



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

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# Migration Trends and Outlook

## 2013/2014

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# Ministry of Business, Innovation and Employment (MBIE)

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## Executive summary

This annual report is the 14th in a series that examines trends in temporary and permanent migration to and from New Zealand. The report updates trends to 2013/14 and compares recent immigration patterns with patterns identified in previous years.

### ***Canterbury rebuild picks up pace***

Canterbury had the second highest regional net migration gain of 5,600 people. There was a net outflow of permanent and long-term migrants following the earthquake in February 2011 but since 2011/12 there has been a 49 per cent increase in arrivals. In 2013/14, 6,591 people were approved for work visas under Essential Skills for a job offer in Canterbury, an increase of 40 per cent from 2012/13 and making Canterbury the second-most popular destination, with 25 per cent of Essential Skills workers heading there. Additionally, 18 per cent of Skilled Migrant Category principal applicants who had a job or job offer specified Canterbury as their region of employment, up from 12 per cent in 2011/12.

### ***Net migration continues to grow***

A net migration gain of 38,300 people occurred in 2013/14, the highest net gain since 2002/03. This was due to a low net migration loss of New Zealand citizens (12,100 people) combined with a large net gain of non-New Zealand citizens (50,400 people). Net migration is forecast to continue to grow to 51,500 in June 2015 before tapering off.

### ***International student numbers on the increase again***

A total of 73,150 international students were approved to study in New Zealand, an increase of 15 per cent from 2012/13, after decreases the two previous years. This increase is largely due to an increased number of students from India, up 63 per cent from 2012/13. The growth in students from India was mainly due to a doubling of full fee-paying students in private training establishments. China has remained the largest source country of international students (27 per cent) followed by India (19 per cent) and South Korea (7 per cent).

### ***Numbers of temporary workers increased across three main work categories***

A total of 155,794 people were granted a work visa, an increase of 7 per cent from 2012/13. Approvals to work in New Zealand under the Essential Skills policy rose 18 per cent from 2012/13. This was the second year-on-year increase in Essential Skills workers since the start of the global financial crisis, and it reflects the overall growth in labour demand in New Zealand and the rebuild in Canterbury. Across the three main work policies, the number of people approved for work visas in 2013/14 increased compared with 2012/13 – Working Holiday Scheme increased 12 per cent, Essential Skills policy 18 per cent and Family policy 5 per cent.

### ***Permanent migration***

In 2013/14, 44,008 people were approved for resident visas, up 13 per cent from 2012/13. The largest source countries of permanent migrants to New Zealand were China (17 per cent), India (14 per cent) and the United Kingdom (12 per cent).

### ***India is the largest source of skilled migrants***

In 2013/14, 20,266 people were approved through the Skilled Migrant Category, almost half of all residence approvals (46 per cent). The number of Skilled Migrant Category approvals increased 12 per cent from 2012/13, the first increase in four years. 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 (20 per cent) followed by the United Kingdom (13 per cent).

### ***China is the largest source country of family-sponsored migrants***

In 2013/14, 9,961 people were approved for residence through the Partnership Category and 6,009 people were approved through the Parent Category. Family approvals made up 40 per cent of all residence approvals. China was the largest source country of residence approvals in both the Partnership (15 per cent) and Parent (53 per cent) categories.

### ***Around two-fifths of International/Humanitarian Stream approvals were from Pacific countries***

Over 1,300 people were approved residence through the Samoan Quota Scheme and Pacific Access Category in 2013/14, with Samoa and Tonga being the largest source countries of approvals. In addition to the Pacific quotas, 759 people were approved through the Refugee Quota Programme. The largest source countries of quota refugees in 2013/14 were Burma (34 per cent), Colombia (21 per cent) and Sri Lanka (9 per cent).

### ***1 in 6 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 2014, 16 per cent of students who started studying in 2008/09 had transitioned to residence. In 2013/14, 42 per cent of skilled principal migrants were former international students.

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# 1 Introduction

## 1.1 Purpose of and audience for this report

This report is the 14th in an annual series about temporary and permanent migration trends to and from New Zealand. This report updates trends to the end of the 2013/14 financial year 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 range 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 there is strong competition for skilled people in the global labour market. In 2013/14, 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.

The 2008/09 global financial crisis and variable economic recovery have had a significant impact on migration flows in New Zealand and internationally. The February 2011 Christchurch earthquake also affected migration flows to and from New Zealand. With the Christchurch rebuild gathering steam and economic and labour market conditions improving in New Zealand, migration flows to New Zealand are expected to continue to increase.

## 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 residence 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, 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. Before 2011/12, the review was conducted annually, but for 2011/12-2013/14, the New Zealand Residence Programme covers all three years. The target range for 2011/12 to 2013/14 is 135,000–150,000 places.

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

## 2 Migration flows

### Highlights in 2013/14

- A net migration gain of 38,300 people occurred in 2013/14, the highest net gain since 2002/03.
- Low net migration loss of New Zealand citizens (12,100 people) was offset by a large net gain of non–New Zealand citizens (50,400 people) in 2013/14.
- Auckland and Canterbury had the highest net migration gains of 17,800 and 5,600 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. 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.<sup>1</sup>

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 2013/14, 67 per cent were to Australia.<sup>2</sup> 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 Impact of migration on population growth

New Zealand's estimated resident population at 30 June 2014 grew to 4,509,900,<sup>3</sup> which is an increase of 67,800 (1.5 per cent) from the 30 June 2013 estimate of 4,442,100.<sup>4</sup> New Zealand's population growth is affected by two main factors: natural increase (the balance of births over deaths) and net migration gain (the balance of arrivals over departures). In 2013/14, New Zealand's

<sup>1</sup> An arrival or departure is permanent and long term if the intended length of stay or absence is 12 months or more.

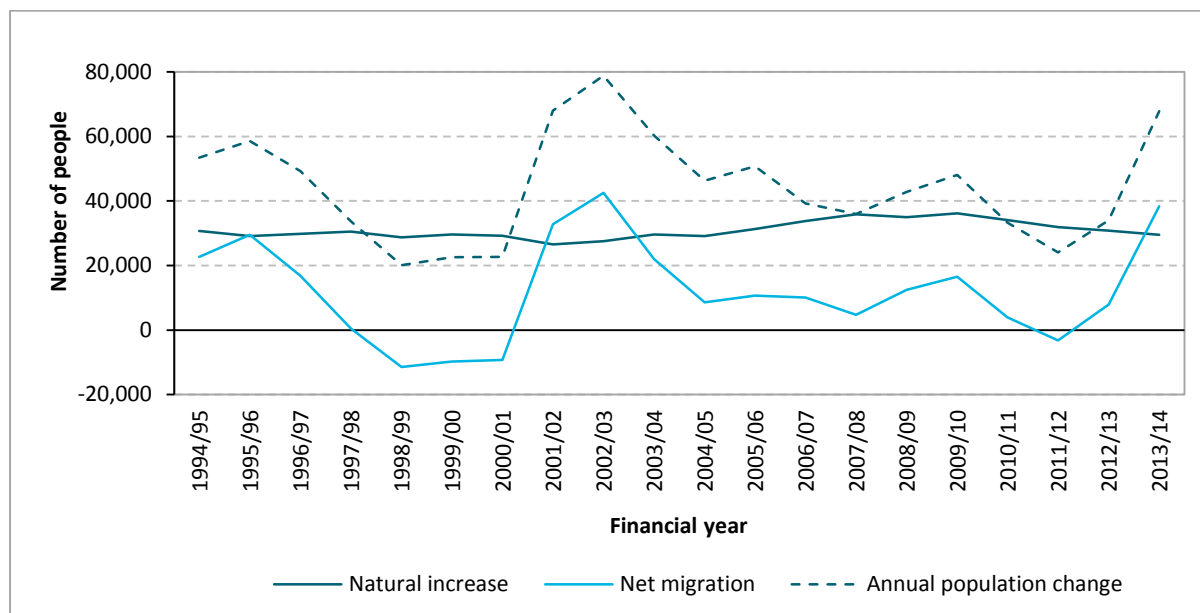
<sup>2</sup> Statistics New Zealand. (2014). *International travel and migration: June 2014*. Wellington: Statistics New Zealand. Retrieved October 2014 from: [http://www.stats.govt.nz/browse\\_for\\_stats/population/Migration/IntTravelAndMigration\\_HOTJun14.aspx](http://www.stats.govt.nz/browse_for_stats/population/Migration/IntTravelAndMigration_HOTJun14.aspx)

<sup>3</sup> The estimated resident population is based on the 'census usually resident population count' with adjustments for residents missed or counted more than once by the census and for residents temporarily overseas on census night. The most recent estimate of resident population is as at 30 June 2014.

<sup>4</sup> Statistics New Zealand. (2014). *National population estimates: At 30 June 2014*. Wellington: Statistics New Zealand. Retrieved October 2014 from: [http://www.stats.govt.nz/browse\\_for\\_stats/population/estimates\\_and\\_projections/NationalPopulationEstimates\\_HOTPat30Jun14.aspx](http://www.stats.govt.nz/browse_for_stats/population/estimates_and_projections/NationalPopulationEstimates_HOTPat30Jun14.aspx)

population growth was due to a natural increase of 29,500 people and a net international migration gain of 38,300. The natural increase component of New Zealand's population growth is relatively stable over time (see Figure 2.1). However, fluctuations in the annual population follow the movements in net migration.

Figure 2.1 Components of population growth, 1994/95–2013/14



Source: Statistics New Zealand.

### 2.3 Permanent and long-term migration

The total number of people migrating to and from New Zealand fluctuates greatly from year to year, but cyclical patterns emerge.

A total of 100,800 people arrived in New Zealand on a permanent and long-term basis in 2013/14, an increase of 14 per cent from the previous year. Permanent and long-term departures totalled 62,400, a 22 per cent decrease from 2012/13. This resulted in the net gain of 38,300 people in 2013/14, the highest net gain since 2002/03. The net gain in 2013/14 was due to a significant drop in annual net migration loss to Australia, accompanied by an increase in net migration gain from the rest of the world.

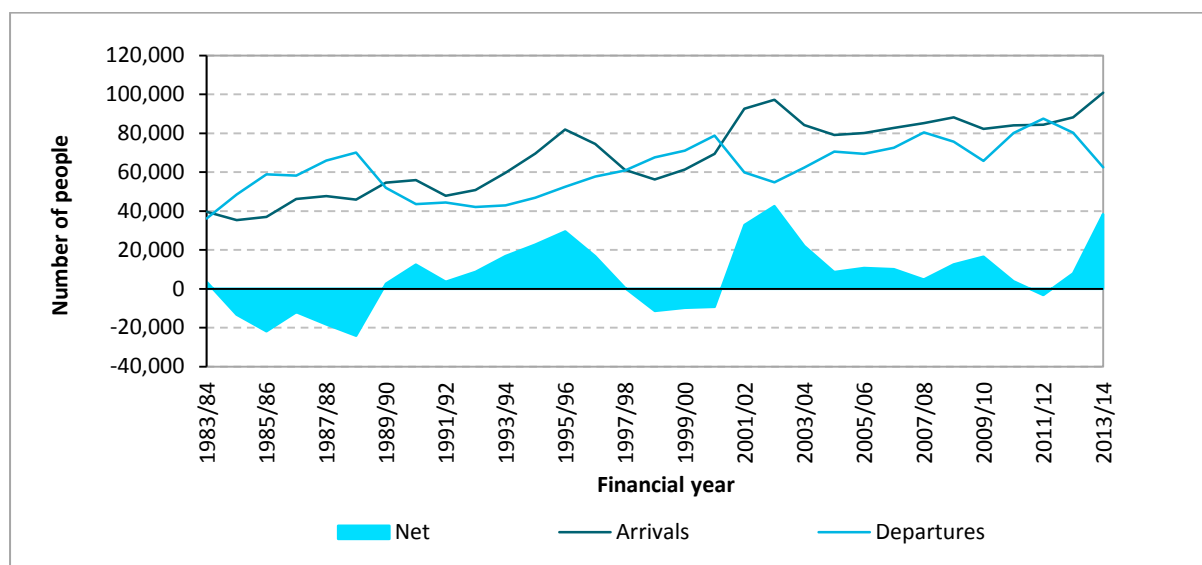
Figure 2.2 shows the changes in permanent and long-term arrivals<sup>5</sup> and departures<sup>6</sup> since 1983/84 and the fluctuations in net migration<sup>7</sup>.

<sup>5</sup> 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.

<sup>6</sup> 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.

<sup>7</sup> 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 Annual permanent and long-term migration flows, 1983/84–2013/14



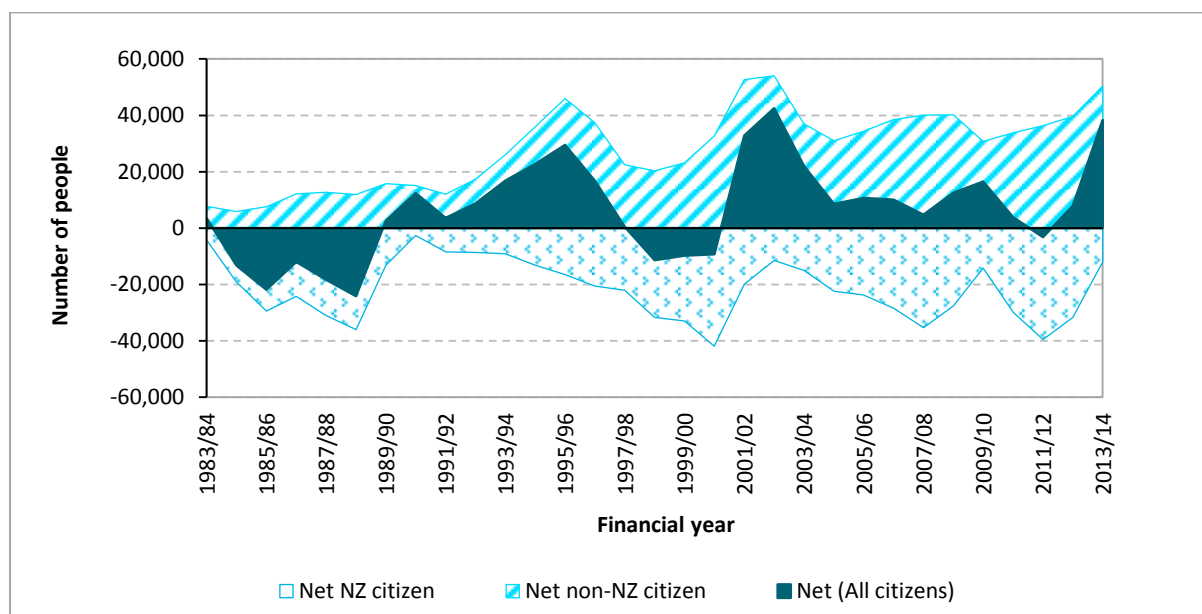
Source: Statistics New Zealand.

### 2.3.1 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 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.

Figure 2.3 shows the patterns of net migration for New Zealand and non-New Zealand citizens.

Figure 2.3 Annual net permanent and long-term migration by citizenship, 1983/84–2013/14



Source: Statistics New Zealand.

The number of New Zealand citizens departing has been decreasing in the last two years to 40,100 in 2013/14, while the number of New Zealand citizens arriving increased to 28,000 in 2013/14. As a

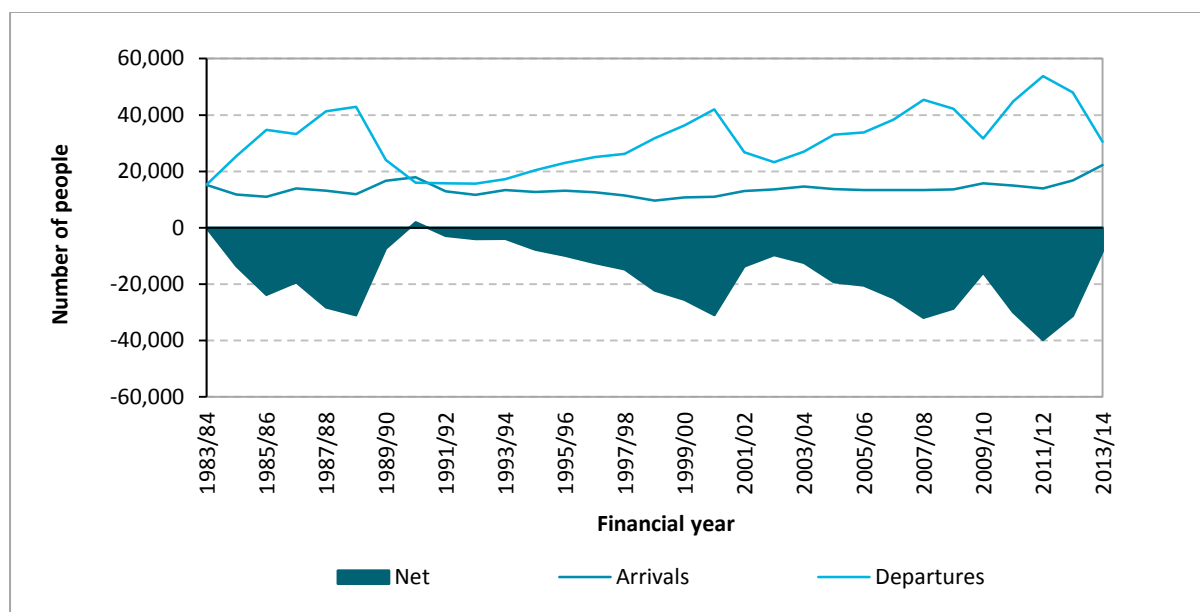
result, the net permanent and long-term outflow of New Zealand citizens decreased to 12,100 in 2013/14 from 31,700 in 2012/13. For non-New Zealand citizens the net inflow increased from 39,600 in 2012/13 to 50,400 in 2013/14.

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

The majority of permanent and long-term departures are New Zealand citizens, particularly those moving to Australia, 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 2.4 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 two years. However, permanent and long-term departures of New Zealand citizens to Australia dropped significantly from 43,600 in 2012/13 to 27,000 in 2013/14. This resulted in a small net loss of 12,300 New Zealand citizens to Australia in 2013/14. The outlook for New Zealand is that labour demand will continue to grow, reflecting solid growth in the economy, and business conditions will improve.<sup>8</sup>

Figure 2.4 Annual permanent and long-term migration of New Zealand citizens to Australia, 1983/84–2013/14



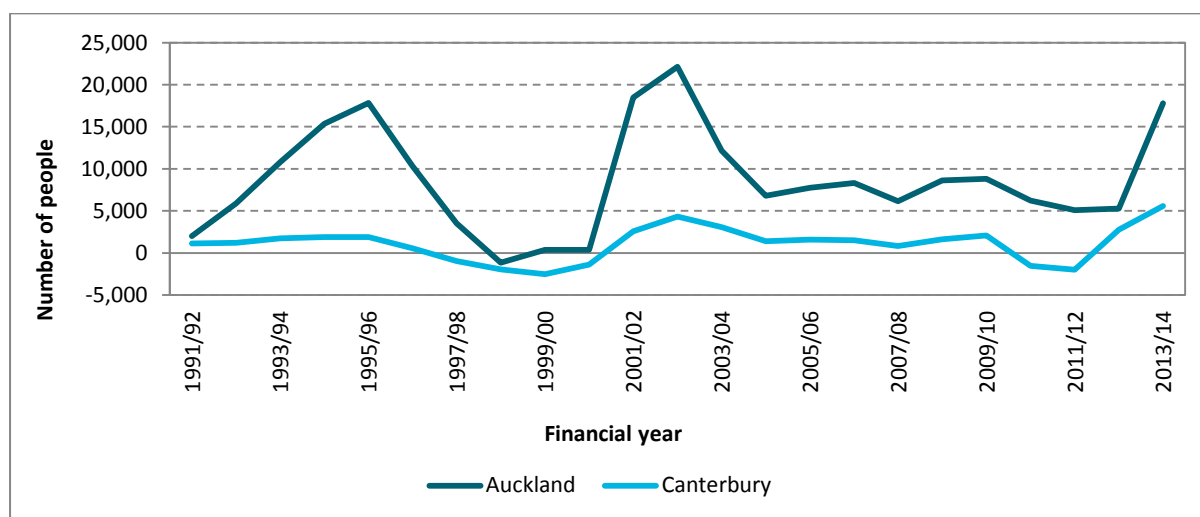
Source: Statistics New Zealand.

<sup>8</sup> Ministry of Business, Innovation and Employment (MBIE). (2014). *Quarterly labour market report: August 2014*. Wellington: MBIE. Retrieved 16 October 2014 from: <http://www.dol.govt.nz/publications/lmr/labour-market-report/labour-market-report-aug-2014.pdf>

### 2.3.3 Permanent and long-term migration to Auckland and Canterbury

While the majority of 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 2.5 shows the patterns of net migration for Auckland and Canterbury.

Figure 2.5 Annual net permanent and long-term migration to Auckland and Canterbury, 1983/84–2013/14



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, in 2013/14, the number of permanent and long-term arrivals increased by 17 per cent and permanent and long-term departures decreased by 22 per cent resulting in a large net inflow of 17,800 people in Auckland. This supports the continuing growth in labour demand in New Zealand, reflecting solid growth in the economy, and improved business conditions.<sup>9</sup> For the Canterbury region, there was a net outflow of permanent and long-term migrants following the earthquake in February 2011 but the rebuild is gathering pace with an inflow of 5,600 people in 2013/14.

Most other regions showed a modest net permanent and long-term inflow of migrants. Gisborne, Tasman and Hawke's Bay showed small net outflows of permanent and long-term migrants.

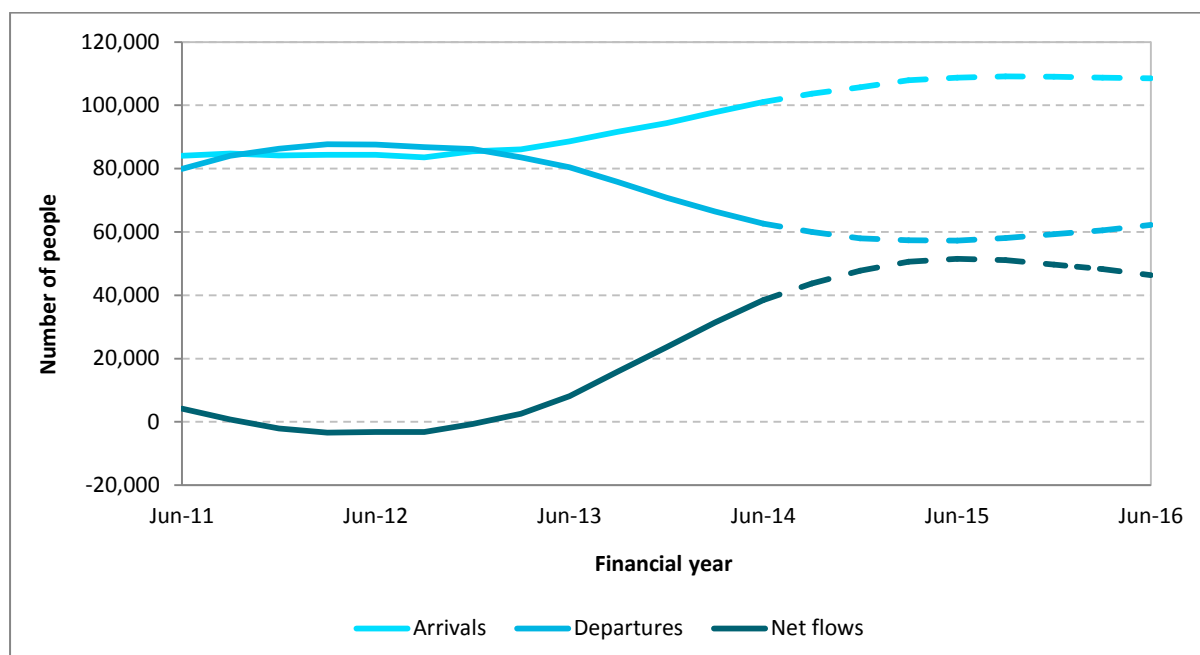
### 2.3.4 Permanent and long-term migration forecasts

Seasonally adjusted forecasts of permanent and long-term arrivals, departures, and net flow for the two years to June 2016 are shown in Figure 2.6. Permanent and long-term departures to Australia of New Zealand citizens are expected to decline further until June 2015, but at a much slower rate than over the past year before starting to rise again modestly during the latter half of 2015. The overall annual net migration gain is forecast to exceed 50,000 by March 2015 before dropping back to about 45,000 by June 2016.

<sup>9</sup> MBIE. (2014). *Quarterly labour market report: August 2014*. Wellington: MBIE. Retrieved 16 October 2014 from: <http://www.dol.govt.nz/publications/lmr/labour-market-report/labour-market-report-aug-2014.pdf>



Figure 2.6 Permanent and long-term forecasts, 2015–2016 (June years)



Source: Statistics New Zealand.

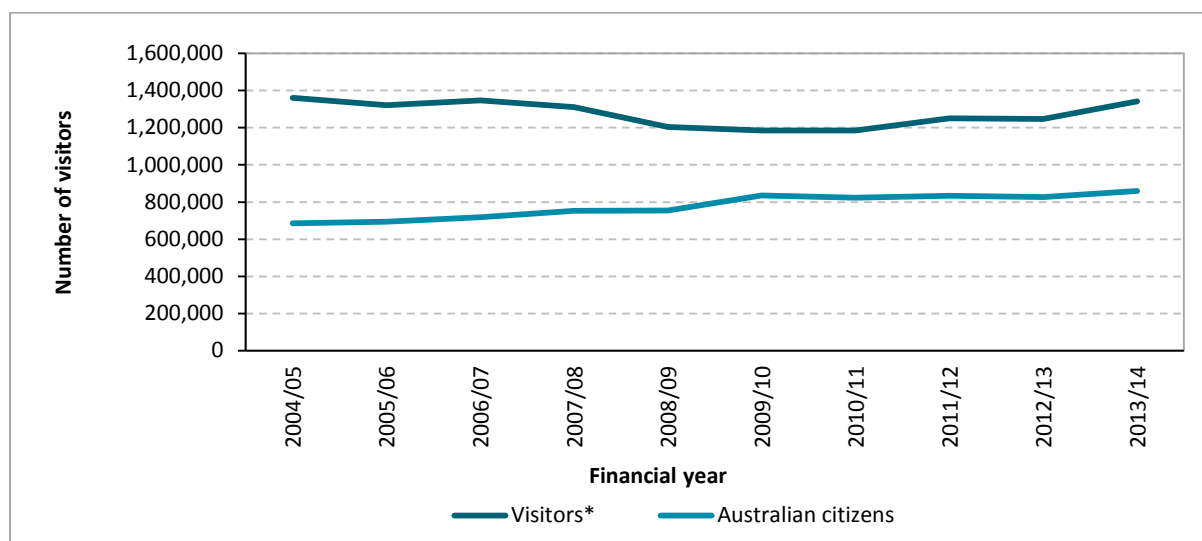
## 2.4 Temporary arrivals in New Zealand

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 1,560,000 people were granted a temporary visitor, student or work visa on their arrival in New Zealand in 2013/14. In addition, 858,800 Australian citizens travelled to New Zealand, up from 826,800 in 2012/13. (Australian citizens and permanent residents are granted a resident visa on arrival to New Zealand.)

The number of visitors in 2013/14 (excluding Australian citizens) was around 1.34 million, up 8 per cent from 2012/13. The number of arrivals by Australian citizens to New Zealand has remained relatively stable over the past five years, although the increase from 2012/13 is 4 per cent (see Figure 2.7).

Figure 2.7 Visitor and Australian citizen arrivals to New Zealand, 2004/05–2013/14



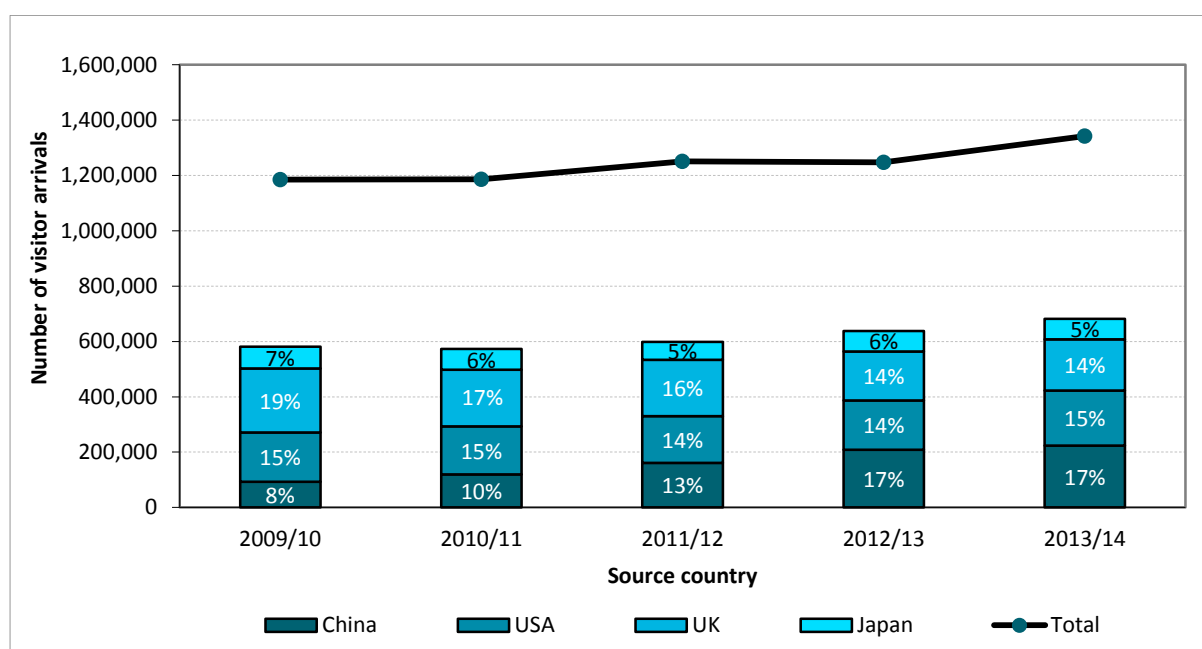
Note: \* Excludes Australian citizens.

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

### 2.4.1 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 2013/14. In recent years, China has become a major source country for visitors into New Zealand, compensating for the loss of visitors from the United Kingdom (see Figure 2.8).

Figure 2.8 Top four source countries of visitor arrivals, 2009/10–2013/14



Note: Excludes Australian citizens.

Source: MBIE.

Compared with the previous year, visitor arrivals from the top four countries increased, with the exception of Japan. The United States had the largest absolute increase in visitor arrivals (up 21,300

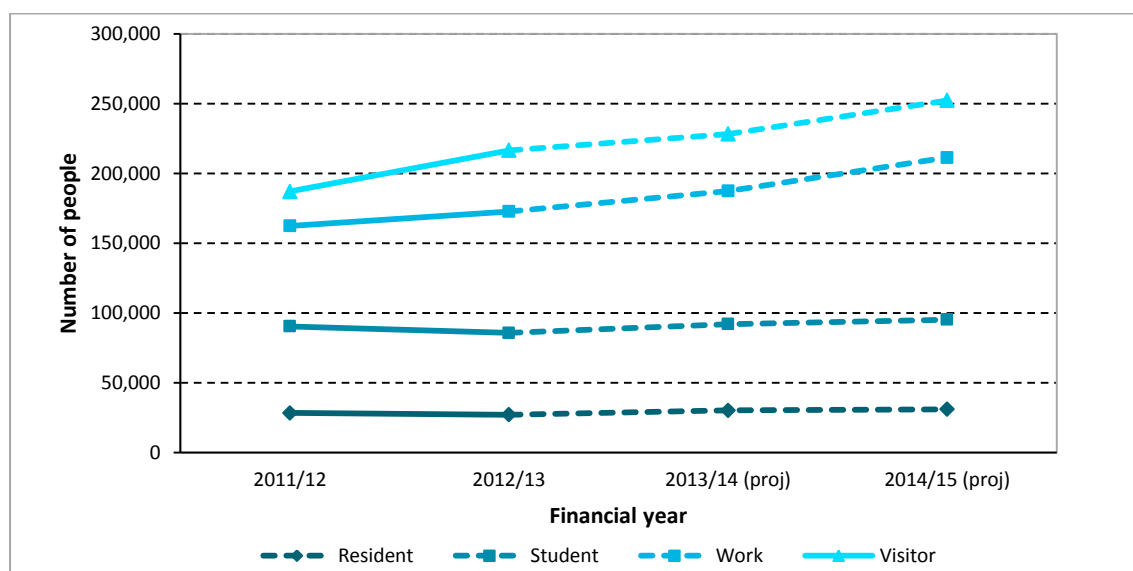
people or 12 per cent) followed by China (up 14,300 people or 7 per cent) and the United Kingdom (up 8,000 or 5 per cent).

### 2.4.2 Visa forecasts

In 2011/12, MBIE commissioned the development of a visa applications forecast model. The model uses international macroeconomic data combined with historical visa data to estimate future visa numbers. The model forecasts visa applications so is a measure of future demand. The model does not estimate decline rates or the number of people per application, which would (in the case of resident visas) influence the total number of people approved.

Currently, the short-term outlook is strongest for temporary visa applications, particularly visitors, with the growth in tourism from North Asia expected to continue. Work visa applications are projected to increase over the next two years, while the increase in student visas is expected to be modest. The model projects a modest increase in resident visa numbers, taking application numbers towards 30,000 annually over the next two years. As mentioned above, the number of people approved for resident visas will depend on the average family size and the decline rate.

Figure 2.9 Visa application forecasts by category, 2013/14 and 2014/15



Note: proj = projected.

Source: MBIE.

## 3 International students

### Highlights in 2013/14

- A total of 73,150 international students were approved to study in New Zealand, an increase of 15 per cent from 2012/13, after decreases the two previous years.
- Fifty-three per cent (39,203 people) of international students were studying in New Zealand for the first time.
- As at 30 June 2014, there were 66,308 student visa holders in New Zealand. This represents an 11 per cent increase from the 59,718 student visa holders as at 30 June 2013.
- Just over half (52 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.<sup>10</sup> Furthermore, international education is a means for New Zealand to enhance the quality of its teaching and research, build human capital, strengthen educational partnerships with developing and developed nations, and increase trade in education services.<sup>11</sup> From 2011 to 2026, New Zealand aims to double the annual economic value of export education to \$5 billion through increasing international enrolments in its tertiary institutions, private providers and schools.<sup>12</sup>

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).<sup>13</sup> 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 from their studies, especially if they are qualified and employed in areas with skill shortages.

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<sup>10</sup> Infometrics. (2015). *The economic impact of international education 2014*. Wellington: Education New Zealand. Retrieved March 2015 from: [http://enz.govt.nz/sites/public\\_files/ExportEd2014.pdf](http://enz.govt.nz/sites/public_files/ExportEd2014.pdf)

<sup>11</sup> New Zealand Government. (2007). *The international education agenda: A strategy for 2007–2012*. Wellington: Ministry of Education. Retrieved November 2014 from: [www.minedu.govt.nz/~media/MinEdu/Files/EducationSectors/InternationalEducation/PolicyStrategy/11950%20ie%20agenda%20final%20download%20100807.pdf](http://www.minedu.govt.nz/~media/MinEdu/Files/EducationSectors/InternationalEducation/PolicyStrategy/11950%20ie%20agenda%20final%20download%20100807.pdf)

<sup>12</sup> New Zealand Government. (2011). *Leadership statement for international education*. Wellington: Ministry of Education. Retrieved November 2014 from: [www.minedu.govt.nz/~media/MinEdu/Files/EducationSectors/InternationalEducation/PolicyStrategy/LeadershipStatement2011.pdf](http://www.minedu.govt.nz/~media/MinEdu/Files/EducationSectors/InternationalEducation/PolicyStrategy/LeadershipStatement2011.pdf)

<sup>13</sup> OECD. (2012). *Education at a glance 2012: OECD indicators*. Paris: Organisation for Economic Co-operation and Development.

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.<sup>14</sup>

## 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.<sup>15</sup>

Generally, foreign nationals who want to study for more than three months must apply for a student visa (and the education provider must be registered by the New Zealand Qualifications Authority if it is a private training establishment, and all providers must be signatories to the Ministry of Education's Code of Practice for the Pastoral Care of International Students).<sup>16</sup> However, some Working Holiday Scheme visa holders can undertake study in New Zealand for up to six months.<sup>17</sup>

### 3.2.1 International student trends

In 2013/14, the number of international students approved to study in New Zealand (73,510) increased 15 per cent from 2012/13. This follows a 7 per cent year-on-year decrease in each of the previous two years.

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 2013/14. India was the second largest source country in 2013/14 (19 per cent), followed by South Korea (7 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 last 10 years. The number of students from China decreased to 15,000 in 2009/10 before gradually increasing in the last four years.

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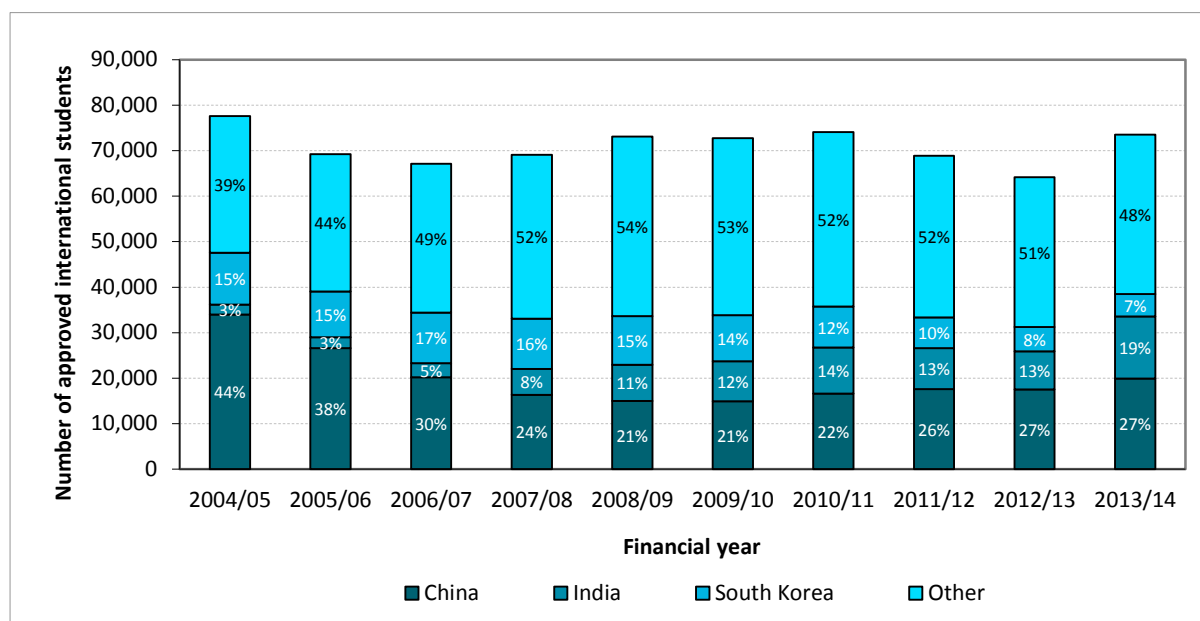
<sup>14</sup> Unless otherwise stated, this analysis is of individuals who at any time in 2013/14 were issued a visa, not of the total number of visas issued. For example, if one person was issued more than one visa in 2013/14, only the most recent visa was used in the analysis in this chapter.

<sup>15</sup> Wilkinson, A., Merwood, P., & Masgoret, A.-M. (2010). *Life after study: International students' settlement experiences in New Zealand*. Wellington: Department of Labour. Retrieved November 2014 from: [www.dol.govt.nz/publications/research/life-after-study/index.asp](http://www.dol.govt.nz/publications/research/life-after-study/index.asp)

<sup>16</sup> Australian citizens and residents do not need a student visa to study in New Zealand.

<sup>17</sup> 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, 2004/05–2013/14



Note: 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 2012/13, India had the largest absolute increase (5,294 students or 63 per cent), followed by China (2,382 or 14 per cent) while the number of students from South Korea decreased by 9 per cent. The growth in students from India was mainly due to a doubling 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

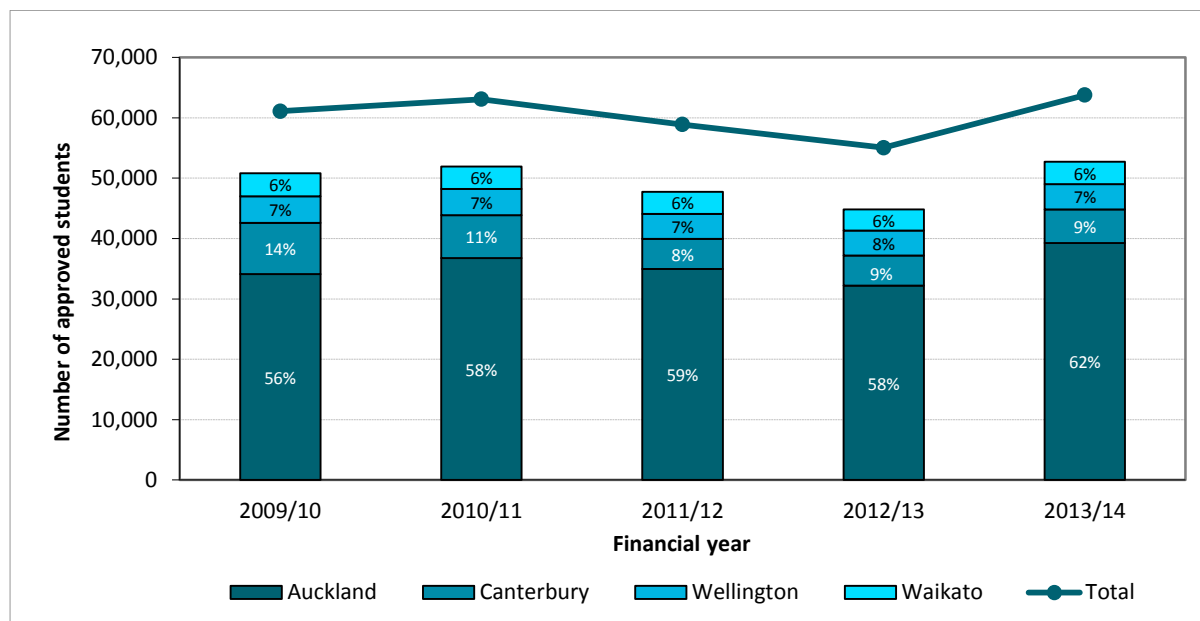
In 2013/14, fewer female international students were approved for study in New Zealand than males (44 per cent compared with 56 per cent). Within the top three source countries of international student approvals in 2013/14, 80 per cent of students from India were male while students from China and South Korea were evenly split between males and females. Appendix *Temporary Visa Holders* shows the proportion of female international students by age group and source country in 2013/14.

In 2013/14, most international students were aged 16–29 (73 per cent) with a further 19 per cent aged under 16. The median age for international students was 20 years. Across the main source countries, the median age was 21 for international students from China, 22 from India and 18 from South Korea.

### 3.2.3 Region of study of international students

In 2013/14, more than three-fifths of students who specified a region of study were studying in Auckland. Figure 3.2 gives the proportion of students by region of study. There has been an increase of 22 per cent in the number of students studying in Auckland, up 7,033 from 32,207 in 2012/13. Although the proportion of students studying in Canterbury has not changed, the actual number has increased by 12 per cent, up by 600 from 4,992 in 2012/13. This increase is largely due to the increase in students studying at private training establishments in Canterbury.

Figure 3.2 Students by region of study, 2009/10–2013/14



Note: 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.

Source: MBIE.

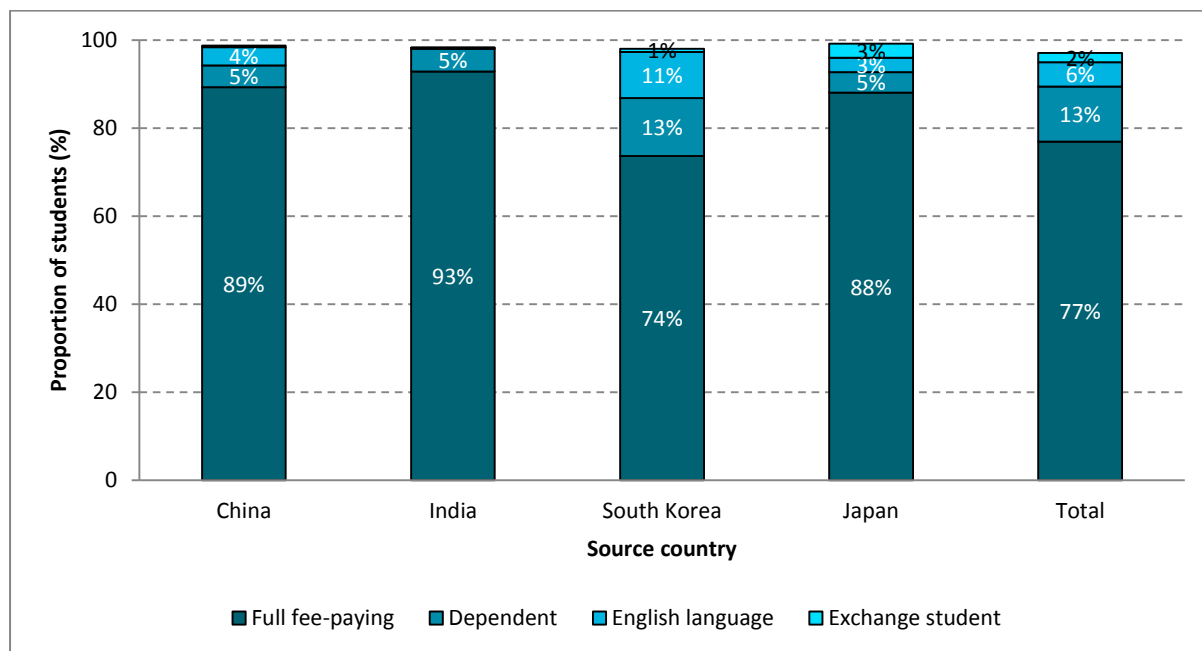
### 3.2.4 Fee payment and type of institution

In 2013/14, 77 per cent of students were full fee-paying students, 13 per cent were dependents of work visa holders and 6 per cent were doing English language studies.<sup>18</sup>

Figure 3.3 shows the proportion of students by fee type for the four main source countries in 2013/14. India has the highest proportion of students paying full fees compared with China, South Korea and Japan.

<sup>18</sup> 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 paying full fees or studying in private training establishments, 2013/14



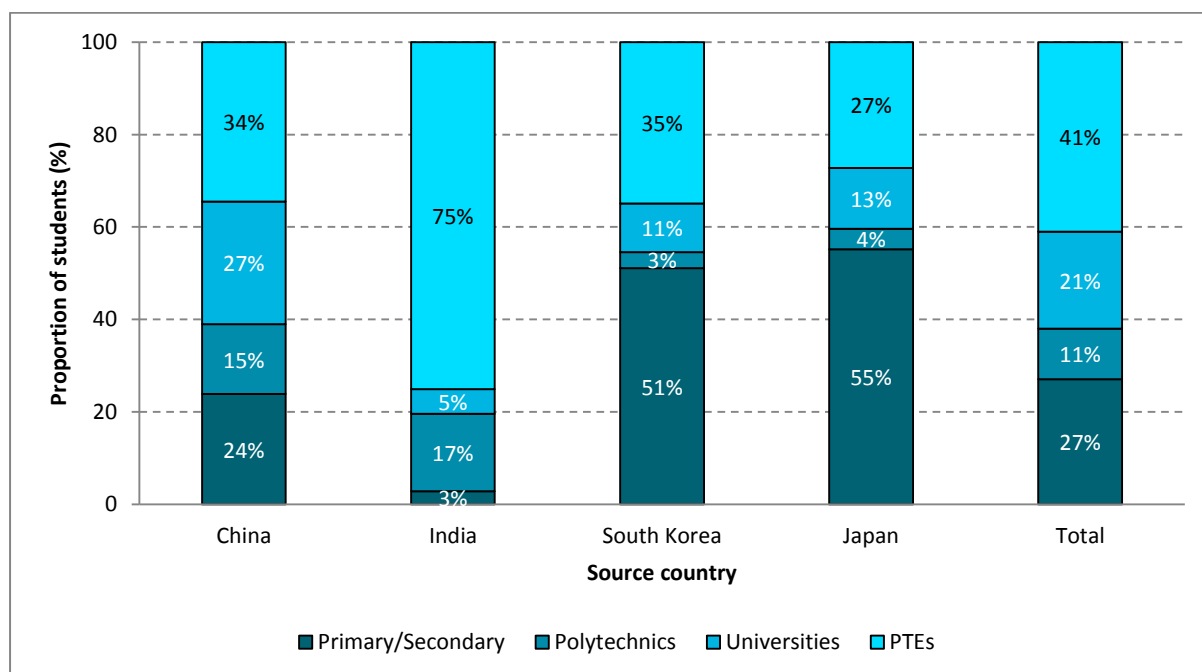
Note: This is a count of individuals approved for a student visa rather than the number of applications.

Source: MBIE.

Of the students who specified the type of educational institution, 41 per cent were studying in private training establishments and 21 per cent were studying in universities.

Figure 3.4 gives the proportion of students by educational institution for the four main source countries in 2013/14. India has the highest proportion of students studying at private training establishments while more than half of Japanese and South Korean students were at primary or secondary school.

Figure 3.4 Students by educational institution, 2013/14





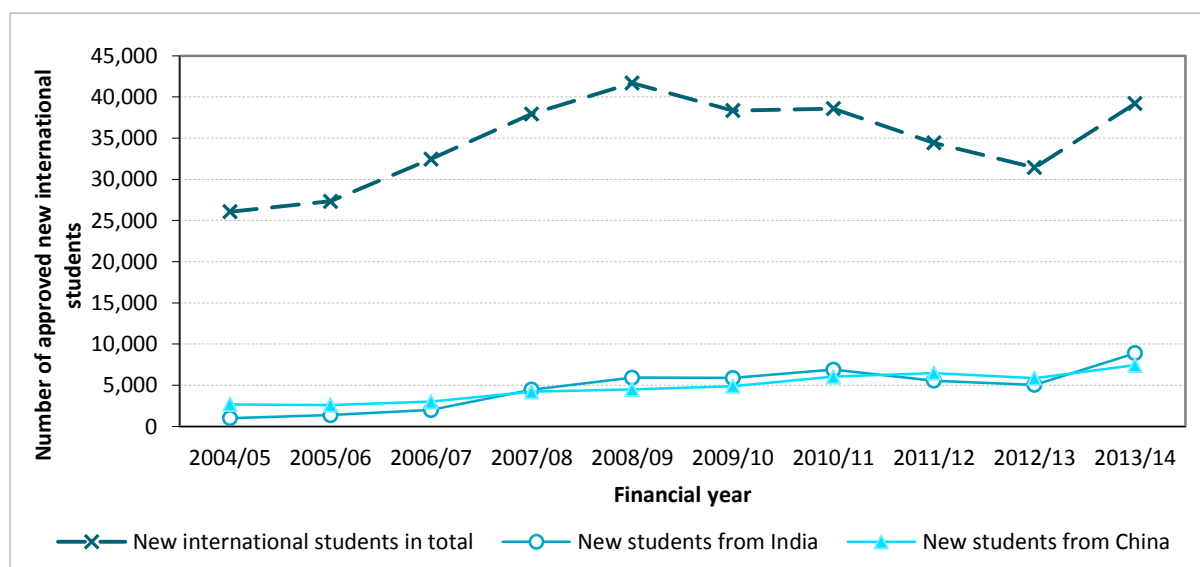
Note: This is a count of individuals approved for a student visa rather than the number of applications.  
 PTEs = private training establishments.  
 Source: MBIE.

### 3.3 New international students

In 2013/14, 39,203 new international students were approved to study in New Zealand, up 25 per cent from 31,444 in 2012/13.<sup>19</sup> New international students in 2013/14 made up 53 per cent of all international students. India recorded the largest absolute increase in new students (up 3,843 students or 76 per cent) from 2012/13.

Figure 3.5 shows the number of new international students approved each year over the last 10 years. The number of new international students peaked in 2001/02 (47,772 students), falling to 26,073 students by 2004/05. This decrease occurred because the number of new students from China decreased significantly from 20,144 to 2,686 over that period. From 2004/05 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.

Figure 3.5 New international students, 2004/05–2013/14



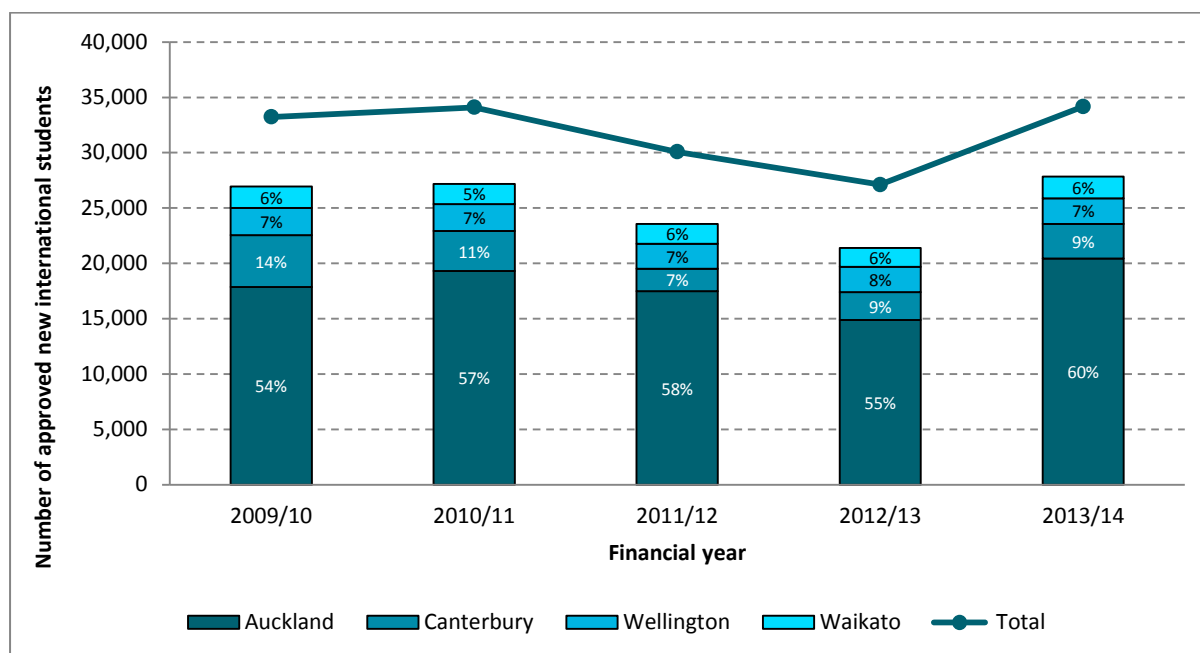
Note: This is a count of individuals approved for a student visa rather than the number of visa applications. The number of approved student visa holders will be lower than the number of student enrolments reported by the Ministry of Education.  
 Source: MBIE.

#### 3.3.1 Region of study of new international students

In 2013/14, three-fifths of new students who specified a region of study were studying in Auckland. Figure 3.6 gives the proportion of new students by region of study. There has been an increase of 37 per cent in the number of students studying in Auckland, up 5,540 from 14,884 in 2012/13. Although the proportion of students studying in Canterbury has not changed, the actual number has increased by 26 per cent, up by 644 from 2,502 in 2012/13.

<sup>19</sup> 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, 2009/10–2013/14



Note: 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.

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, 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 should be seen as a snapshot rather than a maximum or minimum number present at one time.

Table 3.1 shows that on 30 June 2014 there were 66,308 student visa holders in New Zealand. This represents an 11 per cent increase from the 59,718 student visa holders as at 30 June 2013. More than three-quarters of student visa holders were full fee-paying students.

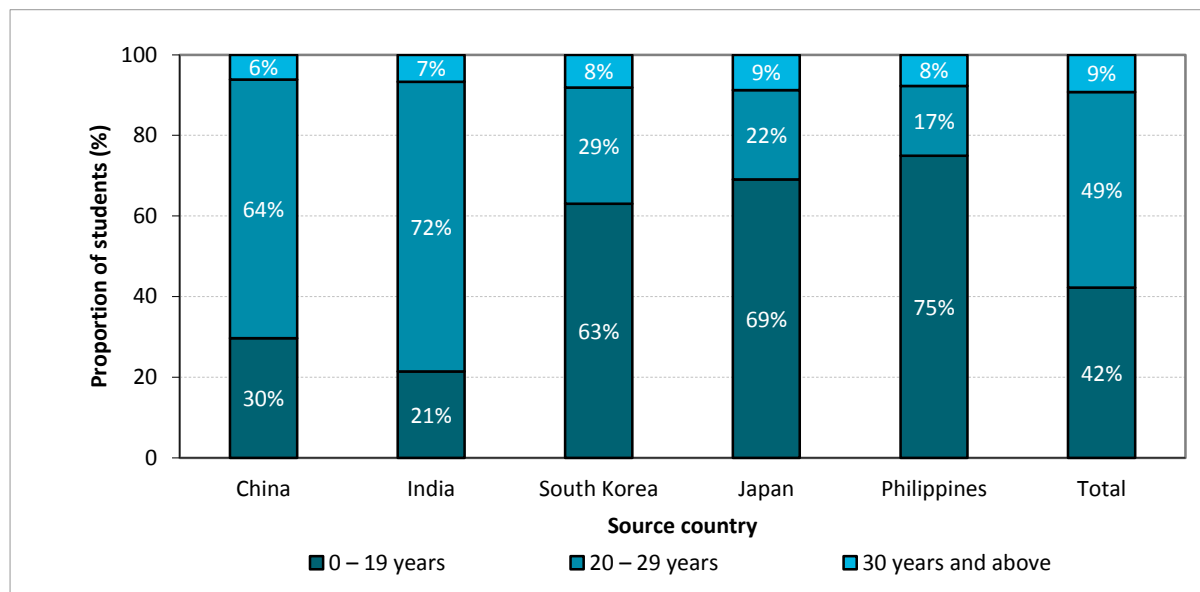
Table 3.1 Stock of student visa holders in New Zealand as at 30 June 2013 and 30 June 2014

Type of student	Number		Percentage of total (%)		Percentage change (%) from 30 June 2013
	At 30 June 2013	At 30 June 2014	At 30 June 2013	At 30 June 2014	
Full fee-paying	46,824	53,416	78.4	80.6	14.1
Other	12,894	12,892	21.6	19.4	0.0
<b>Total</b>	<b>59,718</b>	<b>66,308</b>	<b>100.0</b>	<b>100.0</b>	<b>11.0</b>

Source: MBIE.

As at 30 June 2014, about one-quarter (28 per cent) of the student visa holders came from China. Students from India accounted for 18 per cent of student visa holders, followed by South Korea (7 per cent), Japan (4 per cent) and the Philippines (3 per cent). While the majority of students are young (91 per cent under 30 years), 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 the majority of 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 2014



Source: MBIE.

## 4 Temporary workers

### Highlights in 2013/14

- A total of 155,794 people were granted a work visa, an increase of 7 per cent from 2012/13. The United Kingdom was the largest source country, followed by India, China and Germany.
- A total of 26,502 people were approved to work in New Zealand under the Essential Skills policy, an increase of 18 per cent from 2012/13. This was the second year-on-year increase in Essential Skills workers since the start of the global financial crisis, and it reflects the overall growth in labour demand in New Zealand and the rebuild in Canterbury.
- Across the 41 Working Holiday Schemes, 54,647 people were approved to work in New Zealand, an increase of 12 per cent from 2012/13.
- Of the 26,780 people approved for family work visas in 2013/14, the top source countries were India, China and the United Kingdom.
- As at 30 June 2014, there were 110,931 work visa holders in New Zealand. This compares with 106,554 work visa holders as at 30 June 2013.

### 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 that 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.<sup>20</sup>

Foreign nationals who do not have residence and who want to work in New Zealand require a work visa in most circumstances.<sup>21</sup> 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.

There are three main work policies.

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<sup>20</sup> Unless otherwise stated, this analysis is of individuals who at any time in 2013/14 were issued a visa, not of the total number of visas issued. For example, if one person was issued more than one visa in 2013/14, only the most recent visa was used in the analysis in this chapter.

<sup>21</sup> Australian citizens and residents do not need a work visa to work in New Zealand.

- 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.<sup>22</sup>
- The 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.

Other policies such as Study to Work; Specific Purpose or Event; Horticulture and Viticulture Seasonal Work; and Work to Residence are not examined in detail in this chapter.

All work visa policies are summarised in appendix *Temporary Visa Holders*.

## 4.2 Temporary worker trends

In 2013/14, 155,794 people were issued with work visas, an increase of 7 per cent from 144,936 in 2012/13. The number of temporary workers grew on average by 7 per cent annually over the decade to 2013/14.

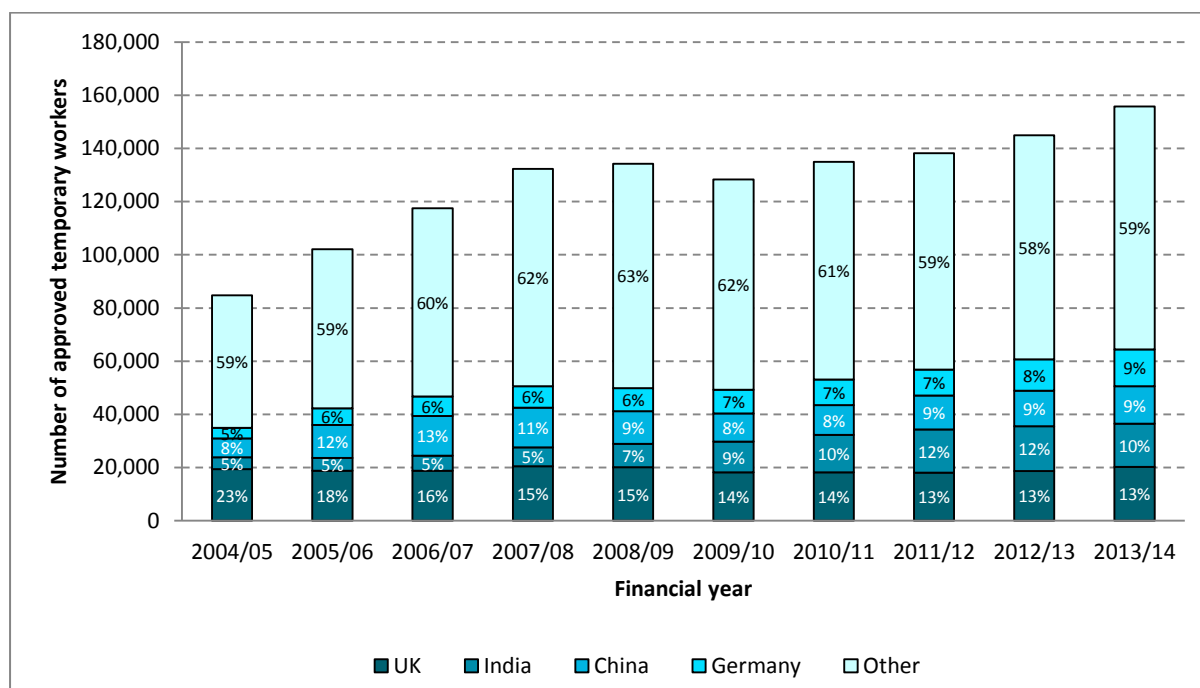
Figure 4.1 shows the top four source countries of temporary workers over the last 10 years. In 2013/14, the United Kingdom was the largest source country of temporary workers (20,240 people), followed by India (16,248 people), China (14,076 people) and Germany (13,871 people).

The number of temporary workers from the top source countries increased from 2012/13 to 2013/14 with the United Kingdom increasing 8 per cent, China 6 per cent and Germany 17 per cent, while India decreased by 3 per cent. For the number of approved temporary workers by source country from 1997/98 to 2013/14, see appendix *Temporary Visa Holders*.

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<sup>22</sup> The United States and China do not have reciprocal arrangements with New Zealand.

Figure 4.1 Top four source countries of temporary workers, 2004/05–2013/14



Note: 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-six per cent of work visa holders in 2013/14 were aged 20–29 and 24 per cent were aged 30–39. The median age was 27. Of the main source countries, the United States had the highest median age at 29 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.

Over the same period, the proportion of male workers increased from 53 per cent in 2004/05 to 57 per cent in 2013/14.

#### 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 69 per cent of all temporary workers in 2013/14.

Across the three main work policies, the number of people approved for work visas in 2013/14 increased compared with 2012/13. The number of people approved for work visas under the Working Holiday Scheme had the largest absolute increase (6,016 people or 12 per cent), followed by the number approved under the Essential Skills policy (4,096 people or 18 per cent) and Family policy (1,339 people or 5 per cent).

Table 4.1 Approved temporary workers by work visa policies, 2009/10–2013/14

Work visa policy	Financial year				
	2009/10	2010/11	2011/12	2012/13	2013/14
Working Holiday Schemes	39,969	43,258	43,030	48,631	54,647
Family	25,372	25,540	25,506	25,441	26,780
Essential Skills	22,947	22,341	22,065	22,406	26,502
Specific Purpose or Event	12,617	13,408	13,558	13,620	15,242
Study to Work	10,113	11,758	14,058	14,883	11,840
Horticulture and Viticulture Seasonal Work	8,323	8,469	9,103	9,588	10,836
Work to Residence	2,556	2,662	2,510	2,525	2,475
Other	9,077	9,623	10,187	9,745	9,416
<b>Total</b>	<b>128,296</b>	<b>135,010</b>	<b>138,161</b>	<b>144,936</b>	<b>155,794</b>

Note: Related work visa policies have been grouped. Columns may sum to more than 100 per cent 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.<sup>23</sup>

#### *Trends and outlook*

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.<sup>24</sup> After four years of decreases, the number of Essential Skills workers approved increased by 2 per cent in 2012/13. This was followed by an 18 per cent increase in 2013/14, with 26,502 Essential Skills workers approved, and reflects the overall growth in labour demand in New Zealand and the rebuild in Canterbury. As New Zealand's economic prospects remain sound and recent indicators point to continued steady growth, it is likely that the number of Essential Skills workers will continue to increase.<sup>25</sup>

#### *Source country*

The Philippines (with 3,990 people) surpassed the United Kingdom as the largest source country for Essential Skills workers in 2013/14. In addition, the Philippines had the largest absolute increase (920

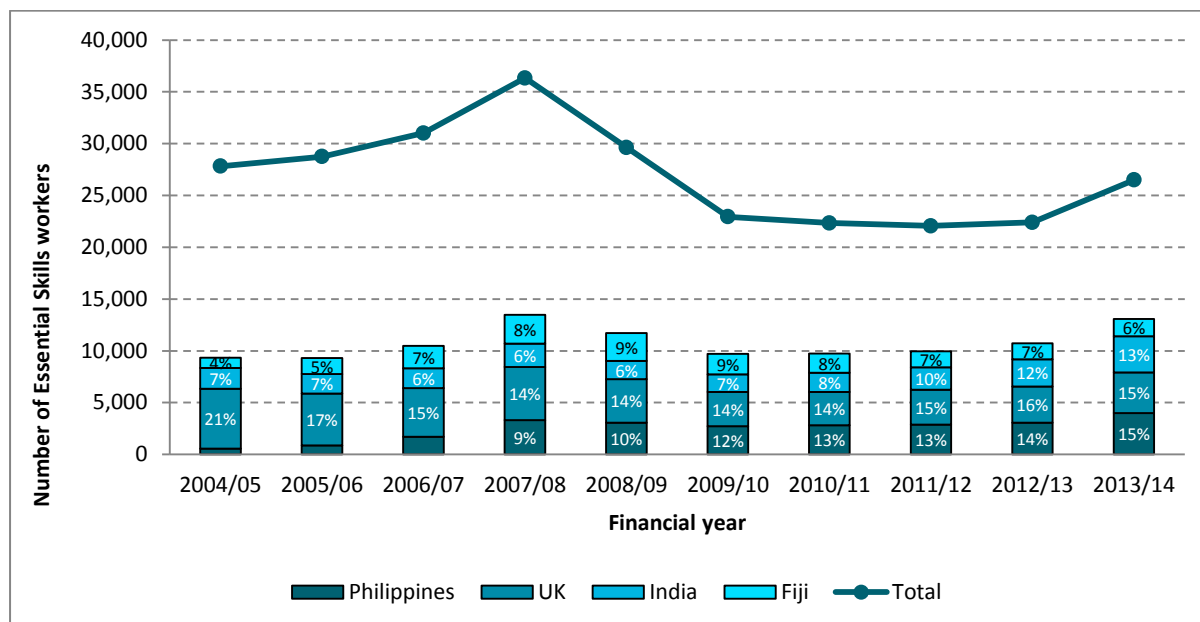
<sup>23</sup> The labour market test requires New Zealand employers to show they have made genuine efforts to attract and recruit suitable New Zealand citizens or residents to fill a position, but have been unable to find such people.

<sup>24</sup> This analysis includes the Approved in Principle, Essential Skills policy, Essential Skills policy – Skill Level 1, Specialist Skills policy, and the former General Work policy.

<sup>25</sup> MBIE. (2014). *Quarterly labour market report: August 2014*. Wellington: MBIE. Retrieved October 2014 from: <http://www.dol.govt.nz/publications/lmr/labour-market-report/labour-market-report-aug-2014.pdf>

people or 30 per cent) from 3,070 in 2012/13. The United Kingdom (3,919 people), India (3,512 people) and Fiji (1,661 people) were the next largest source countries (see Figure 4.2) of Essential Skills workers. Over the last four years, the number of Essential Skills workers from India has been increasing year on year, with the number approved in 2013/14 double what it was in 2009/10.

Figure 4.2 Top source countries of Essential Skills workers, 2004/05–2013/14



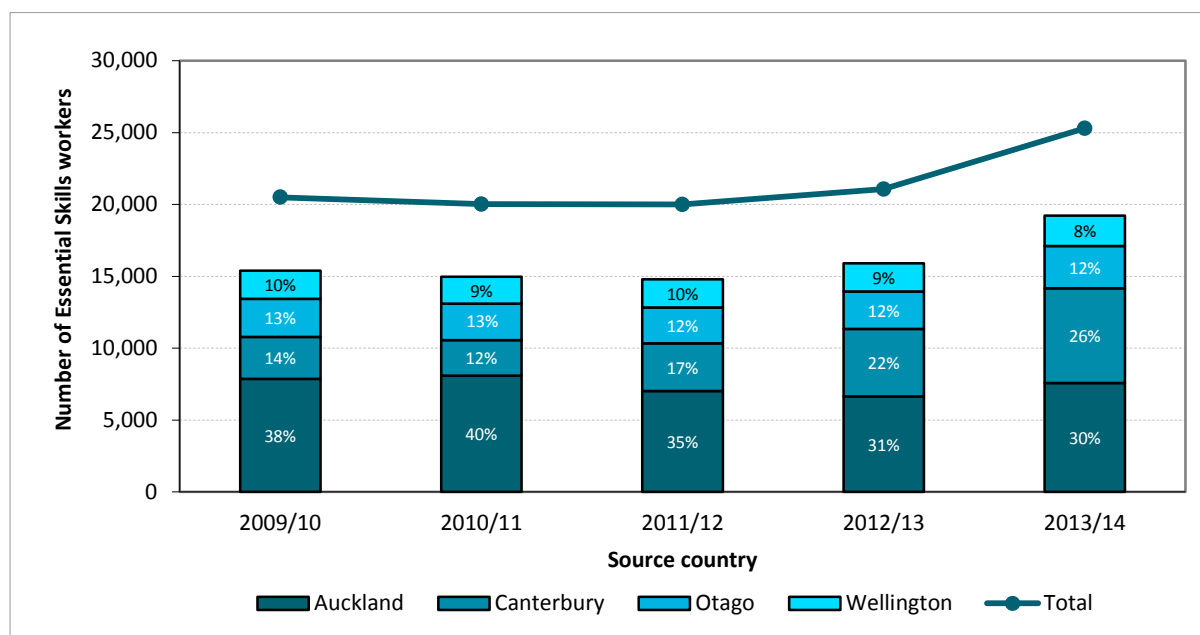
Source: MBIE.

### Region of employment and occupation

Of the 26,502 Essential Skills workers in 2013/14, 25,300 specified a region of employment. The main regions specified in 2013/14 were Auckland (30 per cent), Canterbury (26 per cent), Otago (12 per cent) and Wellington (8 per cent) (see Figure 4.3). In 2013/14, 6,591 people were approved for work visas under Essential Skills for a job offer in Canterbury, an increase of 40 per cent from 2012/13. This follows a 40 per cent and 34 per cent increase in the previous two years as the number of Essential Skills workers rebounded from a low in 2010/11 following the February 2011 Christchurch earthquake.



Figure 4.3 Main region of employment for Essentials Skills workers, 2009/10–2013/14



Source: MBIE.

Table 4.2 shows the occupation distribution for the main regions that Essential Skills workers settled in, in 2013/14. Overall, the occupation group Technicians and Trades Workers was the most common for Essential Skills workers (30 per cent), followed by Professionals (20 per cent) and Managers (16 per cent), and these are also the top three occupation groups for Auckland. The Canterbury rebuild is gathering pace with more than half of occupations being associated with Technicians and Trades Workers as well as Labourers. Community and Personal Service Workers and Labourers were the main occupation groups in Otago, while Professionals contributed 44 per cent of Essential Skills workers in Wellington.

Table 4.2 Occupation of Essential Skills workers by region, 2013/14

Major group	Per cent (%)				
	Auckland	Canterbury	Otago	Wellington	Total
Technicians and Trades Workers	35	40	15	21	30
Professionals	23	11	6	44	20
Managers	19	13	9	15	16
Labourers	2	16	24	3	12
Community and Personal Service Workers	8	11	24	10	11
Machinery Operators and Drivers	5	6	4	1	4
Sales Workers	3	2	15	2	3
Clerical and Administrative Workers	5	1	4	4	3
<b>Total*</b>	<b>7,528</b>	<b>6,585</b>	<b>2,940</b>	<b>2,096</b>	<b>25,638</b>

Notes: Major group is coded to the 2006 Australian and New Zealand Standard Classification of Occupations (ANZSCO 06).

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

Source: MBIE.

### **Main occupations**

A wide variety of occupations was recorded for people approved under the Essential Skills policy in 2013/14. The most common occupations were chef (8 per cent), dairy cattle farmer (5 per cent), carpenter (3 per cent), and café or restaurant manager (3 per cent). The number of carpenters approved has risen 91 per cent since 2012/13, with 88 per cent of them stating that Canterbury was their region of employment.

Two-thirds (66 per cent) of Essential Skills visa occupations were high-skilled on the ANZSCO classification of occupations.

### **Main occupations by source country**

Of the three main source countries for Essential Skills workers, the most common occupations were dairy cattle farmer (15 per cent) and carpenter (12 per cent) for the Philippines, resident medical officer (8 per cent) and carpenter (4 per cent) for the United Kingdom, and retail manager (12 per cent) and chef (11 per cent) for India.

### **Labour market tested work visas**

The Essential Skills policy and the horticulture and viticulture seasonal work policies are labour market tested work policies that allow New Zealand's employers to recruit workers from overseas to meet shortages they cannot meet from within New Zealand. The labour market test requirement for these policies also protects employment opportunities for New Zealand citizens and residents.<sup>26</sup>

In 2013/14, 37,179 people were approved for either an Essential Skills visa or a horticulture and viticulture seasonal work visa, an increase of 17 per cent from 2012/13. 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.<sup>27</sup> 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.<sup>28</sup>

In 2013/14, 54,647 people were approved under 41 Working Holiday Schemes, an increase of 12 per cent from 48,631 in 2012/13. Working Holiday Schemes with Germany (22 per cent), the United Kingdom (20 per cent) and France (13 per cent) contributed half of all working holidaymakers in 2013/14. 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 Germany and the United Kingdom had the

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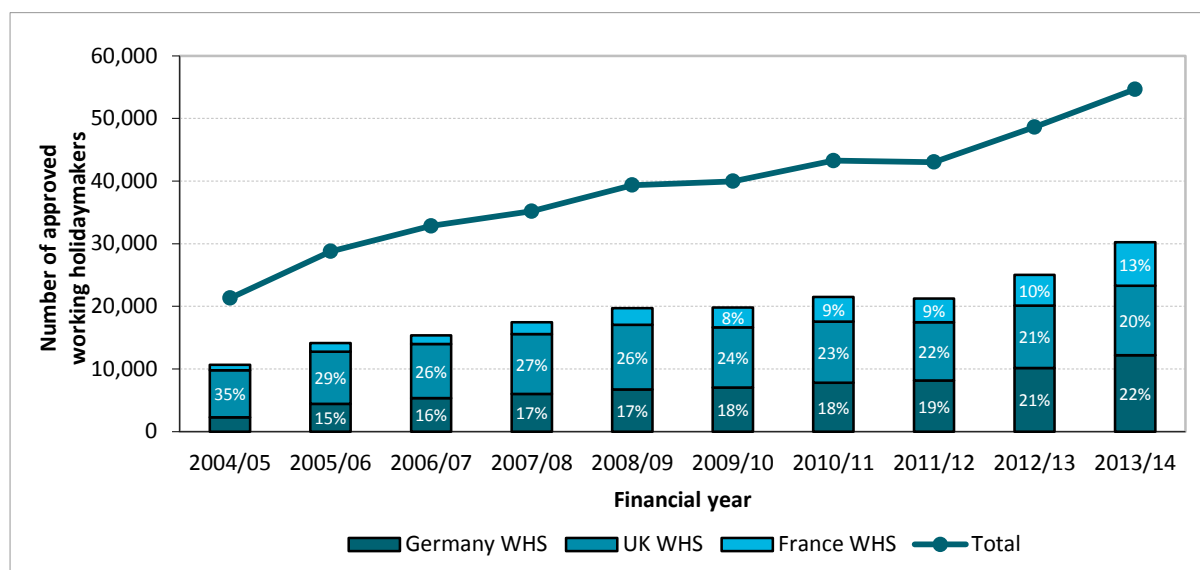
<sup>26</sup> The labour market test requires New Zealand employers to show they have made genuine efforts to attract and recruit suitable New Zealand citizens or residents to fill a position, but have been unable to find such people.

<sup>27</sup> 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.

<sup>28</sup> 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.

largest absolute increases from 2012/13 to 2013/14 (2,057 people and 2,056 people, respectively). For more information on working holidaymakers, see appendix *Temporary Visa Holders*.

Figure 4.4 Approved working holidaymakers, 2004/05–2013/14



Note: WHS = Working Holiday Scheme.

Source: MBIE.

While male and female working holidaymakers were evenly distributed in 2013/14, large differences existed within the individual schemes. For example, the number of females approved under the schemes with Singapore, Hong Kong, Malaysia, Thailand, Taiwan and Austria was more than double the number of males.

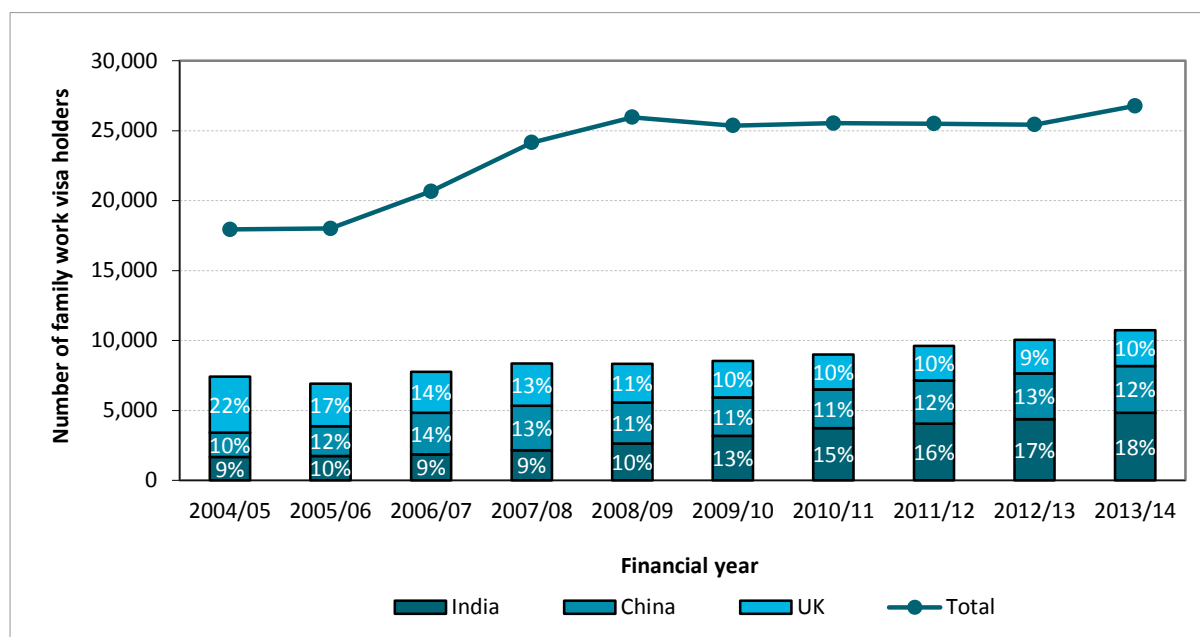
For the top three schemes in 2013/14, working holidaymakers from Germany (median age of 19 years) were generally younger than working holidaymakers from the United Kingdom or France (both with a median age of 24 years).

### 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 three source countries. The number of people approved for family work visas increased from 2005/06 to 2008/09 and has remained steady since then with a 5 per cent increase in 2013/14.

Figure 4.5 People approved for family work visas, 2004/05–2013/14



Source: MBIE.

Of the 26,780 people approved for family work visas in 2013/14, the top three source countries were India (18 per cent), China (12 per cent) and the United Kingdom (10 per cent).

#### Age and gender

In 2013/14, the median age of people approved for family work visas was 30 years and 65 per cent were females. People approved for family work visas from India (median age of 27 years) were younger than those from China and the United Kingdom (median age of 30 and 32 years respectively).

## 4.4 New temporary workers

In 2013/14, 96,148 new temporary workers were approved to work in New Zealand, up 7 per cent from 90,102 in 2012/13.<sup>29</sup> New temporary workers in 2013/14 made up 62 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 to the overall numbers of temporary workers each year.

<sup>29</sup> In this analysis, a worker is counted as 'new' the year in which their first work visa was approved.

Figure 4.6 New temporary workers, 2004/05–2013/14



Source: MBIE.

The work policy with the highest proportion of new workers was Working Holiday Schemes, with 97 per cent of working holidaymakers on their first visa, while 40 per cent of those on Family work visas and 30 per cent of those on Essential Skills visas were on their first work visa.

## 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, 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 more temporary workers likely to be in New Zealand in summer with the arrival of working holidaymakers and seasonal workers. This data should be seen as a snapshot rather than a maximum or minimum number present at one time.

On 30 June 2014, there were 110,931 work visa holders in New Zealand (see Table 4.3). This compares with 106,554 work visa holders as at 30 June 2013 – an increase of 4 per cent. The main policies for work visa holders are Working Holiday Schemes, Family, Essential Skills and Study to Work. Compared with 30 June 2013, only the number of work visa holders on a Study to Work visa decreased (14 per cent).

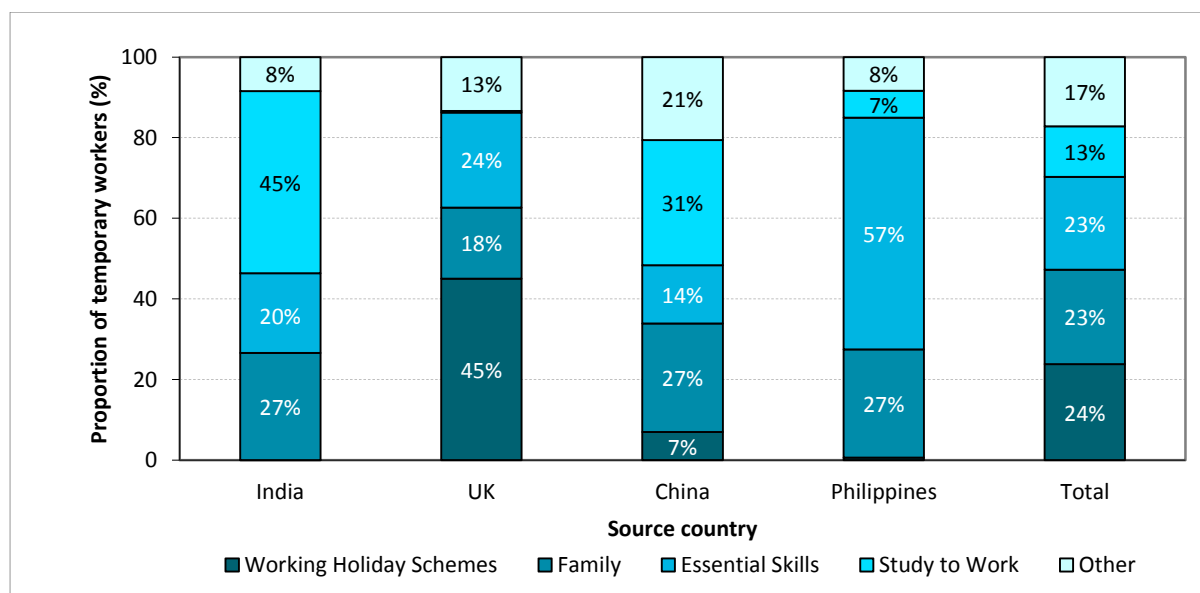
Table 4.3 Stock of work visa holders in New Zealand as at 30 June 2013 and 30 June 2014

Work policies	Number		Percentage of total (%)		Percentage change (%) from 30 June 2013
	At 30 June 2013	At 30 June 2014	At 30 June 2013	At 30 June 2014	
Working Holiday Schemes <sup>30</sup>	24,339	26,397	22.8	23.8	8.5
Family	24,852	26,052	23.3	23.5	4.8
Essential Skills	22,285	25,485	20.9	23.0	14.4
Study to Work	16,175	13,944	15.2	12.6	-13.8
Other	18,903	19,053	17.7	17.2	0.8
<b>Total</b>	<b>106,554</b>	<b>110,931</b>	<b>100.0</b>	<b>100.0</b>	<b>4.1</b>

Source: MBIE.

As at 30 June 2014, 15 per cent of work visa holders came from India. This is followed by work visa holders from the UK (13 per cent), China (9 per cent), the Philippines (7 per cent) and Fiji (4 per cent). Figure 4.7 presents the work policies that migrants held at 30 June 2014 for the main source countries. The majority of work visa holders from India (45 per cent) and China (31 per cent) had Study to Work visas. Forty-five per cent of work visa holders from the United Kingdom were working holidaymakers while more than half (57 per cent) of work visa holders from the Philippines were on the Essential Skills work policy.

Figure 4.7 Type of work visa holders for the main source countries as at 30 June 2014



Source: MBIE.

<sup>30</sup> The number of Working holidaymakers fluctuates over the year with more arriving in the summer months. For more information see: <http://www.dol.govt.nz/publications/research/labour-market-outcomes-recent-migrants-nz/recent-migrants-nz.pdf>

## 5 Migrant pathways and retention

### Highlights in 2013/14

- In 2013/14, 16 per cent of full fee-paying students had gained residence within five years of their first student visa and 17 per cent of temporary workers had gained residence within three years of their first work visa.
- For workers whose first work visa was in 2010/11, the proportion gaining residence was highest for the Work to Residence Category (68 per cent) followed by Family (63 per cent), Study to Work (41 per cent) and Essential Skills (40 per cent) categories. All four of these temporary work categories have a pathway to residence.
- The average length of time between first student visa and residence approval for skilled principal migrants approved in 2013/14 was 4.5 years.
- The average length of time between first work visa and residence approval for skilled principal migrants approved in 2013/14 was 2.5 years.
- Most (82 per cent) of the 44,008 people approved for a resident visa in 2013/14 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.<sup>31</sup>

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 2013/14 is included at the end of this chapter.

### 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.

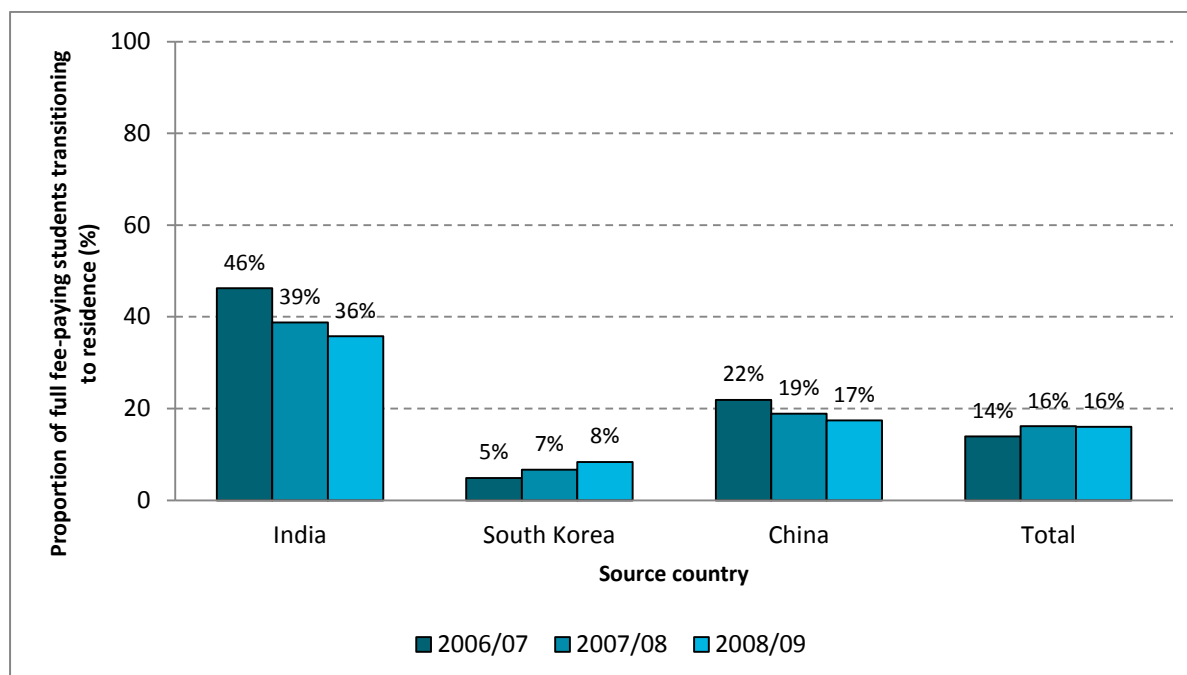
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<sup>31</sup> Department of Labour. (2009). *New faces, new futures: New Zealand. Findings from the longitudinal immigration policy: New Zealand (LisNZ) – wave one*. Wellington: Department of Labour.

### 5.2.1 Student transition by source country

Figure 5.1 shows the proportion of full fee-paying students gaining residence within five years by top source country. Of the main source countries, India has the highest proportion of students gaining residence (36 per cent for those whose first year was in 2008/09) when compared with all students (16 per cent). The proportion of students from India is double that from China (17 per cent). While the overall proportion of students gaining residence has remained stable, the proportion from India and China has fallen gradually over the last three years.

Figure 5.1 Proportion of first-time full fee-paying students gaining residence within five years, by top source country, 2006/07–2008/09



Note: Top source countries based on the top source countries for first-time full fee-paying students in 2006/07–2008/09. 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 2008/09 and who gained residence by 2013/14, 58 per cent gained residence as a skilled principal migrant. Students from India were more likely to gain residence as a principal skilled migrant (75 per cent) than those from South Korea (60 per cent) and China (42 per cent).

### 5.2.2 Student transition by level of study

One of the objectives in the Ministry of Education Leadership Statement for International Education (2011)<sup>32</sup> is to increase the transition rate from study to residence for international students with bachelor 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 in the

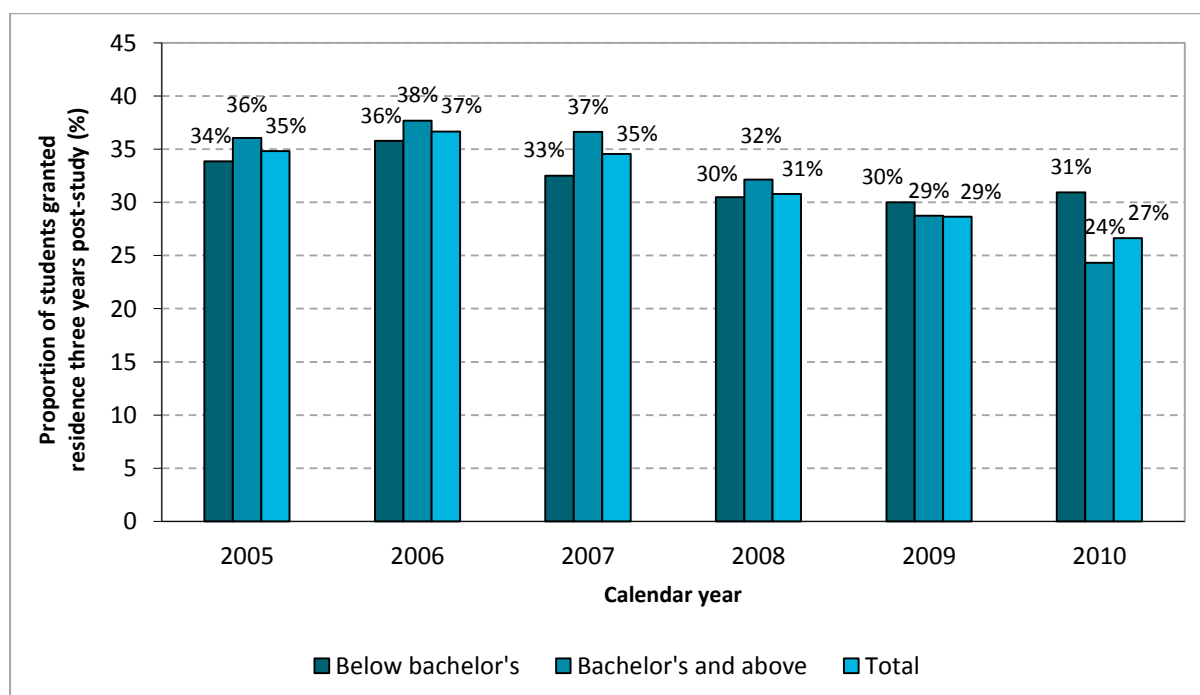
<sup>32</sup> Ministry of Education. (2011). *Leadership statement for international education*. Retrieved from <http://www.minedu.govt.nz/~media/MinEdu/Files/EducationSectors/InternationalEducation/PolicyStrategy/LeadershipStatement2011.pdf>



Integrated Data Infrastructure which is made available through Statistics New Zealand.<sup>33</sup> The results are presented by calendar year for students who have matched records in both the immigration and tertiary education datasets. The analysis takes calendar year cohorts of full fee-paying students and tracks them post-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 increased to 37 per cent for full-fee paying students completing their studies in 2006 but have been declining thereafter. The decline in transition rates is seen mainly in students completing bachelor level and above courses.

Figure 5.2 Proportion of full fee-paying students gaining residence within three years of their last student visa, by study cohort and level of study, 2005–2010



Note: The year in the graph refers to the year of the migrants' last student visa, not the year they were granted residence.

Note: The 2011-2013 cohorts were excluded from this analysis because migrants in those cohorts have not been in New Zealand for three years.

Source: MBIE.

### 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.

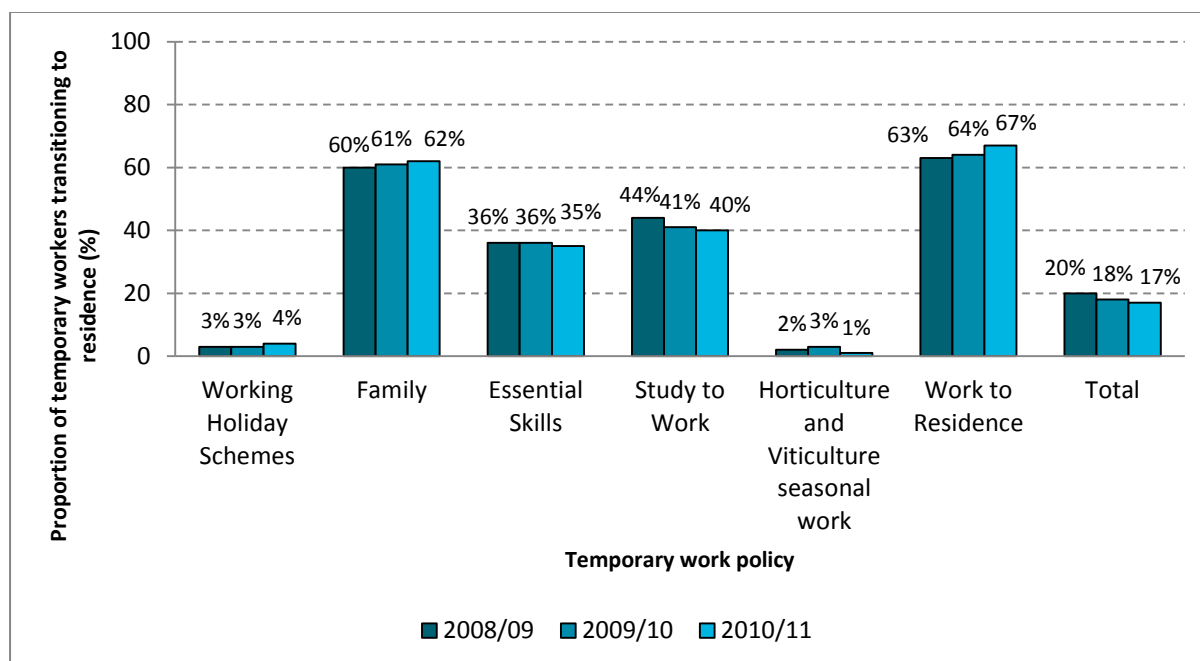
<sup>33</sup> Statistics New Zealand. (2013). *Introduction to the Integrated Data Infrastructure 2013*. Retrieved from [http://www.stats.govt.nz/browse\\_for\\_stats/snapshots-of-nz/integrated-data-infrastructure/introduction-idi-2013.aspx](http://www.stats.govt.nz/browse_for_stats/snapshots-of-nz/integrated-data-infrastructure/introduction-idi-2013.aspx)

### 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 2010/11, the proportion gaining residence was highest for the Work to Residence Category (67 per cent) followed by Family (62 per cent), Study to Work (40 per cent) and Essential Skills (35 per cent) categories. All four of these temporary work categories have a pathway to residence.

Of the Essential Skills workers whose first work visa was in 2010/11 and who gained residence by 2013/14, 84 per cent gained residence as a skilled principal migrant. For the Work to Residence temporary workers whose first work visa was in 2010/11 and who gained residence by 2013/14, 59 per cent gained residence as a skilled principal migrant and 20 per cent through the Residence from Work Category. While the intention of the Work to Residence category is for applicants to transition to residence through the Residence from Work Category, a large number chose to transition to residence through the SMC.

Figure 5.3 Proportion of first-time temporary workers gaining residence within three years, by top policy category, 2008/09–2010/11

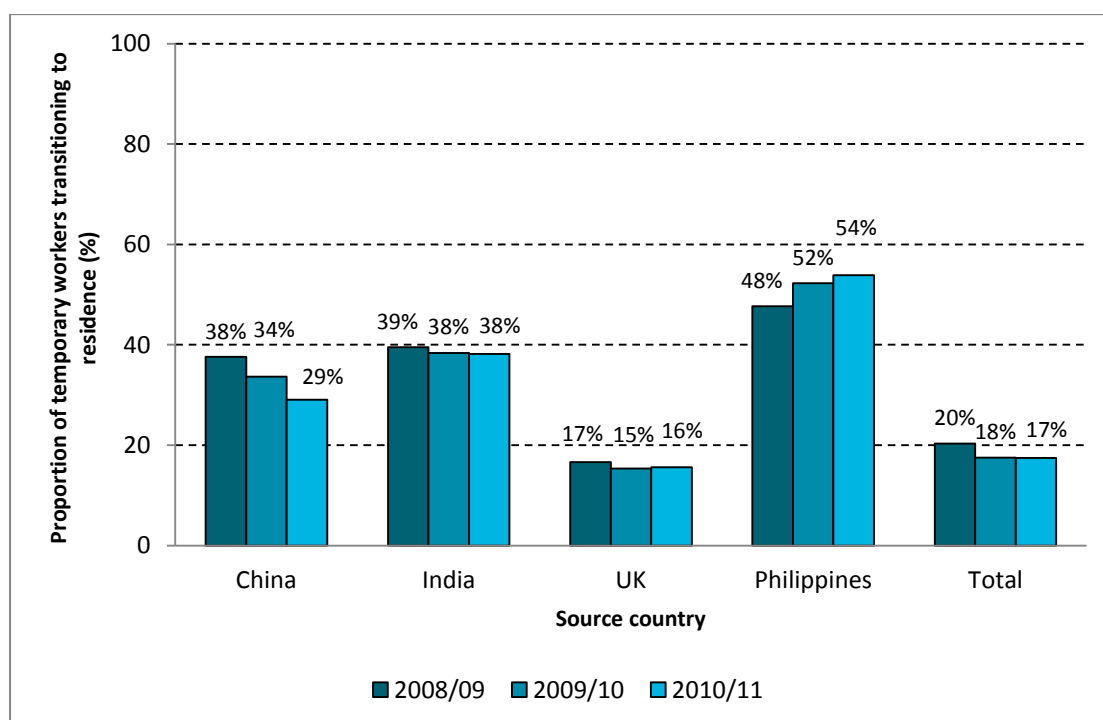


Note: Specific Purpose or Event policy has not been included in this graph as the conversion rate to residence is very small for this policy due to the often short-term nature of the work.

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 5.4 Proportion of temporary workers gaining residence within three years, by top source country, 2008/09–2010/11

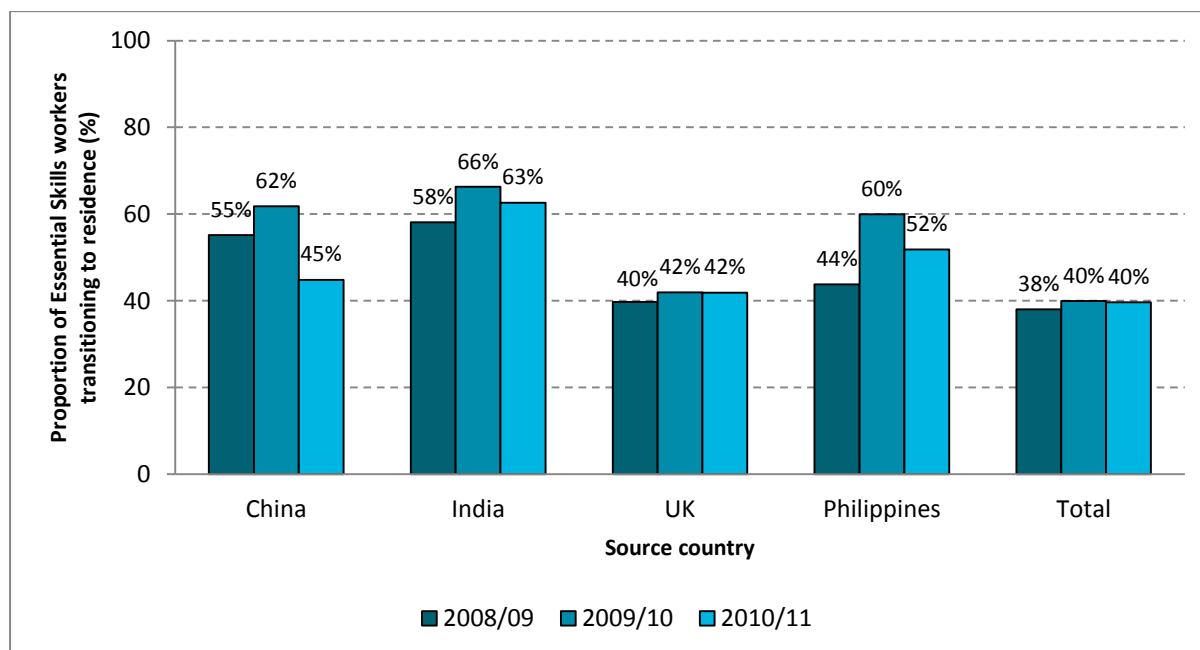


Note: Top source countries based on the top source countries for residence approvals in 2013/14. The year in the graph refers to the year of the migrants' first work visa, not the year they were granted residence. Source: MBIE.

Of those whose first work visa was in 2010/11 and who had gained residence by 2013/14, 41 per cent gained residence as a skilled principal migrant. Students from India (57 per cent) and the Philippines (54 per cent) were more likely than those from China (38 per cent) to gain residence as a principal skilled 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 gaining residence was similar to the overall proportion, the other three top source countries of China, India and the Philippines were all higher than the overall proportion. In 2010/11, India had the highest proportion of temporary workers gaining residence within three years (63 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, 2008/09–2010/11



Note: Top source countries based on the top source countries for residence approvals in 2013/14. The year in the graph refers to the year of the migrants' first Essential Skills work visa, not the year they were granted residence.

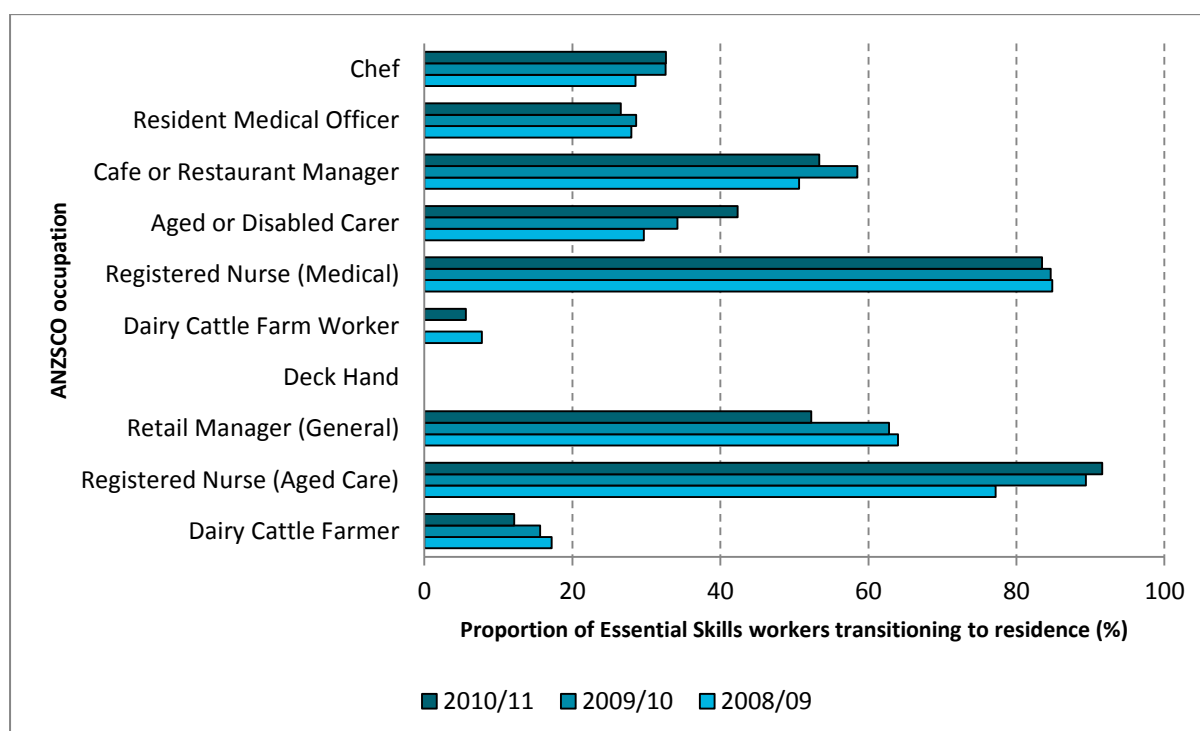
Source: MBIE.

Of those Essential Skills workers whose first work visa was in 2010/11 and who had gained residence by 2013/14, 80 per cent gained residence as a skilled principal migrant. There were differences by top source country with 94 per cent of Essential Skills workers from India gaining residence as a principal skilled migrant compared with 89 per cent from the Philippines, 88 per cent from China and 77 per cent from the United Kingdom.

Figure 5.6 shows the proportion of Essential Skills workers gaining residence within three years by top ANZSCO occupation. Low skilled occupations<sup>34</sup> 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 carer (ANZSCO level 4) in 2010/11, 42 per cent gained residence within three years; 78 per cent of those migrants gained residence as a principal skilled migrant with the most common occupation given as registered nurse.

<sup>34</sup> Defined as ANZSCO level 4 or 5.

Figure 5.6 Proportion of Essential Skills workers gaining residence within three years, by top ANZSCO occupation, 2008/09–2010/11



Note: Top ANZSCO occupations based on top ANZSCO occupations for first-time Essential Skills workers in 2008/09–2010/11.

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 the top ANZSCO occupations, registered nurse (aged care) and registered nurse (medical) had the highest proportion gaining residence within three years, 92 per cent and 83 per cent respectively for those whose first work visa was in 2010/11.

Essential Skills workers in high skilled ANZSCO occupations (skill levels 1–3) were twice as likely as low skilled ANZSCO occupations (skill levels 4–5) to gain residence within three years. Of those high skilled Essential Skills workers whose first work visa was in 2010/11, 46 per cent had gained residence within three years compared with 23 per cent of Essential Skills workers in a low skilled occupation.

## 5.4 Migrants who take up residence

Most migrants approved for residence from 2009/10 to 2012/13 arrived in New Zealand to take up residence or were in New Zealand when approved.<sup>35,36</sup> Of the 165,865 people approved during this period, 162,163 (98 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.

<sup>35</sup> The 2013/14 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.

<sup>36</sup> 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, 2009/10–2012/13

Residence approval category	Approvals	Arrivals	Arrival rate (%)
Skilled/Business Stream	92,056	89,713	97.5
Skilled*	89,702	87,395	97.4
Investor	742	727	98
Entrepreneur	1,546	1,525	98.6
Other	66	66	100
Family Stream	62,303	61,347	98.5
Partnership	37,757	37,394	99
Parent	15,900	15,581	98
Other	8,646	8,372	96.8
International/Humanitarian Stream	11,506	11,103	96.5
<b>Total</b>	<b>165,865</b>	<b>162,163</b>	<b>97.8</b>

Note: \* Includes General Skills and Work to Residence categories.

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 that 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.<sup>37</sup>

### 5.5.1 Retention of migrants by year of residence approval

The proportion of migrants remaining in New Zealand two and five years after residence approval has been slowly increasing. Between 2001/02 and 2008/09, the proportion of residents still in New Zealand after two years increased 4.9 percentage points (see Table 5.2). Over the same period, the proportion of residents still in New Zealand after five years increased 7.1 percentage points.

<sup>37</sup> 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 2001/02–2008/09

Financial year	Total approved	Total arrived	% arrived	% in NZ 2 years after arrival	% in NZ 5 years after arrival
2001/02	52,856	50,626	95.8	89.9	79.6
2002/03	48,538	46,316	95.4	90.4	80.3
2003/04	39,017	37,687	96.6	92.3	82.3
2004/05	48,815	47,571	97.5	93.1	83.1
2005/06	51,236	50,160	97.9	92.7	83.1
2006/07	46,964	45,935	97.8	93.9	84.6
2007/08	46,077	45,081	97.8	94.6	85.0
2008/09	46,097	45,077	97.8	94.8	86.7
2009/10	45,719	44,681	97.7	94.7	
2010/11	40,737	39,725	97.5	94.9	
2011/12	40,448	39,619	98.0	96.0	

Notes: The 2012/13–2013/14 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 (80 per cent) for those granted residence between 2006/07 and 2012/13 (see Table 5.3). In contrast, migrants approved for residence during the same period through the International/Humanitarian Stream had the highest retention rate (92 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 (83 per cent).

Of the main source countries of those granted residence between 2006/07 and 2012/13, Fiji and Tonga had the highest proportion remaining in New Zealand (97 per cent). The United States and China had the lowest proportions (76 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 lowest proportion remaining in New Zealand. At 30 June 2014, 79 per cent of migrants approved in 2006/07 remained in New Zealand compared with 96 per cent of those approved in 2012/13. A recent study by MBIE 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.<sup>38</sup>

For more information on the proportion of migrants remaining in New Zealand by stream and source country, see appendix *Transitions and Retention*.

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<sup>38</sup> MBIE. (2012). *Retention of migrants and onward migration from New Zealand: 1998–2012*. Wellington: MBIE.



Table 5.3 Proportion of migrants in New Zealand as at 30 June 2014 by residence stream, 2006/07–2012/13

Residence approval stream	Percentage of migrants in New Zealand as at 30 June 2014 (%)							
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	Total
Skilled/Business Stream	78	82	85	88	91	94	97	87
Skilled*	77	81	85	87	90	94	98	87
Investor	68	72	67	85	89	88	86	83
Entrepreneur	85	91	91	93	97	97	98	91
Other	100	20	100	100	100	93	95	93
Family Stream	80	82	84	86	87	92	94	87
Partnership	82	83	86	88	90	94	97	89
Parent	73	77	78	77	80	87	86	80
Other	85	86	88	89	88	91	94	88
International/Humanitarian Stream	89	90	90	93	92	95	98	92
Percentage in New Zealand as at 30 June 2014 (%)	79	83	85	87	89	93	96	87
Number in New Zealand as at 30 June 2014	36,380	37,204	38,279	38,929	35,508	36,885	36,688	259,873
<b>Total approved and arrived</b>	<b>45,915</b>	<b>45,071</b>	<b>45,068</b>	<b>44,655</b>	<b>39,705</b>	<b>39,601</b>	<b>38,202</b>	<b>298,217</b>

Notes: The 2013/14 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.

\* Includes General Skills and Work to Residence categories.

Source: MBIE.

## 5.6 Most recently held temporary visa

Most (82 per cent) of the 44,008 people approved for a resident visa in 2013/14 previously held a temporary visa: 90 per cent of principal applicants and 70 per cent of secondary applicants (see Table 5.4). Of those principal applicants who previously held a temporary visa, 73 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 2013/14

New Zealand Residence Programme stream	Applicant type	Number of residence approvals 2013/14	Percentage who held a temporary visa (%)*	Most recent temporary visa (row %)		
				Student	Visitor	Work
Skilled/Business	Principal	11,318	93	<1	4	95
	Secondary	11,606	75	32	21	47
	Subtotal	22,924	84	14	12	74
Family	Principal	13,894	91	3	40	57
	Secondary	3,821	78	16	82	2
	Subtotal	17,715	88	5	48	47
International/ Humanitarian	Principal	1,444	56	5	57	38
	Secondary	1,925	26	28	55	17
	Subtotal	3,369	39	14	56	30
All New Zealand Residence Programme approvals	Principal	26,656	90	2	25	73
	Secondary	17,352	70	27	37	35
	<b>Total</b>	<b>44,008</b>	<b>82</b>	<b>10</b>	<b>29</b>	<b>61</b>

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

Source: MBIE.

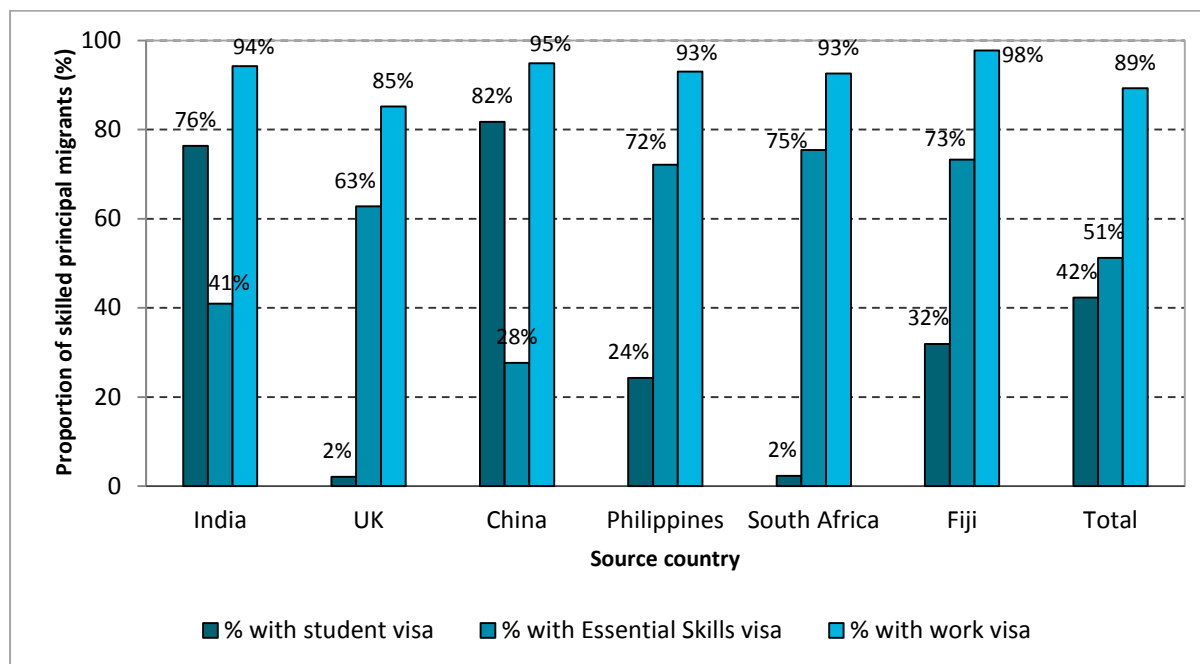
## 5.7 Pathways for skilled migrants

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 2013/14, 42 per cent of skilled principal migrants had previously held a student visa. China (82 per cent) and India (76 per cent) had markedly higher proportions having previously held a student visa than the overall proportion, particularly compared with only 2 per cent from the United Kingdom.

In 2013/14, half (51 per cent) of skilled principal migrants had previously held an Essential Skills visa (see Figure 5.7). India (41 per cent) and China (28 per cent) had smaller proportions of migrants previously holding an Essential Skills visa than the other source countries.

Figure 5.7 Skilled principal migrants who previously held a temporary visa, 2013/14



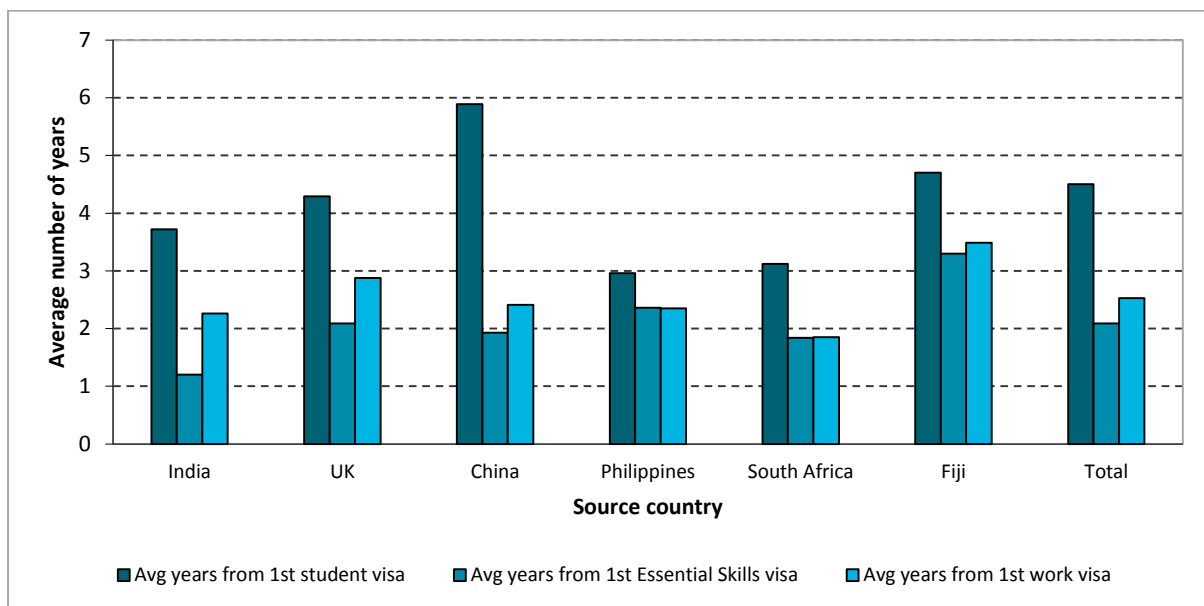
Note: Source countries represented are the top six source countries for skilled principal migrants. Essential Skills is a type of work visa and is therefore a subset of the larger work visa group

Source: MBIE.

The average length of time between first student visa and residence approval for skilled principal migrants approved in 2013/14 was 4.5 years. Chinese and Indian skilled principal migrants differed greatly, with Chinese students (average of 5.9 years) taking 60 per cent longer than Indian students (average of 3.7 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 2013/14 was 2.5 years. For those on an essential skills work visa, the average length of time was slightly shorter, at 2.1 years.

Figure 5.8 Years from first temporary visa to resident visa, skilled principal migrants, 2013/14



Note: Avg = average. Source countries represented are the top six source countries for skilled principal migrants. Essential Skills is a type of work visa and is therefore 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 60 per cent in 2009/10 to 41 per cent in 2013/14. During this time, the proportion having held a student visa increased from 52 per cent to 76 per cent. As the number of Essential Skills workers from India has been increasing over the last four 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 2013/14

- The number of people approved for residence in 2013/14 (44,008) increased 13 per cent from 2012/13 (38,961).
- More than half (52 per cent) of approved residents were approved through the Skilled/Business Stream, 40 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, down slightly from 74 per cent in 2012/13.
- China is the largest source country with 17 per cent of residence approvals. India is the second-largest source country (14 per cent), followed by the United Kingdom (12 per cent).

### 6.1 Introduction

This section describes the characteristics of people approved for residence in 2013/14 and immigration trends since 2011/12.

#### Residence approvals by New Zealand Residence Programme stream

The New Zealand Residence Programme target planning range was set at 135,000–150,000 residence approvals over the three years from 2011/12 to 2013/14 (see Table 6.1). The three-year period provides flexibility to manage shortfalls in a given year. Approval numbers for the Skilled/Business and the International/Humanitarian streams fell below the minimum target.

Table 6.1 New Zealand Residence Programme range by stream, 2011/12–2013/14

New Zealand Residence Programme stream	2011/12	2012/13	2013/14	New Zealand Residence Programme (2011/12 to 2013/14)		
				Actual	Planning range	
					Low	High
Skilled/Business	20,431	20,007	22,924	63,362	80,700	89,925
Family	17,215	15,692	17,715	50,622	44,550	48,600
International/Humanitarian	2,802	3,262	3,369	9,433	9,750	11,475
<b>Total</b>	<b>40,448</b>	<b>38,961</b>	<b>44,008</b>	<b>123,417</b>	<b>135,000</b>	<b>150,000</b>

Source: MBIE.

The number of people approved for residence in 2013/14 increased 13 per cent from the 38,961 approved in 2012/13. Driving the increase in residence approvals was a 15 per cent increase in approvals in the Skilled/Business Stream as well as a 13 per cent increase in the Family Stream.

The number of Skilled Migrant Category residence approvals increased 12 per cent, after showing decreases for the last four years. This suggests that the decline in skilled permanent migrants to New Zealand may have ended as the global economy slowly recovers and New Zealand's economic outlook improves, with the Canterbury rebuild bolstering the underlying recovery.<sup>39</sup>

The number of residence approvals through the International/Humanitarian Stream increased 3 per cent.

Table 6.2 Residence approvals by New Zealand Residence Programme stream, 2012/13–2013/14

New Zealand Residence Programme stream	Approvals		Percentage of total (%)		Percentage change from 2012/13 (%)
	2012/13	2013/14	2012/13	2013/14	
Skilled/Business	20,007	22,924	51	52	15
Family	15,692	17,715	40	40	13
International/Humanitarian	3,262	3,369	8	8	3
<b>Total</b>	<b>38,961</b>	<b>44,008</b>	<b>100</b>	<b>100</b>	<b>13</b>

Source: MBIE.

The increase in the number of approvals is reflected in the increase in the number of applications, which increased 12 per cent between 2012/13 and 2013/14.

The decline rate from all residence applications was 10 per cent in 2013/14 compared with 9 per cent 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, 2011/12–2013/14

New Zealand Residence Programme stream	Decline rate (%)		
	2011/12	2012/13	2013/14
Skilled/Business	13	15	16
Family	6	5	4
International/Humanitarian	9	7	5
<b>Total</b>	<b>9</b>	<b>9</b>	<b>10</b>

Source: MBIE.

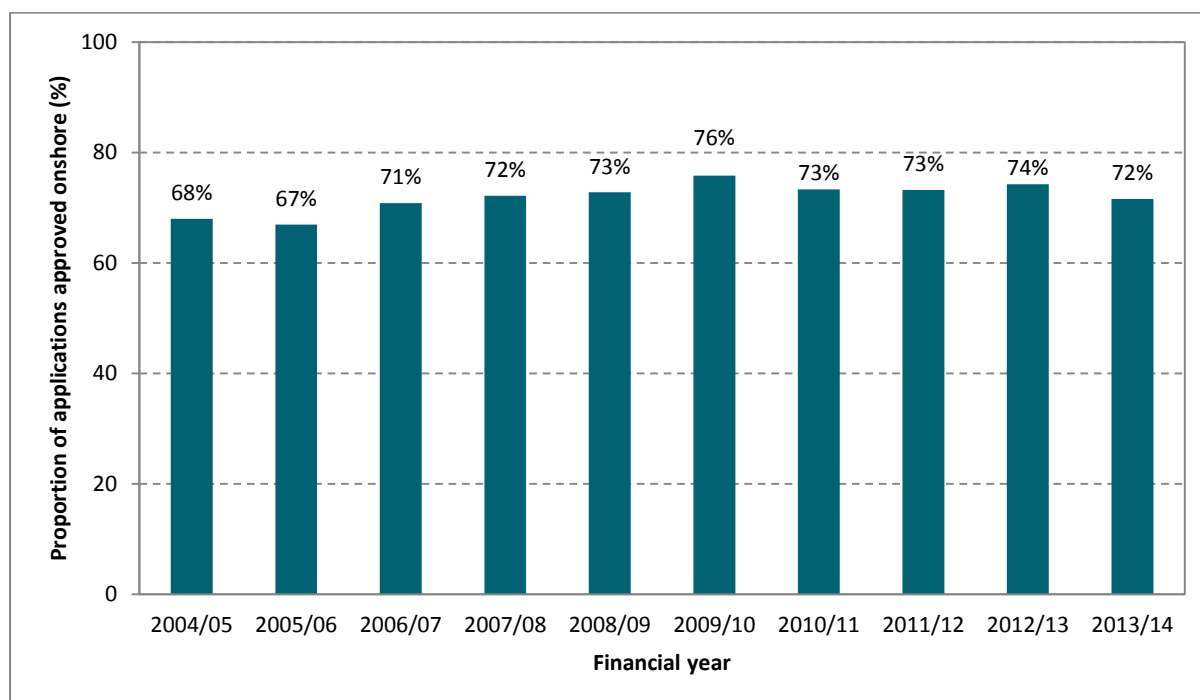
## 6.2 Location of residence approvals

In 2013/14, 72 per cent of residence applications were for people already in New Zealand.<sup>40</sup> This continues the trend of people living and working in New Zealand before applying for residence.

<sup>39</sup> MBIE. (2014). *Quarterly labour market report: August 2014*. Wellington: MBIE. Retrieved 16 October 2014 from: <http://www.dol.govt.nz/publications/lmr/labour-market-report/labour-market-report-aug-2014.pdf>

<sup>40</sup> This differs from numbers published previously as the method for determining who was in New Zealand on approval date has been refined.

Figure 6.1 Applications approved onshore under the New Zealand Residence Programme, 2004/05–2013/14



Source: MBIE.

Significant differences exist by stream: 86 per cent of Skilled/Business Stream applications and 83 per cent of Partnership Category applications were approved onshore compared with 27 per cent of Parent Category applications and 40 per cent of International/Humanitarian Stream applications.

### 6.3 Number of people per approved application

In 2013/14, 44,008 people were approved for residence from 26,656 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).

Table 6.4 Average number of people per approved residence application by New Zealand Residence Programme stream, 2011/12–2013/14

New Zealand Residence Programme stream	2011/12	2012/13	2013/14
Skilled/Business	2.0	2.0	2.0
Skilled Migrant Category	2.0	2.0	2.0
Work to Residence	2.3	2.2	2.3
Other Skilled/Business	2.9	3.0	3.1
Family	1.3	1.3	1.3
Partner	1.1	1.1	1.1
Parent	1.7	1.7	1.7
Other Family	1.4	1.3	1.1
International/Humanitarian	2.5	2.2	2.3
Samoan Quota Scheme and Pacific Access Category	3.0	2.8	2.9
Refugee Quota	2.7	2.4	2.3
Other International/Humanitarian	1.8	1.6	1.9
<b>Total</b>	<b>1.7</b>	<b>1.6</b>	<b>1.7</b>

Source: MBIE.

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.

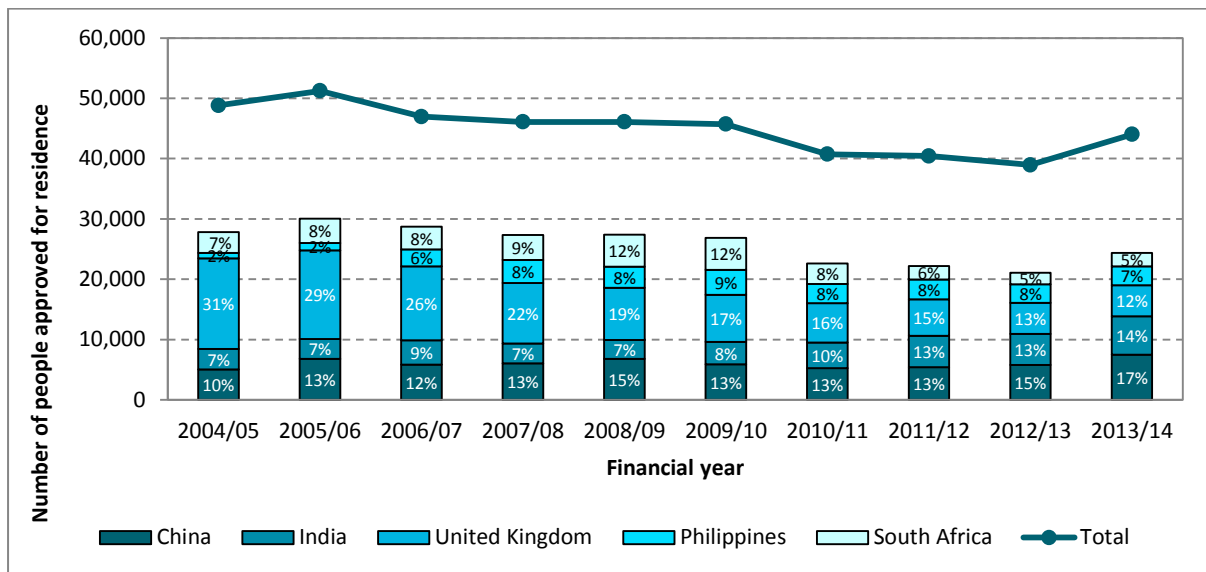
The average family size has implications for the New Zealand Residence Programme because it affects the number of applications needed to meet the target range of approvals.

## 6.4 Source country of residence approvals

Figure 6.2 compares the top source countries of residence approvals from 2004/05 to 2013/14. China was the largest source country with 17 per cent of residence approvals in 2013/14. India was the second-largest source country (14 per cent), followed by the United Kingdom (12 per cent).



Figure 6.2 Residence approvals by largest source countries, 2004/05–2013/14



Source: MBIE.

In 2013/14, residence approvals from China, India and South Africa increased (29 per cent, 24 per cent and 14 per cent respectively) while the United Kingdom was unchanged from the previous year. The increase in residence approvals from China and India was driven by large increases in the Parent Category. See appendix *Residents* for more details.

## 6.5 Gender and age of residence approvals

### 6.5.1 Gender by stream

In 2013/14, more females (51 per cent) were approved for residence than males (49 per cent). This is mainly because of the large proportion of females in the Family Stream (see Table 6.5).

Table 6.5 Proportion of females approved by New Zealand Residence Programme stream and type of applicant, 2013/14

New Zealand Residence Programme stream	Proportion of females (%)		
	Principal	Secondary	Total
Skilled/Business	32	61	46
Skilled Migrant Category	32	60	46
Work to Residence	23	66	48
Other Skilled/Business	36	57	50
Family	61	48	58
Partner	62	48	60
Parent	64	48	57
Other Family	49	50	49
International/Humanitarian	44	52	49
Samoa Quota Scheme and Pacific Access Category	42	50	47
Refugee Quota	38	57	49
Other International/Humanitarian	48	52	50
<b>Total</b>	<b>48</b>	<b>57</b>	<b>51</b>

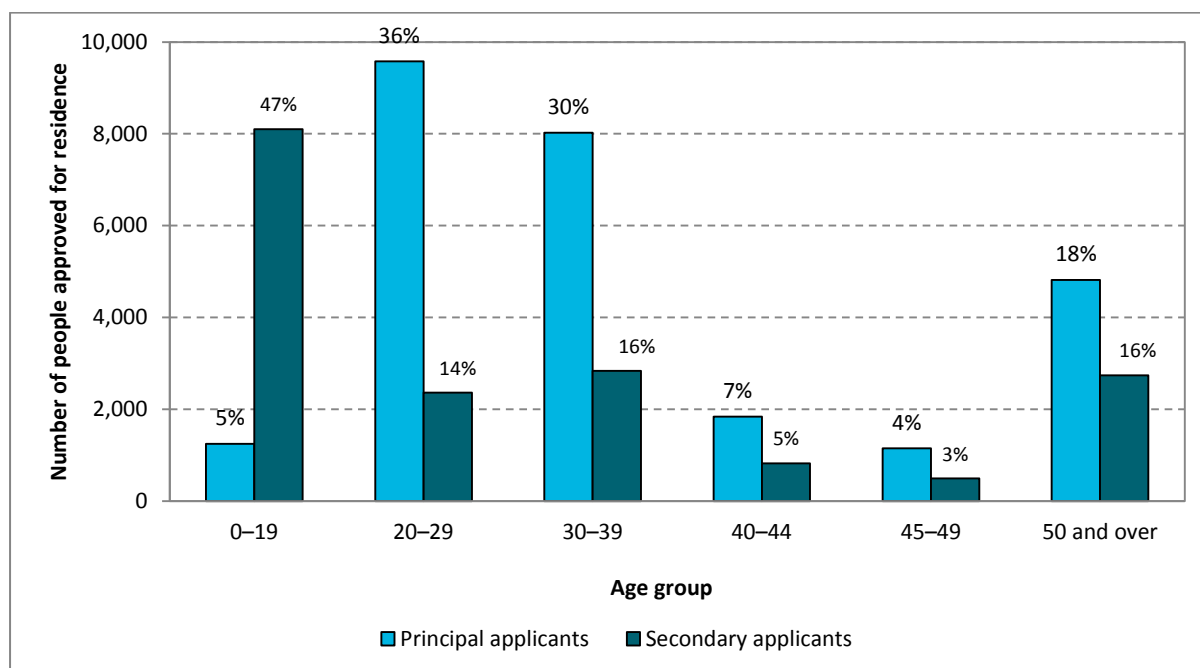
Source: MBIE.

### 6.5.2 Age by applicant type

The median age of people approved for residence in 2013/14 was 30. The median age of principal applicants was 32, with 66 per cent aged 20–39. The median age of secondary applicants was 23 (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 2013/14.

Figure 6.3 Age of people approved for residence by applicant type, 2013/14



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).

Table 6.6 Median age of migrants by New Zealand Residence Programme stream, 2011/12–2013/14

New Zealand Residence Programme stream	Median age (years)		
	2011/12	2012/13	2013/14
Skilled/Business	28	29	29
Skilled Migrant Category	28	28	29
Work to Residence	32	32	32
Other Skilled/Business	38	36	35
Family	32	31	34
Partner	29	29	29
Parent	60	61	60
Other Family	17	17	16
International/Humanitarian	24	24	24
Samoa Quota Scheme and Pacific Access Category	20	20	20
Refugee Quota	24	24	23
Other International/Humanitarian	29	28	29
<b>Total</b>	<b>29</b>	<b>29</b>	<b>30</b>

Source: MBIE.

The median age of people approved for residence was 30. This is younger than the median age of the usual resident population in the 2013 census (38 years).<sup>41</sup>

In 2013/14, the median age of Skilled/Business Stream migrants was 29, with 84 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 Partner Category was 29, with 84 per cent younger than 40. For Parent Category migrants, the median age was 60. 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 24. This shows that a large proportion of migrants under the International/Humanitarian Stream were young people (62 per cent were aged under 30). Furthermore, the median ages of migrants under the Samoan Quota Scheme and Pacific Access Category were 20 and 21 respectively, reflecting the trend of families with young children from the Pacific migrating to New Zealand.

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<sup>41</sup> Statistics New Zealand. (2013). *2013 Census QuickStats about national highlights*. Retrieved 23 September 2014 from: <http://www.stats.govt.nz/Census/2013-census/profile-and-summary-reports/quickstats-about-national-highlights.aspx>

## **Family-sponsored migrants**

The Family Stream enables New Zealand citizens and permanent residents to sponsor close family members for residence. In 2013/14, 17,715 people were approved for residence through the Family Stream, an increase of 13 per cent from 15,692 in 2012/13. The 17,715 approvals made up 40 per cent of all New Zealand Residence Programme approvals in 2013/14.

### **Partnership Category approvals**

- In 2013/14, 9,961 people were approved for residence under the Partnership Category, a decrease of 1 per cent from 10,078 in 2012/13.
- China was the largest source country (15 per cent), followed by India (14 per cent) and the United Kingdom (13 per cent).
- The number of people from China granted residence through this category decreased 19 per cent from 1,782 in 2012/13 to 1,447 in 2013/14, while the number of people from India increased 23 per cent from 1,122 to 1,383.

### **Parent Category approvals**

- A total of 6,009 people were approved for residence through the Parent Category in 2013/14, an increase of 56 per cent from 3,840 in 2012/13. This increase follows the closure of the category for two and a half months in 2012/13 before reopening under new immigration instructions.
- China was the largest source country of residence approvals through the Parent Category in 2013/14 (53 per cent), followed by India (11 per cent) and the United Kingdom (10 per cent).
- The number of people granted residence through this category from China and India increased 88 per cent and 92 per cent respectively while the number of people from the United Kingdom decreased 15 per cent. The growth in sponsored migrants from China follows a period of skilled migration some years earlier (2001/02–2008/09).

### **Dependent Child Category approvals**

- In 2013/14, 1,390 people were approved for residence under the Dependent Child Category, an increase of 15 per cent from 1,213 in 2012/13.
- 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).

### **Sibling and Adult Child Category approvals (this category closed on 16 May 2012)**

- In 2013/14, 355 people were granted residence through the Sibling and Adult Child Category compared with 561 in 2012/13. Of those 355 people, 305 were under the Sibling Category and 50 were under the Adult Child Category.

## 7 Skilled/Business Stream

### Highlights for 2013/14

- The Skilled Migrant Category (SMC) contributed 46 per cent (20,266) of all residence approvals.
- India is the largest source country of skilled migrants to New Zealand (20 per cent) followed by the United Kingdom (13 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 10,312 SMC principal applicants claimed points for a job or job offer and 65 per cent claimed points for relevant work experience.
- Of the 9,219 SMC principal applicants who specified a region of employment, 47 per cent had a job or job offer in Auckland. This is followed by 18 per cent with a job or job offer in Canterbury, reflecting the rebuild in Christchurch.
- A total of 1,198 people were approved through the Business Immigration policy: 605 through the Entrepreneur Category and 593 through the Investor Category.

### 7.1 Introduction

Although New Zealand's economy has been negatively affected by the global financial crisis, skilled migrants remain an important part of New Zealand's overall development. Labour skill shortages remain, particularly in the Christchurch construction sector. New Zealand needs skilled migrants to contribute to productivity, skills acquisition, diversity and growth in a variety of industries.

In 2013/14, 22,924 people (52 per cent of residence approvals through the New Zealand Residence Programme) were approved for residence through the Skilled/Business Stream,<sup>42</sup> an increase of 15 per cent from 2012/13. Of these people, 20,266 (88 per cent) were approved through the Skilled Migrant Category (SMC), 1,419 (6 per cent) through the Residence from Work Category, and 1,198 (5 per cent) through the Business Immigration policy.<sup>43</sup>

### 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.

There are two stages involved in the SMC application process. First, an Expression of Interest (EOI) is submitted by the prospective migrant 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.

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<sup>42</sup> The Skilled/Business Stream categories are described in appendix *Description of Residence Categories*.

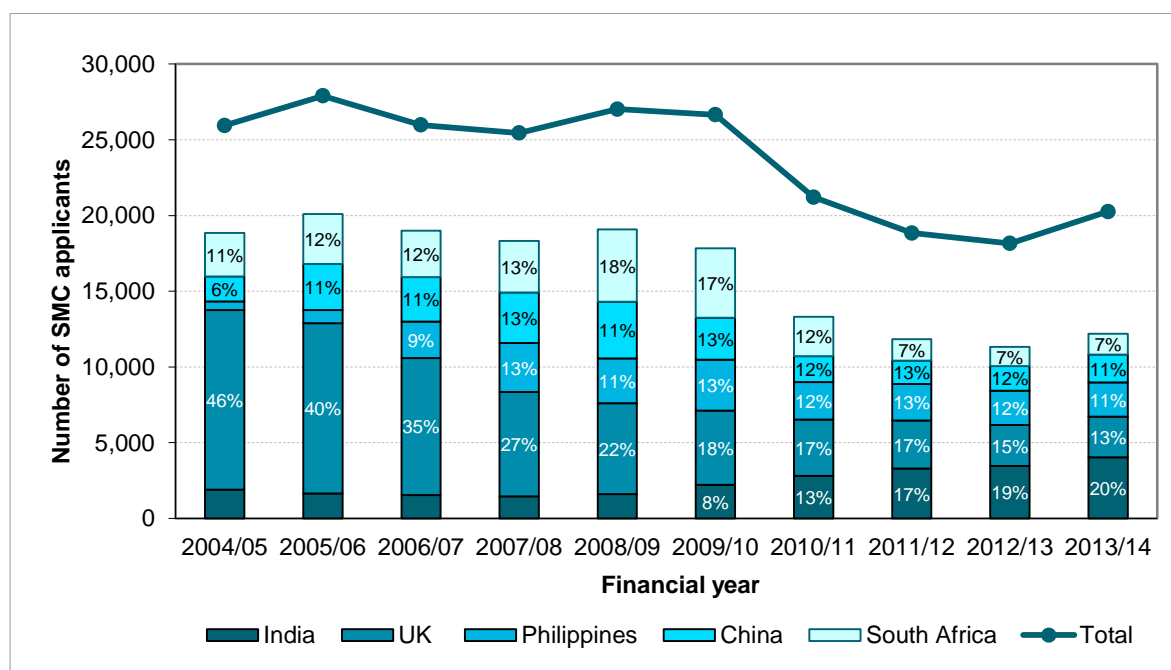
<sup>43</sup> There were 20 approvals through the Partnership Deferral policy and 21 approved as employees of businesses.

The SMC recognises human capital by allowing open initial application through EOIs, but only approves those with strong employment prospects.

### 7.2.1 Source country of Skilled Migrant Category approvals

In 2013/14, 20,266 people were approved for residence through the SMC (Figure 7.1), contributing 46 per cent of all residence approvals. The number of SMC approvals increased 12 per cent from 2012/13, the first year-on-year increase since 2009/10. This increase illustrates a flow-on effect to residence from the recent upward trend in Essential Skills (temporary) workers since the global financial crisis (refer to Figure 4.2 – from Essential Skills policy section).

Figure 7.1 Skilled Migrant Category (SMC) approvals by source country, 2004/05–2013/14



Source: MBIE.

Although people from more than 120 different source countries were approved in 2013/14, about half were from the top four source countries. India is the largest source country of skilled migrants (20 per cent) followed by the United Kingdom (13 per cent), the Philippines (11 per cent) and China (9 per cent). The number of skilled migrants from India has shown consistent growth in the last four years while skilled migrants from the United Kingdom and the Philippines have been declining over the same period. The growth in skilled migrants from India is mainly due to an increase in Indian international students transitioning to residence.

### 7.2.2 Age and gender of Skilled Migrant Category approvals

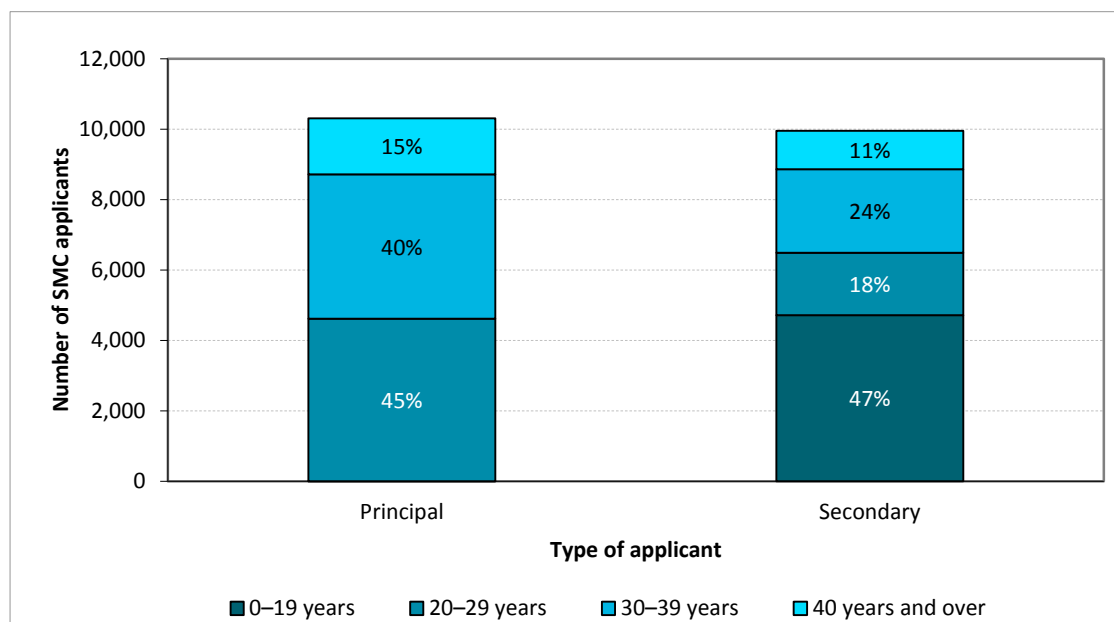
Anyone applying as a principal applicant may have secondary applicants on their application. Figure 7.2 shows the number and age of SMC principal and secondary applicants in 2013/14. Half of the people approved for residence through the SMC were principal applicants; therefore, an average of two people was approved per application.

Principal applicants aged 20–29 gain the maximum points (30) for age. This is shown in Figure 7.2 with 45 per cent of principal applicants aged 20–29 and 40 per cent aged 30–39 in 2013/14. 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 47 per cent of secondary applicants were aged under 20.

Figure 7.2 Age of approved Skilled Migrant Category (SMC) principal and secondary applicants, 2013/14



Source: MBIE.

In 2013/14, 10,938 males (54 per cent) and 9,327 females (46 per cent) were approved under the SMC. More than two-thirds (68 per cent) of approved principal applicants were male compared with 39 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 20,266 people approved for residence through the SMC in 2013/14, 10,312 were principal applicants. This resulted in an increase of 13 per cent from the 9,109 principal applicants approved in 2012/13.

#### 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 2013/14. As for all SMC approvals, India remains the top source country (25 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. However, the other top source countries have shown growth in SMC principal applicants in the last year or two. In 2013/14, the number of principal applicants from India and



China increased by 14 per cent from 2012/13. Appendix *Residents* gives the series of SMC principal applicants by source country.

Table 7.1 Source country of Skilled Migrant Category principal applicants, 2013/14

Source country	Number	%	% change since 2012/13	Average application size	Median age	% male
India	2,571	25	14.4	1.6	27	75
UK	1,327	13	3.6	2.0	33	65
China	1,190	12	14.0	1.5	27	60
Philippines	1,005	10	4.6	2.3	31	53
South Africa	472	5	4.9	2.9	37	74
Fiji	351	3	-2.0	2.5	32	69
Other	3,396	33	22.7	2.1	32	70
<b>Total</b>	<b>10,312</b>	<b>100</b>	<b>13.2</b>	<b>2.0</b>	<b>30</b>	<b>68</b>

Source: MBIE.

The median age of all principal applicants through the SMC was 30 years in 2013/14. Of the top source countries, South Africa had SMC principal applicants with the highest median age (37 years), while applicants from China and India were much younger (median age of 27 years). 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. The Philippines is the only top source country with a balanced gender split of SMC principal applicants.

### 7.3.2 Points claimed by Skilled Migrant Category principal applicants

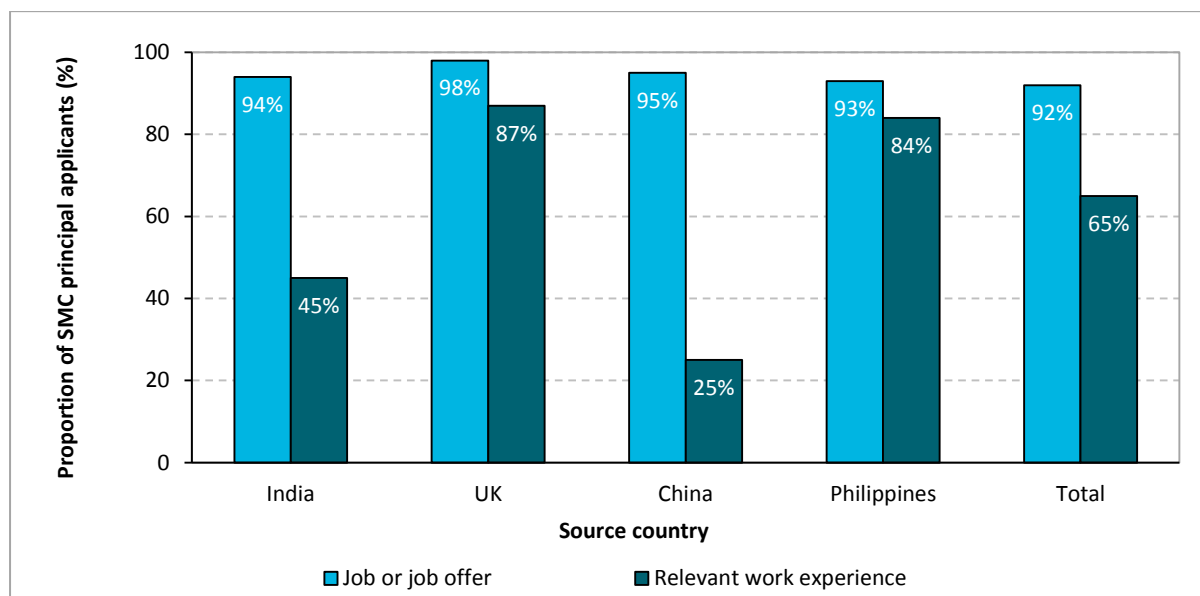
In 2013/14, 9,461 SMC principal applicants (92 per cent) were awarded points for a job or job offer in New Zealand (82 per cent for current employment and 10 per cent for an offer of skilled employment). This is lower than the 94 per cent awarded points for a job or job offer in New Zealand in 2012/13.

There were 8,874 principal applicants (86 per cent) approved onshore. Of these onshore principal applicants, 99 per cent had a job offer or current skilled employment in New Zealand. The remaining 1,438 principal applicants were approved offshore (14 per cent), and 45 per cent had a job offer.

Most principal applicants (65 per cent) gained points in 2013/14 for relevant work experience. Forty-five per cent gained bonus points for New Zealand work experience in 2013/14.

Of the top four source countries of principal skilled 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 (87 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 principal applicants who gained points for a job or job offer or relevant work experience by source country, 2013/14



Source: MBIE.

In 2013/14, 76 per cent of SMC principal applicants gained points for their qualifications (67 per cent had a basic qualification and 10 per cent had a postgraduate qualification).

In 2013/14, 11 per cent of SMC principal applicants gained bonus points for a recognised New Zealand qualification. Sixty-three 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 2009/10 to 2013/14, see Appendix *Residents*.

Table 7.2 shows the points that SMC principal applicants were awarded in 2013/14. Different criteria operate within each factor. For more information about the SMC, see the Immigration New Zealand website.<sup>44</sup>

<sup>44</sup> Immigration New Zealand. (2013). *Skilled migrant category*. Retrieved from: [www.immigration.govt.nz/migrant/stream/work/skilledmigrant/](http://www.immigration.govt.nz/migrant/stream/work/skilledmigrant/)

Table 7.2 Points claimed by Skilled Migrant Category principal applicants, 2013/14

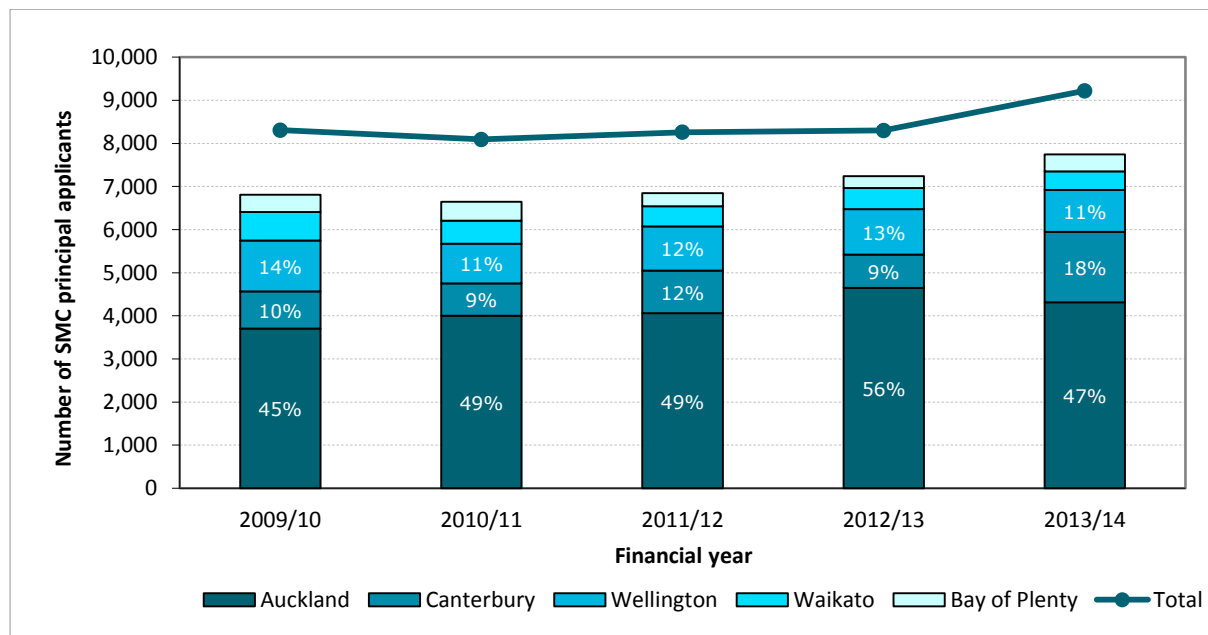
Factor	Percentage gaining points (%)
<b>Skilled employment</b>	
Current skilled employment in New Zealand for 12 months or longer	34
Current skilled employment in New Zealand for fewer than 12 months	47
Offer of skilled employment in New Zealand	10
<b>Bonus points for employment or an offer of employment</b>	
Identified future growth area	7
Area of absolute skills shortage	8
Region outside Auckland*	53
Partner employment or offer of employment	1
<b>Relevant work experience</b>	
2 years	16
4 years	13
6 years	12
8 years	8
10 years	16
<b>Bonus points for New Zealand work experience</b>	
1 year	22
2 years	10
3 years or more	12
<b>Additional bonus points for work experience in an identified future growth area</b>	
	4
<b>Additional bonus points for work experience in an area of absolute skills shortage</b>	
	15
<b>Qualifications</b>	
Recognised basic qualification	67
Recognised postgraduate qualification	10
<b>Bonus points for qualifications</b>	
New Zealand bachelor's degree (minimum 2 years study in New Zealand)	6
New Zealand post-graduate qualification (minimum 1 year study in New Zealand)	4
New Zealand post-graduate 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	16
Partner qualifications	12
<b>Close family support in New Zealand</b>	
	6
<b>Age (20–55 years)</b>	
20–29 years	48
30–39 years	38
40–44 years	7
45–49 years	4
50–55 years	3
<b>Total number of principal applicants</b>	<b>10,312</b>

\* The percentage is calculated from the 9,219 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 9,461 principal applicants with a job or job offer, 9,219 also specified a region of employment. Fifty-three 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 2013/14 (see Figure 7.4) were Auckland (47 per cent), Canterbury (18 per cent), Wellington (11 per cent) and Waikato (5 per cent). The increase in the number of SMC principal applicants with a job or job offer in Canterbury reflects the rebuild in Christchurch.

Figure 7.4 Region of skilled employment for Skilled Migrant Category (SMC) principal applicants, 2009/10–2013/14



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 occupations of SMC principal applicants for the main regions in New Zealand. The occupation group Professionals was the most common for SMC principal applicants (45 per cent), followed by Technicians and Trades Workers (31 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 (43 per cent). The high proportion of Professionals in Wellington (59 per cent) is associated mainly with ICT and Health professionals.

Table 7.3 Main occupation of Skilled Migrant Category principal applicants by region of employment, 2013/14

Major group*	Per cent (%)				
	Auckland	Canterbury	Wellington	Waikato	Total
Professionals	39	35	59	41	45
Technicians and Trades Workers	34	43	22	29	31
Managers	18	17	12	23	18
Clerical and Administrative Workers	5	2	3	2	3
Community and Personal Service Workers	3	3	4	4	3
<b>Total†</b>	<b>4,327</b>	<b>1,630</b>	<b>972</b>	<b>430</b>	<b>10,303</b>

Notes: Main occupation is the job the applicant spent the most hours doing in the past 12 months.

\* Major group is coded to the 2006 Australian and New Zealand Standard Classification of Occupations (ANZSCO 06).

† 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.

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 2013/14 (1,419 people) increased by 44 per cent from 2012/13 (988 people). Table 7.4 shows the number of people approved residence through the Residence from Work Category by type of applicant. In 2013/14, most people who gained residence through the Residence from Work Category were approved through the Talent (Accredited Employers) Work policy (57 per cent of principal applicants).

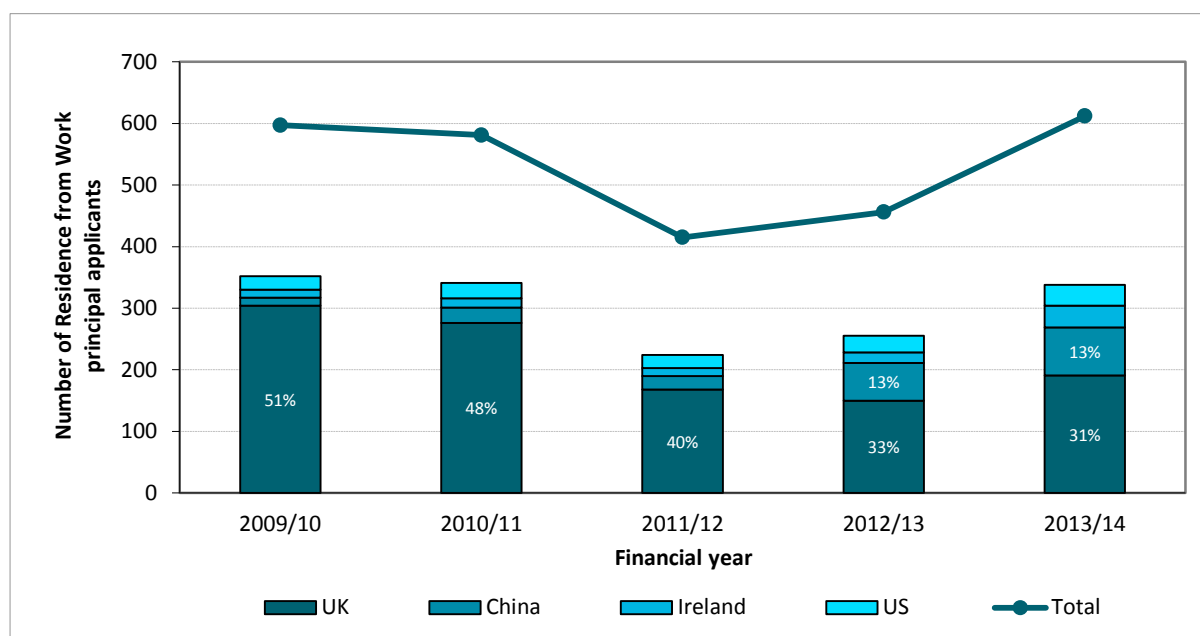
Table 7.4 Residence approvals through the Residence from Work Category, 2012/13–2013/14

Residence from Work Category	2012/13		2013/14	
	Principal	Secondary	Principal	Secondary
Talent (Accredited Employers)	280	297	356	446
Long-Term Skill Shortage List	116	157	164	230
Talent (Arts, Culture and Sports)	4	3	10	9
Religious Worker	56	75	82	122
<b>Total who gained residence</b>	<b>456</b>	<b>532</b>	<b>612</b>	<b>807</b>

Source: MBIE.

In 2013/14, the 1,419 people approved through the Residence from Work Category came from more than 50 countries. The main source countries of the 612 principal applicants were the United Kingdom (31 per cent), China (13 per cent), and Ireland and the United States (both 6 per cent), as shown in Figure 7.5.

Figure 7.5 Top source countries of approved Residence from Work principal applicants, 2009/10–2013/14



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 the Entrepreneur Category, Employees of Relocating Businesses policy<sup>45</sup> and Migrant Investment policy. Further information on these policies is in appendix *Description of Residence Categories*.

In 2013/14, 1,198 people were approved for residence through the Business Immigration policy: 605 through the Entrepreneur Category (185 principal applicants) and 593 (185 principal applicants) through the Migrant Investment policy.

Table 7.5 shows the different categories these applicants were approved under from 2012/13 to 2013/14.

<sup>45</sup> Numbers in this category were too small to report, so have been excluded from analysis.

Table 7.5 Approvals under the Business Immigration policy categories, 2012/13–2013/14

Category	2012/13		2013/14	
	Principal	Secondary	Principal	Secondary
<b>Entrepreneur Category</b>				
Entrepreneur Category	141	306	166	381
Entrepreneur Plus Category	7	14	19	39
<b>Migrant Investment policy</b>				
Investor 1 Category	21	47	28	49
Investor 2 Category	99	207	157	359

Source: MBIE.

Table 7.6 shows principal applicant approvals by the top source countries from 2012/13 to 2013/14. China is the largest source country for Migrant Investment policy approvals, and South Korea is the largest source country for Entrepreneur Category approvals. The number of Entrepreneur Category and Migrant Investment policy principal applicant approvals from China more than doubled in 2013/14 compared with 2012/13.

Table 7.6 Source countries of Business Immigration policy principal applicant approvals, 2012/13–2013/14

Source country	Entrepreneur Category		Migrant Investment policy	
	2012/13	2013/14	2012/13	2013/14
South Korea	54	60	2	3
China	18	59	41	116
UK	34	23	13	7
South Africa	17	10	4	2
US	8	6	22	12
Japan	1	2	2	9
Singapore	1	–	2	6
Other	15	25	34	30
<b>Total</b>	<b>148</b>	<b>185</b>	<b>120</b>	<b>185</b>

Source: MBIE.



## 8 International/Humanitarian Stream

### 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 3,369 people were approved for residence through the International/Humanitarian Stream in 2013/14, up 3 per cent from 3,262 in 2012/13. The approvals (3,369) represented 8 per cent of all residence approvals in 2013/14.

Table 8.1 International/Humanitarian Stream residence approvals, 2012/13–2013/14

International/Humanitarian Stream	2012/13		2013/14	
	Number	%	Number	%
Refugee Quota	836	26	759	23
General Protection	745		630	
Women at Risk	69		113	
Medical and Disabled	20		12	
Emergency	2		4	
Convention Refugees and Protected Persons	237	7	231	7
Samoan Quota Scheme	938	29	940	28
Pacific Access Category	431	13	363	11
Tonga	269		222	
Tuvalu	81		76	
Kiribati	81		65	
Other special residence policies	820	25	1,076	32
Ministerial Direction	319		471	
Refugee Family Support	261		334	
Section 61	199		224	
Victims of Domestic Violence	41		47	
<b>Total</b>	<b>3,262</b>	<b>100</b>	<b>3,369</b>	<b>100</b>

Note: 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 2014 draw, as well as some who were successful in earlier draws.

Source: MBIE.

### 8.2 Refugee policy residence approvals

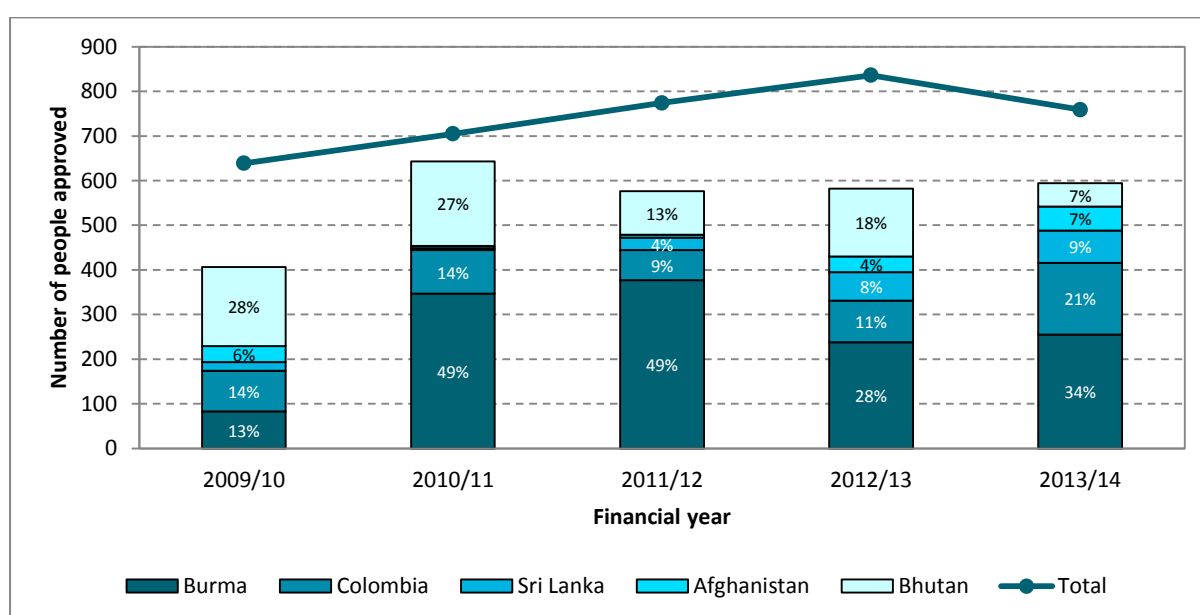
New Zealand provides residence to three categories of people requiring international protection: Quota Refugees, Convention Refugees, and Protected Persons. The number of refugees approved residence each year may differ from the number who arrive in the country as it can take up to 18 months for refugees 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 II and in 1987 established a formal annual quota for the resettlement of refugees. The annual quota is 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 United Nations High Commissioner of Refugees (UNHCR) mandate and referred for resettlement by the UNHCR. Quota refugees are granted permanent residence visas on their arrival in New Zealand.

Figure 8.1 shows that in 2013/14, Burma was the largest source country of quota refugees (255 people), followed by Colombia (161 people) and Sri Lanka (72 people).

Figure 8.1 Refugee Quota Programme residence approvals by source country, 2009/10–2013/14



Source: MBIE.

For more information on the number of people granted residence under the Refugee Quota Programme by source country from 1997/98 to 2013/14, see appendix *Residents*.

## 8.2.2 Convention Refugees and Protected Persons

As a signatory to various conventions<sup>46</sup> New Zealand considers all claims for refugee status (Convention Refugee<sup>47</sup>) or Protected Person<sup>48</sup> status made in New Zealand. Persons recognised as

<sup>46</sup> The United Nations 1951 Convention and the 1976 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.

<sup>47</sup> See glossary for a definition of Convention Refugee.

<sup>48</sup> See glossary for a definition of Protected Person.

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<sup>49</sup>.

In 2013/14, 231 Convention Refugees and Protected Persons were approved for residence, down slightly from 237 in 2012/13. They came from 29 different countries. The main source countries were Iran (17 per cent), Pakistan (14 per cent) and Afghanistan (10 per cent).

Over the last five years, 1,003 people were approved for residence as Convention Refugees or Protected Persons. The main source countries over that period were Iran (145 people), followed by Iraq (128 people) and China (106 people). Table 8.2 shows the top ten 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, 2009/10–2013/14*

Source country	2009/10	2010/11	2011/12	2012/13	2013/14	Total
Iran	40	12	12	42	39	145
Iraq	73	5	11	22	17	128
China	27	24	14	21	20	106
Pakistan	s	21	s	22	33	83
Sri Lanka	35	s	13	15	9	80
Afghanistan	8	s	s	19	24	59
Fiji	6	9	14	6	s	44
Saudi Arabia	s	s	s	8	17	32
Zimbabwe	16	s	s	s	s	29
Syria	s	–	–	s	16	27
Other	56	51	49	71	43	270
<b>Total</b>	<b>270</b>	<b>138</b>	<b>127</b>	<b>237</b>	<b>231</b>	<b>1,003</b>

Note: S = Suppressed for confidentiality reasons.

Source: MBIE.

### 8.2.3 Samoan Quota Scheme

The Samoan Quota Scheme was formally 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.

<sup>49</sup> For more information on the refugee status claims process and statistics see:

<http://www.immigration.govt.nz/migrant/general/generalinformation/refugee-protection/>

<http://www.immigration.govt.nz/migrant/general/generalinformation/refugee-protection/refugee-statistics.htm>

In 2013/14, 940 people were approved for residence through the Samoan Quota Scheme compared with 938 in 2012/13.

#### **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, 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 2013/14, 363 people were approved for residence through the Pacific Access Category compared with 431 in 2012/13. The majority (61 per cent) were from Tonga. Fiji will be added back into the Pacific Access Category when it opens in 2015.

#### **8.2.5 Other International/Humanitarian Stream approvals**

In 2013/14, 1,076 people were approved for residence through other special policies in the International/Humanitarian Stream compared with 820 in 2012/13. Of these, most residence approvals were through the Ministerial Special Direction policy (44 per cent), followed by the Refugee Family Support Category<sup>50</sup> (31 per cent) and Section 61 (21 per cent).<sup>51</sup>

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<sup>50</sup> The Refugee Family Support Category was formerly called the Refugee Family Quota.

<sup>51</sup> 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 and high emigration of local born, New Zealand is reliant on immigration to fill labour shortages, particularly skilled migrants. Migrants also bring with them capital and an increase in tourism from their home countries due to the global linkages they maintain with their source countries.

This report shows the migration flows to and from New Zealand as the global financial crisis eases and the rebuild in Canterbury steps up its pace. Net migration rebounded from a net loss of 3,200 in 2011/12 to a net gain of 38,300 in 2013/14 as arrivals increased and departures decreased from the previous year. This is the highest net gain since 2002/03. The economic slowdown in Australia slowed the net loss of New Zealanders to Australia – almost 20,000 fewer New Zealanders made the move in 2013/14 compared with 2012/13.

The number of international students reversed its decline of the last two years, up 15 per cent from 2012/13. In large part this is due to 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 76 per cent more new students in 2013/14 compared with 2012/13.

The number of temporary workers (including non-labour market tested workers) continued to grow at a steady rate, growing on average 7 per cent annually over the last 10 years. The number of Essential Skills temporary workers (a labour market tested visa) had been steadily decreasing since the onset of the global financial crisis but rose slightly between 2011/12 and 2012/13. As the overall growth in labour demand in New Zealand and the rebuild in Canterbury continues, the need for skilled workers has seen the numbers of Essential Skills temporary workers rise in the last year – up 18 per cent overall and up 40 per cent in Canterbury. With New Zealand's economic outlook positive, it's likely that the number of Essential Skills temporary workers will increase in coming years. This is also likely to lead to an increase in skilled permanent migrants, as 40 per cent go on to achieve residence within three years.

Attracting skilled migrants is only the first step – retention is a key factor in getting the most benefits 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 2004/05, 83 per cent were still resident in New Zealand five years on while 87 per cent of those who were approved in 2008/09 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, 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.

