



MIGRATION TRENDS KEY INDICATORS REPORT

DECEMBER 2010



MIGRATION TRENDS KEY INDICATORS REPORT:

DECEMBER 2010

Purpose

This report summarises key indicators of migration trends for the months of July-December 2010. The report focuses on three key areas: the New Zealand Residence Programme, permanent skilled migration, and temporary entry.

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

Summary of key points

- 18,233 people were approved residence in July-December 2010 compared with 19,687 for the same period in 2009 and 22,209 in 2008.
- 89% of Skilled Migrant Category (SMC) principal migrants were approved with a skilled job or offer of employment in the financial year to date.
- Temporary work approval numbers in the financial year to date were up slightly on last year. Current trends show a growing number of temporary workers from India.
- Essential Skills Policy approvals for July-December 2010 decreased by 9 percent from the same period in 2009.
- 38,337 people were approved student permits in the July to December period in 2010, a 4 percent increase from the same period in 2009. Significant increases came from India (35 percent increase) and Saudi Arabia (22 percent increase).
- The number of visitor visas issued at the border was up 4 percent in July-December 2010 compared with July-December 2009. This was mainly due to an increase in visitors from China (46 percent increase) and South Korea (26 percent increase).

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

1. New Zealand Residence Programme

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

The economic slowdown continues to have a significant impact on migration flows globally. New Zealand has not been immune to the decrease in skilled migration that other OECD countries have also faced. Skilled people who might be interested in migrating are less willing and able to give up a job, sell their house and move to a new life overseas. Additionally, fewer skilled job offers have been available in New Zealand, and a lower number of skilled temporary work visa holders in New Zealand has meant there are reduced numbers transitioning to residence.

1.1 Residence approvals

- 18,233 people were approved residence in July-December 2010 compared with 19,687 for the same period in 2009 and 22,209 in 2008. The number of residence applications in July-December 2010 fell by 9 percent from the same period in 2009. Although applications fell, the decline rate was not as high. The decline rate reduced from 14 percent in 2009 to 13 percent in 2010. Table 1 shows the breakdown of year to date approvals by stream.

Table 1: Residence approvals by stream

Stream	July-Dec 2008	July-Dec 2009	July-Dec 2010
Business / Skilled	13,741	11,981	10,667
Uncapped Family Sponsored Stream	4,038	4,320	4,324
Parent Sibling Adult Child Stream	2,952	2,303	2,030
International / Humanitarian	1,478	1,083	1,212
Total	22,209	19,687	18,233

- The top 5 source countries in July-December 2010 were the United Kingdom (17%), China (13%), India (10%), South Africa (9%) and the Philippines (8%).
- The main source countries for residence approvals changed in July-December 2010, compared to the same time the previous year. Trends showed a decrease in residence approvals from all of the main source countries, with the exception of India which increased by 17 percent. The increase from India was mainly through the Skilled/Business Stream. South Africa decreased by 31 percent and the Philippines decreased by 16 percent, mainly due to fewer applicants in the Skilled/Business Stream.

1.2 Skilled Migrant Category (SMC)

- 9,675 people were approved for residence through the SMC in July-December 2010 compared with 11,028 for the same period in 2009 and 13,017 in 2008. The onshore decline rate has increased from 8% to 12%, while the offshore decline rate has reduced from 35% to 21% over this time. The overall decline rate (14%) for July-December 2010 remains the same as it was in 2009.
- Currently, the top source countries for SMC approvals in the first half of 2010/11 are the United Kingdom (18%), South Africa (14%), India and the Philippines (both

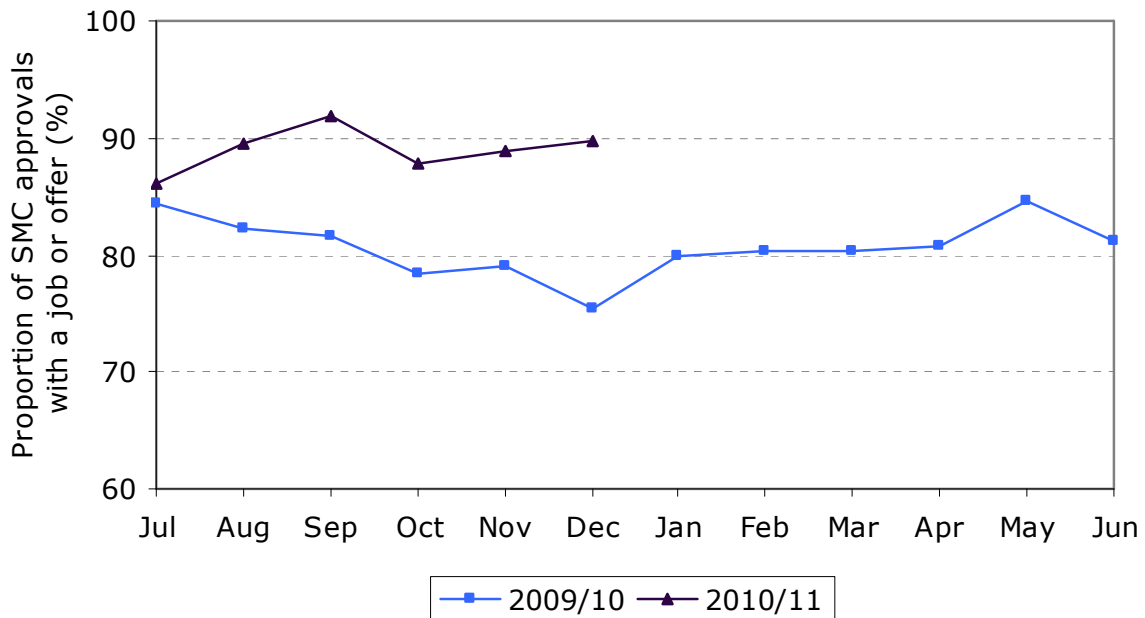
12%), and China and Fiji (both 8%). SMC approvals from the top source countries decreased from the same period last year, with the exception of India which increased by 47 percent. This increase is due to former Indian international students who are transitioning to residency.

- 89% of SMC principal applicants had a job or job offer (compared with 80% in July-December 2009) and 73% gained points for recognised work experience (compared with 69% in July-December 2009).

1.3 Skilled migrants with job offers

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

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



- Most SMC principal applicants were approved onshore (85%), of whom 96% had a job or job offer. Of the 15% approved offshore, 50% had a job or job offer.

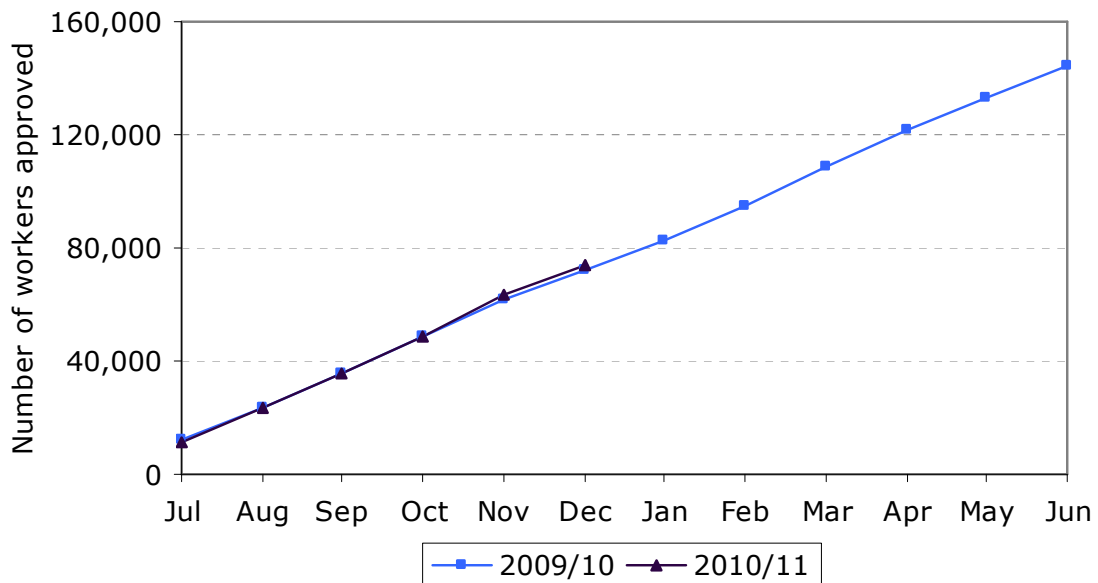
2. Temporary migration

2.1 Workers

- The number of people approved a temporary work visa in July-December 2010 was 82,772, which was similar to the 82,599 approvals in July-December 2009 (refer Figure 2).
- The number of working holidaymakers and approvals through the 'study to work'² policy is growing. This partially offset the lower numbers through the Essential Skills Policy and the Family Policy.

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

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



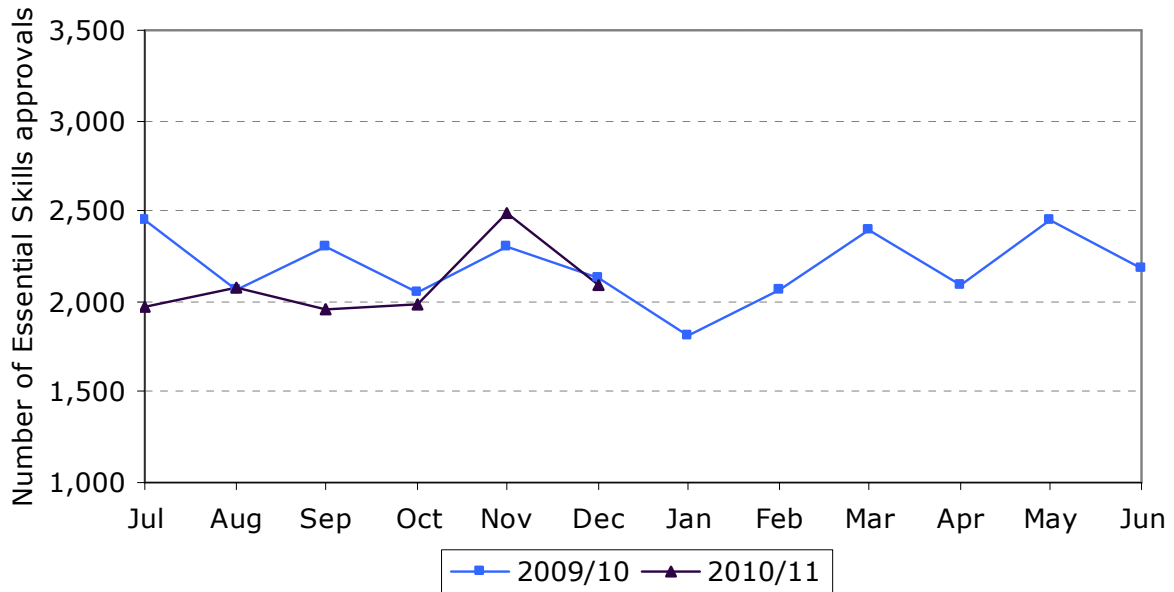
- The main source countries of temporary workers in the first half of 2010/11 were the United Kingdom (14%), India (10%), China (9%), and Germany (8%). Current trends show that the number of temporary workers from the United Kingdom is still declining (2 percent decrease) and there are a growing number of temporary workers from India (23 percent increase). This is driven by a growing number of 'study to work' visas approvals as Indian international students complete their study.

2.2 Essential Skills policy approvals³

- The demand for Essential Skills workers slowed from October 2008 and the inflows of applications accepted for processing are still declining. The rate of decline for the Essential Skills applications decreased slightly over July-December 2010, with 12% of applications declined in July-December 2010 compared to 13% over the same time in 2009. However, there were also 11% fewer applications decided in July-December 2010 compared to the same period in 2009. This reflects a decline in the number of applications that were accepted for processing compared to the same point last year.
- The Essential Skills Policy approvals for July to December in 2010 decreased by 4 percent from the same period in 2009. The approval numbers for India increased by 9 percent and Fiji increased by 4 percent. Of the main source countries, approval numbers for India (9 percent increase) and Fiji (4 percent increase) were higher than the previous year, while the United Kingdom and China remained low. The Philippines remained unchanged from the previous year. Figure 3 shows the approval numbers in the last two years.

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

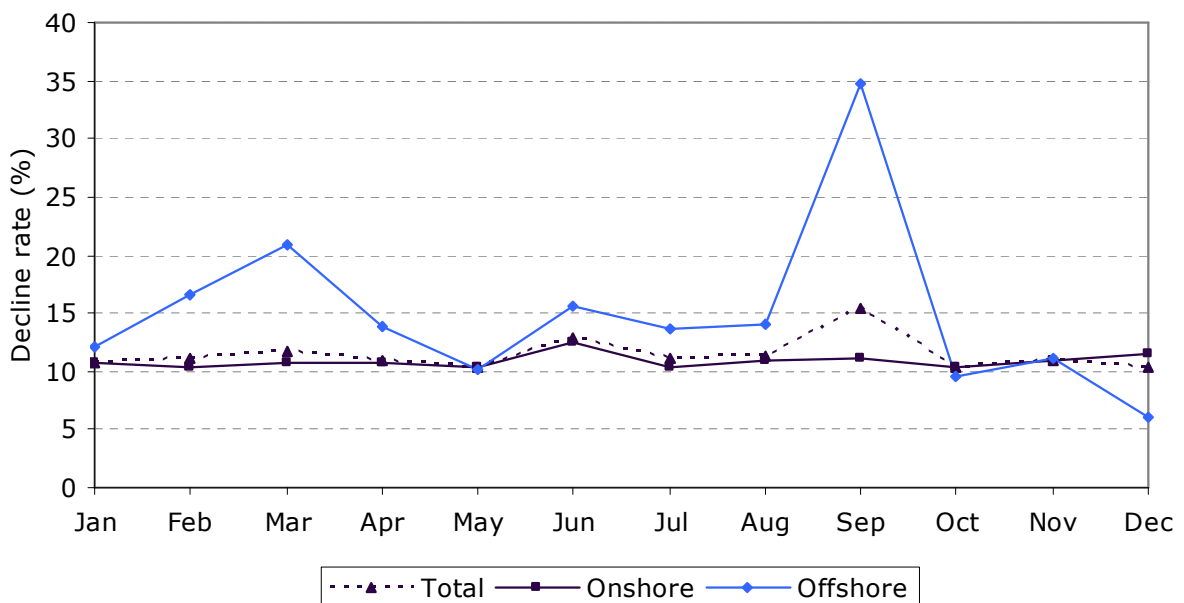
Figure 3: Number of Essential Skills workers approved: 2009/10 compared with 2010/11



2.3 Essential Skills policy decisions⁴

- Figure 4 shows the decline rates in the last twelve months. The offshore decline rate is more volatile but has reduced from the high in September 2010⁵, to a low in December 2010.

Figure 4: Decline rate for Essential Skills applications by branch location: January – December 2010



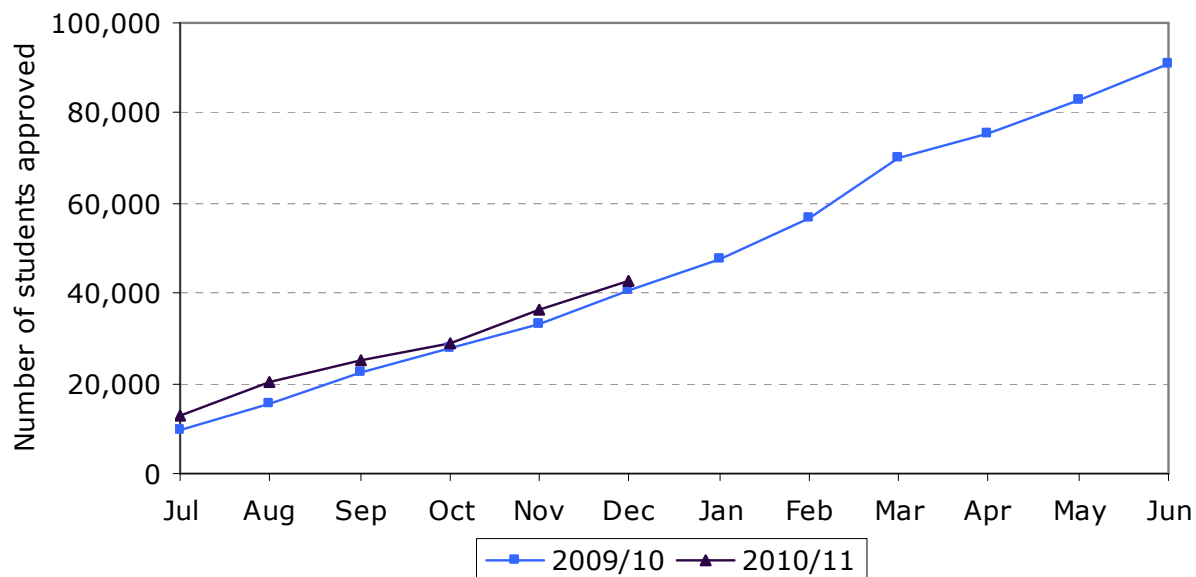
⁴ Includes all decisions on the following policy types: Approved in Principle, Essential Skills, Essential Skills - Skill Level 1, General, Specialist skills.

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

2.4 Students

- 38,337 people were approved a student visa in July to December 2010, a 4 percent increase from the 36,880 that were approved in the same period in 2009. Figure 5 shows the cumulative number of students approved in 2009/10 and 2010/11.

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



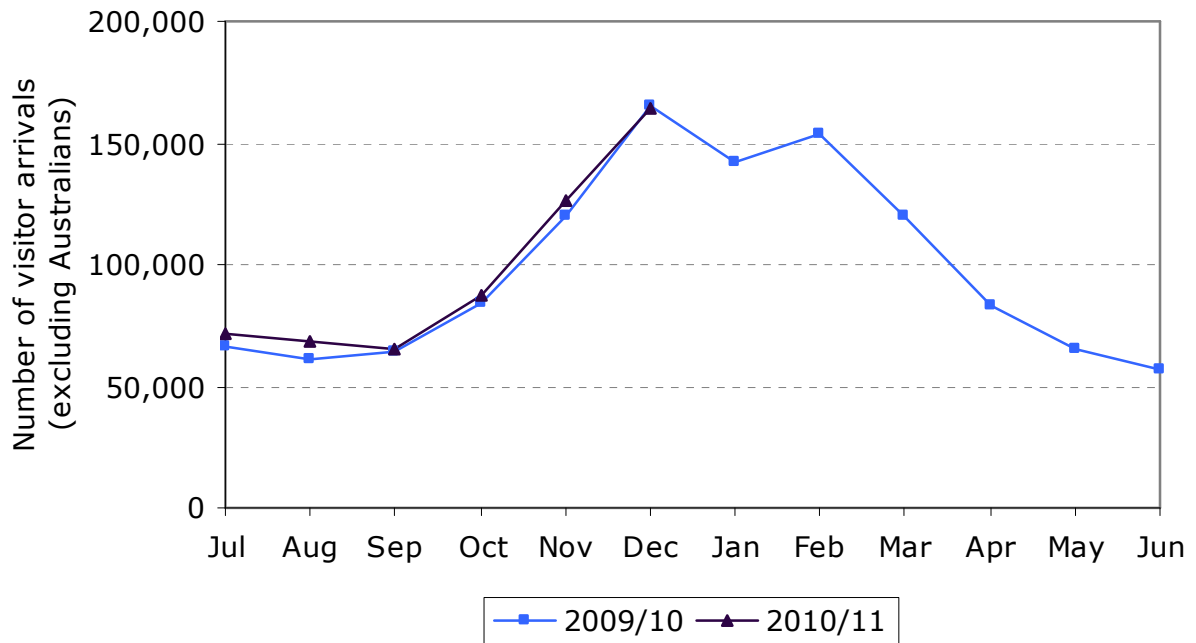
- In July to December 2010, the largest source countries of students were China (25%), India (15%), South Korea (12%), and Saudi Arabia (4%). Large increases are seen in the number of students coming from India (35 percent increase) and Saudi Arabia (22 percent increase), when this period is compared with the same time last financial year.

2.5 Visitors (excluding Australians)⁶

- The cumulative number of visitor visas issued at the border increased by 4 percent in July to December 2010 compared to the same period in 2009 (refer Figure 6).

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

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



- The top source countries for visitor visa approvals in July to December were the United Kingdom (contributed 16%), the United States of America (14%), China (10%), Japan (7%), and South Korea (6%). Large increases in visitors from China (46 percent increase) and South Korea (26 percent increase) were seen compared to the same time last year. Overall, visitor visa approvals increased by 4 percent from the previous year.

