



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HĪKINA WHAKATUTUKI

Migration Trends and Outlook

2014/2015



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Executive summary

This annual report is the 15th in a series that examines trends in temporary and permanent migration to and from New Zealand. The report updates trends to 2014/15 and compares recent immigration patterns with patterns identified in previous years.

Canterbury returns to normal

Canterbury had the second highest regional net migration gain of 6,400 people. A net outflow of permanent and long-term migrants followed the earthquake in February 2011, but since 2011/12 the number of arrivals has steadily increased. Although the number of people approved for Essential Skills work visas in Canterbury in 2014/15 increased, it was a much smaller increase than in the previous three years, suggesting the rebuild might have reached capacity. Importantly for Canterbury's economy, the number of international students coming to the region is rebounding, with the number of new students up 20 per cent on 2013/14.

Net migration continues to grow

A net migration gain of 58,300 people occurred in 2014/15, the highest net gain ever recorded. This was due to a low net migration loss of New Zealand citizens (5,600 people) combined with a large net gain of non-New Zealand citizens (63,900 people). Net migration is forecast to rise slightly until September 2015 before dropping back.

International student numbers on the increase again

A total of 84,856 international students were approved to study in New Zealand, an increase of 16 per cent from 2013/14, the second year-on-year increase. China has remained the largest source country of international students (27 per cent) followed by India (23 per cent) and South Korea (6 per cent). The numbers from India continue to rise sharply.

Numbers of temporary workers increased across the three main work categories

A total of 170,814 people were granted a work visa, an increase of 10 per cent from 2013/14. Those approved to work in New Zealand under the Essential Skills policy rose 8 per cent from 2013/14. This was the third year-on-year increase in Essential Skills workers since the global financial crisis, and it reflects the ongoing demand for labour in New Zealand. Across the three main work policies, the number of people approved for work visas in 2014/15 increased compared with 2013/14 – Working Holiday Schemes increased 12 per cent, Essential Skills policy 8 per cent and Family policy 9 per cent.

One in six international students gained residence

International students have become an important source of skilled migrants for New Zealand and in other OECD countries. By 30 June 2015, 17 per cent of students had transitioned to residence five years after their first student visa. In 2014/15, 43 per cent of skilled principal migrants were former international students.

Skilled principal migrants largely have New Zealand work experience

Research shows migrants have better employment outcomes if they have New Zealand work experience. By 30 June 2015, 18 per cent of temporary workers had transitioned to residence three years after their first work visa. Most (93 per cent) of the 11,845 principal migrants approved for a Skilled/Business resident visa in 2014/15 previously held a temporary visa, with almost all of those visas being a work visa (96 per cent).

Permanent migration

In 2014/15, 43,085 people were approved for resident visas, down 2 per cent from 2013/14. The increase in those approved under the Skilled/Business stream (6 per cent increase) was not enough to offset the decrease in those coming through the Family stream (down 14 per cent). The largest source countries of permanent migrants to New Zealand were China (17 per cent), India (16 per cent) and the United Kingdom (11 per cent).

India is the largest source of skilled migrants

In 2014/15, 21,165 people were approved through the Skilled Migrant Category, almost half of all residence approvals (49 per cent). The number of Skilled Migrant Category approvals increased 4 per cent from 2013/14. This increase illustrates a flow-on effect to residence from the recent upward trend in Essential Skills (temporary) workers and the growth in Indian international students transitioning to residence. India was the largest source country of skilled migrants (21 per cent) followed by the Philippines (13 per cent) and the United Kingdom (11 per cent).

China is the largest source country of family-sponsored migrants

In 2014/15, 8,922 people were approved for residence through the Partnership Category and 4,477 people were approved through the Parent Category. Family approvals made up 35 per cent of all residence approvals. China was the largest source country of residence approvals in the Parent Category (50 per cent) and slightly behind India in the Partnership Category (India 16 per cent and China 15 per cent).

Around half of International/Humanitarian Stream approvals were from Pacific countries

Over 1,400 people were approved residence through the Samoan Quota Scheme and Pacific Access Category in 2014/15, with Samoa and Tonga being the largest source countries of approvals. In addition to the Pacific quotas, 901 people were approved through the Refugee Quota Programme. The largest source countries of Quota Refugees in 2014/15 were Afghanistan (27 per cent) and Myanmar (22 per cent).

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1 Introduction

1.1 Purpose of and audience for this report

This report is the 15th in an annual series about temporary and permanent migration trends to and from New Zealand. This report updates trends to the end of 2014/15 and has been prepared for:

- policy-makers concerned with migration flows and their impacts
- the wider public with an interest in immigration policy and outcomes.

1.2 Why immigration is important

Immigration helps grow a stronger economy, creates jobs and builds diverse communities. Skilled workers address skill shortages and bring skills and talent that help a wide variety of local firms. Business migrants bring their networks, experience and capital to boost the economy. Visitors and international students bring in significant revenue, with international education and tourism being two of New Zealand's biggest export-earning sectors.

Internationally, migrants are increasingly mobile, and competition for skilled people in the global labour market is strong. In 2014/15, as in other recent years, the focus of immigration policies continued to be on attracting skilled temporary and permanent migrants to help resolve New Zealand's labour and skill shortages and to contribute to New Zealand economically.

1.3 Temporary migration to New Zealand

The objectives of New Zealand's temporary entry policy are to:

- facilitate the entry of genuine visitors, students and temporary workers while managing the associated risks
- contribute to building strong international linkages, attracting foreign exchange earnings and addressing skill shortages.

The temporary entry class instructions (that is, policies) are the:

- Visitor policy
- Work policy
- Student policy
- Limited Visa policy.

1.3.1 Visitor policy

Visitor policy aims to facilitate the entry of genuine visitors to benefit New Zealand's economy through tourism, trade and commerce, international understanding and cross-cultural links.

Nationals from certain countries do not need to apply for a visa before travelling to New Zealand. They are generally granted a visa on their arrival if they meet certain requirements (for instance, they have an outward ticket and do not represent a health or character risk). Other nationals must apply in advance to obtain a visa to travel to New Zealand. Australian residents and citizens are granted a resident visa at the border in most circumstances.

1.3.2 Work policy

Work policy aims to facilitate the access of New Zealand employers and industry to global skills and knowledge while complementing the government's education, training, employment and economic development policies.

Some work visas allow employers to recruit temporary workers from overseas to meet particular or seasonal labour shortages, which must be balanced against ensuring opportunities for New Zealanders.

For more information on these policies, see appendix *Main features of Work policy*.

1.3.3 Student policy

Student policy aims to facilitate the entry of genuine students. This policy aims to increase global connectedness, support sustainable growth of export education capability, earn foreign exchange, and strengthen New Zealand education while managing risks to New Zealand.

For more information on these policies, see appendix *Main features of Student policy*.

1.3.4 Limited Visa policy

The Limited Visa policy aims to facilitate the entry of visitors, students and workers who seek to enter New Zealand temporarily for an express purpose only and who:

- would not otherwise be accepted for temporary entry because of a risk that they might remain in New Zealand after their temporary visa expires, or
- choose the Limited visa as their preferred method of entry, or
- have been offered employment to undertake seasonal work in the horticulture or viticulture industry for a recognised seasonal employer under the Recognised Seasonal Employer Scheme.

1.4 Permanent migration to New Zealand

People who wish to migrate permanently to New Zealand must apply through one of the categories of the three residence streams of the New Zealand Residence Programme.

Residence provides a person with the right to live indefinitely in New Zealand with access to all the usual privileges and responsibilities available to New Zealanders.

A person's residence status can be reviewed if they are convicted of a serious crime, if they breach their residence conditions, or if Immigration New Zealand determines that any information on which it relied to determine residence is incorrect. The person may then be liable for deportation.

The three residence streams under the New Zealand Residence Programme are the:

- Skilled/Business Stream
- Family Stream
- International/Humanitarian Stream.

Each residence stream has several categories and target ranges for the number of approved applicants (which includes the principal applicant and any secondary applicants such as a partner and dependent children). Cabinet regularly reviews the number of places available annually to migrants under the New Zealand Residence Programme. For 2014/15 and 2015/16, the New Zealand Residence Programme covers both years. The target range is 90,000–100,000 places.

For more information on residence streams, see appendix *Description of residence categories*.

1.5 IDI disclaimer

The results in figure 5.2 are not official statistics; they have been created for research purposes from the Integrated Data Infrastructure (IDI) managed by Statistics New Zealand. Ongoing work within Statistics New Zealand to develop the IDI means it will not be possible to exactly reproduce the data presented here.

The opinions, findings, recommendations and conclusions expressed in this paper are those of the author. Statistics New Zealand or the Ministry of Business, Innovation and Employment take no responsibility for any omissions or errors in the information contained here.

Access to the data used in this study was provided by Statistics New Zealand in accordance with security and confidentiality provisions of the Statistics Act 1975. Only people authorised by the Statistics Act 1975 are allowed to see data about a particular person, business or organisation. The results in this paper have been confidentialised to protect individual people and businesses from identification.

Careful consideration has been given to the privacy, security and confidentiality issues associated with using administrative data in the IDI. Further detail can be found in the privacy impact assessment for the Integrated Data Infrastructure available from www.stats.govt.nz.

2 Migration flows

Highlights in 2014/15

- The net migration gain of 58,300 people was the highest net gain on record.
- A low net migration loss of New Zealand citizens (5,700 people) was offset by a large net gain of non–New Zealand citizens (63,900 people).
- Auckland and Canterbury had the highest net migration gains of 26,800 and 6,400 people respectively.

2.1 Introduction

New Zealand's population size is affected by migration flows, including the arrival and departure of New Zealand and Australian citizens and residents; temporary migrants on visitor, work and student visas; and new residents arriving under the New Zealand Residence Programme.

Many factors affect migration flows. The departure of New Zealanders, particularly to Australia, is one of the main drivers of New Zealand's migration patterns. The free movement of New Zealand citizens and Australian citizens and permanent residents between the two countries makes it relatively easy for New Zealanders to seek opportunities in Australia. Of all permanent departures of New Zealand citizens from New Zealand in 2014/15, 62 per cent were to Australia.¹ The arrival of migrants from other countries to New Zealand also affects migration flows, although some of these migrants may subsequently leave New Zealand.

2.2 Permanent and long-term migration

The net migration flow is the difference between the number of permanent and long-term arrivals and the number of permanent and long-term departures.² These figures are based on people's intentions rather than their actual stay in New Zealand. It is possible that someone might indicate on arrival that they are here for 12 months or more, yet stay only 9 months. Therefore, they would be counted as a permanent and long-term arrival but leave as a short-term visitor. This may introduce error into the migration estimates.

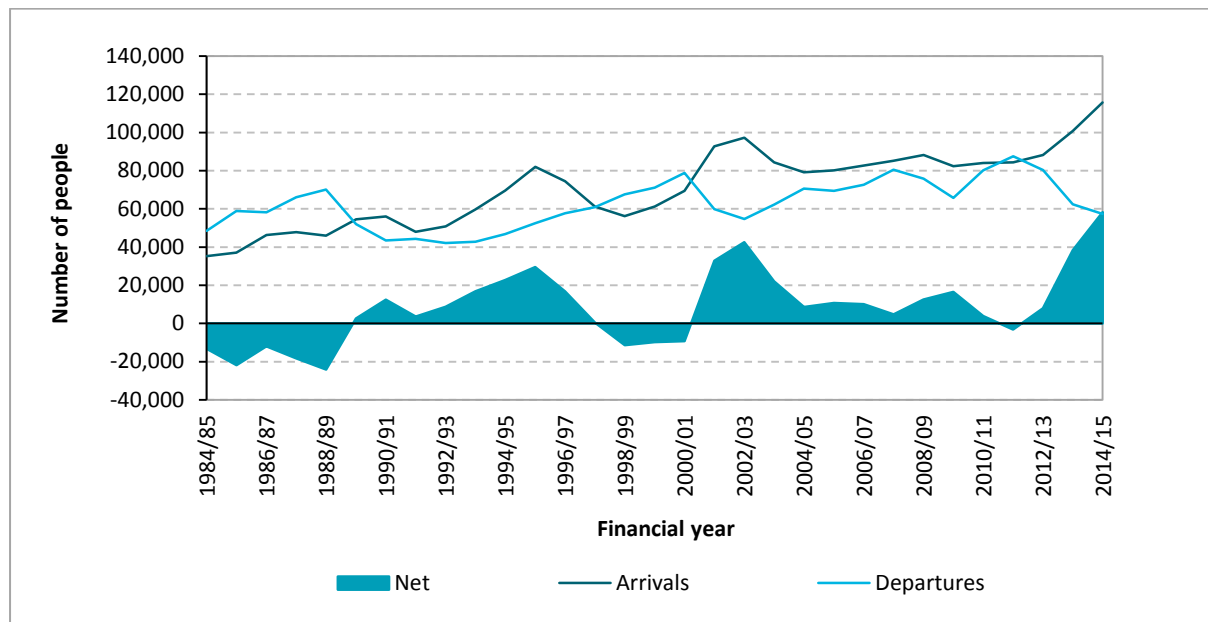
The total number of people migrating to and from New Zealand fluctuates greatly from year to year, but cyclical patterns emerge. A total of 115,700 people arrived in New Zealand on a permanent and long-term basis in 2014/15, an increase of 15 per cent from the previous year. Permanent and long-term departures totalled 57,400, an 8 per cent decrease from 2013/14. This resulted in the net gain of 58,300 people in 2014/15, the highest net gain ever recorded. The net gain in 2014/15 was due to a significant drop in annual net migration loss of New Zealand citizens to Australia, accompanied by an increase in net migration gain of non–New Zealand citizens from the rest of the world.

¹ Statistics New Zealand. (2015). *International travel and migration: June 2015*. Wellington: Statistics New Zealand. Retrieved August 2015 from: www.stats.govt.nz/browse_for_stats/population/Migration/IntTravelAndMigration_HOTJun15.aspx

² An arrival or departure is permanent and long term if the intended length of stay or absence is 12 months or more.

Figure 2.1 shows the changes in permanent and long-term arrivals³ and departures⁴ since 1984/85 and the fluctuations in net migration.⁵

Figure 2.1 Annual permanent and long-term migration flows, 1984/85–2014/15



Source: Statistics New Zealand.

2.2.1 Permanent and long-term migration by citizenship

Over the last three decades, the number of New Zealand citizens returning after being away for 12 months or more has been relatively constant, but departures of New Zealand citizens for a period of 12 months or more have fluctuated with the economic conditions in New Zealand as well as in Australia and the rest of the world. The net loss of New Zealand citizens was complemented by the net gain in non–New Zealand citizens.

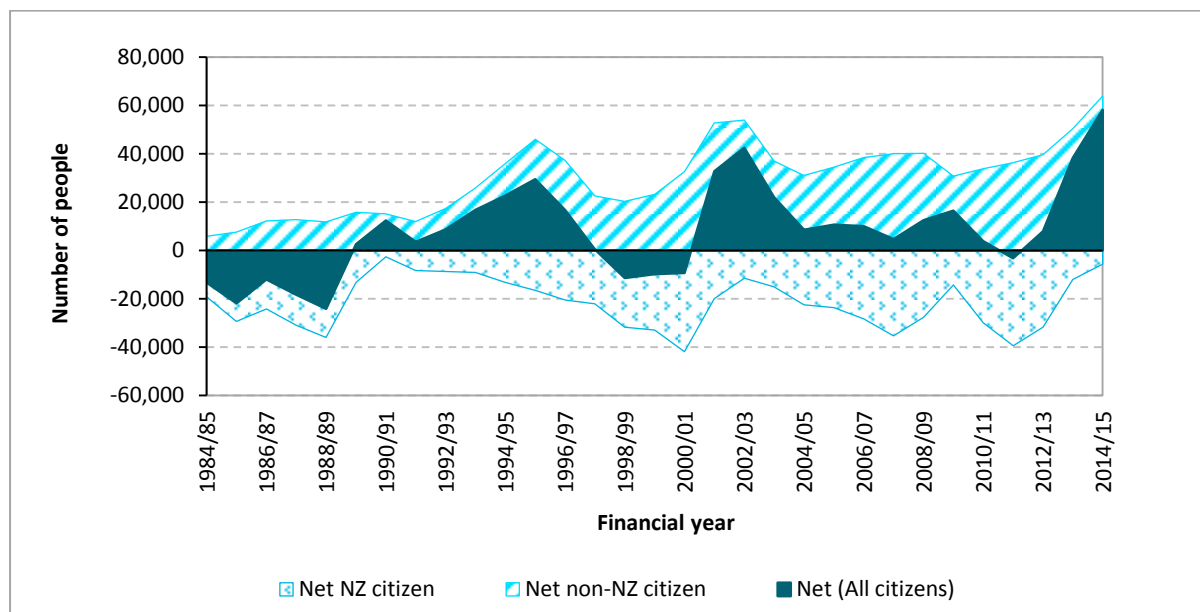
³ Permanent and long-term arrivals are people who arrive in New Zealand intending to stay 12 months or more (visitors, students, workers and people granted residence) plus New Zealand residents returning after an absence of 12 months or more.

⁴ Permanent and long-term departures are people who leave New Zealand after a stay of 12 months or more (visitors, students and workers) plus New Zealand residents departing for an intended period of 12 months or more.

⁵ Net permanent and long-term migration is the difference between the number of permanent and long-term arrivals and the number of permanent and long-term departures.

Figure 2.2 shows the patterns of net migration for New Zealand and non–New Zealand citizens.

Figure 2.2 Annual net permanent and long-term migration by citizenship, 1984/85–2014/15



Source: Statistics New Zealand.

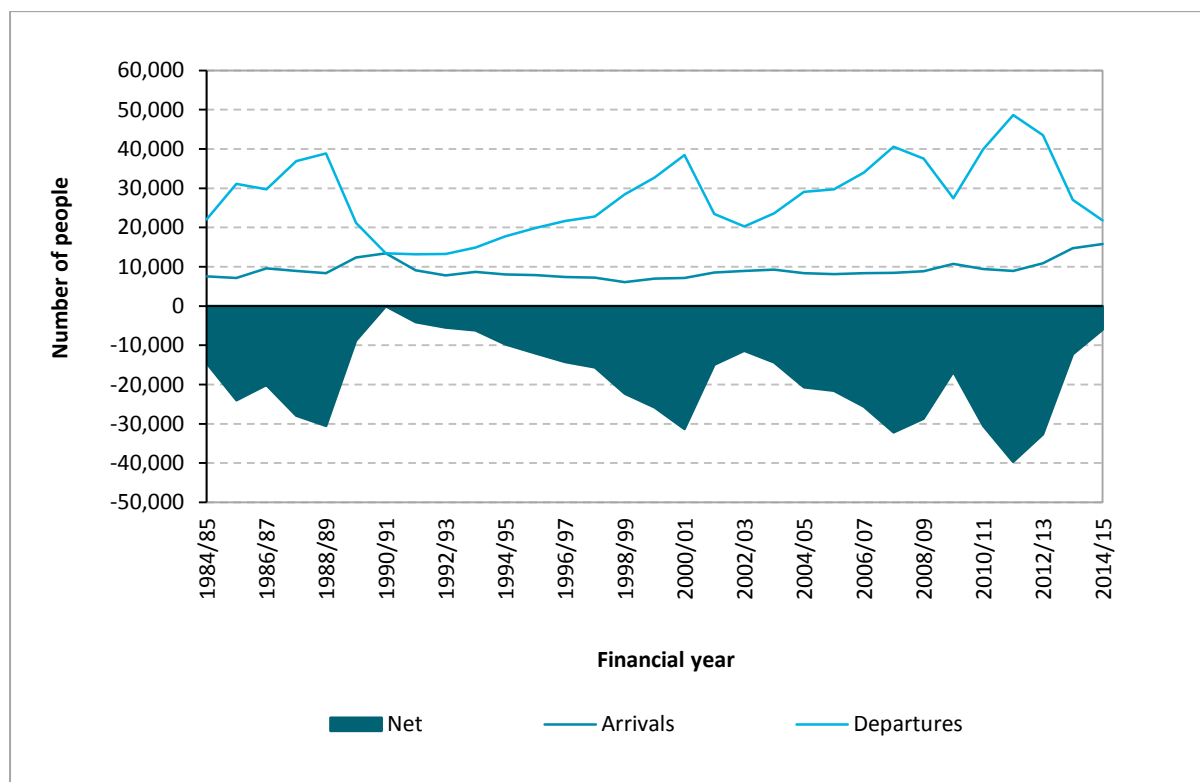
The number of New Zealand citizens departing decreased in the last three years to 35,300 in 2014/15, while the number of New Zealand citizens arriving increased to 29,700 in 2014/15. As a result, the net permanent and long-term outflow of New Zealand citizens decreased to 5,600 in 2014/15 from 12,100 in 2013/14. For non–New Zealand citizens the net inflow increased from 50,400 in 2013/14 to 63,900 in 2014/15.

2.2.2 Permanent and long-term migration of New Zealand citizens to Australia

New Zealand citizens make up three-fifths of permanent and long-term departures, while permanent and long-term arrivals are mostly non–New Zealand citizens. The movement of New Zealanders to and from Australia is highly related to economic conditions in both countries.

Figure 2.3 shows the migration flows of New Zealand citizens to Australia. While permanent and long-term arrivals of New Zealand citizens remain steady over the series, there was a slight increase in the last three years. However, permanent and long-term departures of New Zealand citizens to Australia dropped significantly from 43,600 in 2012/13 to 21,800 in 2014/15. This resulted in a small net loss of 6,000 New Zealand citizens to Australia in 2014/15.

Figure 2.3 Annual permanent and long-term migration of New Zealand citizens to Australia, 1984/85–2014/15

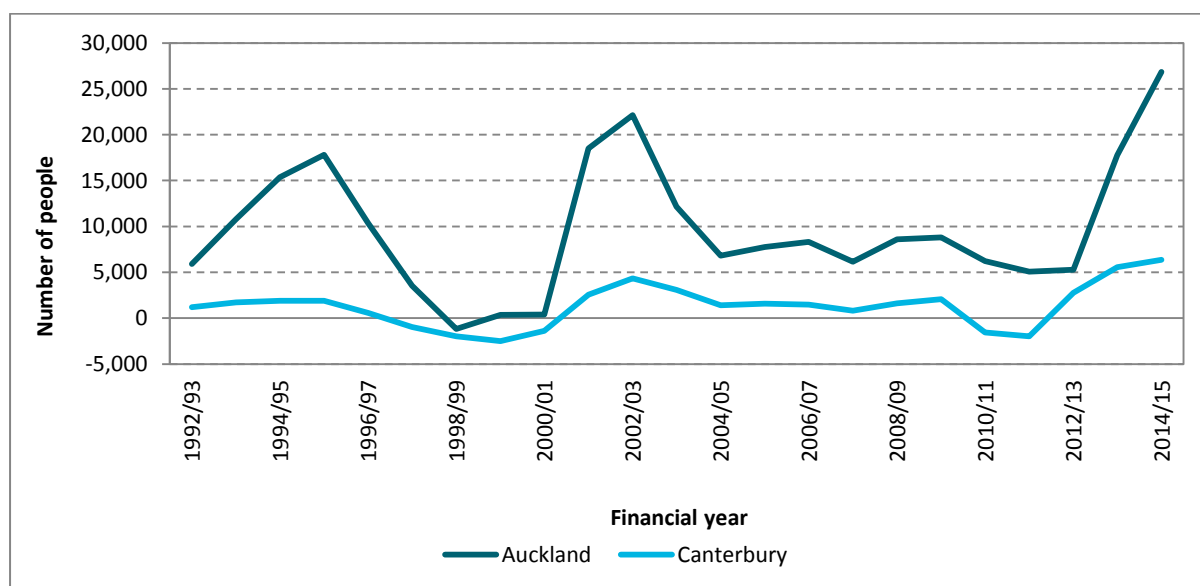


Source: Statistics New Zealand.

2.2.3 Permanent and long-term migration to Auckland and Canterbury

While most permanent and long-term migrants in New Zealand settle in the Auckland region, there is interest in regional migration patterns, in particular the movement of permanent and long-term migrants into the Canterbury region following the 2011 earthquake and the current programme of rebuilding Christchurch. Figure 2.4 shows the patterns of net migration for Auckland and Canterbury.

Figure 2.4 Annual net permanent and long-term migration to Auckland and Canterbury, 1992/93–2014/15



Source: Statistics New Zealand.

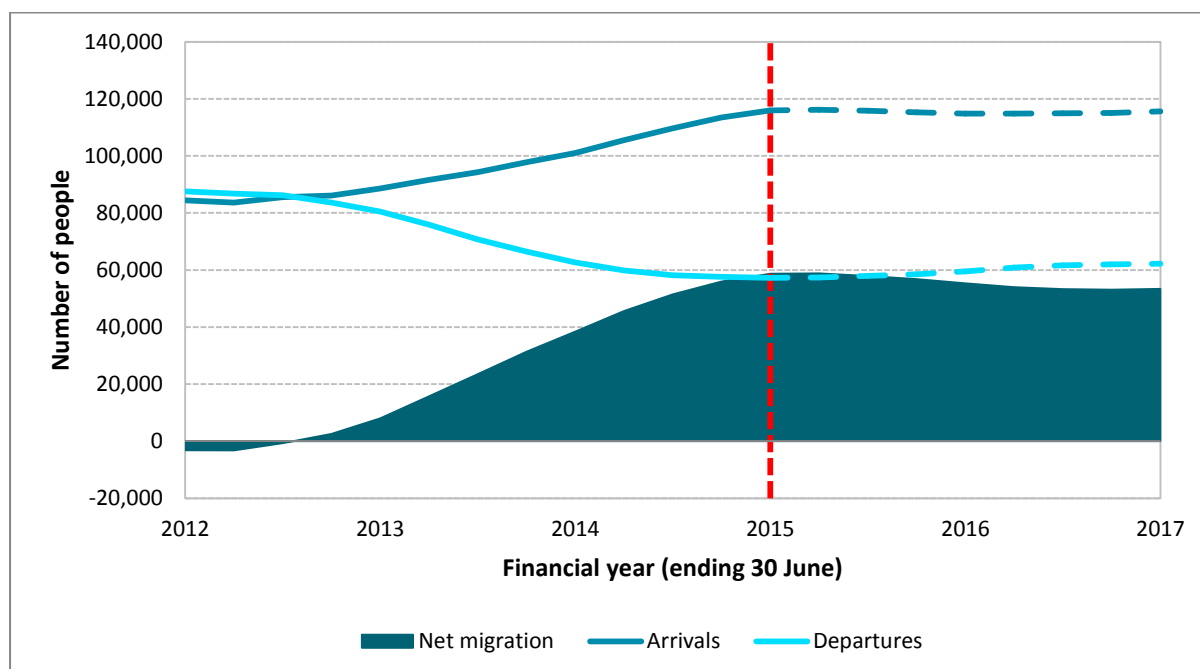
Net permanent and long-term inflow of migrants into Auckland peaked in 2002/03 but remained low between 2004/05 and 2012/13. However, over the last two years, the number of permanent and long-term arrivals increased 17 per cent each year. Permanent and long-term departures decreased 8 per cent in 2014/15, resulting in a large net inflow of 26,800 people to Auckland. For the Canterbury region, a net outflow of permanent and long-term migrants followed the earthquake in February 2011, but as the rebuild continues, net migration is positive with an inflow of 6,400 people in 2014/15. Employment growth has been strong recently, but drivers of growth are shifting, with Canterbury playing a lesser role.⁶

All other regions showed a modest net permanent and long-term inflow of migrants.

2.2.4 Permanent and long-term migration forecasts

Forecasts of permanent and long-term arrivals, departures, and net flow for the two years to 30 June 2017 are shown in Figure 2.5. Permanent and long-term arrivals are forecast to continue to increase and reach 116,000 by September 2015 before declining slowly. Non-New Zealand and non-Australian citizen arrivals are expected to be offset by a decline in New Zealand citizen arrivals from Australia and the United Kingdom. Permanent and long-term departures of New Zealand citizens to Australia are expected to decline further from recent levels but at a much slower rate. The overall annual net migration gain is forecast to rise slightly in the September 2015 year from the current high levels of about 58,500 before dropping back to about 53,000 by June 2017.

Figure 2.5 Permanent and long-term forecasts, 2015–2017 (June years)



Source: Statistics New Zealand.

⁶ MBIE. (2015). *Quarterly labour market report: May 2015*. Wellington: Ministry of Business, Innovation and Employment. Retrieved August 2015 from: www.mbie.govt.nz/info-services/employment-skills/labour-market-reports/labour-market-analysis/labour-market-report/document-image-library/labour-market-report-may-2015.pdf

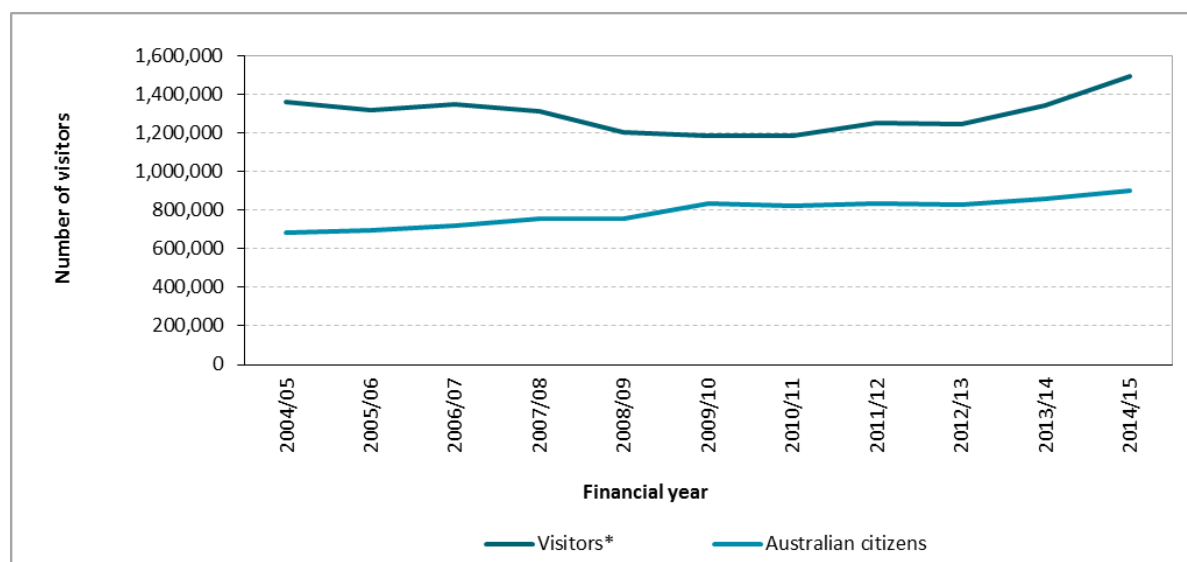
2.3 Temporary arrivals in New Zealand

Most people arriving in New Zealand are overseas visitors intending to stay for fewer than 12 months or New Zealand residents returning from a short trip. Within any given year, these flows fluctuate seasonally, with large numbers of visitors arriving over the summer months and during particular events, such as sporting competitions.

A total of 1.74 million people were granted a temporary visitor, student or work visa on their arrival in New Zealand in 2014/15. In addition, 901,100 Australian citizens travelled to New Zealand, up from 858,800 in 2013/14. (Australian citizens and permanent residents are granted a resident visa on arrival to New Zealand.)

The number of visitors in 2014/15 (excluding Australian citizens) was around 1.49 million, up 11 per cent from 2013/14. The number of arrivals by Australian citizens to New Zealand has remained relatively stable over the past six years, although the increase from 2013/14 is 5 per cent (see Figure 2.6).

Figure 2.6 Visitor and Australian citizen arrivals to New Zealand, 2004/05–2014/15



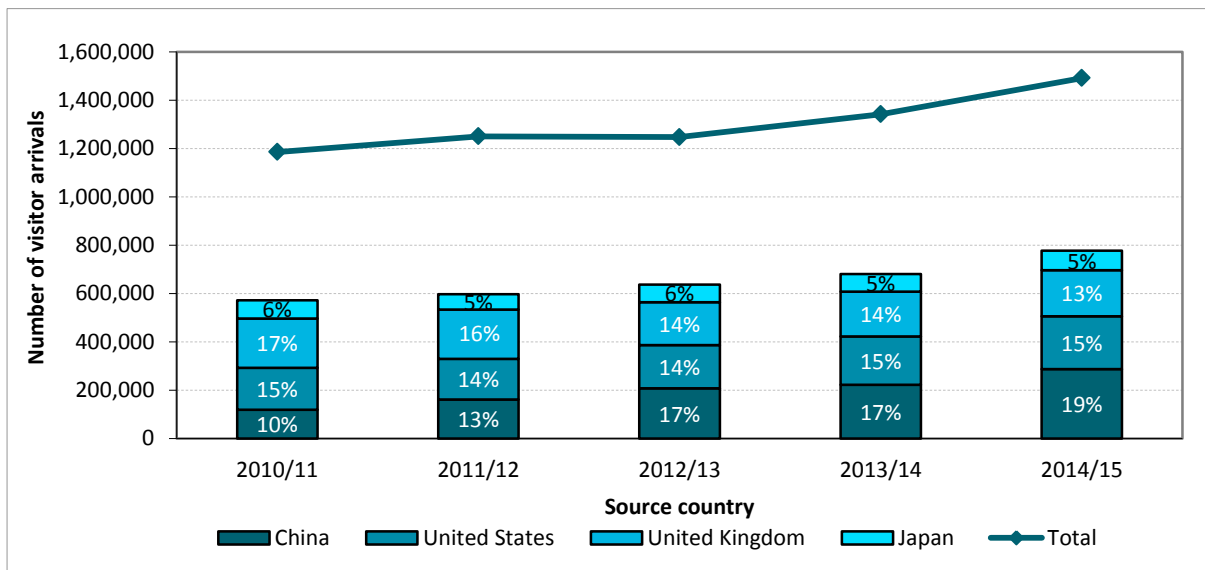
Note: * Excludes Australian citizens.

Source: Ministry of Business, Innovation and Employment (MBIE).

2.3.1 Visitor arrivals by source country

The top four visitor source countries (China, the United States, the United Kingdom and Japan) contributed half of all visitor arrivals (excluding Australian citizens) to New Zealand in 2014/15. In recent years, China has become a major source country for visitors into New Zealand (see Figure 2.7).

Figure 2.7 Top four source countries of visitor arrivals, 2010/11–2014/15



Note: Excludes Australian citizens.

Source: MBIE.

Compared with the previous year, visitor arrivals from the top four countries increased. China had the largest absolute increase in visitor arrivals (up 64,200 people or 29 per cent) followed by the United States (up 20,100 people or 10 per cent) and Japan (up 6,900 or 9 per cent).

3 International students

Highlights in 2014/15

- A total of 84,856 international students were approved to study in New Zealand, an increase of 16 per cent from 2013/14.
- Fifty-seven per cent of international students were studying in New Zealand for the first time.
- As at 30 June 2015, 74,447 student visa holders were in New Zealand. This represents a 12 per cent increase from the 66,180 student visa holders as at 30 June 2014.
- Just over half (55 per cent) of all students came from the top three source countries of China, India and South Korea.

3.1 Introduction

International education is New Zealand's fifth largest export earner, contributing \$2.75 billion to New Zealand's economy every year and supporting 30,000 jobs.⁷ Furthermore, international education is a means for New Zealand to strengthen its education system, contribute to research, innovation, trade and tourism, and help to grow links with major trading partners.⁸ From 2011 to 2026, New Zealand aims to double the annual economic value of export education to \$5 billion by increasing international enrolments in its tertiary institutions, private providers and schools.⁹

International students make up 14 per cent of tertiary enrolments in New Zealand. This is the sixth highest percentage across OECD countries behind Luxembourg (42 per cent), Australia (21 per cent), the United Kingdom (16 per cent), and Austria and Switzerland (15 per cent each).¹⁰

International students can also play an important role in the New Zealand labour market by taking part in the workforce while studying and after they graduate, especially if they are qualified and employed in areas with skill shortages.

This chapter describes the trends in the number of people coming to New Zealand on a student visa as well as the stock of students in New Zealand.¹¹

⁷ Infometrics. (2015). *The economic impact of international education 2014*. Wellington: Education New Zealand. Retrieved August 2015 from: http://enz.govt.nz/sites/public_files/ExportEd2014.pdf

⁸ New Zealand Government. (2014). *Leadership statement for international education – progress update*. Wellington: Ministry of Education. Retrieved August 2015 from: www.education.govt.nz/assets/Documents/Ministry/Strategies-and-policies/LeadershipStatementForInternationalEducationProgressUpdate2014.pdf

⁹ New Zealand Government. (2014). *Leadership statement for international education – progress update*. Wellington: Ministry of Education. Retrieved August 2015 from: www.education.govt.nz/assets/Documents/Ministry/Strategies-and-policies/LeadershipStatementForInternationalEducationProgressUpdate2014.pdf

¹⁰ OECD. (2012). *Education at a glance 2012: OECD indicators*. Paris: Organisation for Economic Co-operation and Development. Retrieved August 2015 from: www.oecd.org/edu/EAG%202012_e-book_EN_200912.pdf

3.2 Student policy

The objective of Student policy is to facilitate the entry of genuine foreign students with a focus on attracting and developing students who have the skills and talent New Zealand needs.

International students choose New Zealand as a place to study for the quality and cost of education, for work opportunities after graduation, to apply for residence, and to study in an English-speaking country. Reasons for taking up residence include the lifestyle, safety and security, and further educational opportunities. Economic-related reasons such as job opportunities are less frequently reported.¹²

Generally, foreign nationals who want to study for more than three months must apply for a student visa (and the education provider, if it is a private training establishment, must be registered by the New Zealand Qualifications Authority, and all providers must be signatories to the Ministry of Education's Code of Practice for the Pastoral Care of International Students).¹³ However, some Working Holiday Scheme visa holders can undertake study in New Zealand for up to six months.¹⁴

3.2.1 International student trends

In 2014/15, the number of international students approved to study in New Zealand (84,856) increased 16 per cent from 2013/14. This follows a 14 per cent increase in the previous year.

China has remained the single largest source country of international students since 1999/2000, although its proportion has fallen from around 47 per cent in 2002/03 to 27 per cent in 2014/15. India was the second largest source country in 2014/15 (23 per cent), followed by South Korea (6 per cent).

Figure 3.1 shows the number of international students approved to study in New Zealand over the past decade. Following the peak of close to 90,000 international students in 2002/03 and 2003/04, the number of students approved annually ranged between 60,000 and 80,000 in the next 10 years. The last two years have shown large increases, almost back up to the peak numbers.

The number of students from China decreased to 15,000 in 2009/10 before gradually increasing over the last five years.

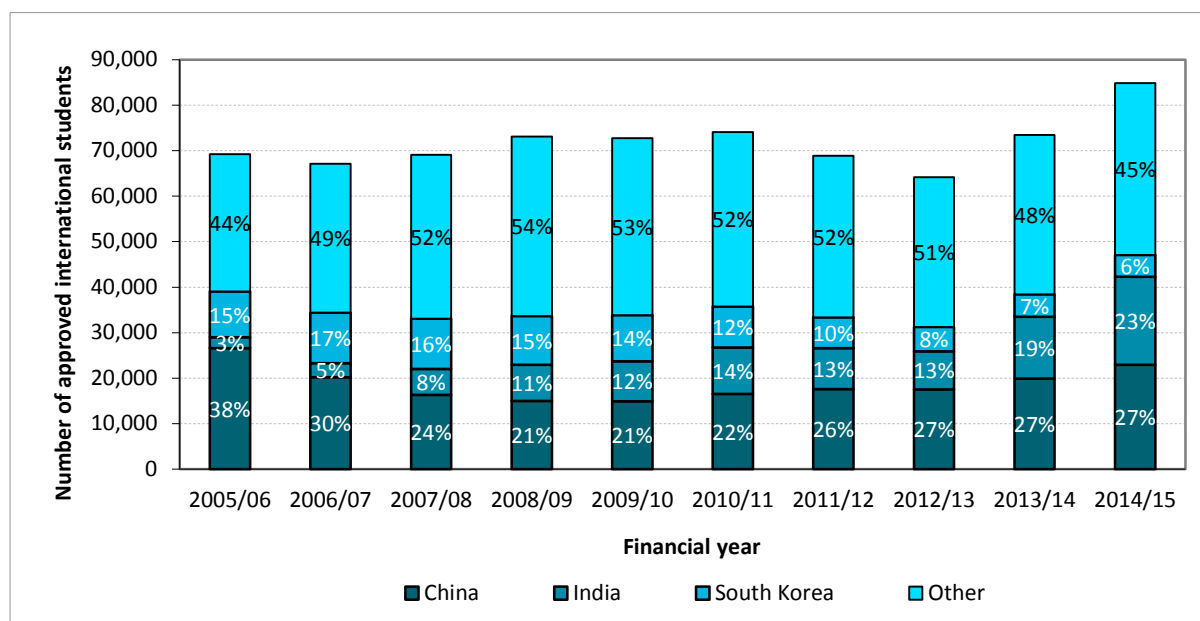
¹¹ Unless otherwise stated, this analysis is of individuals who at any time in 2014/15 were issued a visa, not of the total number of visas issued. For example, if one person was issued more than one visa in 2014/15, only the most recent visa was used in the analysis in this chapter.

¹² A Wilkinson, P Merwood, and A-M Masgoret. (2010). *Life after study: International students' settlement experiences in New Zealand*. Wellington: Department of Labour. Retrieved August 2015 from: www.mbie.govt.nz/publications-research/research/migrants---settlement/life-after-study.pdf/view?searchterm=Life%20after%20study%2A

¹³ Australian citizens and residents do not need a student visa to study in New Zealand.

¹⁴ Since July 2009, working holidaymakers may undertake one or more courses, rather than a single course, for up to three months (or six months for people approved under Working Holiday Schemes with Argentina, Austria, Canada, Chile, the Czech Republic, Germany, Japan, the Netherlands, Slovakia, Taiwan, the United Kingdom and Uruguay).

Figure 3.1 Approved international students, 2005/06–2014/15



Notes: This is a count of individuals approved for a student visa rather than the number of visa applications. The number of approved student visa holders will be lower than the number of student enrolments reported by the Ministry of Education. Source: MBIE.

Compared with 2013/14, in 2014/15 the largest absolute increase in students came from India (5,708 students or 42 per cent), followed by China (3,048 or 15 per cent), while the number of students from South Korea decreased 1 per cent. The growth in students from India was mainly due to a 38 per cent increase of full fee-paying students in private training establishments. For the series of approved international students by source country, see appendix *Temporary visa holders*.

3.2.2 Gender and age of international students

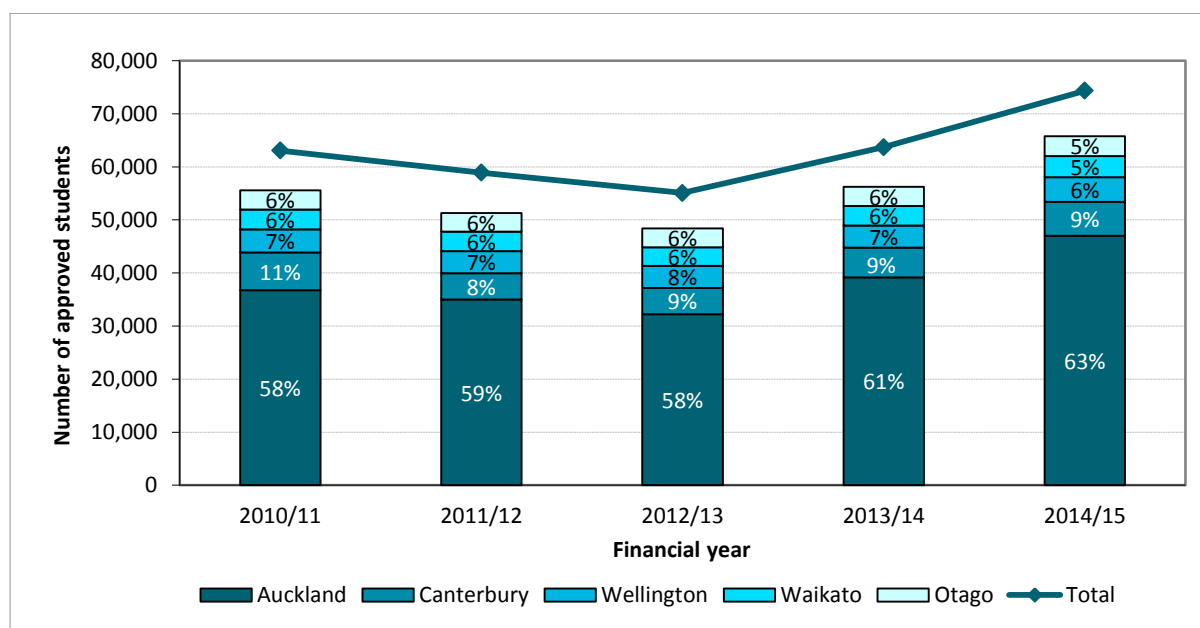
In 2014/15, fewer female international students were approved for study in New Zealand than males (43 per cent compared with 57 per cent). Within the top three source countries of international student approvals in 2014/15, 77 per cent of students from India were male while students from China and South Korea were evenly split by gender. Appendix *Temporary visa holders* shows the proportion of female international students by age group and source country in 2014/15.

In 2014/15, most international students were aged 16–29 (73 per cent) with a further 18 per cent aged under 16. The median age for international students was 21. Across the main source countries, the median age was 21 for international students from China, 22 from India and 19 from South Korea.

3.2.3 Region of study of international students

In 2014/15, more than three-fifths of students who specified a region of study were studying in Auckland. Figure 3.2 shows the proportion of students by region of study. There has been an increase of 20 per cent in the number of students studying in Auckland, up 7,768 from 38,929 in 2013/14. Although the proportion of students studying in Canterbury has not changed, the actual number has increased 15 per cent, up by 888 from 5,832 in 2013/14.

Figure 3.2 Students by region of study, 2010/11–2014/15



Notes: This is a count of individuals approved for a student visa rather than the number of applications.

Not all students specified their region of study. Those who did not specify a region are excluded from analysis.

Source: MBIE.

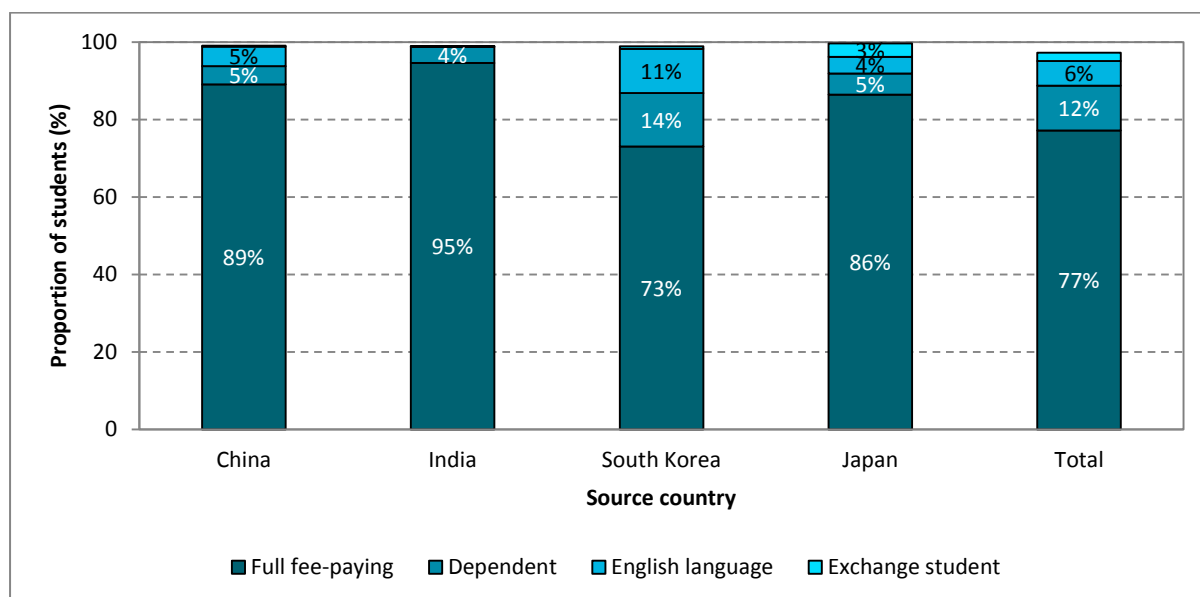
3.2.4 Fee payment and type of institution

In 2014/15, 77 per cent of students were full fee-paying students, 12 per cent were dependants of work visa holders and 6 per cent were doing English language studies.¹⁵

Figure 3.3 shows the proportion of students by fee type for the four main source countries in 2014/15. India has the largest proportion of students paying full fees compared with China, South Korea and Japan.

¹⁵ This figure is only for those doing a longer course in English language as their only study. Many short-stay visitors, who do not require a visa, will also be studying English language, as will many full fee-paying students.

Figure 3.3 Students by source country and policy, 2014/15



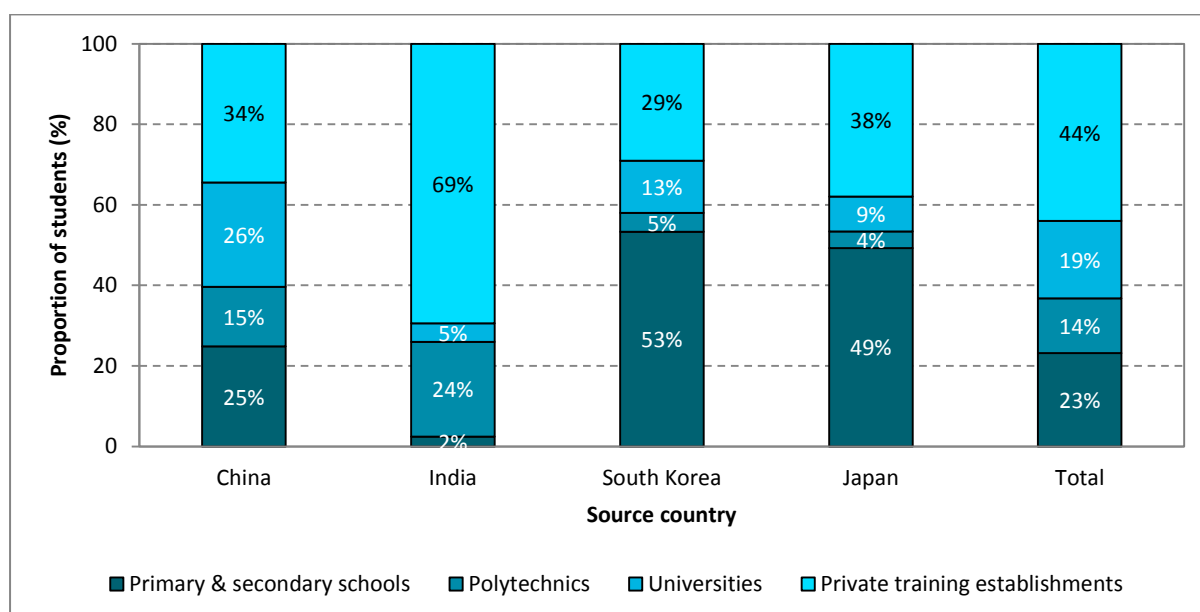
Note: This is a count of individuals approved for a student visa rather than the number of applications.

Source: MBIE.

Of the students who specified the type of educational institution, 38 per cent were studying in private training establishments and 27 per cent were studying in universities.

Figure 3.4 shows the proportion of students by educational institution for the four main source countries in 2014/15. India has the largest proportion of students studying at private training establishments while around half the Japanese and South Korean students were at primary or secondary school.

Figure 3.4 Students from the four main source countries by educational institution, 2014/15



Note: This is a count of individuals approved for a student visa rather than the number of applications.

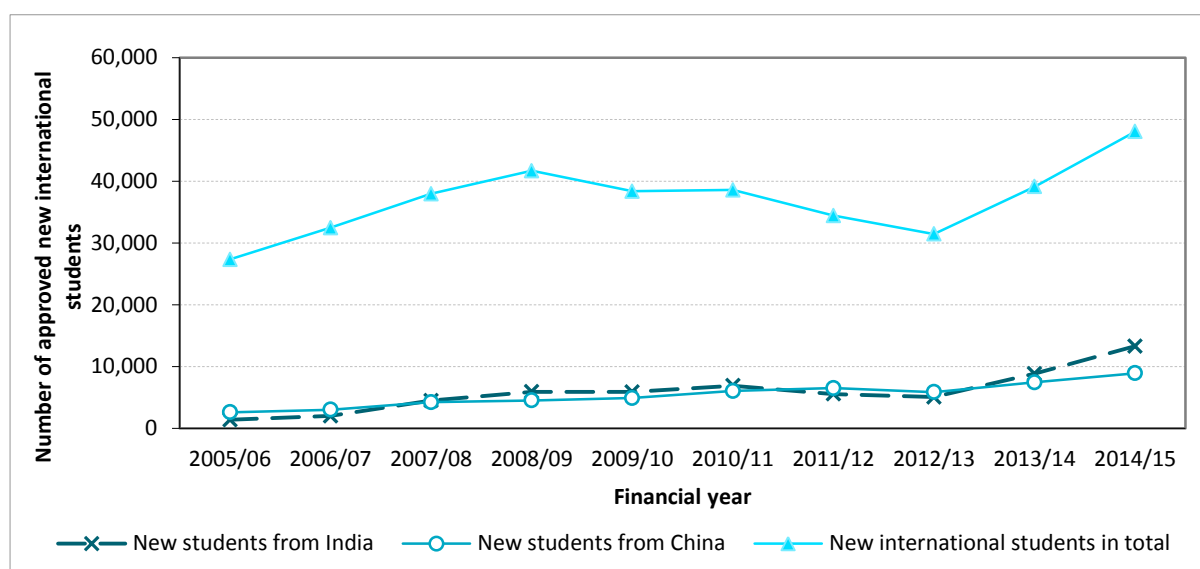
Source: MBIE.

3.3 New international students

In 2014/15, 48,030 new international students were approved to study in New Zealand, up 23 per cent from 39,118 in 2013/14.¹⁶ New international students in 2014/15 made up 57 per cent of all international students. India recorded the largest absolute increase in new students (up 4,466 students or 51 per cent) from 2013/14.

Figure 3.5 shows the number of new international students approved each year over the last 10 years. From 2005/06 to 2008/09, the number of new international students increased steadily. However, following the onset of the global financial crisis in October 2008 and the Christchurch earthquake in February 2011, the number of new international students declined over the next four years to 2012/13. The last two years have shown strong growth, with increases of 24 per cent and 23 per cent.

Figure 3.5 New international students, 2005/06–2014/15



Notes: This is a count of individuals approved for a student visa rather than the number of visa applications.

The number of approved student visa holders will be lower than the number of student enrolments reported by the Ministry of Education.

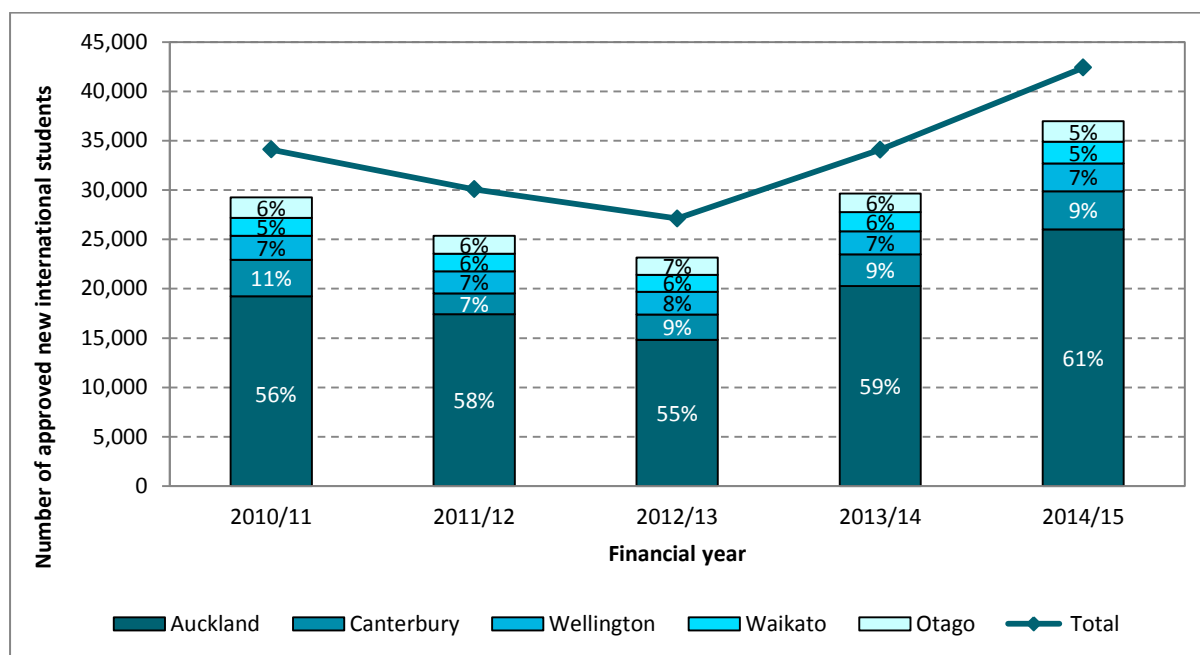
Source: MBIE.

3.3.1 Region of study of new international students

In 2014/15, three-fifths of new students who specified a region of study were studying in Auckland. Figure 3.6 shows the proportion of new students by region of study. There has been an increase of 28 per cent in the number of students studying in Auckland, up 5,746 from 20,283 in 2013/14. Although the proportion of students studying in Canterbury has not changed, the actual number has increased 20 per cent, up 641 from 3,217 in 2013/14.

¹⁶ In this analysis, a student is counted as 'new' the year in which their first student visa was approved.

Figure 3.6 New students by region of study, 2010/11–2014/15



Notes: This is a count of individuals approved for a student visa rather than the number of applications.

Not all students specified their region of study. Those who did not specify a region are excluded from analysis.

Source: MBIE.

3.4 Stock of students

The number of temporary migrants physically present in New Zealand is estimated at a point in time (for example, at the end of the financial year) by identifying those people who have entered New Zealand on temporary visas and who have neither left New Zealand nor been granted residence. This data provides useful point-in-time information on temporary migrants. It gives a more accurate picture of the population impact of New Zealand's temporary entry programmes than data on the flow of temporary migrants in and out of New Zealand. The data is seasonal; numbers fluctuate throughout the year with fewer students likely to be in New Zealand over summer. This data provides a snapshot rather than a maximum or minimum number present at one time.

Table 3.1 shows that on 30 June 2015, 74,447 student visa holders were in New Zealand. This represents a 12 per cent increase from the 66,180 student visa holders as at 30 June 2014. More than three-quarters of student visa holders were full fee-paying students.

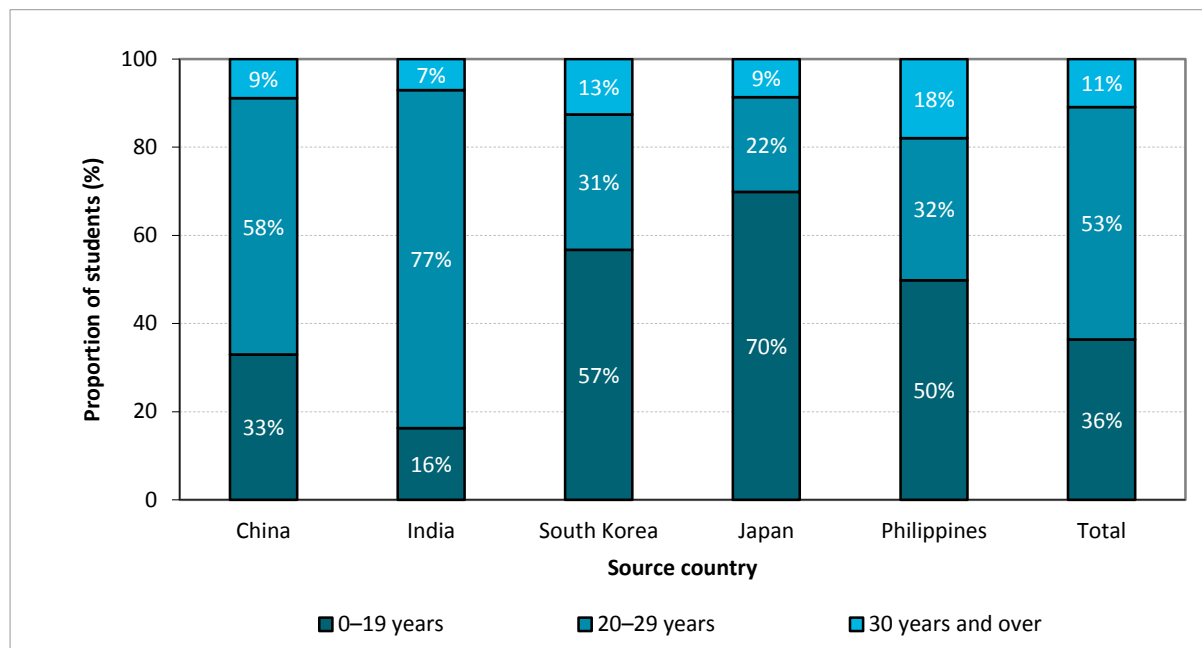
Table 3.1 Stock of student visa holders in New Zealand, as at 30 June 2014 and 30 June 2015

Type of student	Number		Percentage of total (%)		Percentage change (%) from 30 June 2014
	As at 30 June 2014	As at 30 June 2015	As at 30 June 2014	As at 30 June 2015	
Full fee-paying	53,278	60,887	81	82	14
Other	12,902	13,560	19	18	5
Total	66,180	74,447	100	100	12

Source: MBIE.

As at 30 June 2015, about one-quarter (26 per cent) of the student visa holders were from China. Students from India accounted for 18 per cent of student visa holders, followed by students from South Korea (6 per cent), the Philippines (4 per cent) and Japan (4 per cent). While most students are young (89 per cent are aged under 30), there are differences among the top source countries (see Figure 3.7). Students from China and India are typically older than students from South Korea, Japan and the Philippines, reflecting the differences in study level between the countries. Most students from China and India study at polytechnics and universities while most students from South Korea and Japan are enrolled in primary and secondary schools.

Figure 3.7 Age of student visa holders for the main source countries, as at 30 June 2015



Source: MBIE.

4 Temporary workers

Highlights in 2014/15

- A total of 170,814 people were granted a work visa, an increase of 10 per cent from 2013/14. The United Kingdom was the largest source country, followed by India, China and Germany.
- A total of 28,548 people were approved to work in New Zealand under the Essential Skills policy, an increase of 8 per cent from 2013/14. This was the third year-on-year increase in Essential Skills workers since the start of the global financial crisis.
- Across the 42 Working Holiday Schemes, 61,404 people were approved to work in New Zealand, an increase of 12 per cent from 2013/14.
- Of the 29,305 people approved for family work visas in 2014/15, the top source countries were India, China and the United Kingdom.
- As at 30 June 2015, 120,631 work visa holders were in New Zealand. This compares with 111,614 work visa holders as at 30 June 2014.

4.1 Introduction

Temporary workers are one of the main resources available to minimise skill shortages in the labour market. The New Zealand labour market continues to experience areas of skill shortage, despite prevailing economic conditions.

Work policy allows people to enter New Zealand for a variety of work-related purposes. Some categories in Work policy allow New Zealand employers to access skills and knowledge from around the world to fill skill shortages where no New Zealanders are available. These categories aim to ensure New Zealanders are not displaced from employment opportunities and that improvements to wages and working conditions are not hindered.

This chapter describes the trends in the number of people coming to New Zealand on a work visa as well as the stock of workers in New Zealand.¹⁷

Foreign nationals who do not have residence and who want to work in New Zealand require a work visa in most circumstances.¹⁸ The objective of Work policy is to contribute to developing New Zealand's human capability base by facilitating the access of New Zealand employers and New Zealand industry to global skills and knowledge.

¹⁷ Unless otherwise stated, this analysis is of individuals who at any time in 2014/15 were issued a visa, not of the total number of visas issued. For example, if one person was issued more than one visa in 2014/15, only the most recent visa was used in the analysis in this chapter.

¹⁸ Australian citizens and residents do not need a work visa to work in New Zealand.

There are three main work policies.

- The Essential Skills policy facilitates the entry of people required on a temporary basis to fill shortages where suitable New Zealand citizens or residents are not available for the work offered.
- Working Holiday Schemes are reciprocal international agreements that allow young people (generally aged 18–30) from partner countries to holiday and work in New Zealand.¹⁹
- Family policy allows people to apply for a New Zealand work visa if they are in a genuine and stable relationship with a New Zealand citizen, resident, work visa holder or student.

The Study to Work, Specific Purpose or Event, Horticulture and Viticulture Seasonal Work, and Work to Residence policies are not examined in this chapter.

All work policies are summarised in appendix *Temporary visa holders*.

4.2 Temporary worker trends

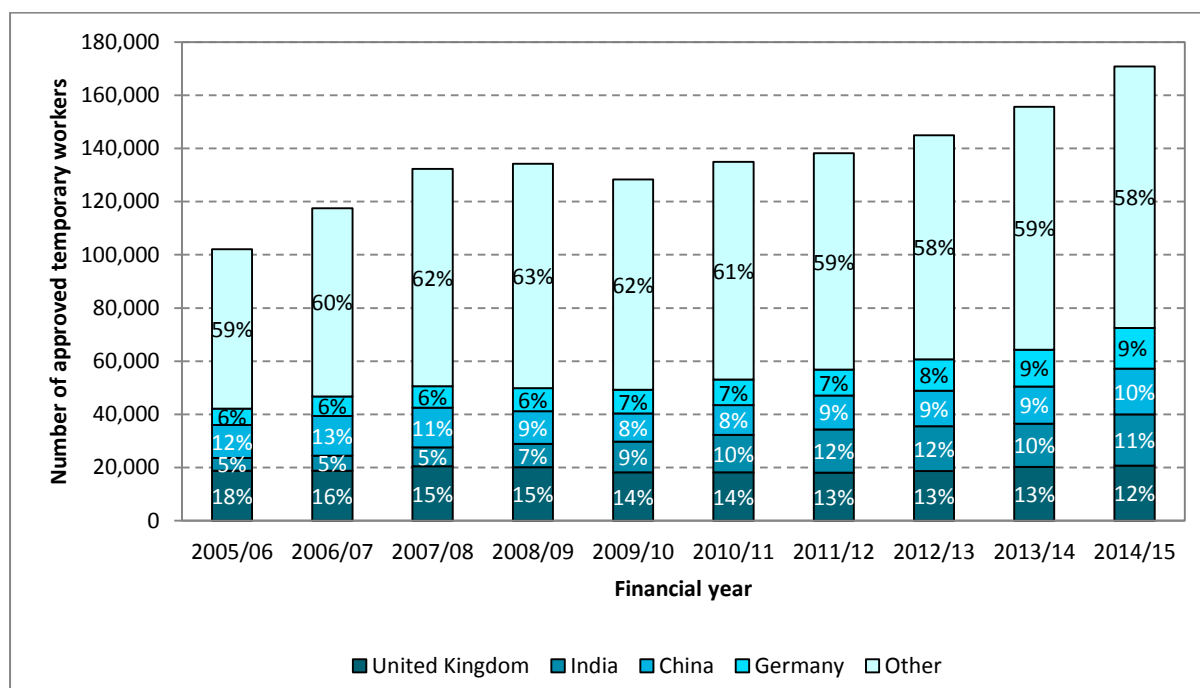
In 2014/15, 170,814 people were issued with work visas, an increase of 10 per cent from 155,683 in 2013/14. The number of temporary workers grew on average 7 per cent annually over the decade to 2014/15.

Figure 4.1 shows the top four source countries of temporary workers over the last 10 years. In 2014/15, the United Kingdom was the largest source country of temporary workers (20,754 people), followed by India (19,276 people), China (17,197 people) and Germany (15,290 people).

The number of temporary workers from the top source countries increased from 2013/14 to 2014/15 with the United Kingdom increasing 3 per cent, India 19 per cent, China 23 per cent and Germany 10 per cent. For the number of approved temporary workers by source country from 1997/98 to 2014/15, see appendix *Temporary visa holders*.

¹⁹ The United States and China do not have reciprocal arrangements with New Zealand.

Figure 4.1 Top four source countries of temporary workers, 2005/06–2014/15



Notes: The percentages are of all work visa holders by source country in each financial year.

This is a count of individuals approved for a work visa rather than the number of applications.

Source: MBIE.

4.2.1 Temporary workers by age and gender

Fifty-seven per cent of work visa holders in 2014/15 were aged 20–29 and 24 per cent were aged 30–39. The median age was 27. Of the main source countries, the Philippines had the highest median age at 34 while Germany had the lowest at 20. The low median age of German workers is because most of them came through the Working Holiday Scheme.

The proportion of male temporary workers increased from 53 per cent in 2005/06 to 56 per cent in 2014/15.

4.3 Temporary workers by work policies

Table 4.1 shows the number of approved temporary workers by various work policies over the last five years. The three main work policies contributed 70 per cent of all temporary workers in 2014/15.

Across the three main work policies, the number of people approved for work visas in 2014/15 increased compared with 2013/14. The number of people approved for work visas under the Working Holiday Scheme had the largest absolute increase (6,764 people or 12 per cent), followed by the number approved under Family policy (2,527 or 9 per cent) and the Essential Skills policy (2,051 people or 8 per cent).

Table 4.1 Approved temporary workers by work visa policies, 2010/11–2014/15

Work visa policy	2010/11	2011/12	2012/13	2013/14	2014/15
Working Holiday Schemes	43,258	43,030	48,631	54,640	61,404
Family	25,540	25,505	25,442	26,778	29,305
Essential Skills	22,341	22,065	22,406	26,497	28,548
Specific Purpose or Event	13,408	13,558	13,616	15,242	16,589
Study to Work	11,758	14,058	14,882	11,841	13,688
Horticulture and Viticulture Seasonal Work	8,469	9,103	9,588	10,836	11,677
Work to Residence	2,662	2,510	2,526	2,475	2,861
Other	9,623	10,187	9,745	9,301	8,706
Total	135,010	138,161	144,933	155,683	170,814

Notes: Related work visa policies have been grouped.

Columns may not sum to the total as applicants are counted once for every group.

This is a count of individuals approved for a work visa rather than the number of applications.

Source: MBIE.

4.3.1 Essential Skills policy

The Essential Skills policy is a labour market tested work policy that allows New Zealand's employers to recruit workers from overseas to meet shortages they cannot fill from within New Zealand. The labour market test requirement for this policy also protects employment opportunities for New Zealand citizens and residents.²⁰

The demand for Essential Skills workers slowed from October 2008 with the onset of the global financial crisis and its effect on the domestic economy.²¹ After four years of decreases, the number of Essential Skills workers approved increased 2 per cent in 2012/13. This was followed by an 18 per cent increase in 2013/14 and an 8 per cent increase in 2014/15 with 28,548 Essential Skills workers approved. These increases suggest there is still a demand for labour in New Zealand.

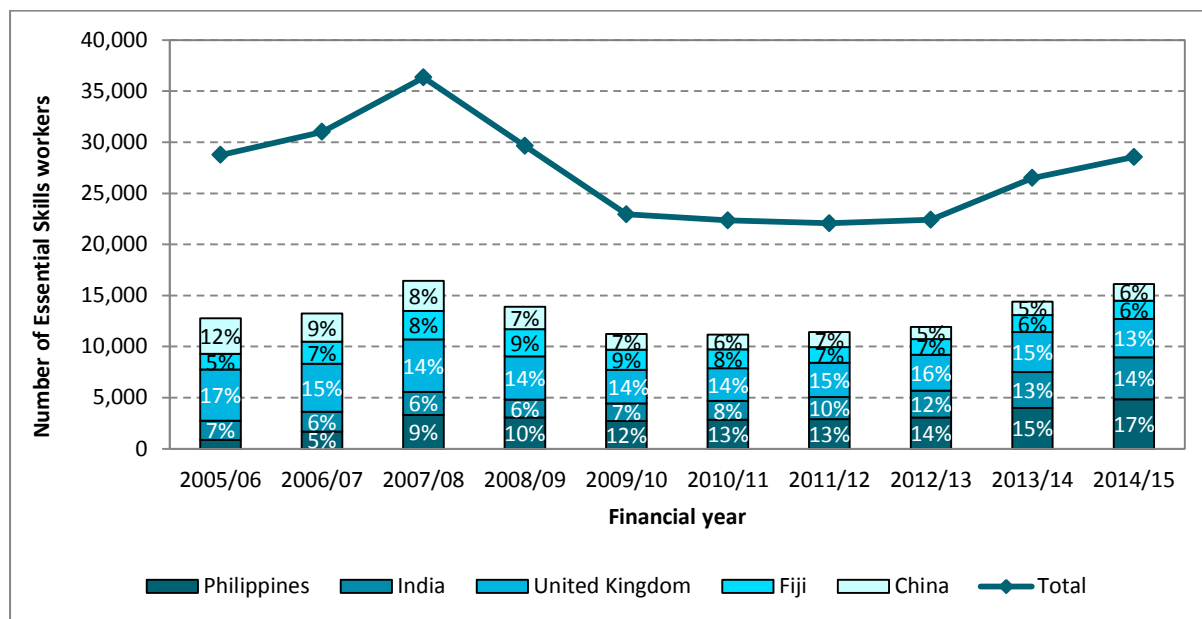
Source country

The Philippines (with 4,849 people) was the largest source country for Essential Skills workers in 2014/15. In addition, of the main source countries, the Philippines had the largest absolute increase (858 people or 21 per cent) from 3,991 in 2013/14. India (4,106 people), the United Kingdom (3,737 people), and Fiji (1,811 people) were the next largest source countries (see Figure 4.2) of Essential Skills workers. Over the last 10 years, the number of Essential Skills workers from India and the Philippines has more than tripled. Together, they now make up 31 per cent of all Essential Skills workers compared with 10 per cent in 2005/06.

²⁰ The labour market test requires New Zealand employers to show they have made genuine efforts to attract and recruit suitable New Zealand citizens or residents to fill a position, but have been unable to find such people.

²¹ This analysis includes the Approved in Principle policy, Essential Skills policy, Essential Skills policy – Skill Level 1, Specialist Skills policy, and the former General Work policy.

Figure 4.2 Top source countries of Essential Skills workers, 2005/06–2014/15



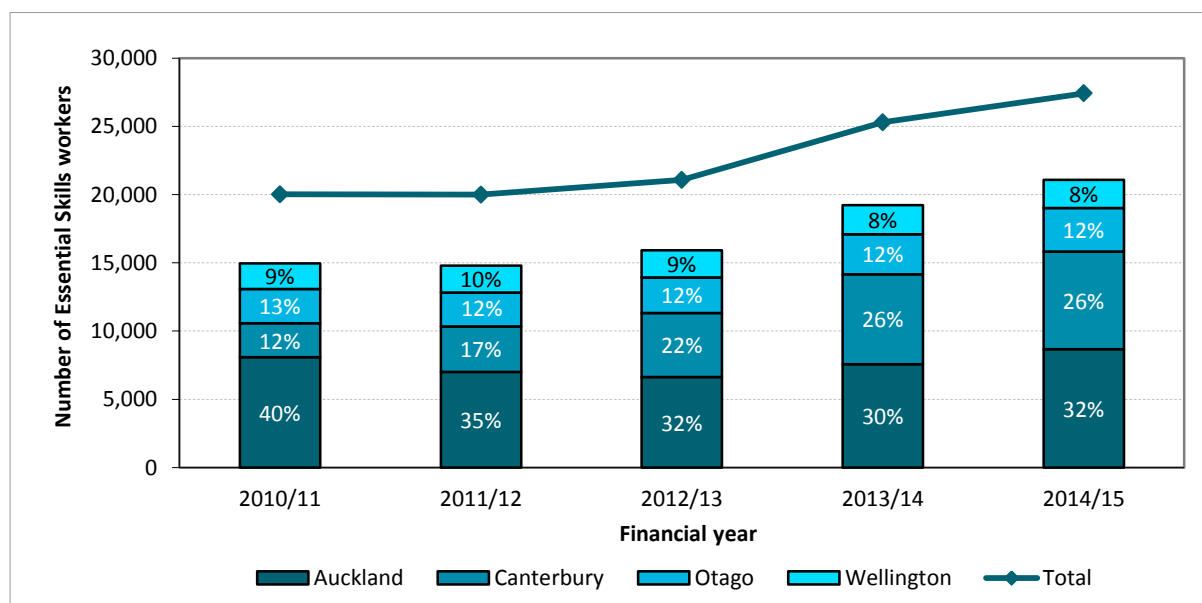
Source: MBIE.

Region of employment and occupation

Of the 28,548 Essential Skills workers in 2014/15, 27,418 specified a region of employment. The main regions specified were Auckland (32 per cent), Canterbury (26 per cent), Otago (12 per cent) and Wellington (8 per cent) (see Figure 4.3)

In 2014/15, 7,166 people were approved for work visas under the Essential Skills policy for a job offer in Canterbury, an increase of 9 per cent from 2013/14. This follows three years of large increases (35 per cent in 2011/12, 41 per cent in 2012/13 and 40 per cent in 2013/14) and suggests that the Christchurch rebuild has reached capacity.

Figure 4.3 Main region of employment for Essentials Skills workers, 2010/11–2014/15



Source: MBIE.

Table 4.2 shows the occupation distribution for the main regions that Essential Skills workers settled in, in 2014/15. Overall, the occupation group Technicians and Trades Workers was the most common for Essential Skills workers (29 per cent), followed by Managers (17 per cent) and Professionals (15 per cent). These are also the top three occupation groups for Auckland. More than half of those approved for an Essential Skills visa in Canterbury are Technicians and Trades Workers or Labourers. Labourers and Community and Personal Service Workers were the main occupation groups in Otago, while 31 per cent of Essential Skills workers in Wellington were Professionals.

Table 4.2 Occupation of Essential Skills workers by region, 2014/15

Major occupation group	Percentage (%)				
	Auckland	Canterbury	Otago	Wellington	Total
Technicians and Trades Workers	36	36	15	25	29
Managers	19	14	8	16	17
Professionals	18	9	4	31	15
Labourers	2	18	26	4	13
Community and Personal Service Workers	9	10	24	13	11
Machinery Operators and Drivers	5	8	4	1	5
Sales Workers	4	3	15	4	4
Clerical and Administrative Workers	5	2	4	6	3
Total	8,668	7,166	3,190	2,061	28,548

Note: Major occupation group is coded to the 2006 Australian and New Zealand Standard Classification of Occupations.
Source: MBIE.

Main occupations

A wide variety of occupations was recorded for people approved under the Essential Skills policy in 2014/15. The most common occupations were chef (8 per cent), dairy cattle farmer (6 per cent) and café or restaurant manager (3 per cent). Two-thirds (67 per cent) of Essential Skills workers were in high-skilled occupations on the Australian and New Zealand Standard Classification of Occupations (ANZSCO).

The most common occupations for Essential Skills workers from the three main source countries were dairy cattle farmer (17 per cent) and carpenter (9 per cent) for the Philippines, retail manager (15 per cent) and cafe or restaurant manager (10 per cent) for India, and resident medical officer (6 per cent) and retail supervisor (4 per cent) for the United Kingdom.

Labour market tested work visas

The Essential Skills policy and the Horticulture and Viticulture Seasonal Work policy are labour market tested work policies that allow New Zealand's employers to recruit workers from overseas to meet shortages they cannot fill from within New Zealand. The labour market test requirement for these policies also protects employment opportunities for New Zealand citizens and residents.²²

²² The labour market test requires New Zealand employers to show they have made genuine efforts to attract and recruit suitable New Zealand citizens or residents to fill a position, but have been unable to find such people.

In 2014/15, 40,225 people were approved for an Essential Skills visa or a Horticulture and Viticulture Seasonal work visa, an increase of 8 per cent from 2013/14. Overall, 24 per cent of people approved for a work visa in 2013/14 were approved for a labour market tested work visa.

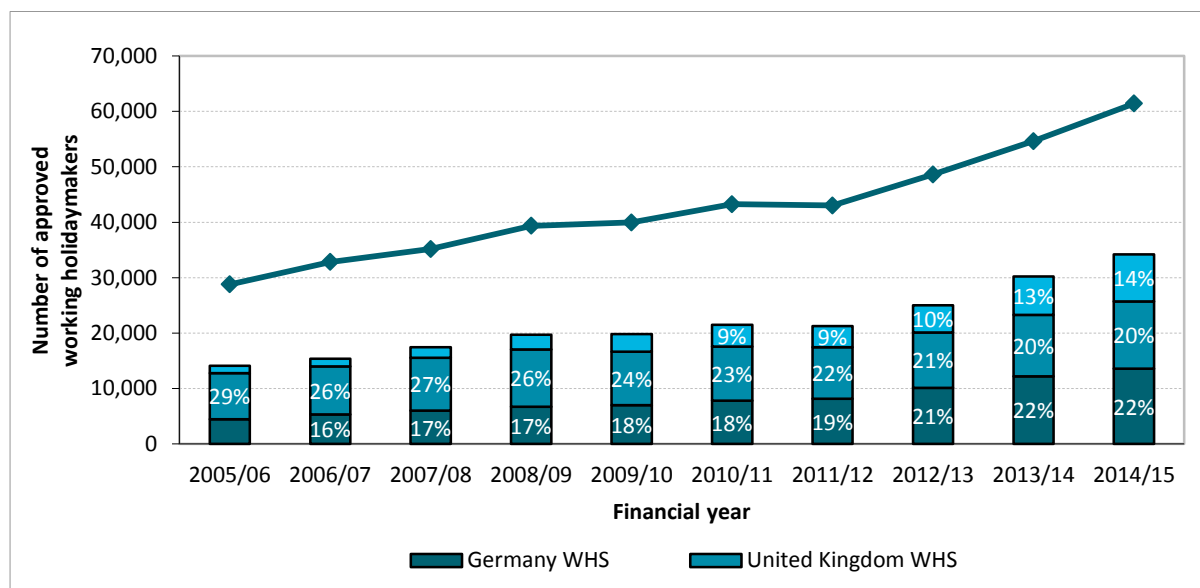
4.3.2 Working Holiday Schemes

Working Holiday Schemes allow young people whose primary intention is to holiday in New Zealand to undertake employment and study during their stay in accordance with their scheme.²³ Most Working Holiday Schemes allow 18–30-year-olds to spend a maximum of 12 months in New Zealand, undertaking work of a temporary nature during their visit as well as study for up to three months.²⁴

In 2014/15, 61,404 people were approved under 42 Working Holiday Schemes, an increase of 12 per cent from 54,640 in 2013/14. Working Holiday Schemes with Germany (22 per cent), the United Kingdom (20 per cent) and France (14 per cent) contributed half of all working holidaymakers in 2014/15. The number of working holidaymakers has increased steadily over the last decade, because the number of schemes and available places has increased (see Figure 4.4). The number of approved people under Working Holiday Schemes with France and Germany had the largest absolute increases from 2013/14 to 2014/15 (1,583 people and 1,377 people, respectively).

For more information on working holidaymakers, see appendix *Temporary visa holders*.

Figure 4.4 Approved working holidaymakers by main schemes, 2005/06–2014/15



Note: WHS = Working Holiday Scheme.

Source: MBIE.

²³ Working Holiday Schemes generally allow young New Zealanders to work overseas under mostly reciprocal agreements. The Working Holiday Schemes with the United States and China are not reciprocal agreements.

²⁴ Working Holiday Schemes with Argentina, Canada, Chile, the Czech Republic, Slovakia and Uruguay have an age requirement of 18–35 years. The United Kingdom Working Holiday Scheme allows a maximum stay of 23 months.

While male and female working holidaymakers were evenly distributed in 2014/15, large differences existed within individual schemes. For example, the number of females approved under the schemes with Taiwan, Finland, Austria, Singapore, Thailand, China and Vietnam was more than double the number of males.

For the top three schemes in 2014/15, working holidaymakers from Germany were generally younger (a median age of 19) than working holidaymakers from the United Kingdom or France (both with a median age of 24).

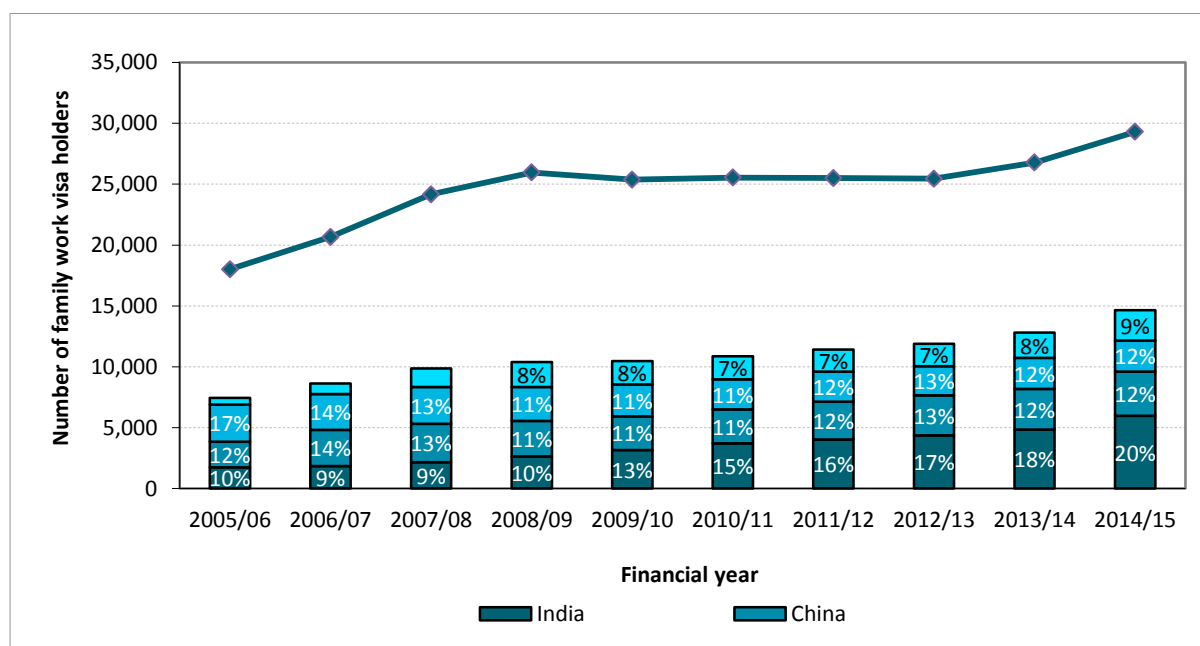
4.3.3 Family policy

People are eligible to apply for a New Zealand work visa if they are in a genuine and stable relationship with a New Zealand citizen, resident, work visa holder or student. The duration of the work visa issued under the Family policy is dependent on the time spent living together in the partnership.

Figure 4.5 presents the number of people approved for family work visas in the last 10 years as well as the top four source countries. The number of people approved for family work visas increased from 2005/06 to 2008/09 and has remained steady since then until a 9 per cent increase in 2014/15.

Of the 29,305 people approved for family work visas in 2014/15, the top three source countries were India (20 per cent), China (12 per cent) and the United Kingdom (9 per cent).

Figure 4.5 People approved for family work visas by main source countries, 2005/06–2014/15



Source: MBIE.

Age and gender

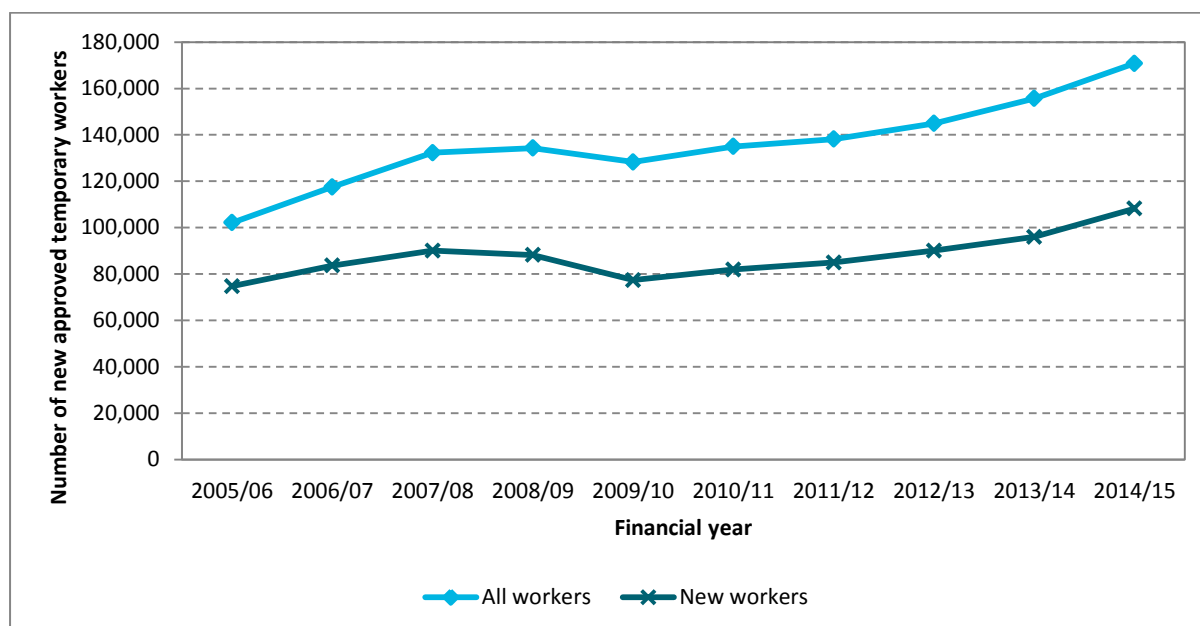
In 2014/15, the median age of people approved for family work visas was 30, and 65 per cent were female. People approved for family work visas from India were younger (a median age of 28) than those from China and the United Kingdom (both with a median age of 31).

4.4 New temporary workers

In 2014/15, 108,238 new temporary workers were approved to work in New Zealand, up 13 per cent from 96,027 in 2013/14.²⁵ New temporary workers in 2014/15 made up 63 per cent of all temporary workers.

Figure 4.6 shows the number of new temporary workers approved each year over the last 10 years compared with the overall numbers of temporary workers each year.

Figure 4.6 New temporary workers, 2005/06–2014/15



Source: MBIE.

The work policy with the largest proportion of new workers was Working Holiday Schemes, with 97 per cent of working holidaymakers on their first visa compared with 42 per cent of those on family work visas and 27 per cent of those on Essential Skills visas.

4.5 Stock of temporary workers

The number of temporary migrants physically present in New Zealand is estimated at a point in time (for example, at the end of the financial year) by identifying those people who have entered New Zealand on temporary visas and who have neither left New Zealand nor been granted residence. This data provides useful point-in-time information on temporary migrants. It gives a more accurate picture of the population impact of New Zealand's temporary entry programmes than does data on the flow of temporary migrants in and out of New Zealand. The data is seasonal; numbers fluctuate throughout the year with more temporary workers likely to be in New Zealand in summer with the arrival of working holidaymakers and seasonal workers. This data is a snapshot rather than a maximum or minimum number present at one time.

²⁵ In this analysis, a worker is counted as 'new' the year in which their first work visa was approved.

On 30 June 2015, 120,631 work visa holders were in New Zealand (see Table 4.3). This compares with 111,614 work visa holders as at 30 June 2014 – an increase of 8 per cent. The main policies for work visa holders are Working Holiday Schemes, Family, Essential Skills and Study to Work.

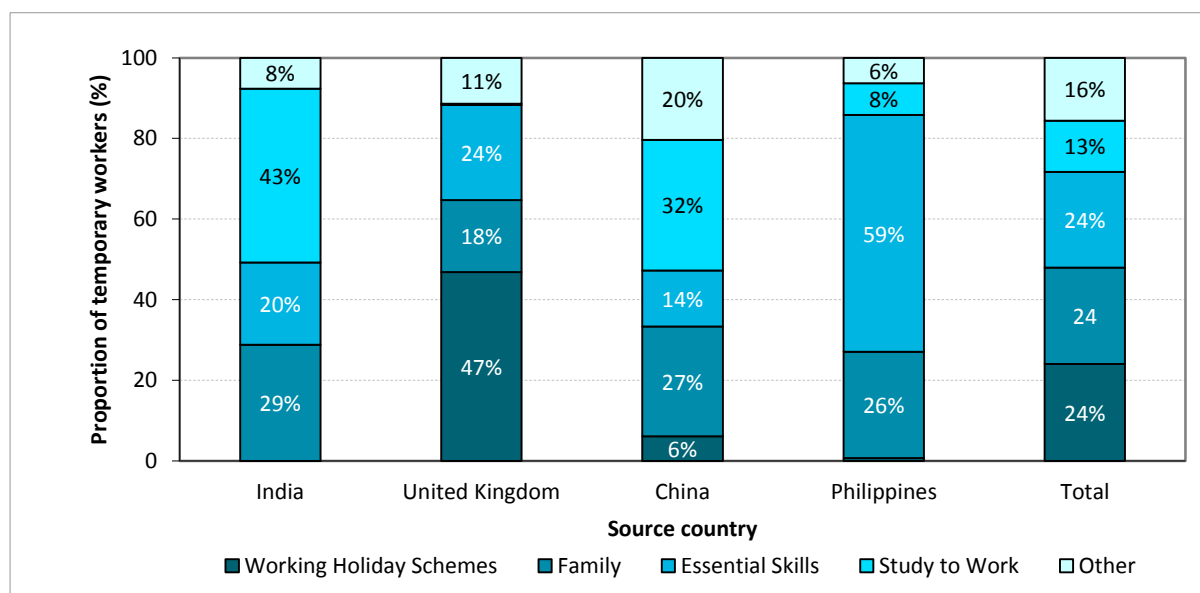
Table 4.3 Stock of work visa holders in New Zealand as at 30 June 2014 and 30 June 2015

Work policies	Number		Percentage of total (%)		Percentage change from 30 June 2014 (%)
	As at 30 June 2014	As at 30 June 2015	As at 30 June 2014	As at 30 June 2015	
Working Holiday Schemes	26,273	29,020	24	24	10
Family	26,079	28,815	23	24	10
Essential Skills	25,455	28,618	23	24	12
Study to Work	13,971	15,374	13	13	10
Other	19,836	18,804	18	16	-5
Total	111,614	120,631	100	100	8

Source: MBIE.

As at 30 June 2015, 16 per cent of work visa holders came from India, followed by the United Kingdom (13 per cent), China (9 per cent), the Philippines (8 per cent) and France (5 per cent). Figure 4.7 presents the work visas that migrants from the main source countries held at 30 June 2015. Most work visa holders from India (43 per cent) and China (32 per cent) had Study to Work visas. Forty-seven per cent of work visa holders from the United Kingdom were working holidaymakers while more than half (59 per cent) of work visa holders from the Philippines had an Essential Skills visa.

Figure 4.7 Type of work visa holders for migrants from the main source countries, as at 30 June 2015



Source: MBIE.

5 Migrant pathways and retention

Highlights in 2014/15

- Seventeen per cent of full fee-paying students had gained residence within five years of their first student visa and 18 per cent of temporary workers had gained residence within three years of their first work visa.
- For workers whose first work visa was in 2011/12, the proportion gaining residence was highest from the Work to Residence policy (68 per cent) followed by Family (65 per cent), Study to Work (39 per cent) and Essential Skills (38 per cent) policies. All four of these temporary work policies have a pathway to residence.
- The average length of time between first student visa and residence approval for skilled principal migrants approved in 2014/15 was 4.6 years.
- The average length of time between first work visa and residence approval for skilled principal migrants approved in 2014/15 was 2.6 years.
- Most (81 per cent) of the 43,085 people approved for a resident visa in 2014/15 previously held a temporary visa.

5.1 Introduction

New Zealand's immigration policies include a defined pathway from temporary policies to residence, for both students and workers. Having participated in New Zealand society, international students and temporary workers are likely to settle well and contribute positively to the country. Research shows a positive link between migrants having work experience in New Zealand before residence and their employment outcomes after gaining residence.²⁶

This chapter examines the time taken to be granted residence for temporary migrants and long-term retention of residents in New Zealand. An analysis of common pathways for migrants approved for residence in 2014/15 is included at the end of this chapter.

For more information on transition and retention of migrants in New Zealand, see appendix *Transitions and retention*.

²⁶ Department of Labour. (2009). *New faces, new futures: New Zealand. Findings from the longitudinal immigration policy: New Zealand (LisNZ) – wave one*. Wellington: Department of Labour.

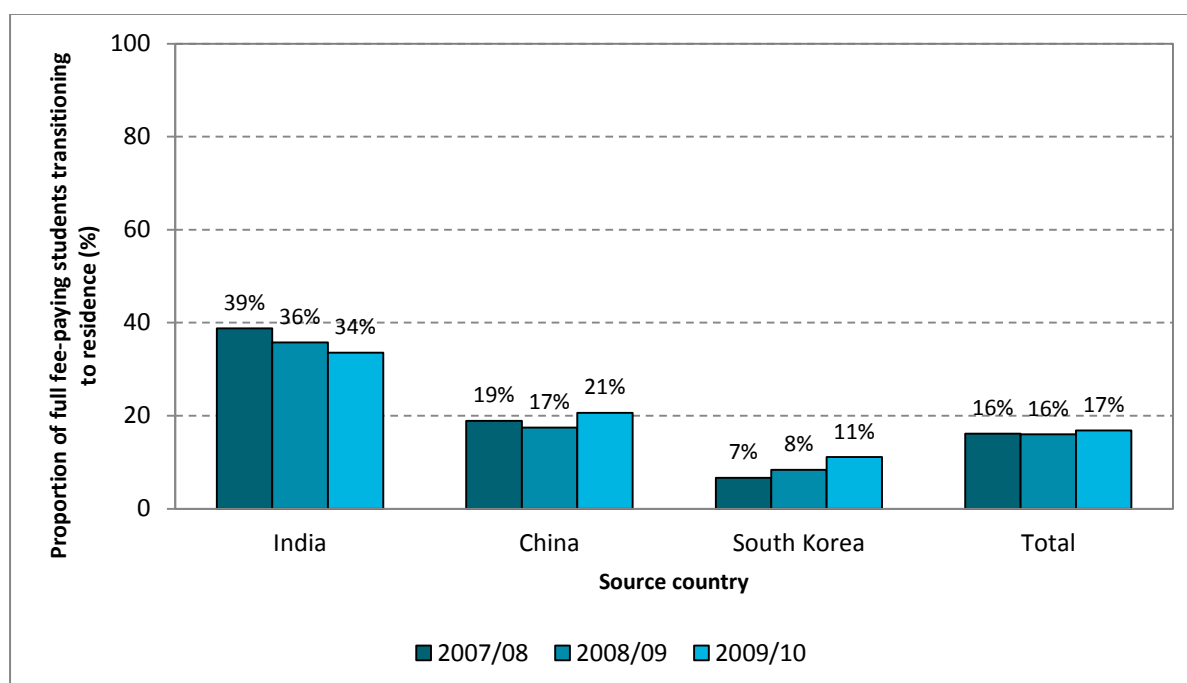
5.2 Time to residence for first-time students

This section looks at the time taken to gain residence for students. The retention measure looks at the proportion of students gaining residence within five years of their first student visa. Differences by top source countries, level of study and the resident stream students were approved under are highlighted.

5.2.1 Student transition by source country

Figure 5.1 shows the proportion of full fee-paying students gaining residence within five years by top source countries. Of the main source countries, India has the largest proportion of students gaining residence (34 per cent for those whose first year was in 2009/10) compared with all students (17 per cent). While the overall proportion of students gaining residence has remained stable, the proportion from India fell gradually over the three years to 2009/10.

Figure 5.1 First-time full fee-paying students gaining residence within five years, by top source countries, 2007/08–2009/10



Notes: Top source countries based on the top source countries for first-time full fee-paying students in 2007/08–2009/10. The year in the graph refers to the year of the migrants' first student visa, not the year they were granted residence. Source: MBIE.

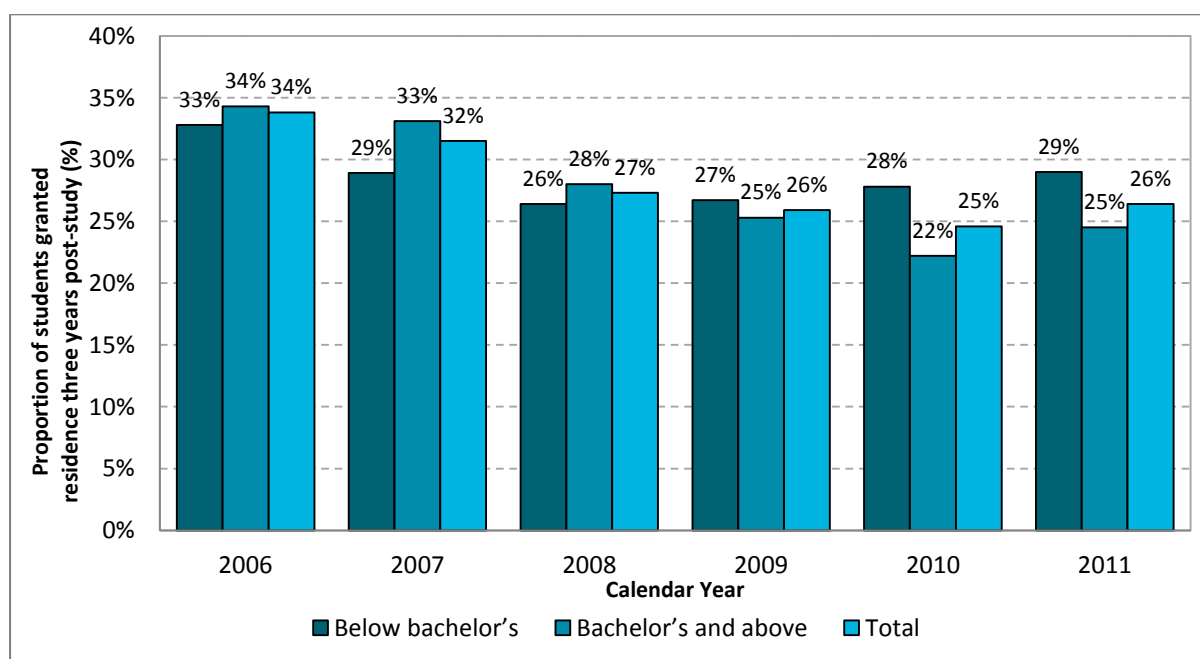
Of those students whose first year of study was in 2009/10 and who gained residence by 2014/15, 56 per cent gained residence as a skilled principal migrant. Students from India were more likely to gain residence as a skilled principal migrant (76 per cent) than were those from South Korea (49 per cent) and China (46 per cent).

5.2.2 Student transition by level of study

One of the objectives in the government’s 2014 leadership statement for international education²⁷ is to increase the transition rate from study to residence for international students with bachelor’s level qualifications and above. In this analysis, transition from study to residence is measured by level of study using linked immigration visa data and tertiary education data from the Integrated Data Infrastructure (which Statistics New Zealand made available).²⁸ The results are presented by calendar year for students who have matched records in both the immigration and tertiary education data sets. The analysis takes calendar year cohorts of full fee-paying students and tracks them after study to determine the proportion that has gained residence within a three-year period.

Figure 5.2 shows the proportion of full fee-paying students gaining residence within three years of their last student visa by level of study. Overall, transition rates to residence for full-fee paying students completing their studies had been declining since 2006. That decline in transition rates was seen mainly in students completing bachelor’s level and higher courses. Between 2010 and 2011, however, transition rates increased slightly for bachelor’s level and higher courses and for below bachelor’s level.

Figure 5.2 Full fee-paying students gaining residence within three years of their last student visa, by study cohort and level of study, 2006–2011



Notes: The year in the graph refers to the year of the migrants’ last student visa, not the year they were granted residence. The 2012–2014 cohorts have been excluded from this analysis because migrants in these cohorts have not been in New Zealand for three years.

Source: Integrated Data Infrastructure, Statistics New Zealand.

²⁷ New Zealand Government. (2014). *Leadership statement for international education – progress update*. Wellington: Ministry of Education. Retrieved August 2015 from: www.education.govt.nz/assets/Documents/Ministry/Strategies-and-policies/LeadershipStatementForInternationalEducationProgressUpdate2014.pdf

²⁸ Statistics New Zealand. (2013). *Introduction to the Integrated Data Infrastructure 2013*. Retrieved August 2015 from: www.stats.govt.nz/browse_for_stats/snapshots-of-nz/integrated-data-infrastructure/introduction-idi-2013.aspx

5.3 Time to residence for first-time temporary workers

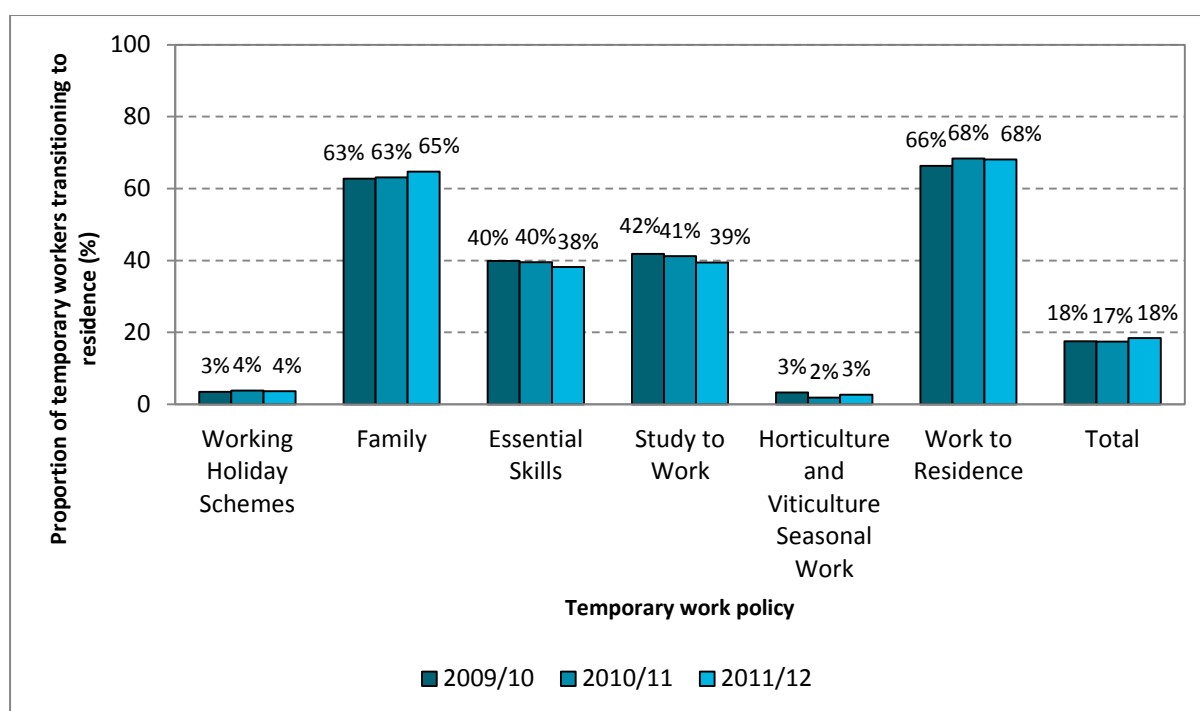
This section looks at the time taken to gain residence for temporary workers. The retention measure looks at the proportion of temporary workers gaining residence within three years of their first work visa. Differences by temporary work policy, top source countries, and the resident stream temporary workers were approved under are highlighted.

5.3.1 Temporary worker transition by work policy

Figure 5.3 shows the proportion of temporary workers gaining residence within three years of their first work visa by top policy category. For workers whose first work visa was in 2011/12, the proportion gaining residence was highest for the Work to Residence policy (68 per cent) followed by Family (65 per cent), Study to Work (39 per cent) and Essential Skills (38 per cent) policies. These four temporary work categories all have a pathway to residence.

Of the Essential Skills workers whose first work visa was in 2011/12 and who gained residence by 2014/15, 85 per cent gained residence as a skilled principal migrant. For the Work to Residence temporary workers whose first work visa was in 2011/12 and who gained residence by 2014/15, 49 per cent gained residence as a skilled principal migrant and 36 per cent through the Residence from Work Category. The intention of the Work to Residence policy is for applicants to transition to residence, but a large number chose to transition through the Skilled Migrant Category.

Figure 5.3 Proportion of first-time temporary workers gaining residence within three years, by top policy category, 2009/10–2011/12



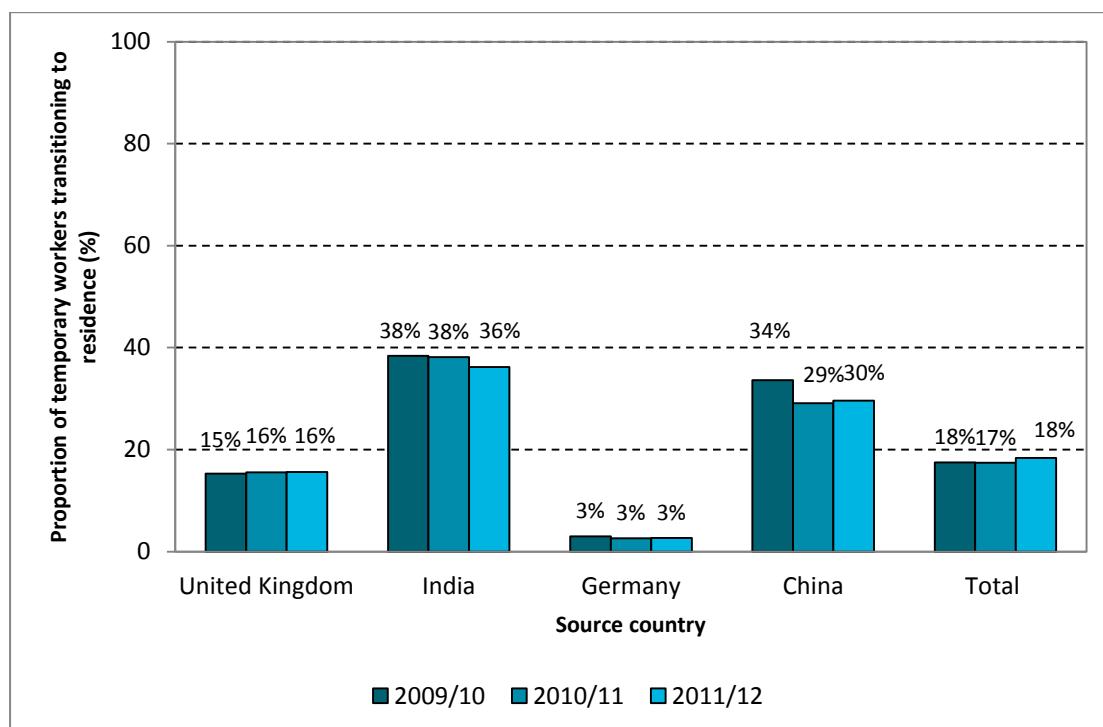
Notes: Specific Purpose or Event policy has not been included in this graph as the conversion rate to residence is very small for this policy due to the often short-term nature of the work.

The year in the graph refers to the year of the migrants' first work visa, not the year they were granted residence.

Source: MBIE.

Figure 5.3 shows the proportion of temporary workers gaining residence within three years of their first work visa by top source country. For workers whose first work visa was in 2011/12, the proportion gaining residence was highest for those from India (36 per cent) followed by China (30 per cent), the United Kingdom (16 per cent) and Germany (3 per cent).

Figure 5.4 Proportion of temporary workers gaining residence within three years, by top source country, 2009/10–2011/12

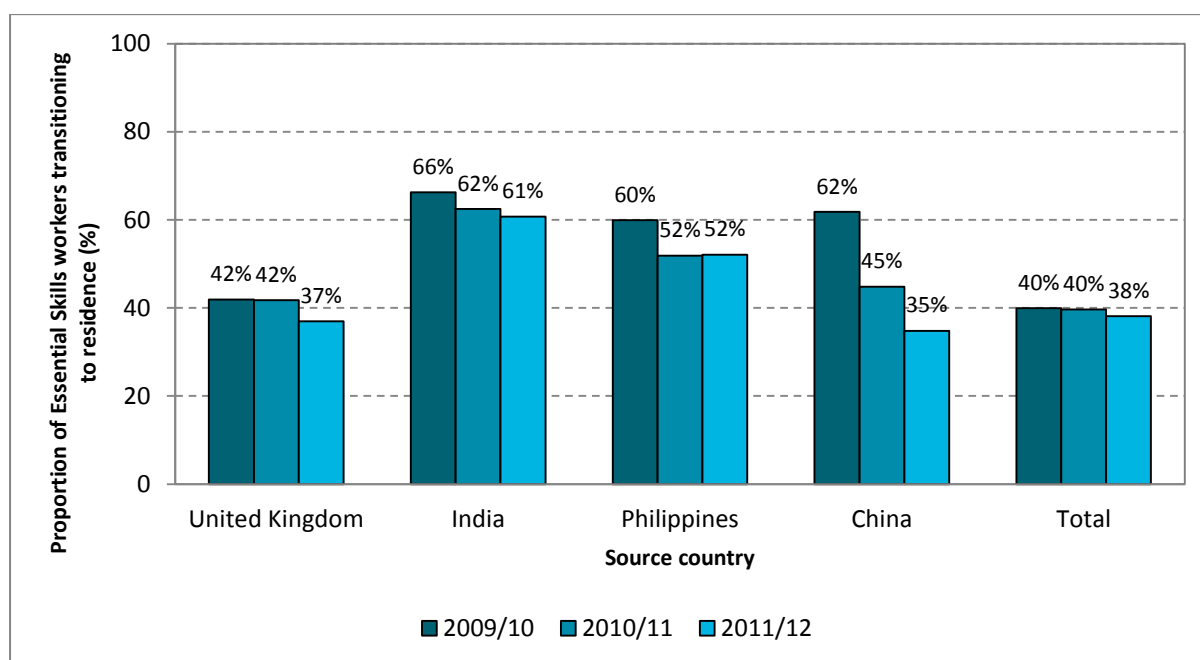


Notes: Top source countries based on the top source countries for residence approvals in 2014/15. The year in the graph refers to the year of the migrants' first work visa, not the year they were granted residence. Source: MBIE.

Of those whose first work visa was in 2011/12 and who had gained residence by 2014/15, 42 per cent gained residence as a skilled principal migrant. Workers from India (55 per cent) were more likely than those from the United Kingdom (42 per cent), China (36 per cent) and Germany (34 per cent) to gain residence as a skilled principal migrant.

Figure 5.5 shows the proportion of Essential Skills workers gaining residence within three years by top source country. While the proportion from the United Kingdom and China gaining residence was similar to the overall proportion, the proportion from the other top source countries of India and the Philippines was larger. In 2011/12, India had the largest proportion of temporary workers gaining residence within three years (61 per cent), followed by the Philippines (52 per cent).

Figure 5.5 Proportion of Essential Skills workers gaining residence within three years, by top source country, 2009/10–2011/12



Notes: Top source countries based on the top source countries for residence approvals in 2014/15.

The year in the graph refers to the year of the migrants' first Essential Skills work visa, not the year they were granted residence.

Source: MBIE.

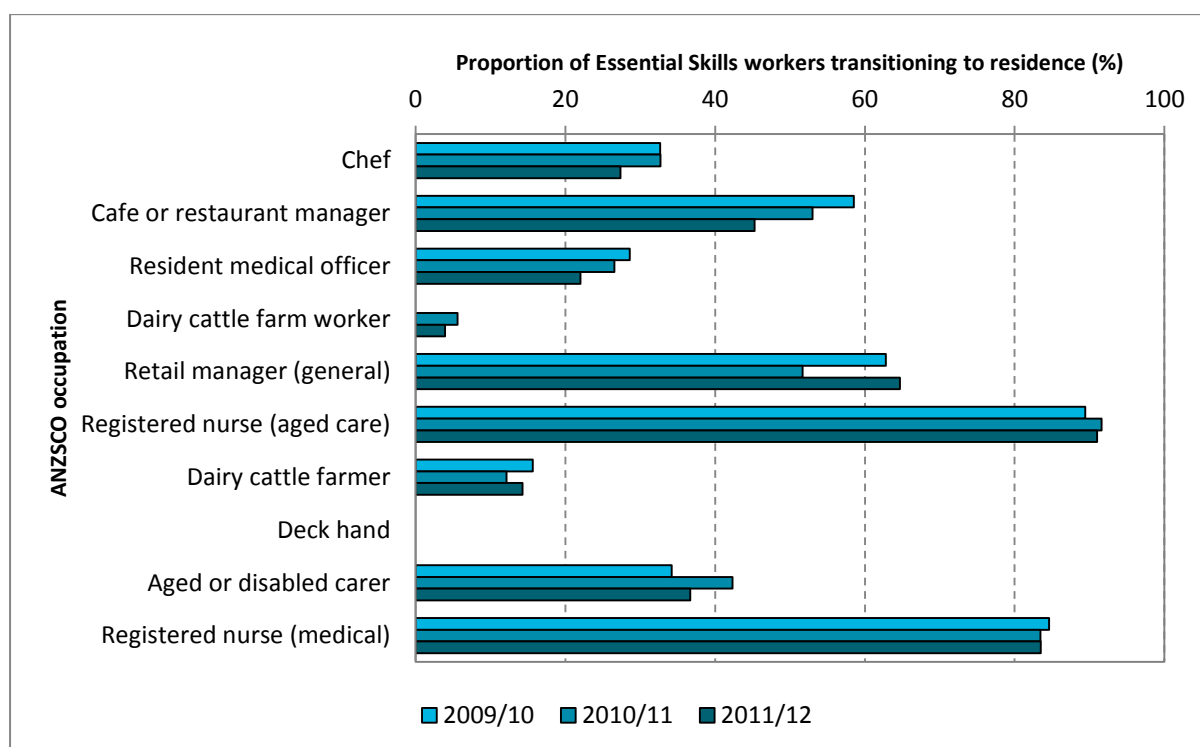
Of those Essential Skills workers whose first work visa was in 2011/12 and who had gained residence by 2014/15, 85 per cent gained residence as a skilled principal migrant. There were differences by top source country with 93 per cent of Essential Skills workers from India and the Philippines gaining residence as a skilled principal migrant compared with 85 per cent from China and 82 per cent from the United Kingdom.

Figure 5.6 shows the proportion of Essential Skills workers gaining residence within three years by top occupation (as per ANZSCO). Low-skilled occupations²⁹ such as dairy cattle farm worker and deck hand have a very small or nil proportion gaining residence within three years. Of those who were granted an Essential Skills work visa as an aged or disabled carer³⁰ in 2011/12, 37 per cent gained residence within three years; 73 per cent of those migrants gained residence as a skilled principal migrant with the most common occupation given as registered nurse.

²⁹ Occupations at ANZSCO levels 4 and 5.

³⁰ ANZSCO level 4.

Figure 5.6 Proportion of Essential Skills workers gaining residence within three years, by top ANZSCO occupation, 2009/10–2011/12



Notes: ANZSCO = Australian and New Zealand Standard Classification of Occupations. Top ANZSCO occupation means the top occupations for first-time Essential Skills workers in 2009/10–2011/12

The year in the graph refers to the year of the migrants' first work visa, not the year they were granted residence.

Source: MBIE.

Registered nurse (aged care) and registered nurse (medical) were the occupations with the largest proportion gaining residence within three years, 91 per cent and 83 per cent respectively for those whose first work visa was in 2011/12.

Essential Skills workers in high-skilled ANZSCO occupations³¹ were more than twice as likely as those in low-skilled ANZSCO occupations³² to gain residence within three years. Of those high-skilled Essential Skills workers whose first work visa was in 2011/12, 45 per cent had gained residence within three years compared with 18 per cent of Essential Skills workers in low-skilled occupations.

5.4 Migrants who take up residence

Most migrants approved for residence from 2010/11 to 2013/14 arrived in New Zealand to take up residence or were in New Zealand when approved.^{33,34} Of the 164,154 people approved during this period, 160,468 (97.8 per cent) took up residence in New Zealand. The percentage of those taking up residence has remained at the same level over the last few years.

³¹ Occupations at ANZSCO levels 1–3.

³² Occupations at ANZSCO levels 4 and 5.

³³ The 2014/15 cohort is excluded from this analysis, because some people in this cohort were approved offshore and have not yet had 12 months to arrive in New Zealand.

³⁴ Most residence applications are made onshore.

The International/Humanitarian Stream had the lowest residence take-up rate (96.5 per cent) of people approved for residence in New Zealand (see Table 5.1). Over the same period, people approved under the Partnership Category (99 per cent) had the highest rate of residence take up.

Table 5.1 People who took up residence by approval category, 2010/11–2013/14

Residence approval category	Approvals	Arrivals	Arrival rate (%)
Skilled/Business Stream	86,507	84,297	97.4
Skilled*	83,289	81,120	97.4
Investor	1279	1262	98.7
Entrepreneur	1,836	1,812	98.7
Other	103	103	100.0
Family Stream	65,448	64,401	98.4
Partnership	38,860	38,478	99.0
Parent	18,486	18,058	97.7
Other	8,102	7,865	97.1
International/Humanitarian Stream	12,199	11,770	96.5
Total	164,154	160,468	97.8

Note: * Includes General Skills and Work to Residence policies.

Source: MBIE.

5.5 Permanent migrants remaining in New Zealand

Most migrants granted residence stay on in New Zealand on a long-term basis. This section looks at the proportion of permanent migrants who remain in New Zealand by different residence categories. A migrant is out of New Zealand if they are 'long-term absent'; that is, out of New Zealand for six months or longer.³⁵

5.5.1 Retention of migrants by year of residence approval

The proportion of migrants remaining in New Zealand two years and five years after residence approval has been slowly increasing. Between 2001/02 and 2009/10, the proportion of residents still in New Zealand after two years increased 4.7 percentage points (see Table 5.2). Over the same period, the proportion of residents still in New Zealand after five years increased 8.5 percentage points.

³⁵ Note that this differs from Statistics New Zealand's definition, which uses a 12-month threshold.

Table 5.2 Proportion of migrants still resident in New Zealand for those approved residence in 2001/02–2009/10

Financial year	Total approved	Total arrived	% arrived	% in NZ two years after arrival	% in NZ five years after arrival
2001/02	52,856	50,648	95.8	89.9	79.6
2002/03	48,538	46,330	95.5	90.4	80.3
2003/04	39,017	37,686	96.6	92.2	82.3
2004/05	48,815	47,577	97.5	93.1	83.1
2005/06	51,236	50,158	97.9	92.7	83.1
2006/07	46,964	45,936	97.8	93.8	84.5
2007/08	46,077	45,083	97.8	94.6	84.8
2008/09	46,097	45,084	97.8	94.7	85.4
2009/10	45,719	44,689	97.7	94.6	88.1
2010/11	40,737	39,726	97.5	94.6	
2011/12	40,448	39,631	98.0	94.8	
2012/13	38,961	38,333	98.4	96.0	

Notes: The 2013/14–2014/15 cohorts were excluded from this analysis because migrants in those cohorts have not been in New Zealand for five years.

In this analysis, migrants are in New Zealand if they are not 'long-term absent', which is defined as a permanent migrant who has been out of New Zealand for six months or longer.

Source: MBIE.

5.5.2 Retention of migrants over time by stream

The migrant retention rate differs between cohorts, streams and source countries. Migrants approved through the Parent Category had the lowest retention rate (78 per cent) for those granted residence between 2007/08 and 2013/14 (see Table 5.3). In contrast, migrants approved for residence during the same period through the International/Humanitarian Stream had the highest retention rate (91 per cent remaining in New Zealand over this period). Within the Skilled/Business Stream, migrants approved through the Investor Category had the lowest retention rate (86 per cent).

Of the main source countries of those granted residence between 2007/08 and 2013/14, Fiji and Tonga had the largest proportions remaining in New Zealand (97 per cent each). The United States and China had the smallest proportions (77 per cent and 80 per cent respectively).

The overall proportion remaining in New Zealand decreases with the length of time since residence, with the earliest cohort having the smallest proportion remaining in New Zealand. At 30 June 2015, 81 per cent of migrants approved in 2007/08 remained in New Zealand compared with 95 per cent of those approved in 2013/14. A recent study on the retention of migrants shows that 55 per cent of migrants who took up residence in 1998 remained in New Zealand by 31 December 2011.³⁶

³⁶ MBIE. (2012). *Retention of migrants and onward migration from New Zealand: 1998–2012*. Wellington: Ministry of Business, Innovation and Employment.

Table 5.3 Proportion of migrants in New Zealand as at 30 June 2015 by residence stream, 2007/08–2013/14

Residence approval group	Percentage of migrants in New Zealand as at 30 June 2015 (%)							
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Total
Skilled/Business Stream	80	83	86	89	91	95	97	88
Skilled*	80	83	86	89	91	95	97	88
Investor	65	65	84	88	90	86	88	86
Entrepreneur	90	89	90	96	95	95	98	94
Other	20	100	100	93	89	95	66	82
Family Stream	81	83	85	86	87	90	92	86
Partnership	82	84	87	89	91	95	97	90
Parent	76	76	78	78	77	79	83	78
Other	85	87	88	87	87	91	95	88
International/Humanitarian Stream	87	87	91	90	93	96	98	91
Percentage in New Zealand as at 30 June 2015 (%)	81	83	86	88	90	93	95	88
Number in New Zealand as at 30 June 2015	36,470	37,538	38,495	34,873	35,475	35,661	40,730	259,242
Total approved and arrived	45,083	45,084	44,689	39,726	39,631	38,333	42,778	295,324

Notes: * Includes General Skills and Work to Residence policies.

The 2014/15 cohort was excluded from this analysis because migrants in that cohort have had insufficient time to arrive in New Zealand. In this analysis, migrants are in New Zealand if they are not 'long-term absent', which is defined as a permanent migrant who has been out of New Zealand for six months or longer.

Source: MBIE.

5.6 Most recently held temporary visa

Most (81 per cent) of the 43,085 people approved for a resident visa in 2014/15 previously held a temporary visa: 90 per cent of principal applicants and 69 per cent of secondary applicants (see Table 5.4). Of those principal applicants who previously held a temporary visa, 76 per cent most recently held a work visa. Across the New Zealand Residence Programme streams, the Family Stream had the highest rate of applicants who had previously held a temporary visa (88 per cent).

Table 5.4 also highlights the differences between principal and secondary applicants, as well as the various streams and types of temporary visa. Many secondary applicants were dependent children, which explains the much lower proportion of secondary applicants who held a work visa before residence compared with principal applicants.

Table 5.4 Type of temporary visa most recently held by people granted residence in 2014/15

New Zealand Residence Programme stream	Applicant type	Number of residence approvals 2014/15	Percentage who held a temporary visa (%)*	Most recent temporary visa (row %)		
				Student	Visitor	Work
Skilled/Business	Principal	11,845	93	<1	4	96
	Secondary	12,429	74	31	22	48
	Subtotal	24,274	83	14	12	74
Family	Principal	12,151	90	3	38	59
	Secondary	3,018	77	15	83	2
	Subtotal	15,169	88	5	46	49
International/ Humanitarian	Principal	1,500	53	4	61	34
	Secondary	2,142	26	25	60	15
	Subtotal	3,642	37	13	61	26
All New Zealand Residence Programme approvals	Principal	25,496	89	2	22	76
	Secondary	17,589	69	27	35	37
	Total	43,085	81	11	27	62

Note: * The proportion of people approved for a resident visa who have held a temporary visa at some point since 1997/98.

Source: MBIE.

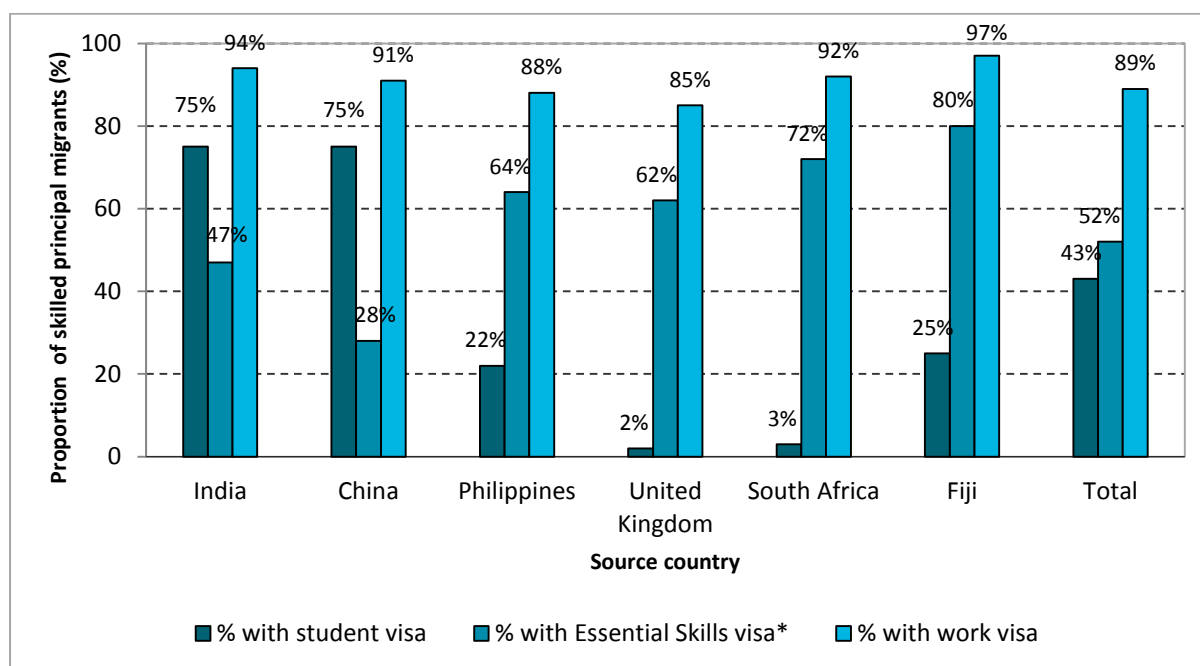
5.7 Pathways for skilled migrants

Over the past decade, New Zealand has prioritised skilled migration. For most skilled migrants this is by way of a two-step migration pathway where migrants already in New Zealand transition to a resident visa from a work visa. Understanding the different transition patterns between study, work and residence for the main Skilled Migrant Category source countries helps to improve strategies to attract and improve the settlement of skilled migrants to New Zealand.

In 2014/15, 43 per cent of skilled principal migrants had previously held a student visa. China and India had markedly larger proportions having previously held a student visa (both 75 per cent) than the overall proportion, particularly compared with only 2 per cent from the United Kingdom.

In 2014/15, half (52 per cent) of skilled principal migrants had previously held an Essential Skills visa (see Figure 5.7). India (47 per cent) and China (28 per cent) had smaller proportions of migrants previously holding an Essential Skills visa than did the other source countries.

Figure 5.7 Skilled principal migrants who previously held a temporary visa, 2014/15



Notes: Source countries represented are the top six source countries for skilled principal migrants.

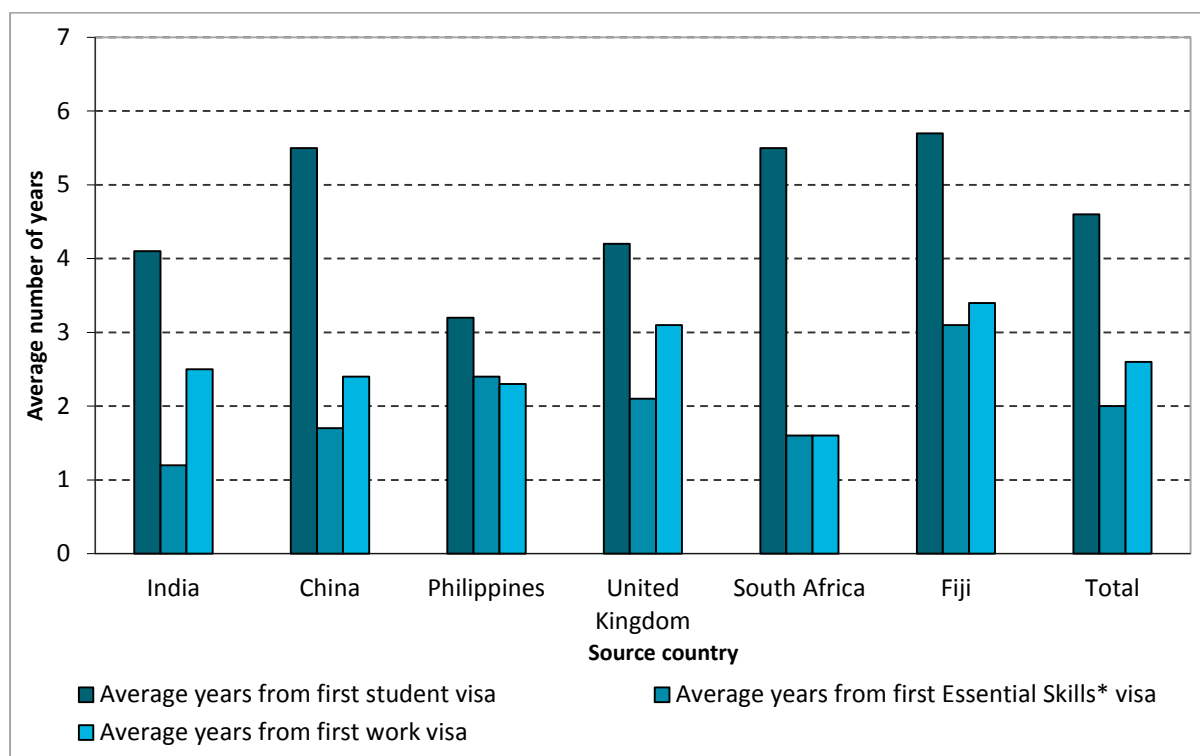
* Essential Skills is a type of work visa, so is a subset of the larger work visa group.

Source: MBIE.

The average length of time between first student visa and residence approval for skilled principal migrants approved in 2014/15 was 4.6 years. Chinese and Indian skilled principal migrants differed greatly, with Chinese students (average of 5.5 years) taking over a year on average longer than Indian students (average of 4.1 years) to obtain residence (see Figure 5.8). This finding suggests, among other reasons, qualifications gained may differ between the two groups.

The average length of time between first work visa and residence approval for skilled principal migrants approved in 2014/15 was 2.6 years. For those on an Essential Skills visa, the average length of time was slightly shorter at 2.0 years.

Figure 5.8 Years from first temporary visa to resident visa, skilled principal migrants, 2014/15



Notes: Source countries represented are the top six source countries for skilled principal migrants.

*Essential Skills is a type of work visa, so is a subset of the larger work visa group.

Source: MBIE.

Since 2009/10, the skilled migration pathway for migrants from India has changed with the proportion of Indian migrants having held an Essential Skills visa decreasing from 59 per cent to 47 per cent in 2014/15. During this time, the proportion having held a student visa increased from 52 per cent to 75 per cent. As the number of Essential Skills workers from India has been increasing over the last five years, it is likely that the number of skilled residents from India having previously held an Essential Skills visa will increase again.

6 Residence approvals

Highlights in 2014/15

- The number of people approved for residence (43,085) decreased 2 per cent from 2013/14 (44,008).
- More than half (56 per cent) of approved residents were approved through the Skilled/Business Stream, 35 per cent through the Family Stream, and 8 per cent through the International/Humanitarian Stream.
- The proportion of people living and working in New Zealand before applying for residence continues to be high. Seventy-two per cent of approved applications were for migrants already in New Zealand, the same as in 2013/14.
- China is the largest source country with 17 per cent of residence approvals. India is the second-largest source country (16 per cent), followed by the United Kingdom (11 per cent).

6.1 Introduction

This section describes the characteristics of people approved for residence in 2014/15 and immigration trends since 2012/13.

6.1.1 Residence approvals by New Zealand Residence Programme stream

The New Zealand Residence Programme target planning range is set at 90,000–100,000 residence approvals over 2014/15 and 2015/16 combined (see Table 6.1). The two-year period provides some flexibility to the programme.

Table 6.1 New Zealand Residence Programme range by stream, 2012/13–2014/15

New Zealand Residence Programme stream	2012/13	2013/14	2014/15	New Zealand Residence Programme (2014/15 to 2015/16)	
				Planning range	
				Low	High
Skilled/Business	20,007	22,924	24,274	53,800	59,950
Family	15,692	17,715	15,169	29,700	32,400
International/Humanitarian	3,262	3,369	3,642	6,500	7,650
Total	38,961	44,008	43,085	90,000	100,000

Source: MBIE.

The number of people approved for residence in 2014/15 decreased 2 per cent from the 44,008 approved in 2013/14. Driving the decrease in residence approvals was a 14 per cent decrease in approvals in the Family Stream.

The number of Skilled Migrant Category residence approvals increased 4 per cent, its second increase after four years of decreases. This suggests the decline in the number of skilled permanent migrants coming to New Zealand has ended as the global economy slowly recovers and New Zealand's economic outlook improves.

Table 6.2 Residence approvals by New Zealand Residence Programme stream, 2013/14 and 2014/15

New Zealand Residence Programme stream	Approvals		Percentage of total (%)		Percentage change from 2013/14 (%)
	2013/14	2014/15	2013/14	2014/15	
Skilled/Business	22,924	24,274	52	56	6
Family	17,715	15,169	40	35	-14
International/Humanitarian	3,369	3,642	8	8	0
Total	44,008	43,085	100	100	-2

Source: MBIE.

The decrease in the number of approvals is reflected in the decrease in the number of applications (4 per cent between 2013/14 and 2014/15).

The decline rate from all residence applications was 10 per cent in 2014/15, the same as in the previous year. Table 6.3 shows the decline rate of residence applications over the last three years.

See appendix *Residents* for more information on applications received and approved.

Table 6.3 Decline rate of residence applications, 2012/13–2014/15

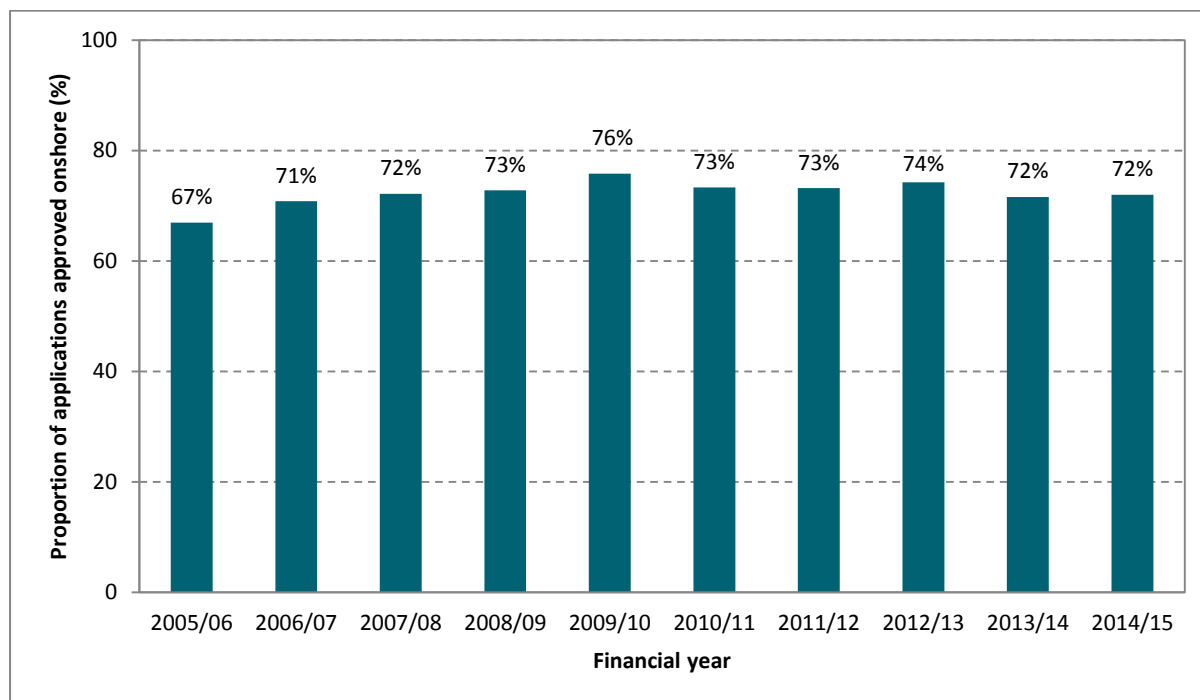
New Zealand Residence Programme stream	Decline rate (%)		
	2012/13	2013/14	2014/15
Skilled/Business	15	16	15
Family	5	4	5
International/Humanitarian	7	5	4
Total	10	10	10

Source: MBIE.

6.2 Location of residence approvals

In 2014/15, 72 per cent of residence applications were for people already in New Zealand (as shown in Figure 6.1). This continues the trend of people living and working in New Zealand before applying for residence.

Figure 6.1 Applications approved onshore under the New Zealand Residence Programme, 2005/06–2014/15



Source: MBIE.

Significant differences exist by stream: 86 per cent of Skilled/Business Stream applications and 81 per cent of Partnership Category applications were approved onshore compared with 24 per cent of Parent Category applications and 39 per cent of International/Humanitarian Stream applications.

6.3 Number of people per approved application

In 2014/15, 43,085 people were approved for residence from 25,496 applications, an average of 1.7 people per application. The average number of people per approved application is an indication of family size. This average has changed little since 1999/2000, but varies across New Zealand Residence Programme streams (see Table 6.4).

The average family size is generally larger for applications approved under the International/Humanitarian Stream than under the other streams. This is mainly because of the larger average family size for applications approved under the Samoan Quota Scheme and Pacific Access Category.

The average family size has implications for the New Zealand Residence Programme because it affects the number of applications needed to meet the target range of approvals.

Table 6.4 Average number of people per approved residence application by New Zealand Residence Programme stream, 2012/13–2014/15

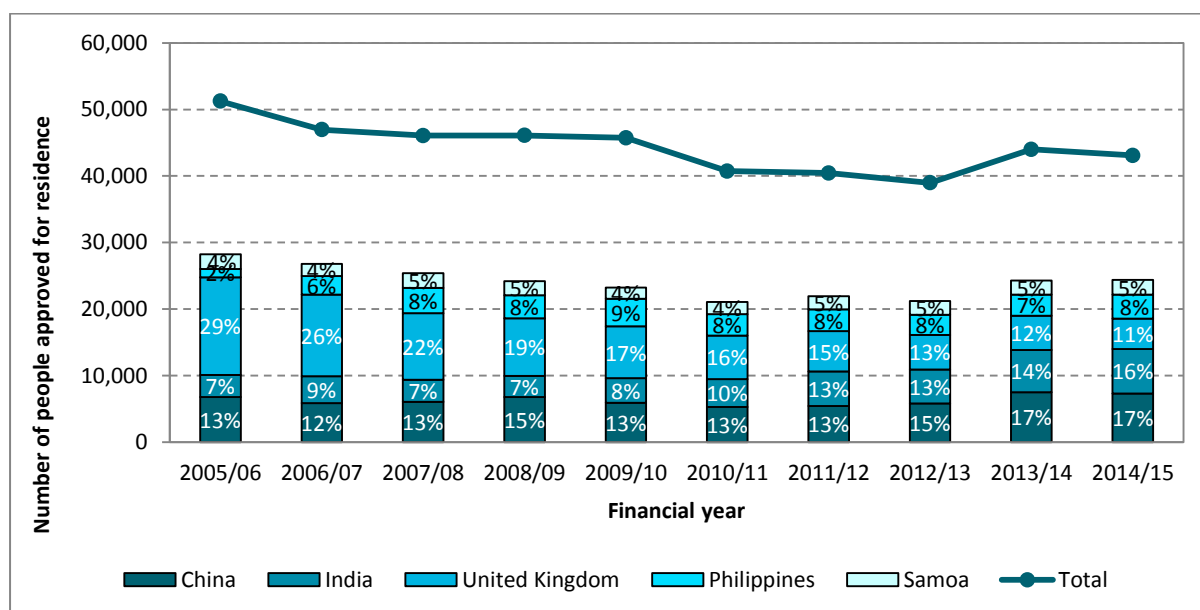
New Zealand Residence Programme stream	2012/13	2013/14	2014/15
Skilled/Business			
Skilled Migrant Category	2.0	2.0	2.0
Work to Residence	2.2	2.3	2.3
Other Skilled/Business	3.0	3.1	3.0
Subtotal	2.0	2.0	2.0
Family			
Partnership	1.1	1.1	1.1
Parent	1.7	1.7	1.7
Other Family	1.3	1.1	1.1
Subtotal	1.3	1.3	1.2
International/Humanitarian			
Samoa Quota Scheme and Pacific Access Category	2.8	2.9	2.8
Refugee Quota	2.4	2.3	2.6
Other International/Humanitarian	1.6	1.9	2.0
Subtotal	2.2	2.3	2.4
Total	1.6	1.7	1.7

Source: MBIE.

6.4 Source country of residence approvals

Figure 6.2 compares the top source countries of residence approvals from 2005/06 to 2014/15. China was the largest source country with 17 per cent of residence approvals in 2014/15. India was the second-largest source country (16 per cent), followed by the United Kingdom (11 per cent).

Figure 6.2 Residence approvals by largest source countries, 2005/06–2014/15



Source: MBIE.

The large increases from 2012/13 to 2013/14 for China and India and (29 per cent and 24 per cent respectively) have either tapered off or reversed. In 2014/15, residence approvals from China decreased 2 per cent and India increased 5 per cent. China had a large decrease in the Parent Category (down 29 per cent or 915 people), which was not fully offset by the increase in the Skilled/Business Stream (up 31 per cent or 801 people). India had a small decrease in the Parent Category (down 21 per cent or 138 people) and a small increase in the Skilled/Business Stream (up 12 per cent or 502 people). The United Kingdom continued to decrease year on year. See appendix *Residents* for more details.

6.5 Gender and age of residence approvals

6.5.1 Gender by stream

In 2014/15, the gender split was 50 : 50 for all residents. By stream, women make up more of the Family Stream approvals (58 per cent) and less of the Skilled/Business Stream approvals (46 per cent) (see Table 6.5).

Table 6.5 Proportion of females approved by New Zealand Residence Programme stream and type of applicant, 2014/15

New Zealand Residence Programme stream	Proportion female (%)		
	Principal	Secondary	Total
Skilled/Business			
Skilled Migrant Category	31	60	46
Work to Residence	24	64	46
Other Skilled/Business	43	52	49
Subtotal	31	60	46
Family			
Partnership	62	47	60
Parent	64	48	57
Other Family	49	51	49
Subtotal	60	48	58
International/Humanitarian			
Samoan Quota Scheme and Pacific Access Category	39	48	45
Refugee Quota	47	55	52
Other International/Humanitarian	49	52	51
Subtotal	45	51	49
Total	46	57	50

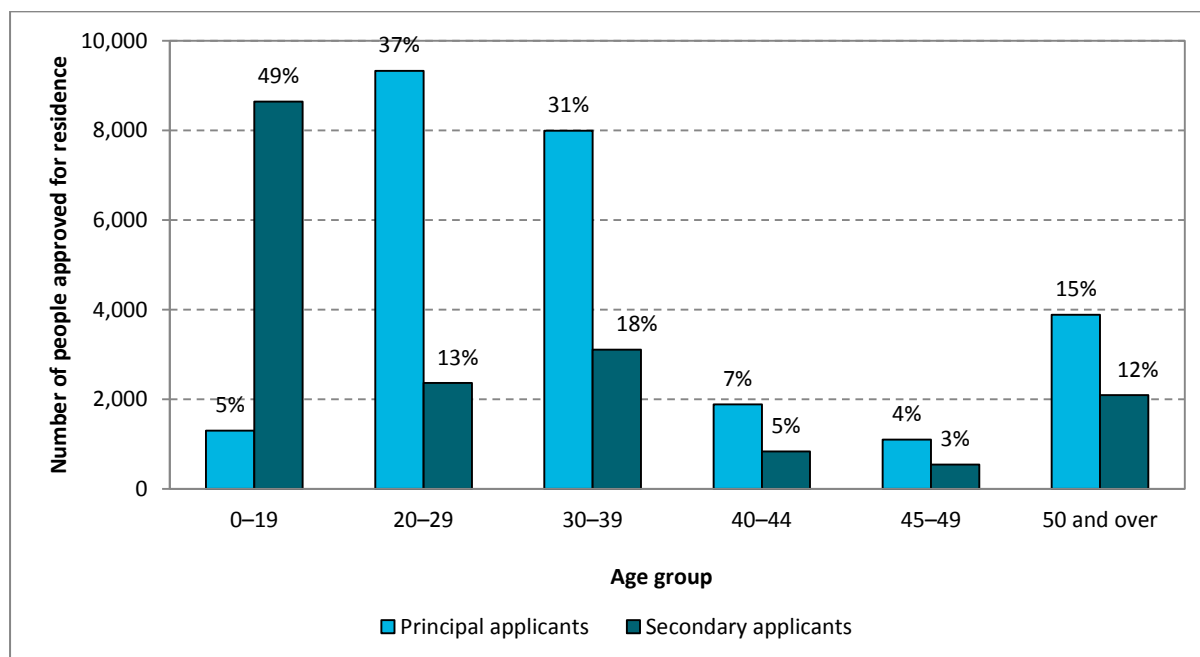
Source: MBIE.

6.5.2 Age by applicant type

The median age of people approved for residence in 2014/15 was 29. The median age of principal applicants was 31, with 68 per cent aged 20–39. The median age of secondary applicants was 20 (with those younger mainly children of principal applicants).

Figure 6.3 shows the number and proportion of principal and secondary applicants by age group for all people approved for residence in 2014/15.

Figure 6.3 Age of people approved for residence by applicant type, 2014/15



Note: The percentages show the proportion of each type by age group.

Source: MBIE.

6.5.3 Age by New Zealand Residence Programme stream

Information on median age gives an indication of the composition of migrants under the respective residence streams. The median age has changed little over the last three years, but differences exist among residence streams (see Table 6.6).

The median age of people approved for residence was 29. This is younger than the median age of the usual resident population in the 2013 census (38).³⁷

³⁷ Statistics New Zealand. (2013). *2013 Census QuickStats about national highlights*. Retrieved August 2015 from: www.stats.govt.nz/Census/2013-census/profile-and-summary-reports/quickstats-about-national-highlights.aspx

Table 6.6 Median age of migrants by New Zealand Residence Programme stream, 2012/13–2014/15

New Zealand Residence Programme stream	Median age (years)		
	2012/13	2013/14	2014/15
Skilled/Business			
Skilled Migrant Category	28	29	29
Work to Residence	32	32	32
Other Skilled/Business	36	35	34.5
Subtotal	29	29	29
Family			
Partnership	29	29	29
Parent	61	60	61
Other Family	17	16	16
Subtotal	31	34	32
International/Humanitarian			
Samoan Quota Scheme and Pacific Access Category	20	20	20.5
Refugee Quota	24	23	19
Other International/Humanitarian	28	29	28
Subtotal	24	24	23
Total	29	30	29

Source: MBIE.

In 2014/15, the median age of Skilled/Business Stream migrants was 29, with 87 per cent younger than 40. This is because the Skilled Migrant Category, which accounts for most people in the Skilled/Business Stream, has an age limit of 55. Another factor is the flow-on effect of students applying for residence after completing their studies.

The median age for Family Stream migrants under the Partnership Category was 29, with 84 per cent younger than 40. For Parent Category migrants, the median age was 61. Ninety-eight per cent of migrants in this category were aged 50 and over.

The median age of migrants under the International/Humanitarian Stream was 23. This shows that a large proportion of migrants under the International/Humanitarian Stream were young people (66 per cent were aged under 30). Furthermore, the median age of migrants under the Samoan Quota Scheme and Pacific Access Category was 20.5, reflecting the trend of families with young children from the Pacific migrating to New Zealand.

6.6 Family Stream approvals

The Family Stream enables New Zealand citizens and permanent residents to sponsor close family members for residence. In 2014/15, 15,169 people were approved for residence through the Family Stream, a decrease of 14 per cent from 17,715 in 2013/14. The 15,169 approvals made up 35 per cent of all New Zealand Residence Programme approvals in 2014/15.

6.6.1 Partnership Category approvals

In 2014/15, 8,922 people were approved for residence under the Partnership Category, a decrease of 10 per cent from 9,961 in 2013/14.

India was the largest source country (16 per cent), followed by China (15 per cent) and the United Kingdom (12 per cent).

The number of people from India granted residence through this category increased 3 per cent from 1,383 in 2013/14 to 1,421 in 2014/15. The number of people from China decreased 9 per cent from 1,447 to 1,324 over the same period.

6.6.2 Parent Category approvals

A total of 4,477 people were approved for residence through the Parent Category in 2014/15, a decrease of 25 per cent from 6,009 in 2013/14.

China was the largest source country of residence approvals through the Parent Category in 2014/15 (50 per cent), followed by India (12 per cent) and the United Kingdom (11 per cent).

The number of people granted residence through this category from China and India decreased 29 per cent and 21 per cent respectively after large increases the previous year.

6.6.3 Dependent Child Category approvals

In 2014/15, 1,437 people were approved for residence under the Dependent Child Category, an increase of 3 per cent from 1,390 in 2013/14.

Samoa remains the largest source country of approvals in this category (45 per cent), followed by China (11 per cent) and the Philippines (7 per cent).

6.6.4 Sibling and Adult Child Category approvals

In 2014/15, 333 people were granted residence through the Sibling and Adult Child Category compared with 355 in 2013/14.

The Sibling and Adult Child Category closed on 16 May 2012.

7 Skilled/Business Stream

Highlights for 2014/15

- The Skilled Migrant Category (SMC) contributed 49 per cent (21,165) of all residence approvals.
- India is the largest source country of skilled migrants to New Zealand (21 per cent) followed by the Philippines (13 per cent) and United Kingdom (11 per cent). The number of skilled migrants from India is still growing, while the number of skilled migrants from the United Kingdom has continued to decline in recent years.
- Ninety-two per cent of the 10,621 SMC principal applicants claimed points for a job or job offer and 65 per cent claimed points for relevant work experience.
- Of the 9,756 SMC principal applicants who specified a region of employment, 49 per cent had a job or job offer in Auckland, followed by 16 per cent with a job or job offer in Canterbury.
- A total of 1,353 people were approved through the main Business Immigration policies: 772 through the Entrepreneur policy and 581 through the Migrant Investment policy.

7.1 Introduction

Skilled migrants remain an important part of New Zealand's overall development, particularly in the Christchurch construction sector where there is still a demand for labour. New Zealand needs skilled migrants to contribute to productivity, skills acquisition, diversity and growth in a variety of industries.

In 2014/15, 24,274 people (56 per cent of residence approvals through the New Zealand Residence Programme) were approved for residence through the Skilled/Business Stream,³⁸ an increase of 6 per cent from 2013/14. Of these people, 21,165 (87 per cent) were approved through the Skilled Migrant Category (SMC), 1,715 (7 per cent) through the Residence from Work Category, and 1,394 (6 per cent) through the Business Immigration policy.³⁹

7.2 Skilled Migrant Category approvals

The SMC is the main category in the Skilled/Business Stream. The SMC is a points-based system designed to ensure people migrating to New Zealand have the skills, qualifications and work experience that New Zealand needs.

³⁸ The Skilled/Business Stream categories are described in appendix *Description of residence categories*.

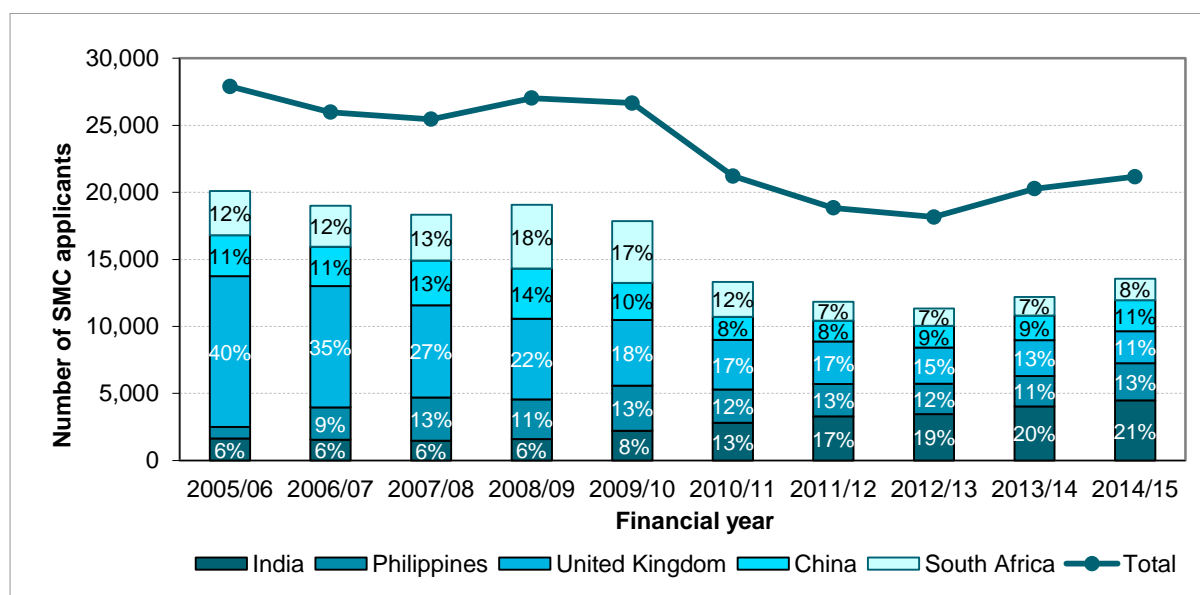
³⁹ Includes 41 residents through the Employee of Businesses and the Partnership Deferral Skilled policies.

The SMC application process has two stages. First, the prospective migrant submits an expression of interest for consideration of eligibility under the SMC. If selected, the principal applicant is then invited to submit a full residence application to Immigration New Zealand. The SMC recognises human capital by allowing open initial application through expressions of interest, but approves only applicants with strong employment prospects.

7.2.1 Source country of Skilled Migrant Category approvals

In 2014/15, 21,165 people were approved for residence through the SMC (Figure 7.1), contributing 49 per cent of all residence approvals. The number of SMC approvals increased 4 per cent from 2013/14. This increase illustrates a flow-on effect to residence from the recent upward trend in Essential Skills (temporary) workers since the global financial crisis (see Figure 4.2 in section 4.3.1 on the Essential Skills policy).

Figure 7.1 Skilled Migrant Category (SMC) approvals by source country, 2005/06–2014/15



Source: MBIE.

Although people from more than 100 different source countries were approved in 2014/15, more than half were from the top four source countries. India is the largest source country of skilled migrants (21 per cent) followed by the Philippines (13 per cent), the United Kingdom (11 per cent) and China (11 per cent). The number of skilled migrants from India has shown consistent growth in the last five years while the number from the United Kingdom has been declining. The growth in skilled migrants from India is mainly because of an increase in Indian international students transitioning to residence.

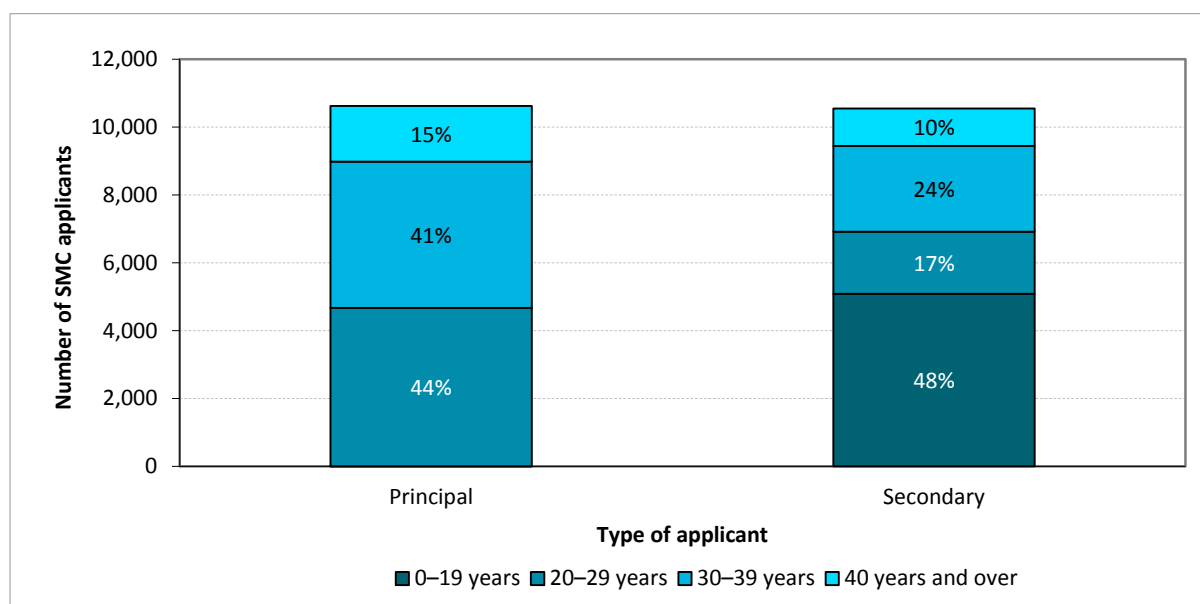
7.2.2 Age and gender of Skilled Migrant Category approvals

Anyone applying as a principal applicant may have secondary applicants on their application. Figure 7.2 shows the number and age of SMC principal and secondary applicants in 2014/15. Half of the people approved for residence through the SMC were principal applicants. Therefore, an average of two people were approved per application.

Principal applicants aged 20–29 gain the maximum points (30) for age. This is shown in Figure 7.2 with 44 per cent of principal applicants aged 20–29 and 41 per cent aged 30–39 in 2014/15. A small proportion of principal applicants aged over 50 (3 per cent) reflects the age limit of 55 years under the SMC.

Secondary applicants under the SMC include the partners and dependent children of the principal applicant. Figure 7.2 shows that 48 per cent of secondary applicants were aged under 20.

Figure 7.2 Age of approved Skilled Migrant Category (SMC) principal and secondary applicants, 2014/15



Source: MBIE.

In 2014/15, 11,514 males (54 per cent) and 9,651 females (46 per cent) were approved under the SMC. More than two-thirds (69 per cent) of approved principal applicants were male compared with 40 per cent of approved secondary applicants.

7.3 Skilled Migrant Category principal applicants

The approval of a residence application under the SMC is determined primarily on the principal applicant meeting the selection criteria by having enough points for employability and capacity building. Of the 21,165 people approved for residence through the SMC in 2014/15, 10,621 were principal applicants. This was an increase of 3 per cent from the 10,312 principal applicants approved in 2013/14.

7.3.1 Source country and age of Skilled Migrant Category principal applicants

Table 7.1 shows the top source countries for SMC principal applicants in 2014/15. As for all SMC approvals, India remains the top source country (27 per cent) since overtaking the United Kingdom in 2011/12. India has a larger share of the SMC principal applicants compared with all SMC approvals because of its smaller average application size of 1.6 applicants.

Since 2009/10, India is the only top source country with an increasing number of SMC principal applicants every year (up 10 per cent from 2013/14). However, the other two top source countries have shown greater growth in SMC principal applicants in the last year with China up 17 per cent and the Philippines up 16 per cent. For the series of SMC principal applicants by source country, see appendix *Residents*.

Table 7.1 Source country of Skilled Migrant Category principal applicants, 2014/15

Source country	Number	Percentage (%)	Percentage change since 2013/14 (%)	Average application size	Median age	Percentage male (%)
India	2,830	27	10	1.6	28	74
China	1,393	13	17	1.7	28	59
Philippines	1,170	11	16	2.4	33	60
United Kingdom	1,160	11	-13	2.1	34	66
South Africa	541	5	15	3.0	37	76
Fiji	358	3	2	2.6	32	78
Ireland	261	2	-11	1.6	30	70
South Korea	238	2	-15	1.9	32	52
Sri Lanka	219	2	0	2.2	32	87
Pakistan	214	2	-17	3.1	33	92
Total	10,621	100	3	2.0	30	69

Source: MBIE.

The median age of all principal applicants through the SMC was 30 in 2014/15. Of the top source countries, South Africa had SMC principal applicants with the highest median age (37), while applicants from China and India were much younger (median age of 28). More than two-thirds of principal applicants from China and India in the last three years have been aged 20–29, and most are former international students.

Most SMC principal applicants are male, although the proportion varies among the top source countries.

7.3.2 Points claimed by Skilled Migrant Category principal applicants

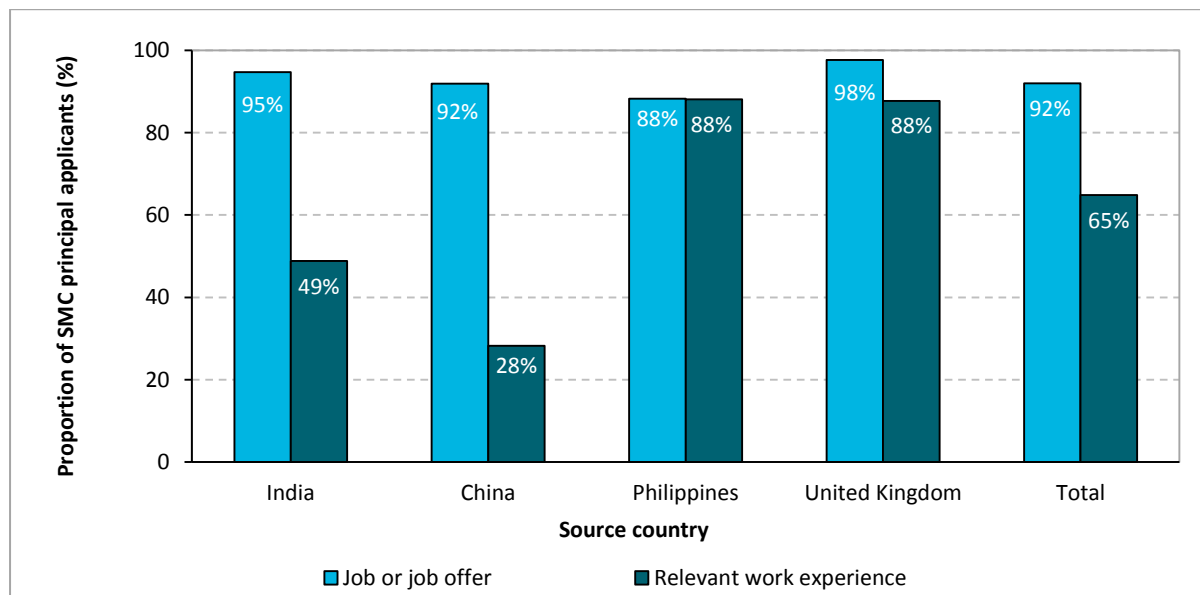
In 2014/15, 9,756 SMC principal applicants (92 per cent) were awarded points for a job or job offer in New Zealand (81 per cent for current employment and 11 per cent for an offer of skilled employment).

There were 9,150 principal applicants (86 per cent) approved onshore. Of these onshore principal applicants, 99.6 per cent had a job offer or current skilled employment in New Zealand. The remaining 1,471 principal applicants were approved offshore (14 per cent), and 44 per cent had a job offer.

Most principal applicants (65 per cent) gained points in 2014/15 for relevant work experience. Forty-five per cent gained bonus points for New Zealand work experience in 2014/15.

Of the top four source countries of skilled principal migrants (see Figure 7.3), the United Kingdom had the largest proportion of principal applicants with a job or job offer (98 per cent) and relevant work experience (88 per cent). Migrants from China and India are less likely to claim points for experience because they tend to be younger (on average) and most transition to residence from being an international student.

Figure 7.3 Skilled Migrant Category (SMC) principal applicants who gained points for a job or job offer or relevant work experience by source country, 2014/15



Source: MBIE.

In 2014/15, 73 per cent of SMC principal applicants gained points for their qualifications (63 per cent had a basic qualification and 10 per cent had a postgraduate qualification).

In 2014/15, 12 per cent of SMC principal applicants gained bonus points for a recognised New Zealand qualification. Sixty-five per cent of those who gained these qualification bonus points were from India and China.

For a comparison of points claimed by SMC principal applicants from 2010/11 to 2014/15, see appendix *Residents*.

Table 7.2 shows the points that SMC principal applicants were awarded in 2014/15. Different criteria operate within each factor. For more information about the SMC, see the Immigration New Zealand website.⁴⁰

⁴⁰ Immigration New Zealand. (2013). *Skilled Migrant Category*. Retrieved August 2015 from: www.immigration.govt.nz/migrant/stream/work/skilledmigrant

Table 7.2 Points claimed by Skilled Migrant Category principal applicants, 2014/15

Factor	Percentage gaining points (%)
Skilled employment	
Current skilled employment in New Zealand for 12 months or longer	35
Current skilled employment in New Zealand for fewer than 12 months	46
Offer of skilled employment in New Zealand	11
Bonus points for employment or an offer of employment	
Identified future growth area	7
Area of absolute skills shortage	7
Region outside Auckland*	51
Partner employment or offer of employment	1
Relevant work experience	
2 years	16
4 years	13
6 years	12
8 years	8
10 years	16
Bonus points for New Zealand work experience	
1 year	21
2 years	11
3 years or more	12
Additional bonus points for work experience in an identified future growth area	4
Additional bonus points for work experience in an area of absolute skills shortage	14
Qualifications	
Recognised basic qualification	63
Recognised postgraduate qualification	10
Bonus points for qualifications	
New Zealand bachelor's degree (minimum 2 years' study in New Zealand)	6
New Zealand postgraduate qualification (minimum 1 year's study in New Zealand)	4
New Zealand postgraduate qualification (minimum 2 years' study in New Zealand)	1
Recognised qualification in an identified future growth area	4
Recognised qualification in an area of absolute skills shortage	13
Partner qualifications	14
Close family support in New Zealand	6

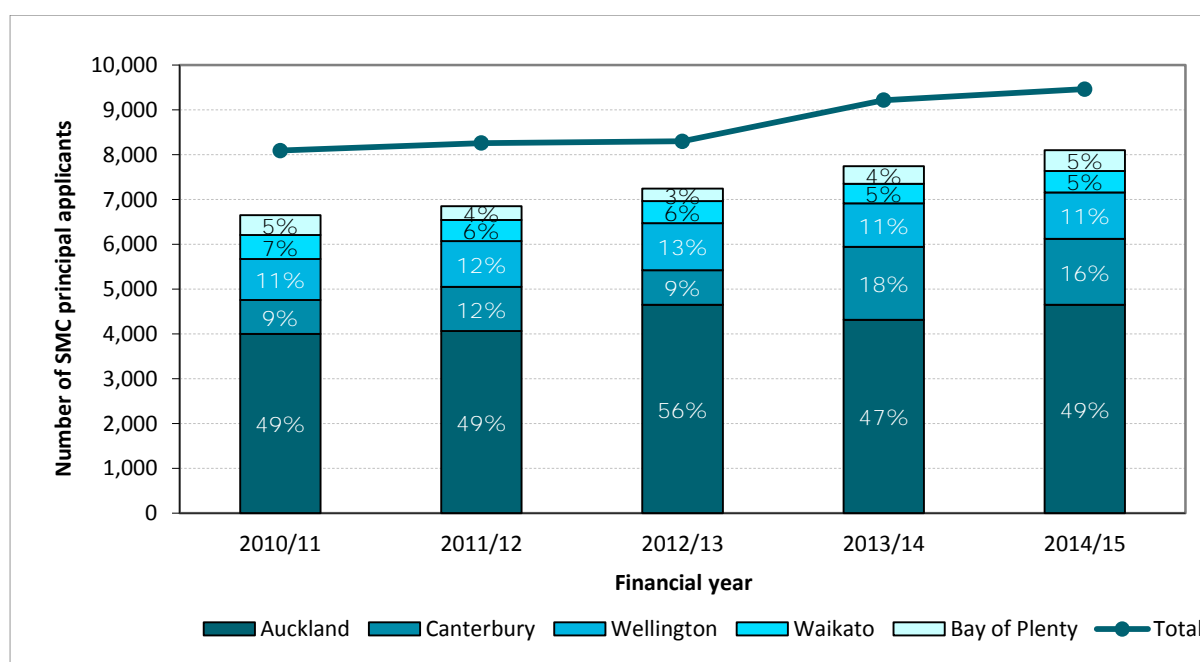
Factor	Percentage gaining points (%)
Age (20–55 years)	
20–29 years	47
30–39 years	39
40–44 years	8
45–49 years	4
50–55 years	3
Total number of principal applicants	10,621

Note: * The percentage is calculated from the 9,465 Skilled Migrant Category principal applicants who were awarded points for a job or job offer and specified a region of employment.

Source: MBIE.

Of the 9,756 principal applicants with a job or job offer, 9,465 also specified a region of employment. Fifty-one per cent of the principal applicants who specified a region of employment claimed bonus points for a job or job offer outside the Auckland region. The main regions of employment for SMC principal applicants in 2014/15 were Auckland (49 per cent), Canterbury (16 per cent), Wellington (11 per cent), Waikato (5 per cent) and Bay of Plenty (5 per cent) (see Figure 7.4).

Figure 7.4 Region of skilled employment for Skilled Migrant Category (SMC) principal applicants, 2010/11–2014/15



Note: These principal applicants were awarded points for a job or job offer and specified a region of employment.

Source: MBIE.

7.3.3 Occupation of Skilled Migrant Category principal applicants

Table 7.3 shows the major occupation group of SMC principal applicants for the main regions in New Zealand. The group Professionals was the most common for SMC principal applicants (41 per cent), followed by Technicians and Trades Workers (35 per cent) and Managers (18 per cent).

The overall occupation distribution reflects the occupation distribution in Auckland. On the other hand, the demand for Technicians and Trades Workers for the rebuild in Christchurch is evident in Canterbury (51 per cent). The large proportion of Professionals in Wellington (55 per cent) is associated mainly with information and communications technology and health professionals.

Table 7.3 Main occupation of Skilled Migrant Category principal applicants by region of employment, 2014/15

Major group occupation*	Percentage (%)				
	Auckland	Canterbury	Wellington	Waikato	Total
Professionals	40	31	55	40	41
Technicians and Trades Workers	35	51	21	32	35
Managers	17	12	16	23	18
Clerical and Administrative Workers	4	2	3	1	3
Community and Personal Service Workers	2	3	4	4	3
Total (number) [†]	4,645	1,473	1035	481	9,454

Notes: * Major occupation group is coded to the 2006 Australian and New Zealand Standard Classification of Occupations (ANZSCO).

† Applicants whose occupation was not coded to ANZSCO 06 or was classified as having a 'response outside the current definition of the labour force' were excluded from the total.

Main occupation relates to the job the applicant spent the most hours doing in the past 12 months.

Source: MBIE.

7.4 Work to residence

For many migrants, working temporarily in New Zealand is a step towards gaining residence and settling in New Zealand permanently. Principal applicants who are qualified in occupations that are in demand in New Zealand or who have exceptional talent in arts, sports or culture may gain a work visa that enables them to transition to residence. The associated Residence from Work Category is for applicants who are already in New Zealand on a Work to Residence visa and who want to apply for residence.

The number of people who gained residence through the Residence from Work Category in 2014/15 (1,715 people) increased 21 per cent from 2013/14 (1,419 people). Table 7.4 shows the number of people approved residence through the Residence from Work Category by type of applicant. In 2014/15, most people who gained residence through the Residence from Work Category were approved through the Talent (Accredited Employers) Work policy (70 per cent of principal applicants).

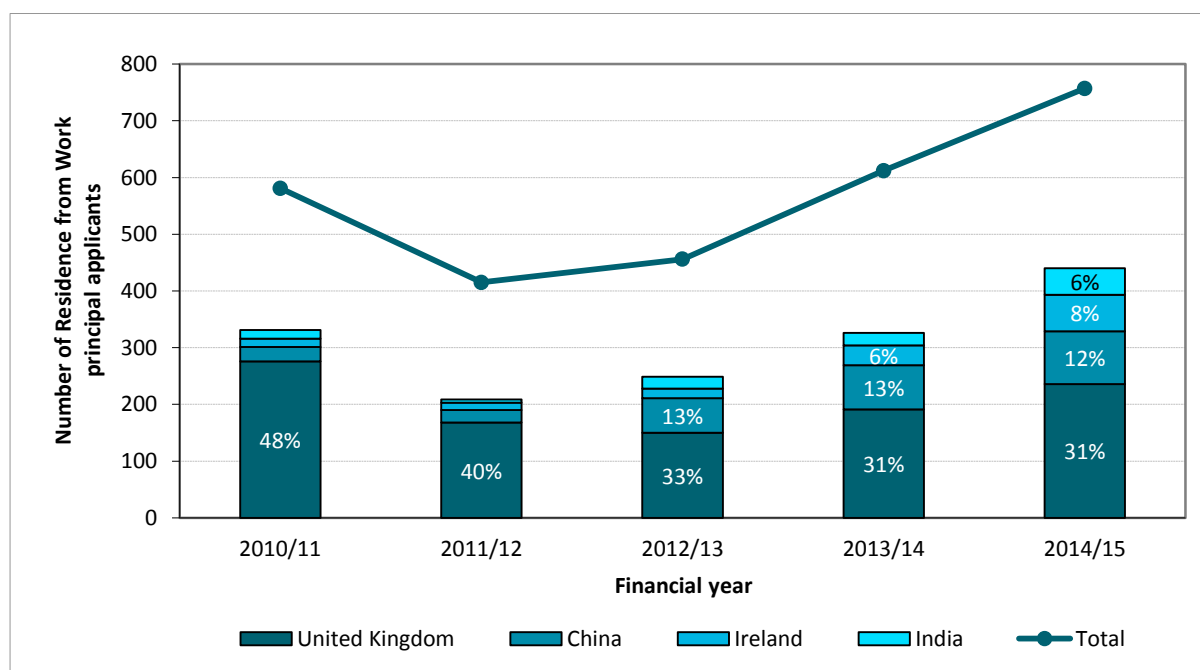
Table 7.4 Residence approvals through the Residence from Work Category, 2013/14–2014/15

Residence from Work Category	2013/14		2014/15	
	Principal	Secondary	Principal	Secondary
Talent (Accredited Employers)	356	446	530	606
Long-Term Skill Shortage List	164	230	158	239
Religious Worker	82	122	57	103
Talent (Arts, Culture and Sports)	10	9	12	10
Total who gained residence	612	807	757	958

Source: MBIE.

In 2014/15, the 1,715 people approved through the Residence from Work Category came from more than 50 countries. The main source countries of the 757 principal applicants were the United Kingdom (31 per cent), China (12 per cent) and Ireland (8 per cent), as shown in Figure 7.5.

Figure 7.5 Top source countries of approved Residence from Work principal applicants, 2010/11–2014/15



Source: MBIE.

7.5 Business Immigration policy approvals

7.5.1 Entrepreneur and Investor Categories

The Business Immigration policy aims to contribute to New Zealand's economic growth by increasing New Zealand's levels of human and investment capital, encouraging enterprise and innovation, and fostering international links. The Business Immigration policy comprises Entrepreneur policy, Employees of Relocating Businesses policy⁴¹ and Migrant Investment policy. Further information on these policies is in appendix *Description of residence categories*.

In 2014/15, 1,353 people were approved for residence through the Business Immigration policy: 772 through the Entrepreneur policy (255 principal applicants) and 581 (181 principal applicants) through the Migrant Investment policy (see Table 7.5).

Table 7.5 Approvals under the Business Immigration policy categories, 2013/14 and 2014/15

Category	2013/14		2014/15	
	Principal	Secondary	Principal	Secondary
Entrepreneur policy				
Entrepreneur Category	166	381	247	501
Entrepreneur Plus Category	19	39	8	16
Migrant Investment policy				
Investor 1 Category	28	49	26	55
Investor 2 Category	157	359	155	345

Source: MBIE.

Table 7.6 shows principal applicant approvals by the top source countries in 2013/14 and 2014/15. China is the largest source country for both Migrant Investment policy approvals and Entrepreneur policy approvals. The number of Entrepreneur policy principal applicant approvals from China more than doubled from 2013/14 to 2014/15.

Table 7.6 Source countries of Business Immigration policy principal applicant approvals, 2013/14 and 2014/15

Source country	Entrepreneur Category		Migrant Investment policy	
	2013/14	2014/15	2013/14	2014/15
China	59	133	116	133
South Korea	60	48	3	1
United Kingdom	23	24	7	6
United States	6	9	12	6
South Africa	10	5	2	1
Other	27	36	45	34
Total	185	255	185	181

Source: MBIE.

⁴¹ Numbers in this category were too small to report, so have been excluded from the analysis.

8 International/Humanitarian Stream

Highlights for 2014/15

- International/Humanitarian Stream approvals (3,642) accounted for 8 per cent of all New Zealand Residence Programme approvals.
- A total of 901 people were approved for residence through the Refugee Quota Programme and 321 people through the Refugee Family Support Category.
- In 2014/15, Afghanistan was the largest source country of Quota Refugees (245 people or 27 per cent) followed by Myanmar (198 people or 22 per cent).
- A total of 1,069 people were approved through the Samoan Quota Scheme and 409 people through the Pacific Access Category.

8.1 Introduction

The International/Humanitarian Stream includes Refugee policy, the Samoan Quota Scheme, the Pacific Access Category and other miscellaneous policies.

Table 8.1 shows 3,642 people were approved for residence through the International/Humanitarian Stream in 2014/15, up 0.2 per cent from 3,369 in 2013/14.

In 2014/15, International/Humanitarian Stream migrants came from 79 countries. Samoa was the largest source country (1,161 people), followed by Afghanistan (380 people) and Tonga (356 people).

For more information on the number of people granted residence under the International/Humanitarian Stream by source country from 1997/98 to 2014/15, see appendix *Residents*.

Table 8.1 International/Humanitarian Stream residence approvals, 2013/14–2014/15

International/Humanitarian Stream	2013/14		2014/15	
	Number	%	Number	%
Refugee Quota	759	23	901	25
General Protection	630		678	
Women at Risk	113		219	
Medical and Disabled	12		3	
Emergency	4		1	
Convention Refugees and Protected Persons	231	7	161	4
Samoan Quota Scheme	940	28	1,069	29
Pacific Access Category	363	11	409	11
Tonga	222		261	
Tuvalu	76		79	
Kiribati	65		69	
Other special residence policies	1,076	32	1,102	30
Ministerial Special Direction	471		491	
Refugee Family Support	334		321	
Section 61*	224		234	
Victims of Domestic Violence	47		56	
Total	3,369	100	3,642	100

Notes: Some people in the Pacific Access Category are approved for residence in a different year from the year in which Immigration New Zealand draws their name from the pool of registrations. This table includes people who were successful in the 2015 draw, as well as some who were successful in earlier draws.

* A person in New Zealand without a valid visa may request a visa under section 61 of the *Immigration Act 2009*. A decision to grant a visa in these circumstances is at the decision-maker's absolute discretion.

Source: MBIE.

8.2 Refugee policy residence approvals

New Zealand provides residence to three categories of people requiring international protection: Quota Refugees, Convention Refugees⁴² and Protected Persons.⁴³ The number of refugees approved residence each year may differ from the number who arrive in the country as it can take up to 18 months for refugees to arrive in New Zealand after approval. This chapter looks at those who were approved for residence each year, rather than those who arrived in New Zealand.

8.2.1 Refugee Quota Programme

New Zealand has been accepting refugees for resettlement since before the end of World War Two, and in 1987 established a formal annual quota for the resettlement of refugees. The annual quota is

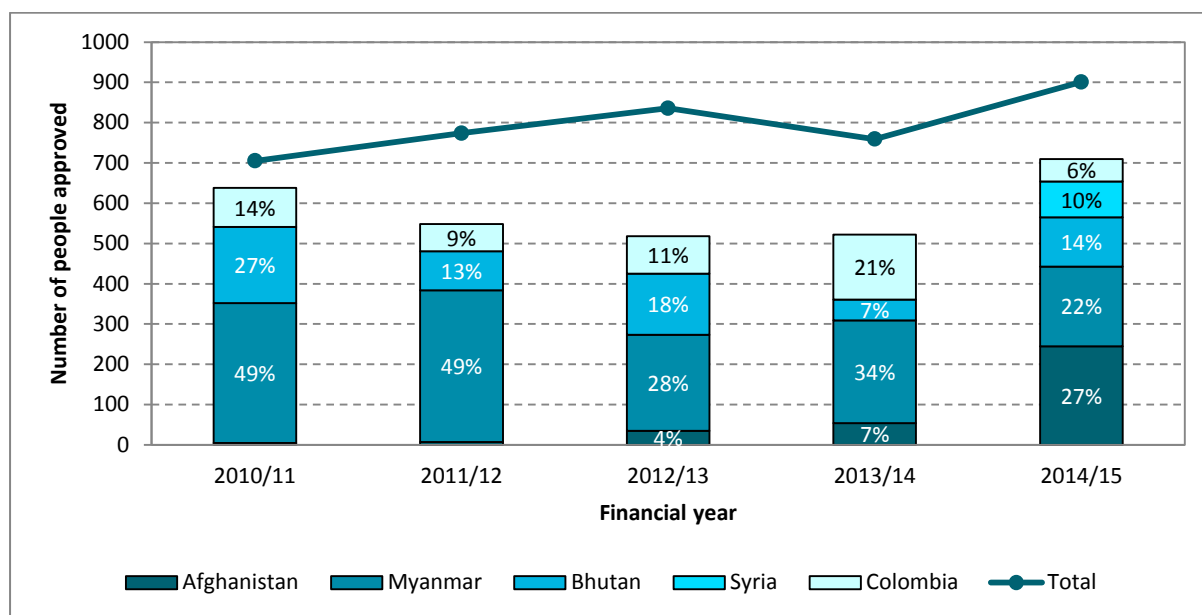
⁴² See the glossary for a definition of Convention Refugee.

⁴³ See the glossary for a definition of Protected Person.

750 places (plus or minus 10 per cent), which comprises the subcategories shown in Table 8.1. Refugees considered for resettlement under New Zealand’s Refugee Quota Programme (except certain applicants who are nuclear or dependent family members of the principal applicant) must be recognised as a refugee under the mandate of the United Nations High Commissioner of Refugees and referred for resettlement by the High Commissioner. Quota Refugees are granted permanent residence visas on their arrival in New Zealand.

Figure 8.1 shows that in 2014/15, Afghanistan was the largest source country of Quota Refugees (245 people), followed by Myanmar (198 people) and Bhutan (122 people).

Figure 8.1 Refugee Quota Programme residence approvals by source country, 2010/11–2014/15



Source: MBIE.

For more information on the number of people granted residence under the Refugee Quota Programme by source country from 1997/98 to 2014/15, see appendix *Residents*.

8.2.2 Convention Refugees and Protected Persons

As a signatory to various conventions⁴⁴ New Zealand considers all claims for refugee status (Convention Refugee⁴⁵) or Protected Person⁴⁶ status made in New Zealand. Persons recognised as Convention Refugees or Protected Persons in New Zealand are eligible to apply for residence – the figures below apply only to those who have been granted residence.⁴⁷

In 2014/15, 161 Convention Refugees and Protected Persons were approved for residence, down from 231 in 2013/14. They came from 25 different countries. The main source countries were Pakistan (14 per cent), Iran (13 per cent) and Sri Lanka (12 per cent).

Over the last five years, 894 people were approved for residence as Convention Refugees or Protected Persons. The main source countries over that period were Iran (126 people), Pakistan (101 people) and China (95 people). Table 8.2 shows the top 10 source countries of Convention Refugees and Protected Persons over the last five years.

Table 8.2 *Convention Refugees and Protected Persons granted residence by source country, 2010/11–2014/15*

Source country	2010/11	2011/12	2012/13	2013/14	2014/15	Total
Iran	12	12	42	39	21	126
Pakistan	S	S	22	33	22	101
China	24	14	21	20	16	95
Iraq	5	11	22	17	11	66
Sri Lanka	8	13	15	9	20	65
Afghanistan	S	7	19	24	S	56
Fiji	9	14	6	9	6	44
Saudi Arabia	S	S	8	17	S	34
Syria			8	16	5	29
Egypt	S	S	13	6	S	25
Other	53	51	61	41	47	253
Total	138	127	237	231	161	894

Note: S = Suppressed for confidentiality reasons.

Source: MBIE.

⁴⁴ The United Nations 1951 Convention and the 1967 Protocol Relating to the Status of Refugees, the 1966 International Covenant for Civil and Political Rights, and the 1984 Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment.

⁴⁵ See the glossary for a definition of Convention Refugee.

⁴⁶ See the glossary for a definition of Protected Person.

⁴⁷ For more information on the refugee status claims process and statistics, see Immigration New Zealand. (2015). *The Refugee and Protection Unit*. Retrieved August 2015 from: www.immigration.govt.nz/migrant/general/generalinformation/refugee-protection and Immigration New Zealand. (2015). *Refugee statistics*. Retrieved August 2015 from: www.immigration.govt.nz/migrant/general/generalinformation/refugee-protection/refugee-statistics.htm

8.2.3 Samoan Quota Scheme

The Samoan Quota Scheme was established in 1970. The scheme is based on the spirit of close friendship embodied in the 1962 Treaty of Friendship between New Zealand and Samoa. The scheme allows up to 1,100 Samoan citizens, including their partners and dependent children, to be granted residence in New Zealand each year.

In 2014/15, 1,069 people were approved for residence through the Samoan Quota Scheme compared with 940 in 2013/14.

8.2.4 Pacific Access Category

The Pacific Access Category was established in July 2002 for Pacific countries with which New Zealand has close cultural and historical ties. The current Pacific Access Category allows up to 250 citizens of Tonga, 250 citizens of Fiji, 75 citizens of Tuvalu, and 75 citizens of Kiribati, including their partners and dependent children, to be granted residence in New Zealand each year.

In 2014/15, 409 people were approved for residence through the Pacific Access Category compared with 363 in 2013/14. Most people approved were from Tonga (64 per cent). Fiji was added back into the Pacific Access Category in 2015.

8.2.5 Other International/Humanitarian Stream approvals

In 2014/15, 1,102 people were approved for residence through other special policies in the International/Humanitarian Stream compared with 1,076 in 2013/14. Of these, most residence approvals were through the Ministerial Special Direction policy (44 per cent), followed by the Refugee Family Support Category⁴⁸ (29 per cent) and Section 61 (21 per cent).⁴⁹

⁴⁸ The Refugee Family Support Category was formerly called the Refugee Family Quota.

⁴⁹ A person in New Zealand without a valid visa may request a visa under section 61 of the *Immigration Act 2009*. A decision to grant a visa in these circumstances is at the decision-maker's absolute discretion.

9 Conclusions

Like many countries with declining birth rates, an aging population and high emigration of local-born people, New Zealand relies on migrants to fill labour shortages, with a focus on skilled migrants. Migrants also bring with them capital and an increase in tourism from their home countries because of the global linkages they maintain with their home countries.

This report shows the migration flows to and from New Zealand. Net migration increased to a net gain of 58,300 in 2014/15 as arrivals increased and departures decreased from the previous year. This is the highest net gain on record. The economic slowdown in Australia has resulted in a net loss of 6,000 New Zealanders to Australia, the lowest net loss since 1992/93.

The number of international students increased for the second year running, up 16 per cent from 2013/14. This increase continues to be driven by new students, with more than half of all students studying here for the first time. India, in particular, showed a large increase in new students with 51 per cent more new students in 2014/15 than in 2013/14.

The number of temporary workers (including non-labour market tested workers) continued to grow at a steady rate, up 10 per cent from 2013/14. This is largely driven by the increase in working holidaymakers (up 12 per cent to 61,404). Approvals to work in New Zealand under the Essential Skills policy are still increasing (up 8 per cent from 2013/14), but that growth has slowed considerably. This growth in Essential Skills temporary workers is likely to lead to an increase in skilled permanent migrants, as 38 per cent transition to residence within three years.

Attracting skilled migrants is only the first step – retention is a key factor in getting the most benefit from migration. Most migrants granted residence stay on in New Zealand long term and that number has been steadily increasing. Of those who were approved for residence in 2005/06, 83 per cent were still resident in New Zealand five years on while 88 per cent of those who were approved in 2009/10 were still resident five years on.

The main source countries of migrants to New Zealand continue to change. The growth in the number of students from India (the second largest source country of students and the largest source country of first-time students) has had a flow-on effect to work visas and skilled migration. India is now the largest source country of skilled migrants and the second-largest source country of temporary workers.

Monitoring migration trends provides a better understanding of the wider global environment in which migration takes place, important developments in New Zealand's key markets, and the impact and success of current immigration policies. Understanding existing and emerging migration trends is also critical for planning and developing immigration policy settings as well as for developing migrant attraction, settlement and retention initiatives.

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