



MIGRATION TRENDS KEY INDICATORS REPORT

APRIL 2011



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Purpose

This report summarises key indicators of migration trends for the 2010/11 financial year to date (July-April 2011). The report focuses on three key areas: the New Zealand Residence Programme, permanent skilled migration, and temporary entry. This report provides a report on the year to date emerging effects from the Canterbury earthquake. This monthly reporting will now continue to the rest of the financial year.

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

Summary of key points

- The Christchurch earthquake on 22 February has had some impact on migration trends in the current financial year. The immediate impact of the earthquake was seen initially in reduced visitor arrivals and Essential Skills Policy approvals. However, these are recovering to levels similar to those occurring before the earthquake.
- 32,163 people were approved for residence in July-April 2011 compared with 36,819 for the same period in 2010.
- 90% of Skilled Migrant Category (SMC) principal migrants were approved with a skilled job or job offer in skilled employment in the financial year to date.
- Temporary work approval numbers in the financial year to date were up slightly on last year. Current trends show a growing number of temporary workers from India.
- Essential Skills Policy approvals for July-April 2011 decreased by 5 percent from the same period in the previous year.
- 65,060 people were approved a student visa in July-April 2011, a 4 percent increase from the 62,699 who were approved in the same period in 2010. Significant increases came from India (23 percent increase) and China (11 percent increase).
- The number of visitor arrivals was up 1 percent in July-April 2011 compared with the same period last year. This was mainly due to an increase in visitors from China (29 percent increase).

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

1. New Zealand Residence Programme

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

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

1.1 Residence approvals

- 32,163 people were approved for residence in July-April 2011 compared with 36,819 for the same period in 2010 and 37,465 in 2009. The number of people approved for residence in July-April 2011 fell by 13 percent from the same period in 2010. The decline rate of 14% remained the same as the previous year. Skilled/Business stream approvals have dropped 20% compared with the previous year. This is due to fewer job offers available affecting the quality of skilled migrants in the Expression of Interest (EOI) selection pool and the disruption in processing caused by the Christchurch earthquake. Table 1 shows the breakdown of year to date approvals by stream.

Table 1: Residence approvals by stream

Stream	July-Apr 2009	July-Apr 2010	July-Apr 2011
Skilled/Business Stream	23,010	22,906	18,428
Uncapped Family Sponsored Stream	7,032	7,976	7,490
Parent and Sibling/Adult Child Stream	4,539	3,839	4,037
International/Humanitarian Stream	2,884	2,098	2,208
Total	37,465	36,819	32,163

- The top 6 source countries in July-April 2011 were the United Kingdom (16%), China (13%), India (10%), South Africa (9%), Philippines (8%) and Fiji (7%).
- Some changes in migrant source countries have emerged in the year to date. Trends showed a decrease in residence approvals from all of the main source countries, with the exception of India which increased by 12 percent. The increase from India was mainly through the Skilled/Business Stream. South Africa decreased by 38 percent and the United Kingdom decreased by 17 percent, mainly due to fewer residence approvals through the Skilled/Business Stream.

1.2 Skilled Migrant Category (SMC)

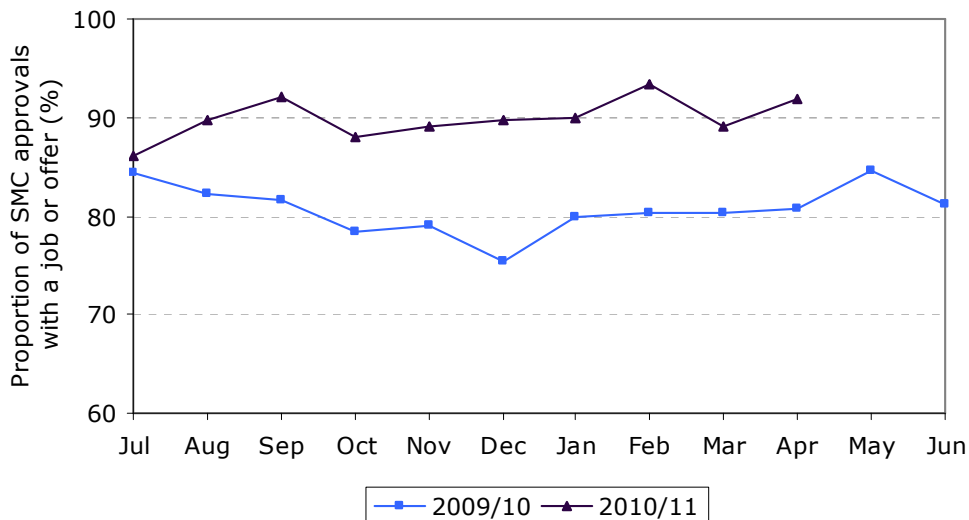
- 16,770 people were approved for residence through the SMC in July-April 2011 compared with 21,309 for the same period in 2010 and 21,763 in 2009. The number of people applying through the SMC has decreased by 20%. This decrease is due to less EOI applications meeting the selection criteria.

- The onshore decline rate increased from 8% in 2010 to 13% in 2011, while the offshore decline rate decreased from 38% in 2010 to 26% in 2011. The overall decline rate of 16% for July-April 2011 compares to 15% in 2010.
- Currently, the top source countries of SMC approvals for the year to date are the United Kingdom (17%), South Africa and India (both 13%), the Philippines (12%), and China and Fiji (both 8%). SMC approvals from the top source countries decreased from the same period last year, with the exception of India which increased by 29 percent. This increase is due to former Indian international students who transition to temporary work and then on to permanent residence.
- 90% of SMC principal applicants had a job or job offer (compared with 80% in July-April 2010) and 71% gained points for recognised work experience, the same as in July-April 2010.

1.3 Skilled migrants with job offers

- Figure 1 shows that the proportion of SMC approvals with a skilled job or job offer is higher in 2010/11 than in 2009/10.

Figure 1: Proportion of SMC approvals with a skilled job or job offer for 2009/10 and 2010/11



- Most SMC principal applicants were approved onshore (84%), of whom 97% had a job or job offer. Of the 16% approved offshore, 52% had a job or job offer.

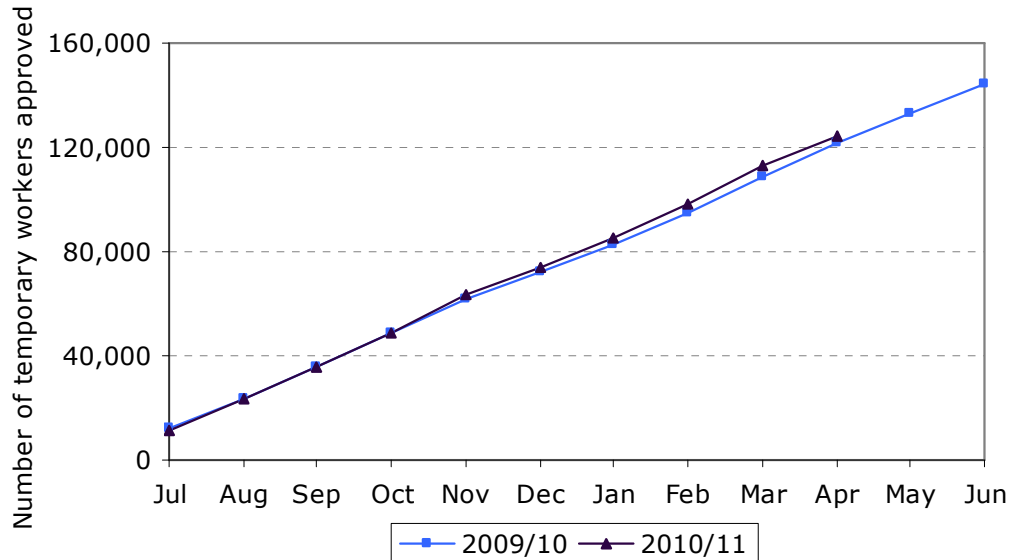
2. Temporary migration

2.1 Workers

- The number of people approved for a work visa in July-April 2011 was 115,019, which was an increase from the 112,031 approvals in the previous July-April year (refer Figure 2).

- The number of working holidaymakers and approvals through the 'study to work'² policy is growing. This offsets the lower numbers through the Essential Skills Policy and the Family Partnership Policy.

Figure 2: Cumulative number of temporary workers (individuals) approved by month: 2009/10 compared with 2010/11



- The main source countries of temporary workers in July-April 2011 were the United Kingdom (13%), India (11%), China (8%), Germany (7%) and the United States of America (6%). Current trends show that the decline in the number of temporary workers from the United Kingdom is continuing (2 percent decrease) while a growing number of temporary workers are from India (18 percent increase). Temporary work visa approvals from India have been increasing in the last 5 years and are catching up with the United Kingdom as the top source country. This is driven by a growing number of Indian international students and the flow on to the 'study to work' visa as these students complete their studies.

2.2 Essential Skills policy approvals³

- The demand for Essential Skills workers slowed from October 2008 and the number of new applications is still decreasing. The number of applications decided in July-April 2011 decreased by 19% compared to the same period in the previous year. This reflects a decline in the number of applications that were accepted for processing compared to the same point last year.
- The number of Essential Skills Policy approvals for the Canterbury region decreased from 189 in the month of February 2011 to 65 approvals during March. However, approval numbers have recovered to 150 approvals in April 2011. The decline in

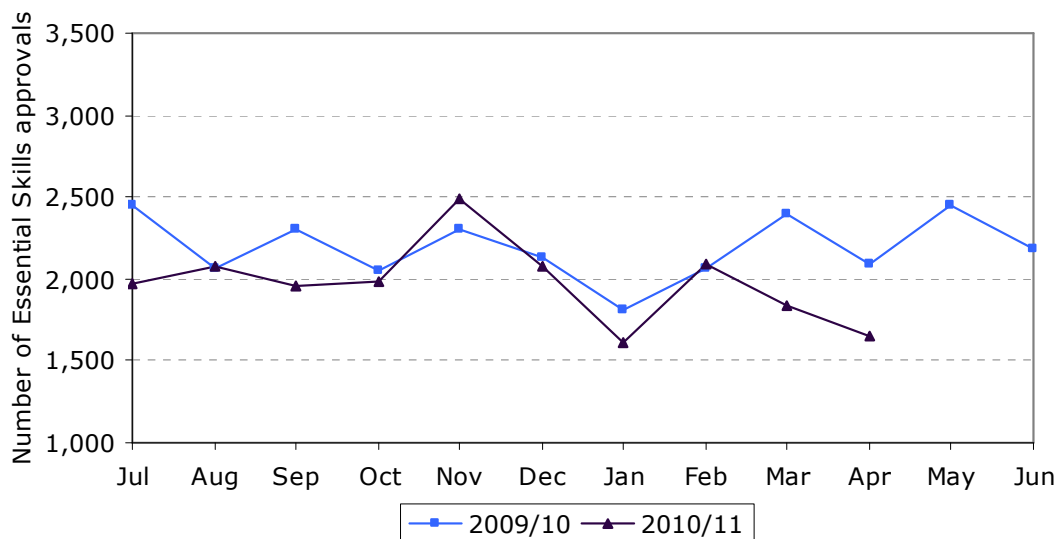
² Includes the Graduate Job Search and Practical Experience Post Study policies.

³ Includes the following policies: Approved in Principle, Essential Skills, Essential Skills - Skill Level 1, General, and Specialist skills.

March was due to disruptions in the processing of applications, in addition to the impacts of the earthquake on the job market in Canterbury.

- The rate of decline for the Essential Skills applications decreased from 13% in the previous year to 11% in July-April 2011.
- Highly skilled Essential Skills workers have a relatively high rate of transition to residence. A drop in the number of Essential Skills applicants will potentially have a flow on effect on permanent residence approvals.
- The Essential Skills Policy approvals for July-April in 2011 decreased by 5 percent from the same period in the previous year. With the exception of India and the Philippines, approval numbers for all of the main source countries decreased. China decreased by 11%, the United Kingdom decreased by 8% and Fiji decreased by 6%. Figure 3 shows the approval numbers in the last two years.

Figure 3: Number of Essential Skills workers approved: 2009/10 compared with 2010/11



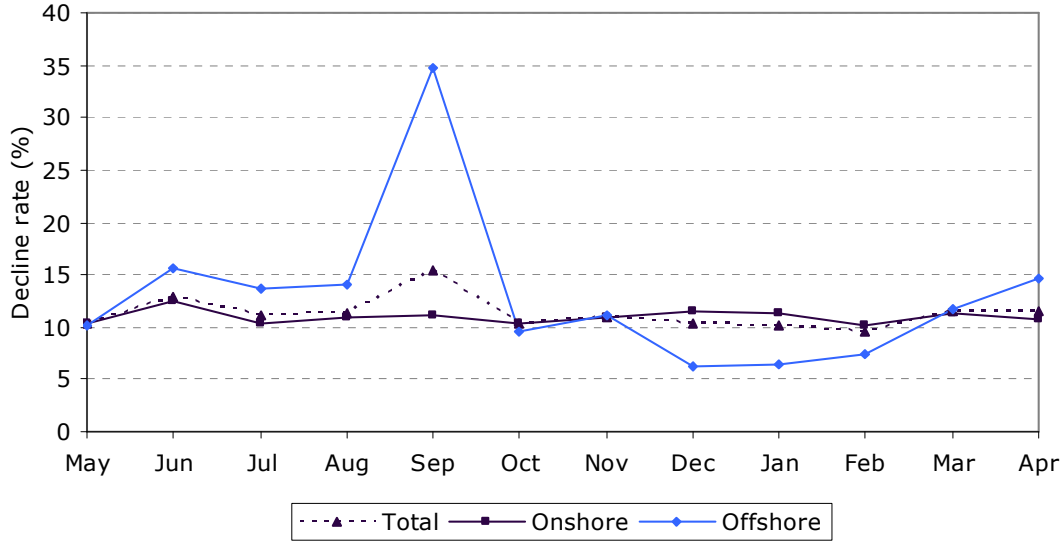
2.3 Essential Skills policy decisions⁴

- Figure 4 shows the decline rates in the last twelve months. The offshore decline rate is more volatile and has increased from March 2011, when it was similar to the onshore decline rate. The offshore decline rate peaked in September 2010⁵.

⁴ Includes all decisions on the following policy types: Approved in Principle, Essential Skills, Essential Skills - Skill Level 1, General, Specialist skills.

⁵ Four group visa applications (for 136 people) were withdrawn in September for Orchestra performers whose tour was postponed.

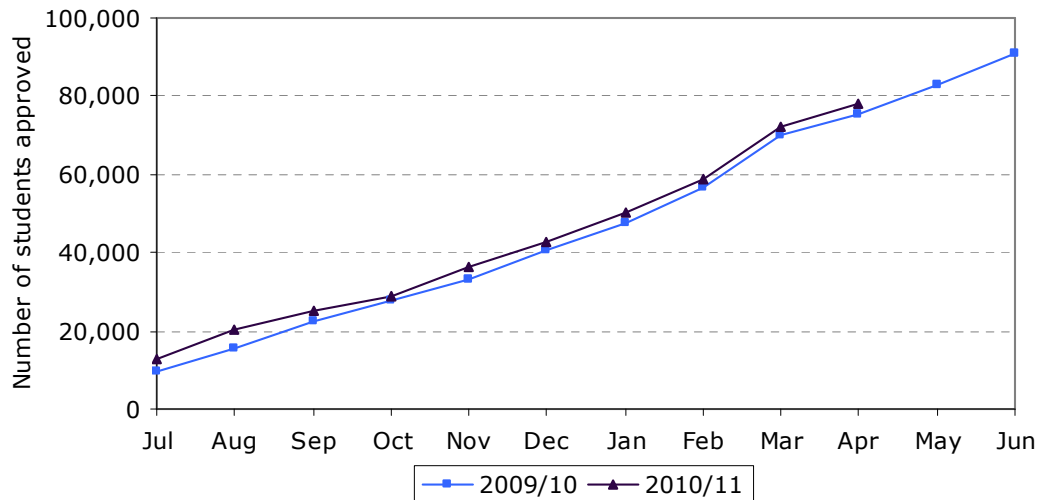
Figure 4: Decline rate for Essential Skills applications by branch location: May 2010–April 2011



2.4 Students

- 65,060 people were approved for a student visa in July-April 2011, a 4 percent increase from the 62,699 who were approved in the same period in 2010. Figure 5 shows the cumulative number of students approved in 2009/10 and 2010/11. Little change in the 2009/10 and the 2010/11 trends can be seen (refer Figure 5).

Figure 5: Cumulative number of students approved by month: 2009/10 compared with 2010/11

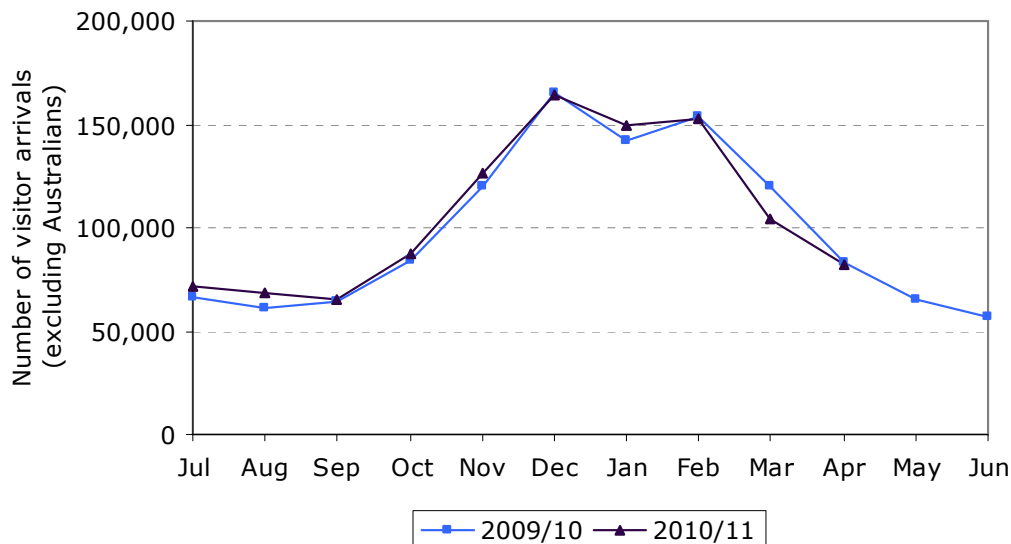


- In July to April 2011, the largest source countries of students were China (23%), India (14%) and South Korea (12%). China had an 11 percent increase in student visa approvals and India increased by 23 percent, compared with the same period in the last financial year.

2.5 Visitors (excluding Australians)⁶

- The cumulative number of visitor arrivals at the border increased by 1 percent in July to April 2011 compared to the same period in 2010 (refer Figure 6).

Figure 6: Number of visitor arrivals by month: 2009/10 compared with 2010/11



- The top source countries for visitor arrivals from July 2010 to April 2011 were the United Kingdom (18%), the United States of America (15%), China (10%) and Japan (6%). An increase in visitors from China (29 percent increase) and a decrease in visitors from the United Kingdom (4 percent decrease) were seen compared to the same time last year. However, visitor numbers were low for the months of March 2011 and April 2011, which highlights the impact of the Christchurch earthquake.
- Fewer visitors arrived in the month of April, down 2 percent from the same month in 2010. This shows, however, a recovery from the decline in visitor numbers that occurred in the month of March 2011, which had a 13 percent decrease compared with March 2010. This decline was due to the 22 February Christchurch earthquake and aftershocks. In the month of April 2011, compared to the same month in 2010, visitor arrivals from the United Kingdom increased 16 percent and United States of America increased 6 percent. However, visitor numbers decreased from China (2 percent decrease) and Japan (54 percent decrease). The 11 March Japanese earthquake and tsunami will have impacted on visitor arrivals from Japan.

⁶ Number of people issued a visitor visa on arrival in New Zealand.

