						
Early childhood educ	103	122	199	23	23	46
Prim'y & sec'y schools	854	934	1000	493	580	604
Tertiary institutions	345	359	403	304	386	467
EDUCATION	1302	1415	1602	820	989	1117
HEALTH	1711	1855	2216	1915	2137	2335
NATIONAL SUPER	1531	1488	1825	2099	1854	815
Unemployment benefit	308	274	181	502	262	163
Other main benefits	612	582	869	435	425	444
Supplementary benefits	181	181	299	232	192	193
WORK AND INCOME	1101	1036	1350	1169	879	800
STUDENT ALLOWANCES	105	108	76	134	144	124
Edn, Health, NS, Stdt allows, Benefits	5750	5902	7068	6137	6003	5191
NET IMPACT (*)	**1725**	**1898**	**915**	**3017**	**2460**	**3547**
Population (000)	**3059**	**3053**	**3101**	**657**	**741**	**927**

The increasing net fiscal impact per capita between 2002 and 2006 was mainly driven by total fiscal revenue growing more quickly (29 percent) than the migrant population (25 percent). However, as total fiscal expenditure grew less quickly (8 percent) than the migrant population grew, per capita expenditure fell (-14 percent). This reflected falling total superannuation and unemployment benefit payments, modest growth in other welfare payments and relatively fast growth in education expenditure.

Figure 7.4 shows the changes in migrants' net fiscal impact by the duration of residence and also the comparison with the New Zealand-born population (see Appendix Table 12 for the numerical estimates).

[25] Appendix Table 12 disaggregates the estimated fiscal impacts for the three studies by migrants' duration of

Figure 7.4 Per capita fiscal impact by duration of residency: 1998, 2002, 2006 ($pc)



The net fiscal impact grew between 2002 and 2006 for all migrant categories. In the case of recent migrants, this reflected a combination of rising per capita fiscal revenue and falling per capita expenditure, so the net impact rose by 35.6 percent from $1,975 to $2,677. In fact, expenditure from Work and Income[26] fell from $1,536 per head in 1998 to only $282 in 2006. For intermediate migrants, both per capita fiscal revenue and expenditure rose over this period, and the net impact rose by 7.3 percent ($3,268 to $3,469).

The largest proportional change came from the earlier migrant category, with a 90.9 percent increase in net fiscal impact between 2002 and 2006 from $2,301 to $4,281. This reflected a slower rate of population increase than the other two duration categories, rising fiscal revenue and a strong influence from declines in total expenditure for some line items. The largest contributor to the 19 percent fall in per capita expenditure for earlier migrants was a 52.3 percent fall in the estimated per capita superannuation payments.

residence, that is, the recent, intermediate, and earlier migrant groups.

[26] This includes both Main and Supplementary Benefits.

8 The Fiscal Impact By Region of Residence

This section focuses on the fiscal impact of migrants in five geographic regions: Auckland, Wellington, Christchurch, the Rest of North Island and Rest of South Island regions. The discussion concentrates on regional differences in terms of the duration of migrants in New Zealand, age composition, and the impacts on government revenue and expenditure. Consistent with the findings in the 2001 census, regional differences in the migrant profiles still exist across the country. However, the differences between north and south, Auckland and the rest of New Zealand narrowed in the last five years.

Most recent migrants arrived in urban and metropolitan areas of New Zealand and lived there for their first few years. However, as the duration of residence in New Zealand increases, the recent migrants were likely to move to the rest of New Zealand, according to the region-specific age and duration data below.[27] Consequently, in the short run, the impacts of recent or intermediate migrants are greater to urban and metropolitan areas than to the rest of New Zealand. However, in the long-run, the overall impacts of migrants in the rest of the country mirror those in urban and metropolitan areas.

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).

8.1 Auckland

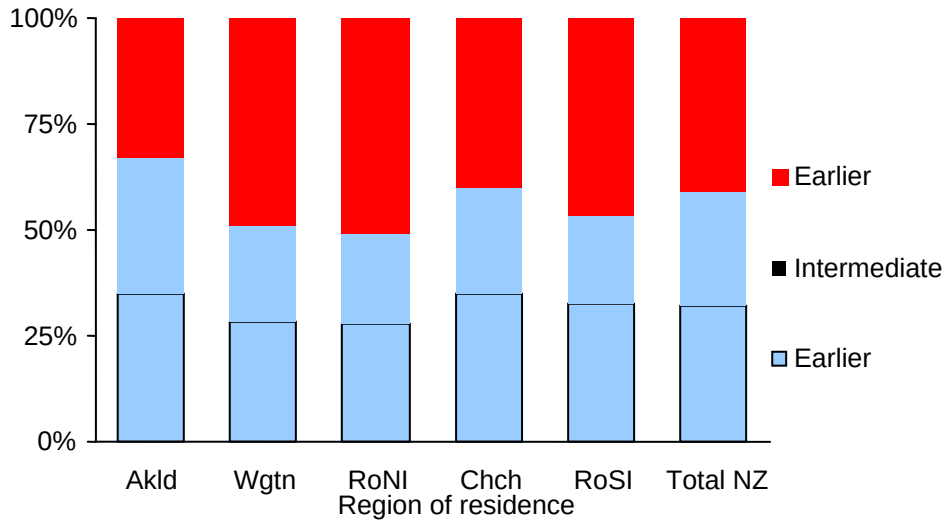
The majority of New Zealand migrants (50 percent) resided in the Auckland region. Almost 40 percent of Auckland's residents in 2006 were born overseas (418,000). Auckland enjoyed the fastest rate of population growth (8.0 percent) of the five regions since the 2001 census, growing from an estimated 1,012,000 in 2001 to 1,093,000 in 2006. The overseas-born population increased more quickly (20 percent) between 2001 and 2006 than the New Zealand-born population (1.5 percent).

Over one third (35 percent) of the overseas-born population in the Auckland region were recent migrants. This percentage remains the same as reported in the 2001 census. It was slightly higher than the national average of 32 percent of the total overseas-born population in New Zealand. While there was no substantial change in the population structure of overseas-born residents in the Auckland region, the rest of New Zealand has been catching up, becoming more popular among recent migrants. The percentage of earlier migrants in

[27] The study did not specifically investigate dispersion patterns for migrant groups by region of birth.

Auckland continued its decline since 2001, meaning that migrants tended to move to other regions in New Zealand after staying in Auckland for around 5 to 15 years.

Figure 8.1 Duration of residence of migrants by region of residence 2006

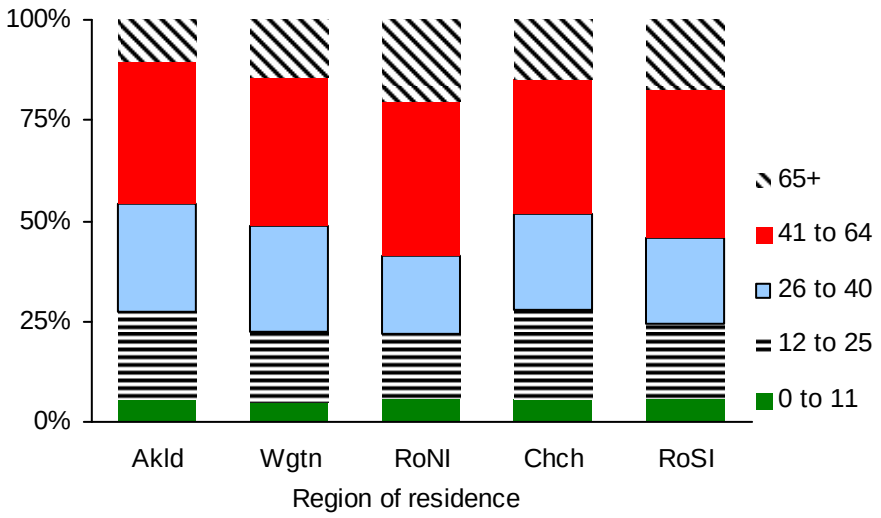


n=846,972

Figure 8.1 shows the distribution of the overseas-born population by region of birth according to their length of staying. The Auckland region and the Christchurch region had a higher percentage of recent migrants, whereas the Wellington and Rest of North Island regions had more earlier migrants in their overseas-born populations. This may reflect the effects of New Zealand's regional age structure where, generally speaking, the further south, the older the population.

Figure 8.2 shows the age composition of migrants in each region. In the Auckland region, 35 percent of the total population were between the ages of 41 and 64; 27 percent were between 26 and 40; and 22 percent were between 12 and 25. The percentages of the 12 to 25 and 26 to 40 year old age groups are higher than those of national average at 20 percent and 24 percent, respectively. This is consistent with the high percentage of recent and intermediate migrants in its population.

Figure 8.2 Age composition of migrants in each New Zealand region 2006



n=846,972

Table 8.1 Fiscal impact of migrants in Auckland 2006 ($m)

NZ born		OVERSEAS BORN TOTAL			Overseas born :years in NZ less than 5	between 5 and 14	15 or more
	2005/06 $m						
	GOVERNMENT REVENUE						
3996	Income tax		2188		517	653	1018
1787	GST		1299		382	413	504
364	Petrol, alcohol & tobacco excises		268		78	84	106
6147	Income tax, GST & excises			3755	976	1151	1628
	GOVERNMENT EXPENDITURE						
176	Early childhood educ	18.0			17.6	0.4	0
758	Prim'y & sec'y schools	280			154	120	6
285	Tertiary institutions	224			91	67	65
1219	EDUCATION		522		263	188	71
1496	HEALTH		976		222	198	556
1274	NATIONAL SUPER		313		3	30	279
129	Unemployment benefit	86			20	37	29
679	Other main benefits	250			20	90	140
223	Supplementary benefits	107			14	45	48
1031	WORK AND INCOME		442		53	172	217
48	STUDENT ALLOWANCES		55		19	25	11
5068	Education, Health, NS, Stdt allows, Benefits			2307	560	613	1135
1079	**NET IMPACT (*)**			1448	417	538	493

* The Net Impact refers to the revenue and expenditure categories explicitly identified in the table only.

As listed in Table 8.1, the total overseas-born population in the Auckland region made a positive net fiscal contribution of $1,448m.[28] This is an impressive increase from the $930.4m recorded in the 2001 census. The net impact comprised $3,755m in revenue and $2,307m in expenditure. The New Zealand-born Auckland residents contributed $1,079m, which comprised $6,147m in revenue and $5,068m on expenditure. The earlier migrants contributed $1,018m of income tax, which was significantly higher than that from recent and intermediate migrants, $517m and $653m respectively. The earlier migrants ($504m) also added more in terms of GST, comparing to the recent ($382m) and intermediate ($413m) groups. The recent migrants bought slightly less petrol, alcohol and tobacco and thus the excises tax they paid were about 36 percent and 26 percent less than those paid by the intermediate migrants and earlier migrants, respectively. In total, the government gained revenue of $3,755m from migrants during 2005/06.

On the government expenditure side, recent and intermediate migrants drew more heavily on primary and secondary education than earlier migrants. But apart from early childhood, primary and secondary education, earlier migrants received more government expenditure. Overall, in the Auckland region, the government expenditure on the earlier migrants was significantly higher than that on the other two categories. This expenditure occurred in the context of a higher contribution to government revenue by earlier migrants.

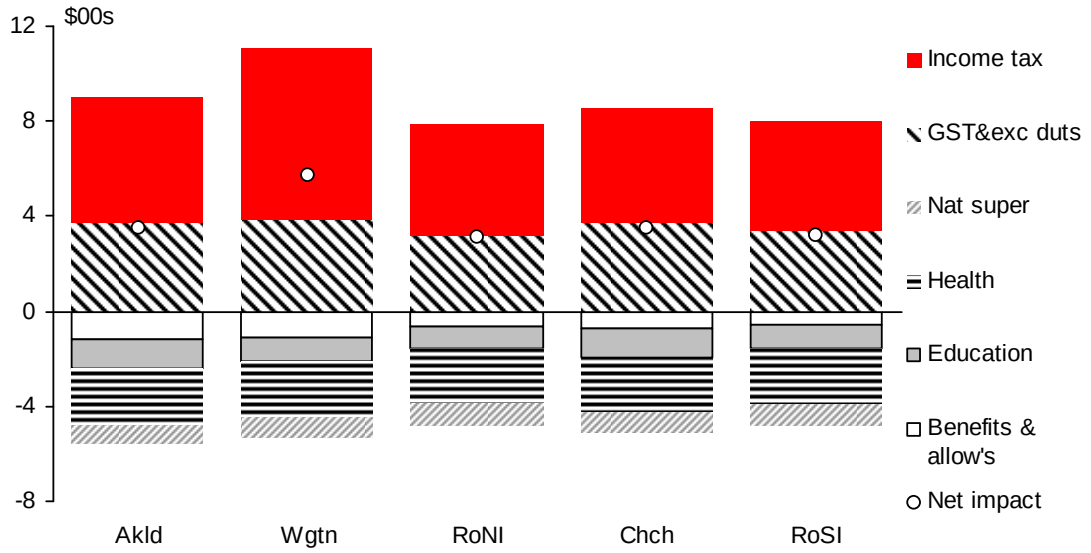
The detailed per capita estimates for migrants in Auckland are listed in Appendix Table 35 and Appendix Table 36. Although each duration category had the same proportion of the population in the Auckland region (1/3 each), the fiscal impacts differed significantly among the three categories. The per capita income tax of earlier migrants was significantly higher than the other two.

In Auckland, overseas-born migrants had lower incomes per capita compared to the New Zealand-born population, paying tax of $5,238 and $5,918 per capita, respectively. However, the earlier migrants enjoyed a higher income than the New Zealand-born, paying $7,346 per capita income tax.

Figure 8.3 shows the per capita impacts of migrants across the country. On average, the GST and excise duties levels were similar across the nation at approximately $3,000 to $4,000 per head. Overseas-born Aucklanders had a similar impact on government expenditure as migrants in the rest of the country. On the government revenue side, migrants from Auckland and Christchurch contributed similar per capita amounts.

[28] This section draws on detailed estimates data in Appendix Table 34 to Appendix Table 36.

Figure 8.3 Per capita fiscal impacts of migrants 2006 ($pc)



8.2 Wellington

The Wellington region had a total of 87,263 resident migrants in 2006. The net fiscal impact for migrants resident in Wellington was $502m, up from that of the 2001 census ($390m) [29]. The total government revenue from the overseas-born population in Wellington was $965m and the total government expenditure was $463m.

The features identified from the 2001 census data can still be seen in the 2006 census data. Among these features were the higher average incomes in this region, the relatively lower proportion of recent and intermediate migrants in Wellington population (28 and 22 percent respectively compared with 32 and 26 percent New Zealand-wide), as well as the higher level of consumption of earlier migrants (GST of $155m), compared to the other two categories in the same region ($64m and $59m respectively).

Figure 8.3 shows that the per capita fiscal impact for migrants resident in Wellington was similar to that for Auckland except for the income tax revenue component. The per capita contribution from migrants in Wellington was larger than those from any other region.

Per capita income tax revenue from migrants resident in Wellington was estimated at $7,210. The age and migrant group compositions of the overseas-born residents in Wellington were similar to those of Christchurch. However, as discussed in section 6.3 below, the per capita contribution to income tax revenues from migrants residing in Christchurch was notably less than for overseas-born resident in Wellington. This observation implies that the more

[29] This section draws on detailed estimates data in Appendix Table 37 to Appendix Table 39.

important determinant of the higher figure attributable to migrants residing in Wellington was 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 per capita terms, between the three migrant groups. In particular, the net fiscal impact for all migrants residing in Wellington was $5,750 per head. The per capita net fiscal impact for the recent migrant group was $4,250 for the intermediate migrant group it was $4,580 and for the earlier migrant group it was $7,150. This comparison suggests that the fiscal impact of migrants resident in Wellington was unevenly-spread across the three migrant groups. The higher contribution to tax revenues from the earlier group was balanced somewhat by the higher impact on New Zealand Superannuation payments and health expenditure.

8.3 Christchurch

The Christchurch region had a total of 70,931 migrants residing in this region. The total net fiscal impact of migrants resident in Christchurch was $246m. [30] The government revenue from this region was calculated as $609m and the government expenditure was $363m.

The income per capita of migrants in this region ($4,880) was the lowest among the three largest cities in New Zealand. Therefore, the migrants in Christchurch contributed the least in terms of income tax towards the government revenue at $346m in total.

With regard to overseas-born population structure, over 34 percent were recent migrants, 25 percent were intermediate migrants and 40 percent were earlier migrants in this region. Christchurch had approximately the same percentage of recent migrants in its population as in Auckland. The percentage of earlier migrants in this region was slightly lower than the national average and these migrants contributed $186m of fiscal revenue.

On the expenditure side, the characteristic amongst migrants resident in Christchurch was the relatively larger impact (compared to Auckland and Wellington) on New Zealand Superannuation payments. This was a result of the slightly older age-profile of this group. This facet also showed through, to a lesser degree, in the health spending component. The impact of overseas-born migrants on health and New Zealand Superannuation expenditure was second to that of Auckland.

[30] This section draws on detailed estimates data in Appendix Table 40 to Appendix Table 42.

8.4 Rest of New Zealand

There are similar features across the other two regions investigated in this research, i.e. Rest of North Island and Rest of South Island.[31] The migrants in Rest of North Island had a net impact of $813m, which was significantly higher than that of the Rest of South Island at $280m. The Rest of North Island had a larger overseas-born population and thus, contributed a larger amount towards the government revenue.

However, the per capita tables tell a different story of these two regions due to the relatively smaller population in the Rest of South Island region. The per capita contribution in revenue of the rest of South Island ($7,980) was greater than the rest of North Island ($7,870).

In terms of age composition, the majority of the overseas-born population were 41 years and above in both of the regions. The rest of North Island had 38 percent in the 41-64 year old category and the Rest of South Island had 37 percent in the same category, compared to the national average of 36 percent. In the 65+ age category, Rest of North Island had over 20 percent and the Rest of South Island had over 17 percent of their overseas-born population, compared to the national average of 14 percent.

8.5 Summary

Generally speaking, the impact of migrants in the Auckland region dominated the overall fiscal impact due to its larger overseas-born population, accounting for 45 percent of New Zealand's migrant population.

Within the Auckland region, almost 40 percent of the population were born overseas. Moreover, a relatively large proportion of the overseas-born residents in the Auckland region were recent migrants (35 percent). Those features made the Auckland region an important feature of the impact of all overseas-born migrants, especially in the short run.

The net fiscal impact was positive across all five New Zealand regions and across all three categories of recent, intermediate and earlier migrants. Although regional differences still exist, the gap has narrowed in the last five years with more recent or intermediate migrants in the South Island. Christchurch, as the largest city in the South Island, accommodated more recent migrants since the 2001 census.

The largest component in the fiscal impact across this regional dimension was the contribution to income tax revenue, which is similar to the 2001 census. This level is twice as high as the GST revenue or excise tax revenue across the country. Furthermore, the positive fiscal impact of migrants across all five New Zealand regions reflected the feature that the

[31] This section draws on detailed estimates data in Appendix Table 43 to Appendix Table 48.

differing behavioural characteristics of each sub-group within the population is somewhat balanced by other characteristics in other sub-groups.

9 Long-run Impacts of Immigration

The previous analytical sections of this report concentrate on the immediate fiscal impact estimates of immigrants. These analyses provide a snapshot focus of major fiscal impacts by immigrants during the 2005/06 year.

This section outlines a framework for examining the long-run links between the population footprint and public infrastructure spending requirements. These long-run impacts extend beyond the snapshot revenue and expenditure estimates. Immigrants may influence the New Zealand economy and society through generational impacts (via their New Zealand-born children), the supply and use of capital (including, for example, financial wealth or knowledge) and the size and diversity of the resident New Zealand population. Furthermore, immigrants may also improve New Zealand's global connectedness by establishing or strengthening New Zealand's networks with immigrants' birthplaces.

The organising framework for this section is based on a major study on the long-run impacts of migrants on the New Zealand economy by Poot, Nana and Philpott (1988).[32] The long-run impacts of immigration may be evaluated by examining the impact of immigration on the structure and performance of the economy. One advantage of this approach has the advantage of categorising the impacts of immigrants into benefits and costs. A second advantage is that the qualitative analysis provided in this section can feed into quantitative analysis of long term impacts using techniques such as general equilibrium (GE) modelling. GE modelling may then be used to evaluate different immigration scenarios compared to a base case. For example, a GE model could examine the economy-wide effects of policy shocks such as changing the level of PLT immigration to New Zealand, targeting particular countries of origin or the skill mix of immigrants.

Analysis of these impacts may be simplified by considering an aggregate production function, which relates an economy's aggregate inputs to its output. The key variables in a production function for aggregate output are: natural resources, labour, human capital (i.e. knowledge and skills), physical capital and technology. Potential long-run impacts of immigration on each of these variables are examined below.

9.1 Natural resources

Immigration will increase competition for scarce natural resources, such as land, water and energy resources. This competition will alter the relative price of these resources. These effects are likely to be strongest for limited and non-rerecentable resources, such as land or

[32] Poot J, Nana G and Philpott B (1988). International migration and the New Zealand Economy. Wellington: Institute of Policy Studies.

minerals, but will also affect rerecentable resources that feed into outputs such as hydroelectric electricity generation.

Commercial and residential demands for land may be a particular issue for agricultural and horticultural production in New Zealand. Converting the land over time to non-agricultural purposes may result in the diminishing marginal productivity of the remaining land. That is, the conversion of fertile parcels of land to alternate uses means expansion of farm-based production will occur on poorer quality and less productive land.

In addition to the implications for increased competition amongst alternate land uses, there are issues around housing and urban design. Increased residential demand may mean existing residential or commercial zones support higher density, such as apartment blocks or mixed use buildings that provide both residential accommodation and commercial space. Greater residential demand may also increase the relative price of some types of housing, such as free-hold houses. Depending on the land (and land use) constraints, greater demand may make recent housing developments feasible thereby affecting both the price and the stock of housing. Immigration would have a particular effect if there are minimum population thresholds below which recent residential developments are not cost-efficient. Therefore, if immigration leads to land conversion, and if the development has sufficient density, then the housing stock per person may increase and may result in more affordable housing. The trade-off would be lower availability of land for alternate uses.

9.2 Labour supply and employment

As shown in the earlier sections the net impact of migration depends on the age profile of migrants.[33] The average migrant is older than the average New Zealand-born person, at 41 years old versus 35 years old. However, the proportion of conventional working age people (18-64 years old) is much higher amongst the migrant population than the New Zealand population, at 71 percent versus 59 percent. This suggests that immigration may both increase the proportion of the population in the labour force and lower the average age of New Zealand's labour force.

Where immigration leads to a higher labour force participation rate then the labour force will grow more quickly than the population. Under certain conditions, this effect may result in growth in output per person, or living standards. In particular, growth in the labour force would need to be matched by growth in the stock of human capital and technology. These aspects are discussed below, but as well as expanding the labour supply, immigrants may be targeted so as to bring an mix of skills, experience and knowledge consistent with the

[33] Poot (2007) considers the literature on the impacts of immigration on age structure and productivity in Poot (2007) Demographic change and regional competitiveness: the effects of immigration and ageing, PSC DP64.

government's economic policy. Furthermore, as noted in section 5, immigrants tend to have higher education participation rates than the New Zealand-born, although with variation across the migrant sub-groups, which may result in human capital accumulation over time.

The age profile of the working population has a dynamic effect on employment outcomes. Geographic, occupational and industry mobility are all greater amongst younger people, as the benefits of changing jobs decline with age. A second dynamic is that formal and on-the-job training take place at younger ages, where such training may be more effective. Therefore, lowering the age of the labour force may result in higher productivity growth as workers train more, and more effectively. In addition, this process may also accelerate the adoption and diffusion of recent innovations into the workplace. A third dynamic is that migrants with work experience can increase competition at senior levels of the workforce. This competition could have the effect of changing earning relativities and providing greater use of senior level workers. This effect would be stronger in domestic industries with low upward mobility, and where New Zealand-born workers would have a lower chance of advancing to senior levels over time.

A further dynamic is how immigration affects demographic variables such as family formation, natural population increase and social attitudes towards participation in the labour force. Immigration will directly increase the labour force plus there will be additional impacts as immigrants have children who join the labour force. The impact of immigration on the labour participation rate is unclear. As shown in section 6, migrants are more likely than New Zealand-born to be outside the labour force or unemployed. Regardless of the size of the labour force, however, the impact on the economy will depend on the relationship between the labour force, employment and the resulting real relative price of labour.

9.3 Human capital

The lower employment rate, however, is not necessarily a negative result. Section 5 shows that migrants overall tend to have higher study participation rates, which is one reason for not being counted in the labour force. Therefore, migrants potentially accumulate more human capital due to their higher participation in education on average. This may directly contribute to a more productive workforce, assist with innovation and the diffusion of recent technology as well as having positive spill-over effects on co-workers.

9.4 Financial and physical capital

The relationship between capital and the labour force is central to output per head. Therefore, a critical question about the impact of immigration on the structure and performance of the economy is whether it increases the stock of capital per head.

Immigration has the potential to generate additional financial capital inflows and better access to foreign capital markets. Furthermore, migrants may have different consumption-saving patterns.[34] This may directly alter the economy's rate of physical capital accumulation, as well as altering the real interest rate, that is the incentives around the supply of savings and demand for investment, which may affect the behaviour of the New Zealand-born.

Immigration would create additional demands on the infrastructure required to service a population (for example, transport networks, water and drainage infrastructure, health and education facilities, and community amenities). Therefore, immigration is likely to increase the demand for investment in physical capital. In turn this will entail real capital expenditure in order to maintain the capacity and level of infrastructure services. Increases in infrastructure investment may also generate flow-over benefits to other residents.

Consideration of capital items brings further issues to the fore, including who and how capital expenditure is funded. Central to this aspect is the inherent *lumpiness* of capital expenditure. In this context it is important to note that the *average* impact of a migrant may be difficult to measure (or, even, interpret), while the *marginal* impact of a migrant will be significantly different (and, similarly, difficult to interpret).

9.5 Production function parameters and technological progress

In addition to affecting individual factors of production, such as labour and capital, immigration may affect economy-wide factors such as how effective the economy is at converting inputs to output. These aspects may be considered as parameters, or underlying factors.

Economies of scale arise when a proportionate increase in all factors of production, i.e. the scale of production, results in a greater than proportionate increase in output. Alternatively, economies of scale can be thought of as an improvement in resource productivity resulting from a larger scale of production. The long-run expansion of the entire economy and its effects on productivity has the potential to increase the rate of economic growth, or at least offset some of the negative effects from increased competition for, and use of, scarce resources.

In addition to economies of scale, there is a related concept of economies of scope. This concept suggests that the cost of production may fall as a wider range of products are produced together. As well as increasing the overall demand for products, immigration is likely to increase the variety of products demanded. While some of this demand may be met by domestic production, this demand may generate links with recent foreign markets. Two

[34] The fiscal estimates in this report, however, assume that consumption-saving patterns for overseas and New Zealand-born are the same.

immediate consequences of this are an expansion of product variety in New Zealand and the potential for reciprocal trade, which may contribute to generating economies of scale. Ultimately, the creation of demand for a wider variety of products may encourage the establishment of domestic industries, for example, the wine and olive oil industries.

As noted above, immigrants potentially lead to faster human capital accumulation. In turn, this could facilitate technological progress in the economy, that is, the invention, diffusion and adoption of improved processes and equipment. Where immigration accelerates the rate of technological progress, it has the potential to offset the negative effects of diminishing marginal productivity of individual factors of production noted above.

In addition to factors such as economy size and the rate of technological progress, immigration has the potential to draw New Zealand closer to the rest of the world by establishing or strengthening networks with immigrants' birthplaces. This may improve New Zealand's global connectedness, which may facilitate trade in both inputs and outputs.

9.6 Regional impacts

These may differ depending on the demands created by relative regional immigration and the capacity of the existing infrastructure of each region.[35] Section 4.5 shows that the immigrant population tends to shift out of the metropolitan cities of Auckland and Christchurch to Wellington, the Rest of the North Island and the Rest of the South Island regions as it becomes earlier. The earlier immigrant groups tend to have a higher positive net fiscal impact, but with both greater revenue and expenditure per capita. Therefore there is likely to be regional variation in both the demand on services, the types of services required (as an immigrant's needs are likely to change over time as they become earlier), as well as the ability of the regional population to fund them in the long-run.

9.7 Scope of measured impacts

Allied to the consideration of capital requirements, longer-term aspects of immigration may also have revenue implications as immigrants establish businesses. In particular, revenues from company tax may be relevant, as well as income tax receipts arising from employment effects of immigration. Therefore, a long-run analysis of the impact of immigrants that incorporates such components may provide a more comprehensive picture of the fiscal and economy-wide impacts of immigrants.

[35] Concurrent to this project, and as part of the EII programme, Motu Economic and Public Policy Research is analysing the regional and labour market impacts of immigrants.

9.8 Summary

This section considered the long-run impact of migrants to complement the main snapshot focus of this project. This analysis uses a production function framework to consider the impact of immigration on the structure and performance of the economy. This framework includes variables such as natural resources, labour, capital and technology. It allows both qualitative and quantitative evaluations of the impact of immigration on the whole economy.

Immigration will increase competition for natural resources, altering relative prices and the affordability of certain resources, such as land and energy. However, immigration may also permit more efficient use of some resources by increasing population density above some minimum threshold.

The labour market impacts of immigration will depend on how it affects the age and skill composition of the labour force and participation rates. Immigration may also have dynamic effects by altering the labour force's geographic, occupational and industry mobility. A further dynamic effect is how migration affects the rate of human capital accumulation and the adoption and diffusion of technology into the workplace.

Productivity depends on the relationship between labour and capital, in particular the capital-labour ratio. Immigration has the potential to draw in additional financial capital, improve access to foreign capital markets, and the aggregate saving rate. This may increase the economy's rate of physical capital accumulation and alter the real interest rate, that is, the relative return on investment. In turn, immigration is likely to lead to greater infrastructure, which has the potential to provide flow-over benefits to other residents.

In addition to affecting individual factors of production, such as labour and capital, immigration may affect economy-wide factors. These factors include the scale and scope of the economy and how quickly knowledge and skills are accumulated and introduced into the economy. Immigrants may also improve how New Zealand is connected to the rest of the world, opening and/or improving access to both input and output markets.

10 Concluding Comments

This report estimates the fiscal impact of New Zealand's resident migrants on a set of government activities, and provides comparisons for the New Zealand-born.

The migrant population of 927,000 people had a positive net fiscal impact of $3,288m in the year to 30 June 2006. Migrants contributed fiscal revenue totalling $8,101m through income taxes, GST and excise duties. Income tax accounted for almost 60 percent of migrants' fiscal revenue contribution during 2005/06, with GST accounting for a further third. Estimated fiscal expenditure on the migrant population was $4,813m. This includes government spending on education, health, benefits/allowances and superannuation.

The comparable net fiscal impact of the New Zealand-born population of 3.1m people was lower, at $2,838m. The higher net contribution of the overseas-born population reflects both higher revenue per head ($8,740 versus $7,990 for the New Zealand-born population) and lower expenditure ($5,190 versus $7,070).

The net impact in this study can be compared to BERL's previous study in 2003 on the impact of migrants in the 2001/02 year. After removing the effects of inflation, the net fiscal impact of migrants increased by a total of 80 percent in real terms, which is an average of 16 percent per annum. This growth reflects increases in both revenue and expenditure. The former grew by 29 percent (7 percent per annum) and exceeded expenditure growth of 8 percent (2 percent per annum).

This study shows that all migrant groups had a positive net impact. The impacts of particular migrant groups differed by the duration of residence, region of birth and region of residence in New Zealand. The net fiscal impact of migrants climbs with duration, and appears to be connected with the increasing age profile of these groups. The net fiscal impact per head was $2,680 for recent migrants, $3,470 for intermediate migrants and $4,280 for earlier migrants. The net fiscal impact for the New Zealand-born population was $915 per head.

Migrant groups from different regions of birth had diverse personal and social characteristics, affecting the fiscal impact of these groups. The net impact per head ranges from $1,990 for Pacific Island immigrants to $4,850 for immigrants from the UK and Ireland. Duration of residence, however, has a strong effect on the earning and expenditure profile of each regional group. The total contribution increases with duration for all groups but migrants from the Other region category. The net impact per capita of earlier Pacific Island migrants is almost 14 times larger than that of recent migrants. In contrast, the net impact per capita for migrants from the UK, Ireland, Europe and North America is higher for recent migrants than earlier migrants.

The significance of the contribution made by recent migrants from Asia may be somewhat underplayed. Around 47 percent of this group who were older than 15 years were participating in education. This rate was substantially higher than any other group. It is expected that a large portion of this group would pay full fees.

In terms of region of residence in New Zealand, migrants to the Auckland region dominate the overall fiscal impact, as this region is home to over 45 percent of all migrants in New Zealand. The immigrant population tends to shift out of the metropolitan cities of Auckland and Christchurch to Wellington, the Rest of North Island and Rest of South Island regions as it becomes earlier. As the net impact of migrants overall increases with duration of residence, the movement of migrants out of the northern- and southern-most metropolitan centres leads to regional variation in the impact of migrants.

The occupational analysis of migrants indicates that migrants tended to move to higher paid occupations such as legislators, administrators and managers as duration of residence increases. While this may reflect increasing integration into New Zealand society, such career shifts are also likely to reflect the age profiles of the migrant groups.

Overall, a higher proportion of migrants was unemployed or not in the labour force than the New Zealand-born. As expected, this proportion was lower for intermediate migrants than for recent migrants, which may indicate that it takes time to integrate into the New Zealand labour market. This may also reflect differences in study participation rates, which tended to fall with duration of residence. The earlier migrant group had the largest proportion of people unemployed or not in the labour force, which is likely to reflect its high proportion of retirement aged people.

There appear to be differences in the occupational mix of migrants according to their region of birth. This may reflect differences in the entry criteria for migrants from different regions. There does not appear to be a strong effect on the occupational mix by region of residence.

The final section of the study complements the main snapshot focus of this project by considering the long-run impact of migrants. It suggests how a production function framework may be used to examine the impact of immigration on the structure and performance of the economy. This framework incorporates variables such as natural resources, labour, capital and technology. It allows both qualitative and quantitative evaluations of the impact of immigration on the economy as a whole. The discussion in this section of the report highlights a range of consequences from immigration, including how it may affect resource availability and use, the dynamism of the economy and how the New Zealand economy connects with the rest of the world.

11 Summary Tables 2006

Summary Table 1 Fiscal impact of migrant population ($m)

	impact on revenue	impact on spending
	net fiscal impact	

		Years in NZ						**ALL**	
		less than 5		between 5 and 14		15 or more			
Region of birth	Australia	119	74	104	96	350	179	573	349
		45		**8**		**171**		**225**	
	Pacific Islands	148	140	223	199	595	357	966	697
		8		**24**		**238**		**270**	
	UK & Ireland	516	206	437	215	2004	1239	2957	1660
		310		**222**		**765**		**1298**	
	Europe & North America	234	100	241	113	517	331	992	544
		134		**128**		**185**		**448**	
	Asia	630	463	680	405	459	279	1770	1147
		167		**276**		**180**		**623**	
	Other	288	155	347	150	166	87	801	393
		133		**197**		**79**		**408**	
	Not specified	9	7	11	6	22	12	42	24
		2		**5**		**10**		**18**	
ALL MIGRANTS		1945	1145	2043	1184	4113	2485	8101	4813
		801		**859**		**1628**		**3288**	
								24755	21917
								2838	
								NEW ZEALAND BORN	

Summary Table 2 Per capita fiscal impact ($pc)

impact on revenue	*impact on spending*
net fiscal impact	

		Years in NZ						***ALL***	
		less than 5		*between 5 and 14*		*15 or more*			
Region of birth	*Australia*	*6989*	*4335*	*6239*	*5770*	*11029*	*5628*	*8756*	*5328*
		2654		***469***		***5401***		***3429***	
	Pacific Islands	*4722*	*4466*	*6305*	*5636*	*8665*	*5202*	*7135*	*5145*
		256		***668***		***3463***		***1991***	
	UK & Ireland	*9277*	*3698*	*11769*	*5786*	*11462*	*7087*	*11050*	*6202*
		5579		***5983***		***4376***		***4849***	
	Europe & North America	*8292*	*3538*	*9844*	*4606*	*11019*	*7068*	*9957*	*5462*
		4754		***5238***		***3951***		***4495***	
	Asia	*5082*	*3732*	*7009*	*4169*	*10568*	*6426*	*6690*	*4335*
		1350		***2839***		***4142***		***2355***	
	Other	*7032*	*3787*	*9800*	*4246*	*13790*	*7250*	*9059*	*4442*
		3245		***5554***		***6540***		***4617***	
	Not specified	*5080*	*3723*	*6877*	*3503*	*7986*	*4353*	*6849*	*3937*
		1357		***3374***		***3633***		***2911***	
ALL MIGRANTS		6504	3826	8248	4779	10813	6532	8737	5191
		2677		**3469**		**4281**		**3547**	
								7984	7068
							NEW ZEALAND BORN	**915**	

Summary Table 3 WAP per capita fiscal impact ($pc age 18-64)

impact on revenue	impact on spending
net fiscal impact	

		Years in NZ						**ALL**	
		less than 5		between 5 and 14		15 or more			
Region of birth	Australia	14421	8945	14026	12973	14394	7345	14331	8720
		5476		**1054**		**7048**		**5612**	
	Pacific Islands	7095	6710	8305	7425	9960	5980	8990	6482
		385		**880**		**3980**		**2508**	
	UK & Ireland	14021	5590	16372	8049	19086	11800	17550	9849
		8432		**8323**		**7286**		**7700**	
	Europe & North America	11238	4795	13321	6232	18331	11758	14777	8106
		6443		**7088**		**6573**		**6672**	
	Asia	6725	4939	8798	5234	12684	7712	8539	5533
		1786		**3564**		**4971**		**3006**	
	Other	10309	5552	13243	5738	16689	8774	12496	6127
		4757		**7505**		**7915**		**6369**	
	Not specified	7782	5703	9565	4872	13336	7270	10598	6093
		2079		**4693**		**6066**		**4505**	
ALL MIGRANTS		9279	5459	11122	6444	15517	9374	12305	6163
		3820		**4678**		**6143**		**6142**	
								13600	12041
							NEW ZEALAND BORN	**1559**	

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

impact on revenue	*impact on spending*
net fiscal impact	

Region of residence		*Years in NZ*						***ALL***	
		less than 5		*between 5 and 14*		*15 or more*			
AUCKLAND	*Overseas born*	*976*	*560*	*1151*	*613*	*1628*	*1135*	*3755*	*2307*
		417		***538***		***493***		***1448***	
	NZ born							*6147*	*5068*
								1079	
WELLINGTON	*Overseas born*	*212*	*107*	*201*	*111*	*552*	*245*	*965*	*463*
		105		***90***		***307***		***502***	
	NZ born							*2747*	*1804*
								943	
REST OF NORTH ISLAND	*Overseas born*	*426*	*294*	*411*	*278*	*1235*	*687*	*2072*	*1259*
		131		***133***		***549***		***813***	
	NZ born							*9620*	*9346*
								275	
CHRISTCHURCH	*Overseas born*	*157*	*89*	*143*	*87*	*310*	*187*	*609*	*363*
		67		***56***		***122***		***246***	
	NZ born							*2240*	*2020*
								220	
REST OF SOUTH ISLAND	*Overseas born*	*175*	*100*	*137*	*92*	*388*	*228*	*700*	*420*
		75		***45***		***160***		***280***	
	NZ born							*4002*	*3441*
								562	

Summary Table 5 Per capita fiscal impact by region of residence ($pc)

impact on revenue	*impact on spending*
net fiscal impact	

Region of residence		*Years in NZ*						***ALL MIGRANTS***	
		less than 5		*between 5 and 14*		*15 or more*			
AUCKLAND	*Overseas born*	*6693*	*3837*	*8631*	*4593*	*11745*	*8187*	*8988*	*5521*
		2856		***4038***		***3558***		***3466***	
	NZ born							*9102*	*7505*
								1597	
WELLINGTON	*Overseas born*	*8590*	*4344*	*10221*	*5639*	*12866*	*5715*	*11059*	*5310*
		4245		***4582***		***7150***		***5749***	
	NZ born							*9945*	*6530*
								3415	
REST OF NORTH ISLAND	*Overseas born*	*5757*	*3980*	*7375*	*4991*	*9235*	*5132*	*7865*	*4779*
		1777		***2384***		***4102***		***3086***	
	NZ born							*7255*	*7048*
								207	
CHRISTCHURCH	*Overseas born*	*6366*	*3626*	*7984*	*4869*	*10887*	*6581*	*8586*	*5124*
		2740		***3116***		***4306***		***3463***	
	NZ born							*8014*	*7228*
								786	
REST OF SOUTH ISLAND	*Overseas born*	*6162*	*3519*	*7494*	*5031*	*9450*	*5557*	*7978*	*4787*
		2643		***2463***		***3892***		***3190***	
	NZ born							*7360*	*6718*
								642	

Summary Table 6 WAP per capita fiscal impact by region of residence ($pc age 18-64)

impact on revenue	*impact on spending*
net fiscal impact	

Region of residence		*Years in NZ*						***ALL MIGRANTS***	
		less than 5		*between 5 and 14*		*15 or more*			
AUCKLAND	*Overseas born*	*9007*	*5163*	*10864*	*5781*	*14168*	*9876*	*11406*	*7007*
		3844		***5083***		***4292***		***4399***	
	NZ born							*16063*	*12832*
								3231	
WELLINGTON	*Overseas born*	*11289*	*5710*	*13002*	*7174*	*16365*	*7270*	*14197*	*6817*
		5579		***5829***		***9095***		***7380***	
	NZ born							*15926*	*10457*
								5469	
REST OF NORTH ISLAND	*Overseas born*	*9944*	*6874*	*12192*	*8252*	*16168*	*8986*	*13549*	*8233*
		3070		***3941***		***7183***		***5317***	
	NZ born							*12588*	*12229*
								359	
CHRISTCHURCH	*Overseas born*	*8747*	*4982*	*10335*	*6302*	*15543*	*9396*	*11793*	*7038*
		3764		***4033***		***6148***		***4756***	
	NZ born							*13067*	*11785*
								1282	
REST OF SOUTH ISLAND	*Overseas born*	*9411*	*5374*	*11374*	*7636*	*14930*	*8780*	*12361*	*7418*
		4037		***3738***		***6150***		***4943***	
	NZ born							*12145*	*11910*
								235	

12 Appendix Tables and Figures

Appendix Table 1 Fiscal impact of migrant population 2006 ($m)

NZ born		OVERSEAS BORN TOTAL		Overseas born : years in NZ: less than 5	between 5 and 14	15 or more
	2005/06 $m					
	GOVERNMENT REVENUE					
15284	Income tax	4794		1075	1189	2530
7836	GST	2741		723	709	1309
1635	Petrol, alcohol & tobacco excises	567		147	145	275
24755	Income tax, GST & excises		8101	1945	2043	4113
	GOVERNMENT EXPENDITURE					
616	Early childhood educ	43		42	1	0
3101	Prim'y & sec'y schools	560		310	239	11
1250	Tertiary institutions	433		177	130	126
4967	EDUCATION		1036	529	370	137
6870	HEALTH		2165	492	438	1235
5660	NATIONAL SUPER		755	0	59	697
563	Unemployment benefit	151		32	64	55
2695	Other main benefits	412		31	134	247
927	Supplementary benefits	179		21	66	91
4185	WORK AND INCOME		741	84	264	393
236	STUDENT ALLOWANCES		115	40	52	23
21917	Education, Health, NS, Stdt allows, Benefits		4813	1145	1184	2485
2838	**NET IMPACT (*)**		3288	801	859	1628

Appendix Table 2 Per capita fiscal impact 2006 ($pc)

NZ born		OVERSEAS BORN TOTAL		Overseas born : years in NZ: less than 5	between 5 and 14	15 or more
	2005/06 $ per head					
	GOVERNMENT REVENUE					
4929	Income tax	5170		3596	4799	6651
2527	GST	2956		2416	2864	3440
527	Petrol, alcohol & tobacco excises	611		492	585	722
7984	Income tax, GST & excises		8737	6504	8248	10813
	GOVERNMENT EXPENDITURE					
199	Early childhood educ	46		140	4	0
1000	Prim'y & sec'y schools	604		1037	966	29
403	Tertiary institutions	467		591	526	331
1602	EDUCATION	1117		1767	1495	360
2216	HEALTH	2335		1644	1770	3246
1825	NATIONAL SUPER	815		0	237	1832
181	Unemployment benefit	163		108	258	145
869	Other main benefits	444		104	540	648
299	Supplementary benefits	193		70	268	240
1350	WORK AND INCOME	800		282	1066	1033
76	STUDENT ALLOWANCES	124		133	211	61
7068	Education, Health, NS, Stdt allows, Benefits		5191	3826	4779	6532
915	**NET IMPACT (*)**		3547	2677	3469	4281
3101	**Population (000)**		927	299	248	380

Appendix Table 3 WAP per capita fiscal impact 2006 ($pc age 18-64)

NZ born		OVERSEAS BORN TOTAL		Overseas born : years in NZ: less than 5	between 5 and 14	15 or more
	2005/06 $ per head of 18-64 yos					
	GOVERNMENT REVENUE					
8396	Income tax	7281		5130	6471	9544
4305	GST	4163		3447	3862	4937
898	Petrol, alcohol & tobacco excises	861		703	788	1036
13600	Income tax, GST & excises		12305	9279	11122	15517
	GOVERNMENT EXPENDITURE					
338	Early childhood educ	65		199	5	0
1704	Prim'y & sec'y schools	851		1479	1302	42
687	Tertiary institutions	658		843	709	476
2729	EDUCATION	1574		2521	2016	517
3774	HEALTH	3288		2346	2386	4659
3109	NATIONAL SUPER			0	319	2629
309	Unemployment benefit	230		154	348	208
1481	Other main benefits	625		148	729	930
509	Supplementary benefits	271		100	362	344
2299	WORK AND INCOME	1126		402	1438	1483
130	STUDENT ALLOWANCES	175		189	284	87
12041	Education, Health, NS, Stdt allows, Benefits		6163	5459	6444	9374
1559	**NET IMPACT (*)**		6142	3820	4678	6143
1820	**Population aged 18-64 (000)**		658	210	184	265

Appendix Table 4 Comparison of fiscal impacts of migrants: 1998, 2002, 2006 ($m)

	NZ born			Overseas born		
	1997/98	2001/02	2005/06	1997/98	2001/02	2005/06
	2005/06 $m					
GOVERNMENT REVENUE						
Income tax	16365	17021	15284	4083	4474	4794
GST	4616	4954	7836	1376	1311	2741
Petrol, alcohol & tobacco excises	1883	1839	1635	553	485	567
Income tax, GST & excises	22865	23814	24755	6012	6271	8101
GOVERNMENT EXPENDITURE						
Early childhood educ	314	371	616	15	17	43
Prim'y & sec'y schools	2613	2851	3101	323	430	560
Tertiary institutions	1055	1097	1250	200	286	433
EDUCATION	3982	4319	4967	539	733	1036
HEALTH	5235	5664	6870	1258	1583	2165
NATIONAL SUPER	4683	4543	5660	1378	1374	755
Unemployment benefit	941	836	563	330	194	151
Other main benefits	1872	1776	2695	286	315	412
Supplementary benefits	555	552	927	153	143	179
WORK AND INCOME	3368	3163	4185	768	651	741
STUDENT ALLOWANCES	320	329	236	88	107	115
Edn, Health, NS, Stdt allows, Benefits	17588	18019	21917	4031	4448	4813
NET IMPACT (*)	5277	5795	2838	1981	1823	3288

Appendix Table 5 Comparison of fiscal impacts of migrants: 1998, 2002, 2006 (%)

	NZ born			Overseas born		
	1997/98	2001/02	2005/06	1997/98	2001/02	2005/06
		% change between studies				
GOVERNMENT REVENUE						
Income tax		4%	-10%		10%	7%
GST		7%	58%		-5%	109%
Petrol, alcohol & tobacco excises		-2%	-11%		-12%	17%
Income tax, GST & excises		4%	4%		4%	29%
GOVERNMENT EXPENDITURE						
Early childhood educ		18%	66%		13%	148%
Prim'y & sec'y schools		9%	9%		33%	30%
Tertiary institutions		4%	14%		43%	51%
EDUCATION		8%	15%		36%	41%
HEALTH		8%	21%		26%	37%
NATIONAL SUPER		-3%	25%		0%	-45%
Unemployment benefit		-11%	-33%		-41%	-22%
Other main benefits		-5%	52%		10%	31%
Supplementary benefits		-1%	68%		-7%	25%
WORK AND INCOME		-6%	32%		-15%	14%
STUDENT ALLOWANCES		3%	-28%		21%	8%
Edn, Health, NS, Stdt allows, Benefits		2%	22%		10%	8%
NET IMPACT (*)		10%	-51%		-8%	80%

Appendix Table 6 Comparison of fiscal impacts of migrants: 1998, 2002, 2006 (%pa)

	NZ born			Overseas born		
	1997/98	2001/02	2005/06	1997/98	2001/02	2005/06
	% change (per annum average) between studies					
GOVERNMENT REVENUE						
Income tax		1%	-3%		2%	2%
GST		2%	12%		-1%	20%
Petrol, alcohol & tobacco excises		-1%	-3%		-3%	4%
Income tax, GST & excises		1%	1%		1%	7%
GOVERNMENT EXPENDITURE						
Early childhood educ		4%	14%		3%	26%
Prim'y & sec'y schools		2%	2%		7%	7%
Tertiary institutions		1%	3%		9%	11%
EDUCATION		2%	4%		8%	9%
HEALTH		2%	5%		6%	8%
NATIONAL SUPER		-1%	6%		0%	-14%
Unemployment benefit		-3%	-9%		-12%	-6%
Other main benefits		-1%	11%		2%	7%
Supplementary benefits		0%	14%		-2%	6%
WORK AND INCOME		-2%	7%		-4%	3%
STUDENT ALLOWANCES		1%	-8%		5%	2%
Edn, Health, NS, Stdt allows, Benefits		1%	5%		2%	2%
NET IMPACT (*)		2%	-16.3%		-2%	16%

Appendix Table 7 Comparison of fiscal impacts of migrants: 1998, 2002, 2006 (%pa)

Estimates without MSD Childcare subsidies

	NZ born			Overseas born		
	1997/98	2001/02	2005/06	1997/98	2001/02	2005/06
	% change (per annum average) between studies					
GOVERNMENT REVENUE						
Income tax		1%	-3%		2%	2%
GST		2%	12%		-1%	20%
Petrol, alcohol & tobacco excises		-1%	-3%		-3%	4%
Income tax, GST & excises		1%	1%		1%	7%
GOVERNMENT EXPENDITURE						
Early childhood educ		4%	8%		3%	20%
Prim'y & sec'y schools		2%	2%		7%	7%
Tertiary institutions		1%	3%		9%	11%
EDUCATION		2%	3%		8%	9%
HEALTH		2%	5%		6%	8%
NATIONAL SUPER		-1%	6%		0%	-14%
Unemployment benefit		-3%	-9%		-12%	-6%
Other main benefits		-1%	11%		2%	7%
Supplementary benefits		0%	14%		-2%	6%
WORK AND INCOME		-2%	7%		-4%	3%
STUDENT ALLOWANCES		1%	-8%		5%	2%
Edn, Health, NS, Stdt allows, Benefits		1%	5%		2%	2%
NET IMPACT (*)		2%	-15.6%		-2%	16%

Appendix Table 8 Comparison of fiscal impacts of recent migrants: 1998, 2002, 2006 ($m)

	NZ born			Overseas born		
	1997/98	2001/02	2005/06	1997/98	2001/02	2005/06
	2005/06 $m					
GOVERNMENT REVENUE						
Income tax	16365	17021	15284	661	815	1075
GST	4616	4954	7836	249	295	723
Petrol, alcohol & tobacco excises	1883	1839	1635	100	109	147
Income tax, GST & excises	22865	23814	24755	1010	1219	1945
GOVERNMENT EXPENDITURE						
Early childhood educ	314	371	616	15	17	42
Prim'y & sec'y schools	2613	2851	3101	166	219	310
Tertiary institutions	1055	1097	1250	106	106	177
EDUCATION	3982	4319	4967	287	341	529
HEALTH	5235	5785	6870	204	302	492
NATIONAL SUPER	4683	4543	5660	0	0	0
Unemployment benefit	941	836	563	142	54	32
Other main benefits	1872	1776	2695	69	43	31
Supplementary benefits	555	552	927	38	40	21
WORK AND INCOME	3368	3163	4185	249	137	84
STUDENT ALLOWANCES	320	329	236	39	36	40
Edn, Health, NS, Stdt allows, Benefits	17588	18139	21917	778	816	1145
NET IMPACT (*)	5277	5674	2838	232	403	801

Appendix Table 9 Comparison of fiscal impacts of intermediate migrants: 1998, 2002, 2006 ($m)

	NZ born			Overseas born		
	1997/98	2001/02	2005/06	1997/98	2001/02	2005/06
	2005/06 $m					
GOVERNMENT REVENUE						
Income tax	16365	17021	15284	852	1065	1189
GST	4616	4954	7836	296	309	709
Petrol, alcohol & tobacco excises	1883	1839	1635	119	114	145
Income tax, GST & excises	22865	23814	24755	1267	1489	2043
GOVERNMENT EXPENDITURE						
Early childhood educ	314	371	616	0	0	1
Prim'y & sec'y schools	2613	2851	3101	144	192	239
Tertiary institutions	1055	1097	1250	82	95	130
EDUCATION	3982	4319	4967	227	287	370
HEALTH	5235	5785	6870	205	293	438
NATIONAL SUPER	4683	4543	5660	45	47	59
Unemployment benefit	941	836	563	67	62	64
Other main benefits	1872	1776	2695	73	85	134
Supplementary benefits	555	552	927	35	43	66
WORK AND INCOME	3368	3163	4185	175	190	264
STUDENT ALLOWANCES	320	329	236	27	47	52
Edn, Health, NS, Stdt allows, Benefits	17588	18139	21917	678	864	1184
NET IMPACT (*)	5277	5674	2838	589	625	859

Appendix Table 10 Comparison of fiscal impacts of earlier migrants: 1998, 2002, 2006 ($m)

	NZ born			Overseas born		
	1997/98	2001/02	2005/06	1997/98	2001/02	2005/06
	2005/06 $m					
GOVERNMENT REVENUE						
Income tax	16365	17021	15284	2570	2594	2530
GST	4616	4954	7836	830	707	1309
Petrol, alcohol & tobacco excises	1883	1839	1635	334	262	275
Income tax, GST & excises	22865	23814	24755	3735	3563	4113
GOVERNMENT EXPENDITURE						
Early childhood educ	314	371	616	0	0	0
Prim'y & sec'y schools	2613	2851	3101	13	19	11
Tertiary institutions	1055	1097	1250	12	86	126
EDUCATION	3982	4319	4967	25	104	137
HEALTH	5235	5785	6870	849	988	1235
NATIONAL SUPER	4683	4543	5660	1333	1327	697
Unemployment benefit	941	836	563	121	78	55
Other main benefits	1872	1776	2695	144	186	247
Supplementary benefits	555	552	927	80	60	91
WORK AND INCOME	3368	3163	4185	345	324	393
STUDENT ALLOWANCES	320	329	236	22	23	23
Edn, Health, NS, Stdt allows, Benefits	17588	18139	21917	2574	2767	2485
NET IMPACT (*)	5277	5674	2838	1160	796	1628

Appendix Table 11 Comparison of per capita fiscal impact: 1998, 2002, 2006 ($pc)

	NZ born			Overseas born		
	1997/98	2001/02	2005/06	1997/98	2001/02	2005/06
	2005/06 $ per head					
GOVERNMENT REVENUE						
Income tax	5350	5576	4929	6217	6038	5170
GST	1509	1623	2527	2095	1770	2956
Petrol, alcohol & tobacco excises	616	602	527	843	655	611
Income tax, GST & excises	7475	7801	7984	9154	8463	8737
GOVERNMENT EXPENDITURE						
Early childhood educ	103	122	199	23	23	46
Prim'y & sec'y schools	854	934	1000	493	580	604
Tertiary institutions	345	359	403	304	386	467
EDUCATION	1302	1415	1602	820	989	1117
HEALTH	1711	1855	2216	1915	2137	2335
NATIONAL SUPER	1531	1488	1825	2099	1854	815
Unemployment benefit	308	274	181	502	262	163
Other main benefits	612	582	869	435	425	444
Supplementary benefits	181	181	299	232	192	193
WORK AND INCOME	1101	1036	1350	1169	879	800
STUDENT ALLOWANCES	105	108	76	134	144	124
Edn, Health, NS, Stdt allows, Benefits	5750	5902	7068	6137	6003	5191
NET IMPACT (*)	**1725**	**1898**	**915**	**3017**	**2460**	**3547**
Population (000)	**3059**	**3053**	**3101**	**657**	**741**	**927**

Appendix Table 12 Comparison of per capita fiscal impact by duration of residency: 1998, 2002, 2006 ($pc)

	New migrants			Recent migrants			Established migrants		
	1997/98	2001/02	2005/06	1997/98	2001/02	2005/06	1997/98	2001/02	2005/06
	2005/06 $ per head								
GOVERNMENT REVENUE									
Income tax	4085	3992	3596	5611	5574	4799	7489	7502	6651
GST	1539	1447	2416	1953	1617	2864	2420	2044	3440
Petrol, alcohol & tobacco excises	619	536	492	785	599	585	973	757	722
Income tax, GST & excises	6243	5975	6504	8350	7790	8248	10882	10304	10813
GOVERNMENT EXPENDITURE									
Early childhood educ	94	82	140	0	1	4	0	0	0
Prim'y & sec'y schools	1026	1072	1037	951	1005	966	38	54	29
Tertiary institutions	653	519	591	544	495	526	35	247	331
EDUCATION	1773	1674	1767	1494	1501	1495	73	302	360
HEALTH	1258	1479	1644	1348	1534	1770	2475	2857	3246
NATIONAL SUPER	0	0	0	296	244	237	3885	3838	1832
Unemployment benefit	876	266	108	439	322	258	353	226	145
Other main benefits	428	212	104	480	447	540	419	538	648
Supplementary benefits	232	194	70	232	225	268	233	173	240
WORK AND INCOME	1536	672	282	1152	995	1066	1004	937	1033
STUDENT ALLOWANCES	241	176	133	179	248	211	64	68	61
Edn, Health, NS, Stdt allows, Benefits	4808	4001	3826	4469	4522	4779	7501	8002	6532
NET IMPACT (*)	**1435**	**1975**	**2677**	**3881**	**3268**	**3469**	**3381**	**2301**	**4281**
Population (000)	**162**	**204**	**299**	**152**	**191**	**248**	**343**	**346**	**380**

Appendix Table 13 Occupation by region of birth 2006

NZ born		OVERSEAS BORN TOTAL	Overseas born : region of birth						
			Australia	Pacific Islands	The United Kingdom and Ireland	Europe and North America	Asia	Other	Not specified
	Occupation (000)								
215	Legislators, Administrators and Managers	69	5	5	25	8	18	7	0.3
206	Professionals	86	5	7	31	12	19	12	0.3
180	Technicians and Associate Professionals	60	4	6	20	8	14	7	0.3
168	Clerks	51	4	8	15	5	14	5	0.2
203	Service and Sales Workers	66	5	10	15	6	24	6	0.3
114	Agriculture and Fishery Workers	16	2	2	5	3	3	1	0.1
133	Trades Workers	35	3	7	12	4	6	4	0.2
119	Plant and Machine Operators and Assemblers	31	2	12	6	2	8	2	0.2
94	Labourers and Related Elementary Service Wc	28	2	9	5	2	8	2	0.2
78	Not Elsewhere Included	35	1	10	6	4	11	3	0.6
729	No occupation (*)	340	17	53	98	36	110	23	2.5
2238	Total	816	50	127	239	89	233	71	5

Appendix table 14 Occupation in Auckland 2006

NZ born		OVERSEAS BORN TOTAL		Overseas born :years in NZ less than 5	between 5 and 14	15 or more
	Occupation (000)					
59	Legislators, Administrators and Managers	33		8	9	16
54	Professionals	39		11	12	16
48	Technicians and Associate Professionals	30		9	8	13
41	Clerks	27		8	7	12
38	Service and Sales Workers	31		10	9	12
4	Agriculture and Fishery Workers	2		0.5	0.5	1.1
26	Trades Workers	17		5	4	8
16	Plant and Machine Operators and Assemblers	17		4	4	9
16	Labourers and Related Elementary Service Work	15		4	4	7
13	Not Elsewhere Included	17		5	4	7
142	No occupation	157		44	37	75
458	Total	384		108	99	177

Appendix Table 15 Occupation in Wellington 2006

NZ born		OVERSEAS BORN TOTAL		Overseas born : years in NZ less than 5	between 5 and 14	15 or more
	Occupation (000)					
24	Legislators, Administrators and Managers	7		1.8	2.1	3.6
30	Professionals	12		3.3	3.5	5.1
21	Technicians and Associate Professionals	7		1.9	1.8	2.9
20	Clerks	6		1.7	1.6	2.6
19	Service and Sales Workers	7		2.4	2.1	2.7
1	Agriculture and Fishery Workers	0		0.1	0.1	0.2
10	Trades Workers	3		0.8	0.7	1.4
6	Plant and Machine Operators and Assemblers	3		0.6	0.7	1.4
6	Labourers and Related Elementary Service Wo	3		0.7	0.7	1.2
6	Not Elsewhere Included	3		1.1	0.9	1.5
56	No occupation	31		8.8	7.3	14.9
200	Total	82		23	21	37

Appendix Table 16 Occupation in Christchurch 2006

NZ born		OVERSEAS BORN TOTAL		Overseas born : years in NZ less than 5	between 5 and 14	15 or more
	Occupation (000)					
20	Legislators, Administrators and Managers	5		1.2	1.4	2.5
21	Professionals	7		1.9	2.0	2.9
19	Technicians and Associate Professionals	5		1.3	1.3	2.0
17	Clerks	3		1.0	0.9	1.5
22	Service and Sales Workers	6		1.9	1.6	2.1
3	Agriculture and Fishery Workers	1		0.2	0.1	0.3
13	Trades Workers	2		0.7	0.6	1.2
11	Plant and Machine Operators and Assemblers	3		0.6	0.6	1.3
10	Labourers and Related Elementary Service Workers	2		0.7	0.6	1.1
7	Not Elsewhere Included	3		0.9	0.7	1.2
70	No occupation	27		7.6	6.3	12.8
212	Total	63		18	16	29

Appendix Table 17 Occupation in the rest of North Island 2006

NZ born		OVERSEAS BORN TOTAL		Overseas born : years in NZ less than 5	between 5 and 14	15 or more
	Occupation (000)					
78	Legislators, Administrators and Managers	17		4.1	4.7	8.3
72	Professionals	21		5.9	6.4	9.1
65	Technicians and Associate Professionals	14		4.0	3.8	6.0
63	Clerks	11		3.1	2.9	4.9
85	Service and Sales Workers	15		5.2	4.5	5.8
69	Agriculture and Fishery Workers	9		2.2	1.9	4.6
59	Trades Workers	9		2.6	2.3	4.5
58	Plant and Machine Operators and Assemblers	7		1.5	1.6	3.4
41	Labourers and Related Elementary Service Worke	6		1.8	1.6	2.8
38	Not Elsewhere Included	9		2.7	2.3	3.7
330	No occupation	93		26.4	22.1	44.8
958	Total	211		60	54	98

Appendix Table 18 Occupation in the rest of South Island 2006

NZ born		OVERSEAS BORN TOTAL		Overseas born : years in NZ		
				less than 5	between 5 and 14	15 or more
	Occupation (000)					
33	Legislators, Administrators and Managers	6		1.4	1.6	2.8
29	Professionals	8		2.1	2.3	3.2
27	Technicians and Associate Professionals	5		1.4	1.3	2.1
27	Clerks	4		1.1	1.0	1.7
40	Service and Sales Workers	6		2.2	1.9	2.4
36	Agriculture and Fishery Workers	4		1.0	0.9	2.1
25	Trades Workers	3		0.9	0.8	1.5
29	Plant and Machine Operators and Assemblers	3		0.6	0.7	1.4
21	Labourers and Related Elementary Service W(	2		0.7	0.6	1.1
14	Not Elsewhere Included	3		0.9	0.8	1.2
130	No occupation	32		9.0	7.5	15.3
411	Total	75		21	19	35

Appendix Table 19 Fiscal impact of recent migrants 2006 ($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
2005/06 $m										
GOVERNMENT REVENUE										
Income tax		1075		81	58	362	146	251	174	4
GST		723		32	75	128	74	315	95	4
Petrol, alcohol & tobacco excises		147		6	16	26	15	64	19	1
Income tax, GST & excises			1945	119	148	516	234	630	288	9
GOVERNMENT EXPENDITURE										
Early childhood educ	42			8	5	11	5	8	5	0
Prim'y & sec'y schools	310			24	37	60	22	116	49	2
Tertiary institutions	177			7	19	21	15	93	21	1
EDUCATION		529		39	61	92	42	216	75	3
HEALTH		492		28	52	97	48	198	67	3
NATIONAL SUPER		0		0	0	0	0	0	0	NA
Unemployment benefit	32			2	8	4	2	12	4	NA
Other main benefits	31			2	10	7	2	6	3	NA
Supplementary benefits	21			1	5	4	2	7	2	NA
WORK AND INCOME		84		5	23	15	7	25	9	NA
STUDENT ALLOWANCES		40		1	4	1	3	24	5	0.2
Education, Health, NS, Stdt allows, Benefits			1145	74	140	206	100	463	155	7
NET IMPACT (*)			801	45	8	310	134	167	133	2

Appendix Table 20 Per capita fiscal impact of recent migrants 2006 ($pc)

	OVERSEAS BORN TOTAL		Overseas born : region of birth						
			Australia	Pacific Islands	The United Kingdom and Ireland	Europe and North America	Asia	Other	Not specified
2005/06 $ per head									
GOVERNMENT REVENUE									
Income tax		3596	4760	1846	6512	5158	2022	4233	2302
GST		2416	1854	2378	2302	2603	2543	2324	2307
Petrol, alcohol & tobacco excises		492	374	499	463	532	517	475	471
Income tax, GST & excises		6504	6989	4722	9277	8292	5082	7032	5080
GOVERNMENT EXPENDITURE									
Early childhood educ	140		474	174	197	164	62	113	150
Prim'y & sec'y schools	1037		1430	1183	1072	796	932	1193	1162
Tertiary institutions	591		401	591	382	543	748	512	592
EDUCATION		1767	2305	1948	1650	1503	1742	1817	1903
HEALTH		1644	1649	1643	1750	1683	1593	1626	1706
NATIONAL SUPER		0	0	0	0	0	0	0	NA
Unemployment benefit	108		95	268	71	86	94	102	NA
Other main benefits	104		146	333	133	86	47	61	NA
Supplementary benefits	70		78	147	68	66	59	49	NA
WORK AND INCOME		282	318	748	272	238	201	212	NA
STUDENT ALLOWANCES		133	63	126	26	114	196	131	114
Education, Health, NS, Stdt allows, Benefits		3826	4335	4466	3698	3538	3732	3787	3723
NET IMPACT (*)		2677	2654	256	5579	4754	1350	3245	1357
Population (000)		299	17	31	56	28	124	41	2

Appendix Table 21 WAP per capita fiscal impact of recent migrants 2006

($pc 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
2005/06 $ per head of 18-64yos										
GOVERNMENT REVENUE										
Income tax		5130		9823	2773	9842	6990	2675	6206	3526
GST		3447		3826	3573	3480	3527	3365	3408	3534
Petrol, alcohol & tobacco excises		703		772	749	700	721	685	696	722
Income tax, GST & excises			9279	14421	7095	14021	11238	6725	10309	7782
GOVERNMENT EXPENDITURE										
Early childhood educ	199			979	262	297	223	82	165	229
Prim'y & sec'y schools	1479			2951	1777	1620	1079	1233	1749	1780
Tertiary institutions	843			827	888	577	736	990	751	906
EDUCATION		2521		4756	2927	2494	2037	2305	2664	2916
HEALTH		2346		3402	2469	2645	2281	2108	2384	2613
NATIONAL SUPER		0		0	0	0	0	0	0	NA
Unemployment benefit	154			195	403	108	116	125	150	NA
Other main benefits	148			301	501	200	117	62	89	NA
Supplementary benefits	100			161	220	103	90	79	72	NA
WORK AND INCOME		402		657	1124	411	322	266	311	NA
STUDENT ALLOWANCES		189		129	190	39	154	260	193	175
Education, Health, NS, Stdt allows, Benefits			5459	8945	6710	5590	4795	4939	5552	5703
NET IMPACT (*)			3820	5476	385	8432	6443	1786	4757	2079
Population aged 18-64 (000)			210	8	21	37	21	94	28	1

Appendix Table 22 Fiscal impact of intermediate migrants 2006 ($m)

				Overseas born : region of birth						
		OVERSEAS BORN TOTAL		Australia	Pacific Islands	The United Kingdom and Ireland	Europe and North America	Asia	Other	Not specified
2005/06 $m										
GOVERNMENT REVENUE										
Income tax		1189		62	99	306	156	334	225	6
GST		709		35	102	109	71	287	101	4
Petrol, alcohol & tobacco excises		145		7	22	22	14	59	20	1
Income tax, GST & excises			2043	104	223	437	241	680	347	11
GOVERNMENT EXPENDITURE										
Early childhood educ	0.9			0.3	0.1	0.2	0.1	0.1	0.1	0.0
Prim'y & sec'y schools	239			43	32	39	25	62	37	2
Tertiary institutions	130			7	21	15	11	57	19	1
EDUCATION		370		50	53	54	35	119	56	2
HEALTH		438		23	61	70	43	178	60	3
NATIONAL SUPER		59		3	4	37	9	4	1	NA
Unemployment benefit	64			3	17	8	5	23	8	NA
Other main benefits	134			11	45	32	10	25	11	NA
Supplementary benefits	66			4	15	12	6	23	6	NA
WORK AND INCOME		264		18	76	52	21	72	25	NA
STUDENT ALLOWANCES		52		2	5	3	4	32	7	0
Education, Health, NS, Stdt allows, Benefits			1184	96	199	215	113	405	150	6
NET IMPACT (*)			859	8	24	222	128	276	197	5

Appendix Table 23 Per capita fiscal impact of intermediate migrants 2006 ($pc)

			OVERSEAS BORN TOTAL	Overseas born : region of birth						
				Australia	Pacific Islands	The United Kingdom and Ireland	Europe and North America	Asia	Other	Not specified
2005/06 $ per head										
GOVERNMENT REVENUE										
Income tax		4799		3712	2808	8250	6363	3443	6371	3567
GST		2864		2103	2887	2932	2895	2958	2856	2744
Petrol, alcohol & tobacco excises		585		423	609	587	585	607	573	565
Income tax, GST & excises			8248	6239	6305	11769	9844	7009	9800	6877
GOVERNMENT EXPENDITURE										
Early childhood educ	3.7			15.0	3.6	5.5	4.4	1.3	2.7	0.0
Prim'y & sec'y schools	966			2587	903	1058	1005	638	1035	1019
Tertiary institutions	526			416	589	398	440	585	549	476
EDUCATION		1495		3017	1495	1461	1449	1224	1587	1495
HEALTH		1770		1357	1725	1875	1774	1836	1708	1882
NATIONAL SUPER		237		204	123	983	373	42	34	NA
Unemployment benefit	258			191	471	211	196	238	234	NA
Other main benefits	540			641	1275	854	428	259	304	NA
Supplementary benefits	268			253	414	322	242	240	180	NA
WORK AND INCOME		1066		1086	2160	1387	865	738	719	NA
STUDENT ALLOWANCES		211		107	133	79	144	329	198	126
Education, Health, NS, Stdt allows, Benefits			4779	5770	5636	5786	4606	4169	4246	3503
NET IMPACT (*)			3469	469	668	5983	5238	2839	5554	3374
Population (000)			248	17	35	37	24	97	35	2

Appendix Table 24 WAP per capita fiscal impact of intermediate migrants 2006

($pc 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
2005/06 $ per head of 18-64yos										
GOVERNMENT REVENUE										
Income tax		6471		8347	3699	11477	8611	4322	8609	4962
GST		3862		4728	3803	4079	3918	3714	3859	3817
Petrol, alcohol & tobacco excises		788		952	803	816	792	762	775	786
Income tax, GST & excises			11122	14026	8305	16372	13321	8798	13243	9565
GOVERNMENT EXPENDITURE										
Early childhood educ	4.9			33.8	4.8	7.6	6.0	1.6	3.6	0.0
Prim'y & sec'y schools	1302			5816	1190	1472	1360	801	1398	1417
Tertiary institutions	709			935	775	553	595	734	743	663
EDUCATION		2016		6784	1970	2033	1961	1537	2145	2080
HEALTH		2386		3050	2273	2608	2400	2305	2308	2617
NATIONAL SUPER		319		458	162	1367	505	53	46	NA
Unemployment benefit	348			430	621	294	265	299	316	NA
Other main benefits	729			1442	1679	1188	579	325	411	NA
Supplementary benefits	362			569	545	448	328	302	244	NA
WORK AND INCOME		1438		2441	2845	1930	1171	926	971	NA
STUDENT ALLOWANCES		284		240	176	110	195	413	268	175
Education, Health, NS, Stdt allows, Benefits			6444	12973	7425	8049	6232	5234	5738	4872
NET IMPACT (*)			4678	1054	880	8323	7088	3564	7505	4693
Population aged 18-64 (000)			184	7	27	27	18	77	26	1

Appendix Table 25 Fiscal impact of earlier migrants 2006 ($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
2005/06 $m									
GOVERNMENT REVENUE									
Income tax	2530		217	310	1279	322	277	113	11
GST	1309		110	235	599	161	151	43	9
Petrol, alcohol & tobacco excises	275		23	50	125	34	31	9	2
Income tax, GST & excises		4113	350	595	2004	517	459	166	22
GOVERNMENT EXPENDITURE									
Early childhood educ	0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0
Prim'y & sec'y schools	11		5	1	2	1	2	0	0
Tertiary institutions	126		17	27	46	14	17	5	1
EDUCATION		137	22	28	48	15	19	5	1
HEALTH		1235	85	156	671	174	108	31	11
NATIONAL SUPER		697	40	51	434	108	48	14	NA
Unemployment benefit	55		3	14	7	4	20	7	NA
Other main benefits	247		20	83	58	19	46	20	NA
Supplementary benefits	91		6	20	16	8	32	9	NA
WORK AND INCOME		393	28	117	82	32	98	36	NA
STUDENT ALLOWANCES		23	4	5	5	2	5	1	0
Education, Health, NS, Stdt allows, Benefits		2485	179	357	1239	331	279	87	12
NET IMPACT (*)		1628	171	238	765	185	180	79	10

Appendix Table 26 Per capita fiscal impact of earlier migrants 2006 ($pc)

	OVERSEAS BORN TOTAL		Overseas born : region of birth						
			Australia	Pacific Islands	The United Kingdom and Ireland	Europe and North America	Asia	Other	Not specified
2005/06 $ per head									
GOVERNMENT REVENUE									
Income tax	6651		6839	4507	7317	6874	6381	9435	3920
GST	3440		3465	3426	3428	3427	3465	3615	3356
Petrol, alcohol & tobacco excises	722		725	732	717	718	723	739	710
Income tax, GST & excises		10813	11029	8665	11462	11019	10568	13790	7986
GOVERNMENT EXPENDITURE									
Early childhood educ	0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0
Prim'y & sec'y schools	29		149	15	11	28	36	27	29
Tertiary institutions	331		529	388	262	299	398	385	298
EDUCATION		360	679	403	274	327	434	411	327
HEALTH		3246	2667	2266	3837	3702	2490	2584	3952
NATIONAL SUPER		1832	1271	749	2481	2312	1114	1192	NA
Unemployment benefit	145		87	209	39	88	460	595	NA
Other main benefits	648		621	1207	334	411	1068	1652	NA
Supplementary benefits	240		183	292	94	173	738	729	NA
WORK AND INCOME		1033	891	1708	467	673	2265	2976	NA
STUDENT ALLOWANCES		61	122	76	28	53	124	87	74
Education, Health, NS, Stdt allows, Benefits		6532	5628	5202	7087	7068	6426	7250	4353
NET IMPACT (*)		4281	5401	3463	4376	3951	4142	6540	3633
Population (000)		380	32	69	175	47	43	12	3

Appendix Table 27 WAP per capita fiscal impact of earlier migrants 2006 ($pc 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
2005/06 $ per head of 18-64yos										
GOVERNMENT REVENUE										
Income tax		9544	1	8926	5181	12184	11435	7658	11419	6546
GST		4937	0	4522	3938	5708	5702	4158	4375	5605
Petrol, alcohol & tobacco excises		1036		946	841	1195	1194	867	895	1185
Income tax, GST & excises			15517	14394	9960	19086	18331	12684	16689	13336
GOVERNMENT EXPENDITURE										
Early childhood educ	0.0			0.0	0.0	0.0	0.0	0.0	0.0	0.0
Prim'y & sec'y schools	42			195	17	19	47	43	32	49
Tertiary institutions	476			691	446	437	498	478	466	497
EDUCATION		517		886	463	455	545	521	498	546
HEALTH		4659		3480	2605	6388	6159	2988	3127	6599
NATIONAL SUPER		2629		1659	861	4131	3846	1336	1443	NA
Unemployment benefit	208			113	240	64	147	552	720	NA
Other main benefits	930			811	1387	557	684	1281	1999	NA
Supplementary benefits	344			238	335	156	288	885	882	NA
WORK AND INCOME		1483		1162	1963	777	1119	2719	3601	NA
STUDENT ALLOWANCES		87		159	87	47	88	148	106	124
Education, Health, NS, Stdt allows, Benefits			9374	7345	5980	11800	11758	7712	8774	7270
NET IMPACT (*)			6143	7048	3980	7286	6573	4971	7915	6066
Population aged 18-64 (000)			265	24	60	105	28	36	10	2

Appendix Table 28 Fiscal impact of migrant population 2006 ($m)

Estimates without MSD Childcare subsidies

NZ born		OVERSEAS BORN TOTAL		Overseas born : years in NZ		
				less than 5	between 5 and 14	15 or more
	2005/06 $m					
	GOVERNMENT REVENUE					
15284	Income tax	4794		1075	1189	2530
7836	GST	2741		723	709	1309
1635	Petrol, alcohol & tobacco excises	567		147	145	275
24755	Income tax, GST & excises		8101	1945	2043	4113
	GOVERNMENT EXPENDITURE					
513	Early childhood educ	36		35	1	0
3101	Prim'y & sec'y schools	560		310	239	11
1250	Tertiary institutions	433		177	130	126
4864	EDUCATION		1029	522	370	137
6870	HEALTH		2165	492	438	1235
5660	NATIONAL SUPER		755	0	59	697
563	Unemployment benefit	151		32	64	55
2695	Other main benefits	412		31	134	247
927	Supplementary benefits	179		21	66	91
4185	WORK AND INCOME		741	84	264	393
236	STUDENT ALLOWANCES		115	40	52	23
21815	Education, Health, NS, Stdt allows, Benefits		4806	1138	1183	2485
2941	**NET IMPACT (*)**		3296	808	860	1628

Appendix Table 29 Fiscal impact of migrant population 2006 ($pc)

Estimates without MSD Childcare subsidies

NZ born		OVERSEAS BORN TOTAL		Overseas born : years in NZ: less than 5	between 5 and 14	15 or more
	2005/06 $ per head					
	GOVERNMENT REVENUE					
4929	Income tax	5170		3596	4799	6651
2527	GST	2956		2416	2864	3440
527	Petrol, alcohol & tobacco excises	611		492	585	722
7984	Income tax, GST & excises		8737	6504	8248	10813
	GOVERNMENT EXPENDITURE					
166	Early childhood educ	38		116	3	0
1000	Prim'y & sec'y schools	604		1037	966	29
403	Tertiary institutions	467		591	526	331
1569	EDUCATION	1110		1744	1494	360
2216	HEALTH	2335		1644	1770	3246
1825	NATIONAL SUPER	815		0	237	1832
181	Unemployment benefit	163		108	258	145
869	Other main benefits	444		104	540	648
299	Supplementary benefits	193		70	268	240
1350	WORK AND INCOME	800		282	1066	1033
76	STUDENT ALLOWANCES	124		133	211	61
7035	Education, Health, NS, Stdt allows, Benefits		5183	3803	4778	6532
948	**NET IMPACT (*)**		3554	2701	3470	4281
3101	**Population (000)**		927	299	248	380

Appendix Table 30 Fiscal impact of migrant population 2006 ($m) by region of birth

Estimates without MSD Childcare subsidies

NZ born		OVERSEAS BORN TOTAL		Overseas born : region of birth						
				Australia	Pacific Islands	The United Kingdom and Ireland	Europe and North America	Asia	Other	Not specified
	2005/06 $m									
	GOVERNMENT REVENUE									
15284	Income tax	4794		360	467	1948	624	862	512	21
7836	GST	2741		177	412	836	305	753	240	18
1635	Petrol, alcohol & tobacco excises	567		36	87	173	63	154	49	4
24755	Income tax, GST & excises		8101	573	966	2957	992	1770	801	42
	GOVERNMENT EXPENDITURE									
513	Early childhood educ	36		7	5	9	4	7	4	0
3101	Prim'y & sec'y schools	560		72	70	101	48	179	86	4
1250	Tertiary institutions	433		31	66	82	40	167	45	3
4864	EDUCATION		1029	110	141	192	92	352	135	7
6870	HEALTH		2165	135	268	838	265	484	158	17
5660	NATIONAL SUPER		755	44	56	470	118	52	16	NA
563	Unemployment benefit	151		8	39	19	11	55	20	NA
2695	Other main benefits	412		33	138	98	32	77	33	NA
927	Supplementary benefits	179		11	39	32	16	63	17	NA
4185	WORK AND INCOME		741	52	217	148	59	195	70	NA
236	STUDENT ALLOWANCES		115	7	14	9	9	62	13	1
21815	Education, Health, NS, Stdt allows, Benefits		4806	348	696	1658	543	1145	392	24
2941	**NET IMPACT (*)**		3296	226	270	1299	449	624	409	18

Appendix Table 31 Fiscal impact of migrant population 2006 ($m) by region of birth

NZ born		OVERSEAS BORN TOTAL		Overseas born : region of birth						
				Australia	Pacific Islands	The United Kingdom and Ireland	Europe and North America	Asia	Other	Not specified
	2005/06 $m									
	GOVERNMENT REVENUE									
15284	Income tax	4794		360	467	1948	624	862	512	21
7836	GST	2741		177	412	836	305	753	240	18
1635	Petrol, alcohol & tobacco excises	567		36	87	173	63	154	49	4
24755	Income tax, GST & excises		8101	573	966	2957	992	1770	801	42
	GOVERNMENT EXPENDITURE									
616	Early childhood educ	43		8	6	11	5	8	5	0
3101	Prim'y & sec'y schools	560		72	70	101	48	179	86	4
1250	Tertiary institutions	433		31	66	82	40	167	45	3
4967	EDUCATION		1036	111	142	194	93	354	136	7
6870	HEALTH		2165	135	268	838	265	484	158	17
5660	NATIONAL SUPER		755	44	56	470	118	52	16	NA
563	Unemployment benefit	151		8	39	19	11	55	20	NA
2695	Other main benefits	412		33	138	98	32	77	33	NA
927	Supplementary benefits	179		11	39	32	16	63	17	NA
4185	WORK AND INCOME		741	52	217	148	59	195	70	NA
236	STUDENT ALLOWANCES		115	7	14	9	9	62	13	1
21917	Education, Health, NS, Stdt allows, Benefits		4813	349	697	1660	544	1147	393	24
2838	**NET IMPACT (*)**		3288	225	270	1298	448	623	408	18

Appendix Table 32 Per capita fiscal impact 2006 ($pc) by region of birth

NZ born		OVERSEAS BORN TOTAL		Overseas born : region of birth						
				Australia	Pacific Islands	The United Kingdom and Ireland	Europe and North America	Asia	Other	Not specified
	2005/06 $ per head									
	GOVERNMENT REVENUE									
4929	Income tax	5170		5501	3447	7279	6262	3259	5796	3357
2527	GST	2956		2698	3042	3125	3063	2847	2713	2890
527	Petrol, alcohol & tobacco excises	611		557	646	646	632	584	550	602
7984	Income tax, GST & excises		8737	8756	7135	11050	9957	6690	9059	6849
	GOVERNMENT EXPENDITURE									
199	Early childhood educ	46		127	41	42	48	30	53	44
1000	Prim'y & sec'y schools	604		1104	517	377	486	677	971	620
403	Tertiary institutions	467		467	488	306	403	631	510	430
1602	EDUCATION		1117	1698	1046	725	937	1337	1534	1094
2216	HEALTH		2335	2068	1981	3131	2656	1830	1789	2753
1825	NATIONAL SUPER		815	668	412	1757	1180	198	176	NA
181	Unemployment benefit	163		116	291	69	114	207	222	NA
869	Other main benefits	444		502	1022	364	323	293	375	NA
299	Supplementary benefits	193		173	290	120	160	237	194	NA
1350	WORK AND INCOME		800	791	1603	554	597	737	791	NA
76	STUDENT ALLOWANCES		124	102	103	35	93	233	152	91
7068	Education, Health, NS, Stdt allows, Benefits		5191	5328	5145	6202	5462	4335	4442	3937
915	**NET IMPACT (*)**		3547	3429	1991	4849	4495	2355	4617	2911
3101	**Population (000)**		927	65	135	268	100	265	88	6

Appendix Table 33 WAP per capita fiscal impact 2006 ($pc age 18-64) by region of birth

NZ born		OVERSEAS BORN TOTAL		Overseas born : region of birth						
				Australia	Pacific Islands	The United Kingdom and Ireland	Europe and North America	Asia	Other	Not specified
	2005/06 $ per head of 18-64 yos									
	GOVERNMENT REVENUE									
8396	Income tax	7281		9004	4343	11560	9293	4160	7996	5194
4305	GST	4163		4417	3833	4963	4546	3634	3742	4472
898	Petrol, alcohol & tobacco excises	861		911	814	1027	939	745	759	932
13600	Income tax, GST & excises		12305	14331	8990	17550	14777	8539	12496	10598
	GOVERNMENT EXPENDITURE									
338	Early childhood educ	65		209	52	66	71	38	73	67
1704	Prim'y & sec'y schools	851		1807	651	599	721	864	1340	959
687	Tertiary institutions	658		764	614	486	598	805	703	666
2729	EDUCATION		1574	2779	1318	1151	1390	1707	2116	1692
3774	HEALTH		3288	3384	2496	4972	3941	2335	2468	4260
3109	NATIONAL SUPER			1093	519	2791	1751	253	242	NA
309	Unemployment benefit	230		189	367	110	169	265	306	NA
1481	Other main benefits	625		822	1288	579	480	373	517	NA
509	Supplementary benefits	271		284	365	191	237	303	267	NA
2299	WORK AND INCOME		1126	1295	2020	880	886	941	1091	NA
130	STUDENT ALLOWANCES		175	168	129	56	138	298	210	141
12041	Education, Health, NS, Stdt allows, Benefits		6163	8720	6482	9849	8106	5533	6127	6093
1559	**NET IMPACT (*)**		6142	5612	2508	7700	6672	3006	6369	4505
1820	**Population aged 18-64 (000)**		658	40	107	169	67	207	64	4

Appendix Table 34 Fiscal impact of migrants in Auckland 2006 ($m)

NZ born		OVERSEAS BORN TOTAL			Overseas born :years in NZ: less than 5	between 5 and 14	15 or more
	2005/06 $m						
	GOVERNMENT REVENUE						
3996	Income tax		2188		517	653	1018
1787	GST		1299		382	413	504
364	Petrol, alcohol & tobacco excises		268		78	84	106
6147	Income tax, GST & excises			3755	976	1151	1628
	GOVERNMENT EXPENDITURE						
176	Early childhood educ	18.0			17.6	0.4	0
758	Prim'y & sec'y schools	280			154	120	6
285	Tertiary institutions	224			91	67	65
1219	EDUCATION		522		263	188	71
1496	HEALTH		976		222	198	556
1274	NATIONAL SUPER		313		3	30	279
129	Unemployment benefit	86			20	37	29
679	Other main benefits	250			20	90	140
223	Supplementary benefits	107			14	45	48
1031	WORK AND INCOME		442		53	172	217
48	STUDENT ALLOWANCES		55		19	25	11
5068	Education, Health, NS, Stdt allows, Benefits			2307	560	613	1135
1079	**NET IMPACT (*)**			1448	417	538	493

Appendix Table 35 Per capita fiscal impact of migrants in Auckland 2006 ($pc)

NZ born		OVERSEAS BORN TOTAL		Overseas born :years in NZ: less than 5	between 5 and 14	15 or more
	2005/06$ per head					
	GOVERNMENT REVENUE					
5918	Income tax	5238		3543	4899	7346
2646	GST	3109		2617	3099	3636
538	Petrol, alcohol & tobacco excises	641		533	633	763
9102	Income tax, GST & excises		8988	6693	8631	11745
	GOVERNMENT EXPENDITURE					
260	Early childhood educ	43		121	3	0
1122	Prim'y & sec'y schools	669		1057	898	41
422	Tertiary institutions	536		627	505	471
1805	EDUCATION	1248		1805	1406	511
2215	HEALTH	2335		1520	1481	4014
1886	NATIONAL SUPER	748		19	228	2016
190	Unemployment benefit	205		135	277	209
1006	Other main benefits	599		135	675	1014
331	Supplementary benefits	255		94	339	344
1527	WORK AND INCOME	1059		363	1291	1566
71	STUDENT ALLOWANCES	131		130	187	79
7505	Education, Health, NS, Stdt allows, Benefits		5521	3837	4593	8187
1597	**NET IMPACT (*)**		3466	2856	4038	3558
675	**Population (000)**		418	146	133	139

Appendix Table 36 WAP per capita fiscal impact of migrants in Auckland 2006 ($pc age 18-64)

NZ born		OVERSEAS BORN TOTAL			Overseas born :years in NZ: less than 5	between 5 and 14	15 or more
	2005/06 $ per head of 18-64 yos						
	GOVERNMENT REVENUE						
10444	Income tax		6647		4768	6167	8861
4669	GST		3945		3522	3901	4386
950	Petrol, alcohol & tobacco excises		814		718	796	920
16063	Income tax, GST & excises			11406	9007	10864	14168
	GOVERNMENT EXPENDITURE						
459	Early childhood educ	55			162	4	0
1981	Prim'y & sec'y schools	849			1422	1131	49
746	Tertiary institutions	681			844	636	568
3185	EDUCATION		1584		2429	1770	617
3910	HEALTH		2963		2046	1864	4842
3328	NATIONAL SUPER		950		26	287	2432
336	Unemployment benefit	260			181	349	252
1775	Other main benefits	760			182	850	1223
172	Supplementary benefits	323			126	426	415
2283	WORK AND INCOME		1343		489	1625	1889
126	STUDENT ALLOWANCES		167		175	235	96
12832	Education, Health, NS, Stdt allows, Benefits			7007	5163	5781	9876
3231	**NET IMPACT (*)**			4399	3844	5083	4292
383	**Population aged 18-64 (000)**			329	108	106	115

Appendix Table 37 Fiscal impact of migrants in Wellington 2006 ($m)

NZ born		OVERSEAS BORN TOTAL		Overseas born : years in NZ: less than 5	between 5 and 14	15 or more
	2005/06 $m					
	GOVERNMENT REVENUE					
1800	Income tax	629		135	130	364
787	GST	279		64	59	155
160	Petrol, alcohol & tobacco excises	58		13	12	33
2747	Income tax, GST & excises		965	212	201	552
	GOVERNMENT EXPENDITURE					
57	Early childhood educ	4.5		4.4	0.1	0.0
275	Prim'y & sec'y schools	43		24	18	1
131	Tertiary institutions	44		18	13	13
462	EDUCATION		91	46	31	14
612	HEALTH		204	46	41	116
381	NATIONAL SUPER		74	0	6	68
70	Unemployment benefit	26		5	10	11
190	Other main benefits	39		3	12	24
67	Supplementary benefits	19		2	6	10
327	WORK AND INCOME		83	10	28	45
21	STUDENT ALLOWANCES		12	4	5	2
1804	Education, Health, NS, Stdt allows, Benefits		463	107	111	245
943	**NET IMPACT (*)**		502	105	90	307

Appendix Table 38 Per capita fiscal impact of migrants in Wellington 2006 ($pc)

NZ born		OVERSEAS BORN TOTAL			Overseas born : years in NZ: less than 5	between 5 and 14	15 or more
	2005/06 $ per head						
	GOVERNMENT REVENUE						
6518	Income tax		7206		5479	6590	8484
2849	GST		3192		2584	3015	3622
578	Petrol, alcohol & tobacco excises		661		527	615	760
9945	Income tax, GST & excises			11059	8590	10221	12866
	GOVERNMENT EXPENDITURE						
206	Early childhood educ	52			180	5	0
996	Prim'y & sec'y schools	492			971	924	19
473	Tertiary institutions	500			722	666	296
1674	EDUCATION		1045		1873	1595	315
2215	HEALTH		2335		1876	2094	2710
1380	NATIONAL SUPER		844		19	281	1577
254	Unemployment benefit	293			212	485	252
687	Other main benefits	445			112	591	569
243	Supplementary benefits	216			91	326	237
1184	WORK AND INCOME		954		415	1402	1058
76	STUDENT ALLOWANCES		133		162	267	54
6530	Education, Health, NS, Stdt allows, Benefits			5310	4344	5639	5715
3415	**NET IMPACT (*)**			5749	4245	4582	7150
276	**Population (000)**			87	25	20	43

Appendix Table 39 WAP per capita fiscal impact of migrants in Wellington 2006 ($pc age 18 -64)

NZ born		OVERSEAS BORN TOTAL		Overseas born : years in NZ: less than 5	between 5 and 14	15 or more
	2005/06 $ per head of 18-64 yos					
	GOVERNMENT REVENUE					
10437	Income tax	9251		7200	8384	10791
4562	GST	4097		3396	3836	4607
926	Petrol, alcohol & tobacco excises	849		692	783	967
15926	Income tax, GST & excises		14197	11289	13002	16365
	GOVERNMENT EXPENDITURE					
330	Early childhood educ	67		236	6	0
1594	Prim'y & sec'y schools	632		1276	1175	24
757	Tertiary institutions	642		949	848	377
2681	EDUCATION	1341		2461	2029	401
3548	HEALTH	2997		2465	2664	3447
2210	NATIONAL SUPER	1083		24	357	2006
407	Unemployment benefit	377		279	617	321
1100	Other main benefits	571		147	752	724
389	Supplementary benefits	277		120	414	302
1896	WORK AND INCOME	1225		546	1784	1346
122	STUDENT ALLOWANCES	171		213	340	69
10457	Education, Health, NS, Stdt allows, Benefits		6817	5710	7174	7270
5469	**NET IMPACT (*)**		7380	5579	5829	9095
172	**Population aged 18-64 (000)**		68	19	15	34

Appendix Table 40 Fiscal impact of migrants in Christchurch 2006 ($m)

NZ born		OVERSEAS BORN TOTAL		Overseas born : years in NZ: less than 5	between 5 and 14	15 or more
	2005/06 $m					
	GOVERNMENT REVENUE					
1363	Income tax	346		82	78	186
724	GST	218		62	53	102
152	Petrol, alcohol & tobacco excises	45		13	11	21
2240	Income tax, GST & excises		609	157	143	310
	GOVERNMENT EXPENDITURE					
49	Early childhood educ	4		4	0	0
242	Prim'y & sec'y schools	44		24	19	1
123	Tertiary institutions	37		15	11	11
413	EDUCATION		85	43	30	12
619	HEALTH		166	38	34	94
594	NATIONAL SUPER		60	1	4	55
8	Unemployment benefit	8		2	3	3
267	Other main benefits	24		2	8	15
95	Supplementary benefits	11		1	4	6
371	WORK AND INCOME		44	5	15	24
22	STUDENT ALLOWANCES		9	3	4	2
2020	Education, Health, NS, Stdt allows, Benefits		363	89	87	187
220	**NET IMPACT (*)**		246	67	56	122

Appendix Table 41 Per capita fiscal impact of migrants in Christchurch 2006 ($pc)

NZ born		OVERSEAS BORN TOTAL		Overseas born : years in NZ: less than 5	between 5 and 14	15 or more
	2005/06 $ per head					
	GOVERNMENT REVENUE					
4879	Income tax	4877		3311	4387	6541
2590	GST	3074		2538	2988	3592
545	Petrol, alcohol & tobacco excises	635		517	610	754
8014	Income tax, GST & excises		8586	6366	7984	10887
	GOVERNMENT EXPENDITURE					
174	Early childhood educ	51		144	4	0
865	Prim'y & sec'y schools	624		995	1057	30
440	Tertiary institutions	524		616	626	380
1479	EDUCATION	1199		1755	1687	411
2215	HEALTH	2335		1528	1878	3320
2127	NATIONAL SUPER	848		25	247	1937
30	Unemployment benefit	117		85	186	103
957	Other main benefits	339		61	428	523
340	Supplementary benefits	157		44	210	222
1327	WORK AND INCOME	614		190	824	848
80	STUDENT ALLOWANCES	129		128	233	64
7228	Education, Health, NS, Stdt allows, Benefits		5124	3626	4869	6581
786	**NET IMPACT (*)**		3463	2740	3116	4306
279	**Population (000)**		71	25	18	28

Appendix Table 42 WAP per capita fiscal impact of migrants in Christchurch 2006 ($pc age 18-64)

NZ born		OVERSEAS BORN TOTAL		Overseas born : years in NZ: less than 5	between 5 and 14	15 or more
	2005/06 $ per head of 18-64 yos					
	GOVERNMENT REVENUE					
7954	Income tax	6699		4549	5678	9339
4224	GST	4222		3487	3867	5128
889	Petrol, alcohol & tobacco excises	873		711	789	1076
13067	Income tax, GST & excises		11793	8747	10335	15543
	GOVERNMENT EXPENDITURE					
284	Early childhood educ	70		198	6	0
1410	Prim'y & sec'y schools	857		1367	1368	43
717	Tertiary institutions	720		846	810	543
2411	EDUCATION	1646		2412	2183	586
3612	HEALTH	3207		2100	2431	4741
3468	NATIONAL SUPER	1164		34	320	2766
49	Unemployment benefit	161		116	241	147
1561	Other main benefits	465		84	553	747
555	Supplementary benefits	216		60	272	317
2164	WORK AND INCOME	843		261	1067	1211
130	STUDENT ALLOWANCES	177		176	301	92
11785	Education, Health, NS, Stdt allows, Benefits		7038	4982	6302	9396
1282	**NET IMPACT (*)**		4756	3764	4033	6148
171	**Population aged 18-64 (000)**		52	18	14	20

Appendix Table 43 Fiscal impact of migrants in Rest of North Island 2006 ($m)

NZ born		OVERSEAS BORN TOTAL		Overseas born : years in NZ: less than 5	between 5 and 14	15 or more
	2005/06 $m					
	GOVERNMENT REVENUE					
5748	Income tax	1228		244	248	736
3197	GST	699		150	136	413
675	Petrol, alcohol & tobacco excises	145		31	28	87
9620	Income tax, GST & excises		2072	426	411	1235
	GOVERNMENT EXPENDITURE					
248	Early childhood educ	12		12	0	0
1343	Prim'y & sec'y schools	145		80	62	3
498	Tertiary institutions	91		37	27	27
2089	EDUCATION		248	130	89	29
2938	HEALTH		615	140	125	351
2351	NATIONAL SUPER		232	3	14	215
263	Unemployment benefit	25		4	9	13
1194	Other main benefits	76		5	20	52
410	Supplementary benefits	33		3	9	21
1867	WORK AND INCOME		135	12	37	86
101	STUDENT ALLOWANCES		29	10	13	6
9346	Education, Health, NS, Stdt allows, Benefits		1259	294	278	687
275	**NET IMPACT (*)**		813	131	133	549

Appendix Table 44 Per capita fiscal impact of migrants in Rest of North Island 2006 ($pc)

NZ born		OVERSEAS BORN TOTAL		Overseas born : years in NZ: less than 5	between 5 and 14	15 or more
	2005/06 $ per head					
	GOVERNMENT REVENUE					
4335	Income tax	4660		3307	4443	5499
2411	GST	2654		2035	2435	3088
509	Petrol, alcohol & tobacco excises	551		415	497	648
7255	Income tax, GST & excises		7865	5757	7375	9235
	GOVERNMENT EXPENDITURE					
187	Early childhood educ	46		161	5	0
1013	Prim'y & sec'y schools	550		1089	1106	21
376	Tertiary institutions	346		503	491	198
1576	EDUCATION	942		1753	1602	219
2215	HEALTH	2335		1891	2233	2623
1773	NATIONAL SUPER	881		45	252	1604
198	Unemployment benefit	96		52	155	96
900	Other main benefits	290		65	356	387
309	Supplementary benefits	125		39	157	159
1408	WORK AND INCOME	511		156	668	642
76	STUDENT ALLOWANCES	110		135	236	44
7048	Education, Health, NS, Stdt allows, Benefits		4779	3980	4991	5132
207	**NET IMPACT (*)**		3086	1777	2384	4102
1326	**Population (000)**		263	74	56	134

Appendix Table 45 WAP per capita fiscal impact of migrants in Rest of North Island 2006 ($pc age 18-64)

NZ born		OVERSEAS BORN TOTAL			Overseas born : years in NZ: less than 5	between 5 and 14	15 or more
	2005/06 $ per head of 18-64 yos						
	GOVERNMENT REVENUE						
7521	Income tax		8029		5712	7345	9628
4184	GST		4572		3516	4025	5406
883	Petrol, alcohol & tobacco excises		948		717	822	1134
12588	Income tax, GST & excises			13549	9944	12192	16168
	GOVERNMENT EXPENDITURE						
324	Early childhood educ	79			278	8	0
1757	Prim'y & sec'y schools	948			1881	1828	37
652	Tertiary institutions	596			869	812	347
2734	EDUCATION		1623		3027	2648	384
3844	HEALTH		4022		3266	3692	4592
3076	NATIONAL SUPER		1517		78	417	2809
344	Unemployment benefit	166			90	256	169
1563	Other main benefits	499			112	588	677
536	Supplementary benefits	215			67	260	279
2443	WORK AND INCOME		881		269	1104	1125
132	STUDENT ALLOWANCES		190		234	391	76
12229	Education, Health, NS, Stdt allows, Benefits			8233	6874	8252	8986
359	**NET IMPACT (*)**			5317	3070	3941	7183
764	**Population aged 18-64 (000)**			153	43	34	76

Appendix Table 46 Fiscal impact of migrants in Rest of South Island 2006 ($m)

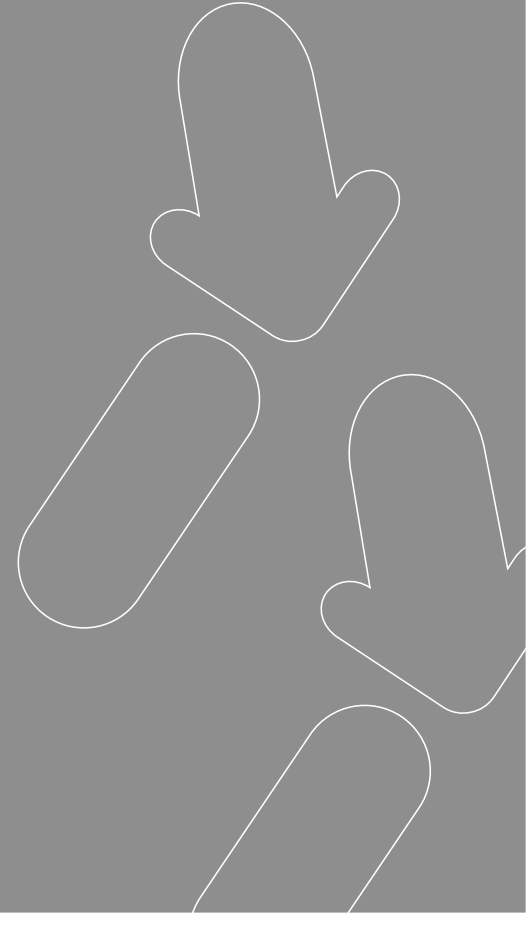
NZ born		OVERSEAS BORN TOTAL		Overseas born : years in NZ: less than 5	between 5 and 14	15 or more
	2005/06 $m					
	GOVERNMENT REVENUE					
2376	Income tax	403		98	79	226
1342	GST	246		64	48	134
285	Petrol, alcohol & tobacco excises	51		13	10	28
4002	Income tax, GST & excises		700	175	137	388
	GOVERNMENT EXPENDITURE					
87	Early childhood educ	4.4		4.3	0.1	0.0
484	Prim'y & sec'y schools	49		27	21	1
213	Tertiary institutions	37		15	11	11
571	EDUCATION		90	46	32	12
1205	HEALTH		205	47	41	117
1060	NATIONAL SUPER		77	1	4	71
66	Unemployment benefit	6.5		0.5	2.1	3.9
365	Other main benefits	22		1	5	16
132	Supplementary benefits	9		1	2	7
562	WORK AND INCOME		38	2	9	26
43	STUDENT ALLOWANCES		10	4	5	2
3441	Education, Health, NS, Stdt allows, Benefits		420	100	92	228
562	**NET IMPACT (*)**		280	75	45	160

Appendix Table 47 Per capita fiscal impact of migrants in Rest of South Island 2006 ($pc)

NZ born		OVERSEAS BORN TOTAL		Overseas born : years in NZ: less than 5	between 5 and 14	15 or more
	2005/06 $ per head					
	GOVERNMENT REVENUE					
4369	Income tax	4593		3438	4348	5502
2468	GST	2804		2263	2612	3263
524	Petrol, alcohol & tobacco excises	581		461	533	685
7360	Income tax, GST & excises		7978	6162	7494	9450
	GOVERNMENT EXPENDITURE					
160	Early childhood educ	50		151	5	0
890	Prim'y & sec'y schools	554		952	1131	22
391	Tertiary institutions	423		533	611	263
1441	EDUCATION	1027		1636	1748	285
2215	HEALTH	2335		1637	2274	2845
1949	NATIONAL SUPER	878		44	245	1735
121	Unemployment benefit	75		19	113	95
671	Other main benefits	251		37	280	387
243	Supplementary benefits	104		20	113	159
1034	WORK AND INCOME	430		76	507	641
80	STUDENT ALLOWANCES	118		125	257	50
6718	Education, Health, NS, Stdt allows, Benefits		4787	3519	5031	5557
642	**NET IMPACT (*)**		3190	2643	2463	3892
544	**Population (000)**		88	28	18	41

Appendix Table 48 WAP per capita fiscal impact of migrants in Rest of South Island 2006 (per head age 18-64) (per head age 18-64)

NZ born		OVERSEAS BORN TOTAL		Overseas born : years in NZ: less than 5	between 5 and 14	15 or more
	2005/06 $ per head of 18-64 yos					
	GOVERNMENT REVENUE					
7209	Income tax	7117		5251	6600	8692
4072	GST	4344		3456	3965	5155
864	Petrol, alcohol & tobacco excises	900		704	809	1082
12145	Income tax, GST & excises		12361	9411	11374	14930
	GOVERNMENT EXPENDITURE					
264	Early childhood educ	77		230	8	0
1469	Prim'y & sec'y schools	859		1454	1717	35
1469	Tertiary institutions	655		813	928	415
3201	EDUCATION	1591		2498	2653	451
3656	HEALTH	3618		2501	3451	4495
3215	NATIONAL SUPER	1360		68	372	2742
200	Unemployment benefit	115		30	172	151
1106	Other main benefits	389		56	425	611
400	Supplementary benefits	162		30	172	251
1706	WORK AND INCOME	667		116	769	1013
131	STUDENT ALLOWANCES	182		191	390	80
11910	Education, Health, NS, Stdt allows, Benefits		7418	5374	7636	8780
235	**NET IMPACT (*)**		4943	4037	3738	6150
330	**Population aged 18-64 (000)**		57	19	12	26



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