



MONTHLY MIGRATION TRENDS

FEBRUARY 2010



MIGRATION TRENDS KEY INDICATORS REPORT: FEBRUARY 2010

Purpose

This report provides a brief summary of migration trends for the 2009/10 financial year to date (July – February 2010). The report focuses on three key areas: the New Zealand, Residence Programme, permanent skilled migration, and temporary entry. All immigration data is sourced from Department of Labour administrative data and, unless otherwise stated, is reported as a count of individual people rather than the number of applications.¹

Summary of key points

- The number of people approved for residence in the financial year to date is 27,215, compared with 29,424 for the same period in 2009 and 29,435 in 2008.
- 80% of Skilled Migrant Category (SMC) principal migrants were approved with a skilled job or offer and 86% were approved onshore.
- The UK is the largest source country of migrants approved through the Skilled/Business and Uncapped Family Sponsored Streams, while China is the largest source country of approvals through the Parent and Sibling/Adult Child Stream.
- Work approval numbers in the financial year to date are down 5% on last year. The number of applications through the labour market tested Essential Skills Policy is well down on last year but the decline rate has eased in recent months.
- The lower number of essential skills workers has been largely offset by more working holidaymakers (in part through new schemes), as well as a growing number of approvals through non-labour market tested policies like the study to work policy.
- International student approvals in the financial year to date are comparable to the same period last year. The number of Chinese students approved is lower than last year, but there has been steady growth in the number from India, Japan, United States and Saudi Arabia.
- The number of visitor arrivals at the border was 5% higher in February 2010 than in February 2009.

¹ *The reporting method used in this report is consistent with the annual Migration Trends and Outlook report. The purpose of reporting counts of individuals 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 typically gives lower numbers for temporary workers and students than when reporting the number of applications decided, as some individuals make more than one application in a reporting period. The Department of Labour also reports counts of temporary work and student applications, which are higher than the number of individuals reported here (see the statistics at www.immigration.govt.nz/statistics). Permanent residence statistics are uniform across the Department of Labour.*

1. New Zealand Residence Programme (NZRP)

The NZRP planning level is 45,000 – 50,000 permanent residence approvals for the 2009/10 financial year. This range is unchanged from 2008/09.

1.1 Residence approvals

- 27,215 people were approved residence in the financial year to date compared with 29,424 for the same period in 2009 and 29,435 in 2008. With the exception of the Uncapped Family Sponsored Stream, approval numbers in the year to date are lower than at the same point in the last two years.
- The lower number of Skilled/Business approvals partly reflects the higher decline rate on Skilled Migrant Category applications in the year to date, as well as fewer decisions made overall compared with the same time last year. Table 1 shows the breakdown of approvals by stream for the last three July–February periods.

Table 1: Residence approvals by stream

Stream	Jul-Feb 2008	Jul-Feb 2009	Jul-Feb 2010	% change from previous year
Business / Skilled	17,573	18,201	16,939	-6.9
Uncapped Family Sponsored	5,805	5,420	5,837	7.7
Parent and Sibling/Adult Child	3,394	3,737	2,902	-22.3
International / Humanitarian	2,663	2,066	1,537	-25.6
Total	29,435	29,424	27,215	-7.5

- The top 6 source countries in the 2009/10 year to date are the UK (17%), China (13%), South Africa (12%), the Philippines (9%), India (8%) and Fiji (7%).
- Analysis of residence approvals by nationality shows a trend of decreasing migration from the UK in recent years, particularly skilled migration. Skilled/Business migration from China has fallen since 2005/06 but remains steady through family sponsored categories.
- China is currently the largest source country of residence approvals through the Parent and Sibling/Adult Child Stream, while the UK is the largest source country of approvals through the Skilled/Business and Uncapped Family Sponsored Streams.

1.2 Skilled Migrant Category (SMC)

- 15,745 people were approved for residence through the SMC in the financial year to date compared with 17,238 for the same period in 2009 and 16,185 in 2008.
- The top source countries for SMC approvals in 2009/10 to date are the UK and South Africa (18% each), the Philippines (13%) and China (11%). Numbers from China and the UK are down by 32% and 22% on the same point last year, while numbers from South Africa are 5% lower.
- 80% of SMC principal applicants had a job or job offer (compared with 82% for the same period in 2009). Most were approved onshore (86%), of whom 85% had a job or job offer. Of the 14% approved offshore, 49% had a job or job offer.
- The decline rate on SMC applications is 14% in the financial year to date, compared with 10% for the same period last year. This has increased the average processing time on applications. The offshore decline rate is 37% in the financial year to date, compared with 19% this time last year.

2. Temporary migration

2.1 *Workers*

- The number of people approved for a work permit in the financial year to date is 89,031 – 5% lower than in the same period last year. Fewer applicants through the labour market tested Essential Skills Policy continues to drive the lower numbers overall. The decline rate continues to ease on Essential Skills applications.
- In the year to date there has been an increase in the number of people approved through working holiday schemes (up 7%) and the 'study to work'² policies (up 15%). These have largely offset the lower number approved through Essential Skills Policy (down 28%) and family-related work policies (down 1%).
- The main source countries of temporary workers in 2009/10 to date are the UK, India, and China. Current trends show the number of temporary workers from the UK and China has decreased, which is in line with the lower number of Essential Skills Policy approvals for these countries, as well as fewer Chinese students flowing through to the 'study to work' permit.
- The number of workers from India has grown, most notably in the number approved a 'study to work' permit, which is 81% higher than at the same time last year. This reflects the upward trend in recent years in the number of Indian international students.

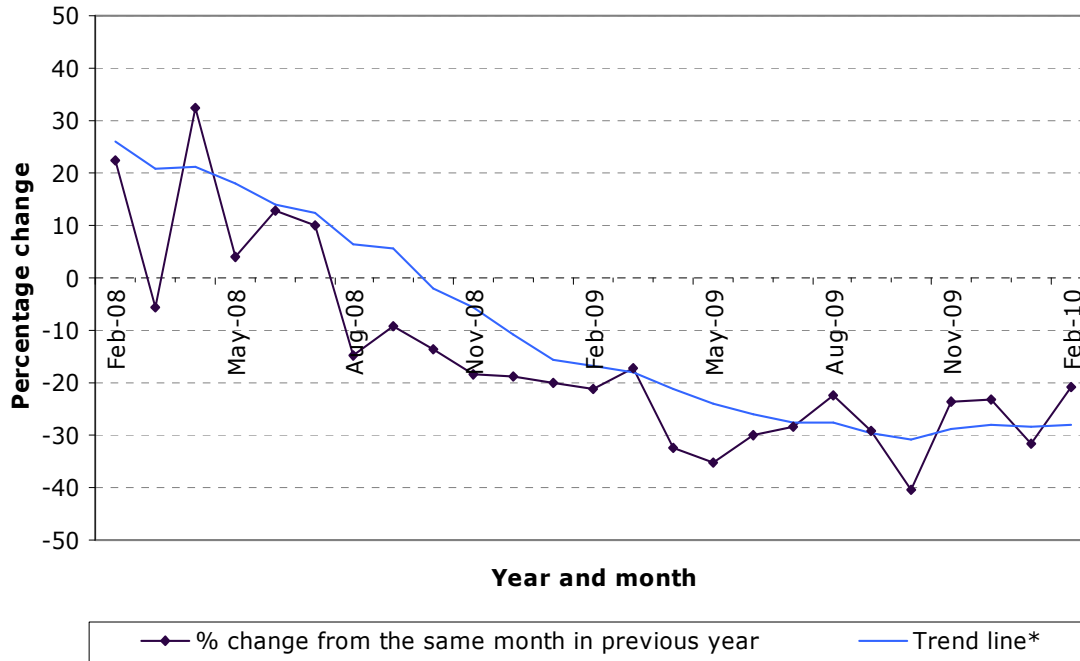
2.2 *Essential Skills Policy*³

- The number of Essential Skills applications began to slow from October 2008 and numbers are currently well down on last year. Data for the year to date shows that 32% fewer applications (over 10,000) were accepted for processing compared with the same period last year.
- The lower number of Essential Skills applications, combined with a relatively high decline rate on these applications, has seen approval numbers drop substantially. The average number of people approved each month is currently tracking at around 28% lower than the same month in the previous year. Approval numbers among the main source countries have been lower for the UK, the Philippines, Fiji, and China, whereas the numbers have been higher for India.
- Figure 1 shows the trend in the number of people approved through Essential Skills Policy over the last two years. It tracks the percentage change between any given month in one year with the same month in the previous year. The figure shows that the decline in approvals compared to last year look to be levelling out. Therefore we may expect to see approval numbers pick up in coming months.

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

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

Figure 1: Percentage change in the number of Essential Skills workers approved[†].

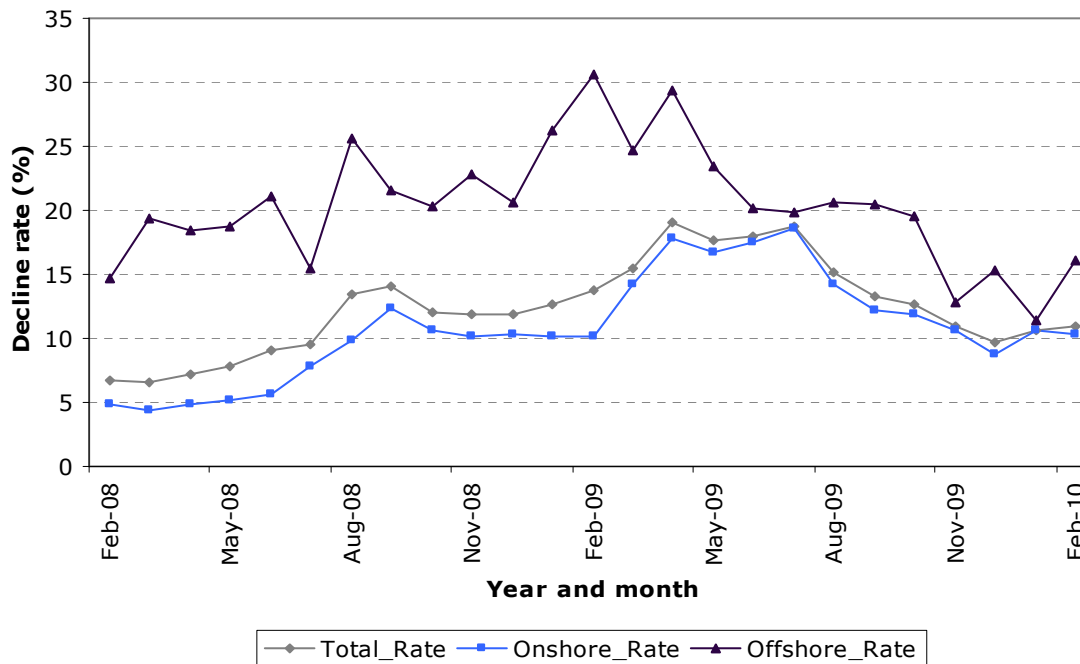


[†]The percentage change from the *same month* in the previous year.

*The trend line is the rolling average percentage change over the last six months.

- The decline rate on Essential Skills Policy decisions⁴ was relatively high throughout 2008/09 but has fallen in recent months for both onshore and offshore decisions. An increase in the offshore decline rate has left the overall decline rate at 11% in February 2010.

Figure 2: Decline rate on Essential Skills applications by decision branch location.

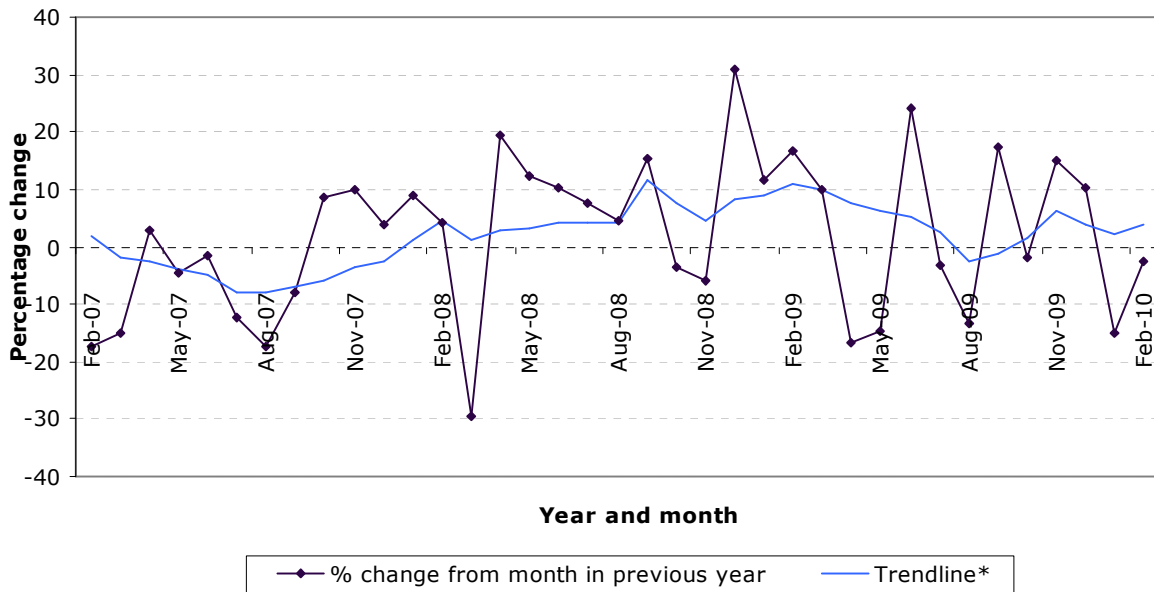


⁴ Includes all *decisions* on the following work policy types: Essential Skills, Essential Skills - Skill Level 1, Approved in Principle, General, and Specialist skills.

2.3 Students

- 50,312 people were approved student permits in the financial year to date. This number is comparable to the same period in 2009. The number of Chinese students approved is 2% lower than in the same period last year, but there has been a steady increase in the number approved from India (up 6%), Japan (up 3%), United States of America (up 5%) and Saudi Arabia (up 14%).
- Figure 3 shows the trend in the number of international students approved over the last three years. It tracks the percentage change between any given month in one year with the same month in the previous.

Figure 3: Percentage change in the number of students approved[†].



[†]The percentage change from the *same month* in the previous year.

*The trend line is the rolling average percentage change over the last six months.

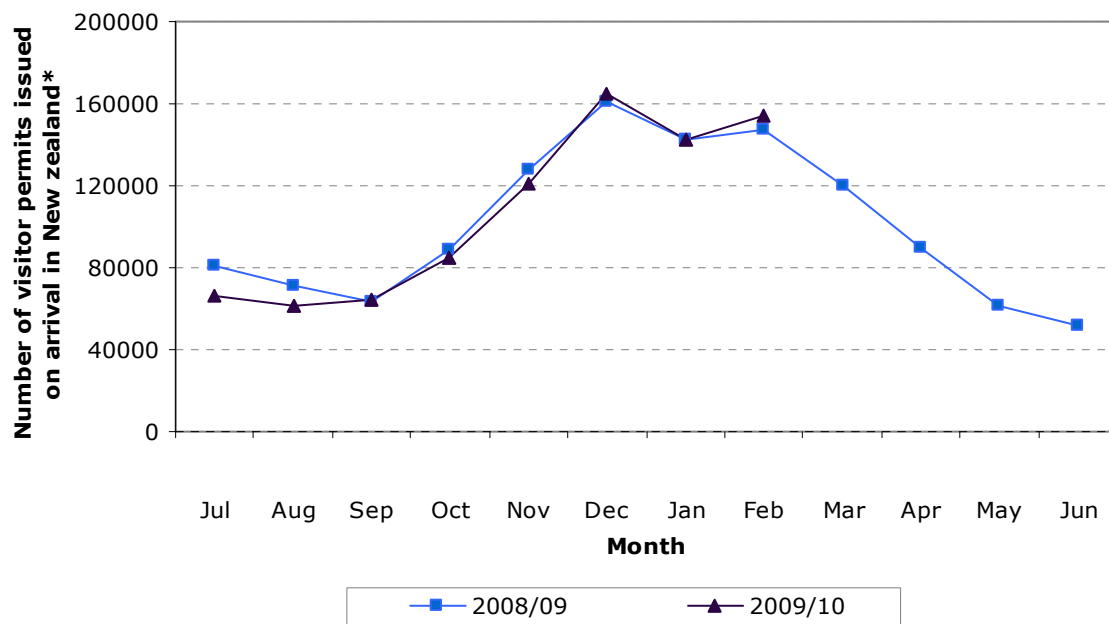
2.4 Visitors

- In the financial year to date 858,900 visitor arrivals were recorded at the border, compared with 881,000 for the same period in the previous year, indicating a decrease of 3%.⁵ The number of visitor arrivals in February 2010 (154,000) was 5% higher than visitor arrivals in February 2009.⁶

⁵ This includes all visa-free and visa-required travellers issued a visitor permit on arrival in New Zealand. It excludes Australian citizens and any other nationals exempt from holding a permit.

⁶ Ibid.

Figure 4: Number of visitor permits issued on arrival by month*



*Excludes Australian citizens and any other nationals exempt from holding a permit

- The Ministry of Tourism reported that the outlook for tourism is better than it has been for a while across our base markets.⁷ Latest arrivals data shows that in addition to the strong Australian performance, all of our regional markets returned to growth in December (Americas up 9.3%, Asia up 3.8% and Europe up 3.1%) which is the first time such consistent performance has occurred for a considerable time.

⁷ <http://www.tourismresearch.govt.nz/Data--Analysis/Key-Statistics/Tourism-Leading-Indicators-Monitor/> (accessed 4 March 2010).

Our 'base markets' are Australia, United Kingdom, United States, Japan, China, South Korea, Germany, and other country groups in Asia and Europe.

