



# MONTHLY MIGRATION TRENDS

## JANUARY 2010



# MIGRATION TRENDS KEY INDICATORS REPORT: JANUARY 2010

## **Purpose**

This report provides a brief summary of migration trends for the 2009/10 financial year to date (July-January 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.<sup>1</sup>

## **Summary of key points**

- The number of people in employment fell and the unemployment rate rose to a 10-year high of 7.3%.
- The number of people approved for residence in the financial year to date was 22,801, compared with 25,586 for the same period in 2009 and 25,200 in 2008.
- 80% of Skilled Migrant Category (SMC) principal migrants were approved with a skilled job or offer and 87% were approved onshore.
- The UK was the largest source country of migrants approved through the Skilled/Business and Uncapped Family Sponsored Streams, while China was the largest source country of approvals through the Parent Sibling Adult Child Stream.
- Work approval numbers in the financial year to date were 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 were comparable to the same period last year. The number of Chinese students approved was 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 permits issued in January 2010 was at the same level as they were in January 2009.

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<sup>1</sup> 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](http://www.immigration.govt.nz/statistics)). Permanent residence statistics are uniform across the Department of Labour.

## 1. Labour market context (seasonally adjusted)

- The December 2009 quarter showed continuing increases in unemployment and the unemployment rate.
- In the December 2009 quarter, unemployment rose by 18,000 (12.2%) to reach 168,000, the highest level in 16 years. In the same period, the unemployment rate rose by 0.8 percentage points to reach 7.3%, the highest since the June 1999 quarter.<sup>2</sup>
- During the December 2009 quarter the number of people in the labour force went up by 16,000. This rise was brought about by an increase in the working-age population and the number of unemployed people. The (unadjusted) working-age population continued to grow during the December 2009 quarter, partly due to positive net permanent and long-term migration.<sup>3</sup>
- The number of people employed fell by 0.1%, or 2,000 people, over the December 2009 quarter. This decline was significantly less than that seen in the first three quarters of 2009, where employment fell by 51,000 people, or by an average of 17,000 per quarter. The small fall in employment over the quarter is consistent with other indicators, such as increased job vacancies and rising employment intentions, suggesting that layoffs may be bottoming out.<sup>4</sup>

## 2. 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.

### 2.1 Residence approvals

- 22,801 people were approved residence in the financial year to date compared with 25,586 for the same period in 2009 and 25,200 in 2008. With the exception of the Uncapped Family Sponsored Stream, approval numbers in the year to date were 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-January periods.

**Table 1: Residence approvals by stream**

Stream	Jul-Jan 2008	Jul-Jan 2009	Jul-Jan 2010	% change from previous year
Business / Skilled	14,976	15,886	14,056	-11.5
Uncapped Family Sponsored Stream	5,007	4,668	4,895	4.9
Parent Sibling Adult Child Stream	2,932	3,289	2,562	-22.1
International / Humanitarian	2,285	1,743	1,288	-26.1
<b>Total</b>	<b>25,200</b>	<b>25,586</b>	<b>22,801</b>	<b>-10.9</b>

<sup>2</sup> 'Hot Off The Press' for December 2009 at: [http://www.stats.govt.nz/browse\\_for\\_stats/work\\_income\\_and\\_spending/Employment](http://www.stats.govt.nz/browse_for_stats/work_income_and_spending/Employment)

<sup>3</sup> Ibid.

<sup>4</sup> Labour Market Update for February 2010 at: <http://dol.govt.nz/publications/lmr/lmr-labour-market-update.asp>

- The top 6 source countries in the 2009/10 year to date were the UK (17%), China (13%), South Africa (12%), the Philippines (9%), Fiji and India (8% each).
- 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 but remains steady through family sponsored categories.
- China is currently the largest source country of residence approvals through the Parent Sibling Adult Child Stream, while the UK is the largest source country of approvals through the Skilled/Business and Uncapped Family Sponsored Streams.

## **2.2 Skilled Migrant Category (SMC)**

- 13,015 people were approved for residence through the SMC in the financial year to date compared with 15,066 for the same period in 2009 and 13,798 in 2008.
- The top source countries for SMC approvals in 2009/10 to date were South Africa and the UK (18% each), the Philippines (12%) and China (11%). The numbers from China and the UK were down by 34% and 28% on the same point last year, while the numbers from South Africa and the Philippines were 9% and 8% lower.
- 80% of SMC principal applicants had a job or job offer (compared with 83% for the same period in 2009). Most were approved onshore (87%), of whom 84% had a job or job offer. Of the 13% approved offshore, 52% had a job or job offer.
- The decline rate on SMC applications was 14% in the financial year to date compared with 10% for the same period last year, which has increased the average processing time on applications. The offshore decline rate was 36% in the year to date compared with 19% this time last year.

## **3. Temporary migration**

### **3.1 Workers**

- The number of people approved for a work permit in the financial year to date was 78,081 – 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 was an increase in the number of people approved through working holiday schemes (up 9%) and the 'study to work'<sup>5</sup> policies (up 15%). These have largely offset the lower number approved through Essential Skills Policy (down 29%) and family-related work policies (down 1%).
- The main source countries of temporary workers in 2009/10 to date were the UK, China, and India. 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 has almost doubled in the year to date. This reflects the upward trend in recent years in the number of Indian international students.

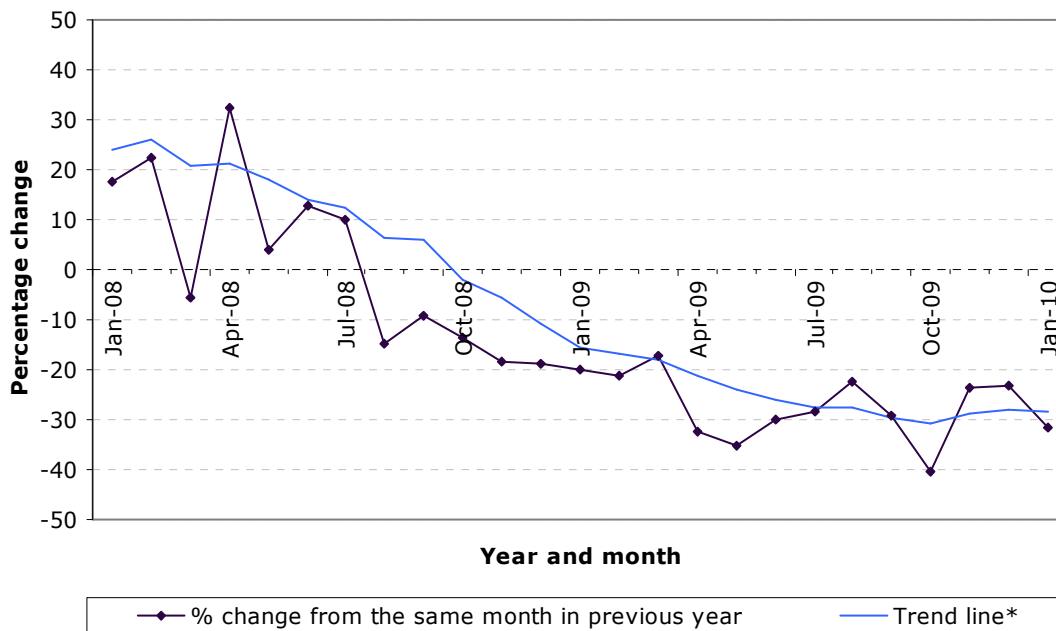
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<sup>5</sup> Includes the Graduate Job Search and Practical Experience Post Study policies.

### 3.2 Essential Skills Policy<sup>6</sup>

- 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 33% fewer applications (around 11,000) 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 were lower for all of the main source countries (the UK, the Philippines, India, Fiji, and China).
- 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.

**Figure 1: Percentage change in the number of Essential Skills workers approved<sup>†</sup>.**



<sup>†</sup>The percentage change from the *same month* in the previous year.

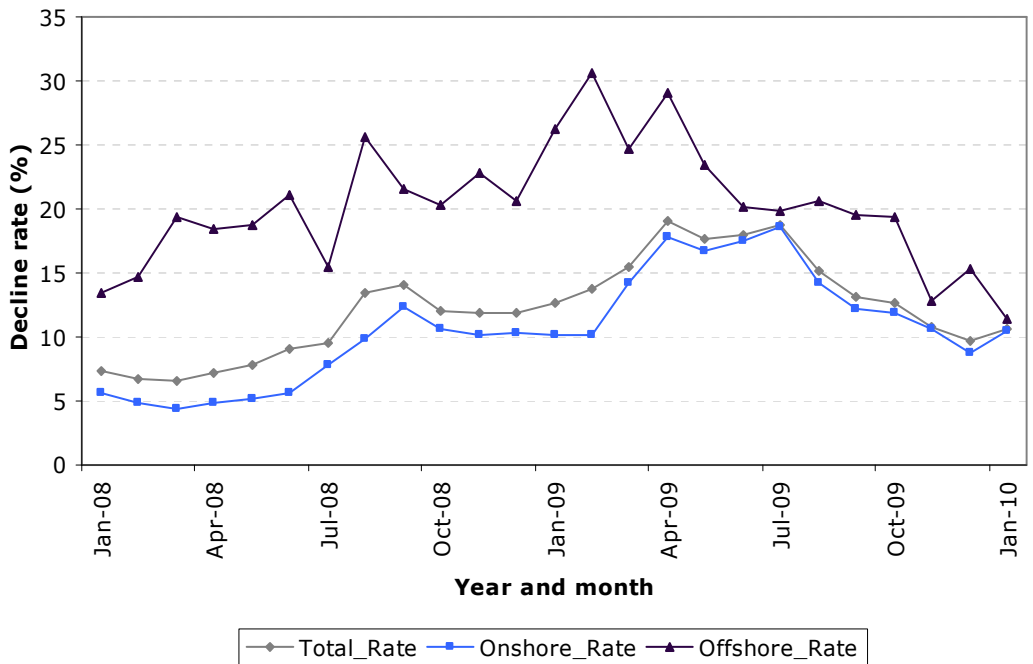
\*The trend line is the rolling average percentage change over the last six months.

- The decline rate on Essential Skills Policy decisions<sup>7</sup> was relatively high throughout 2008/09 but has fallen in recent months for both onshore and offshore decisions. A slight increase in the onshore decline rate has pushed up the overall decline rate to 11% in January 2010.

<sup>6</sup> Includes the following policies: Essential Skills, Essential Skills - Skill Level 1, Approved in Principle, General, and Specialist skills.

<sup>7</sup> Includes all *decisions* on the following work policy types: Essential Skills, Essential Skills - Skill Level 1, Approved in Principle, General, and Specialist skills.

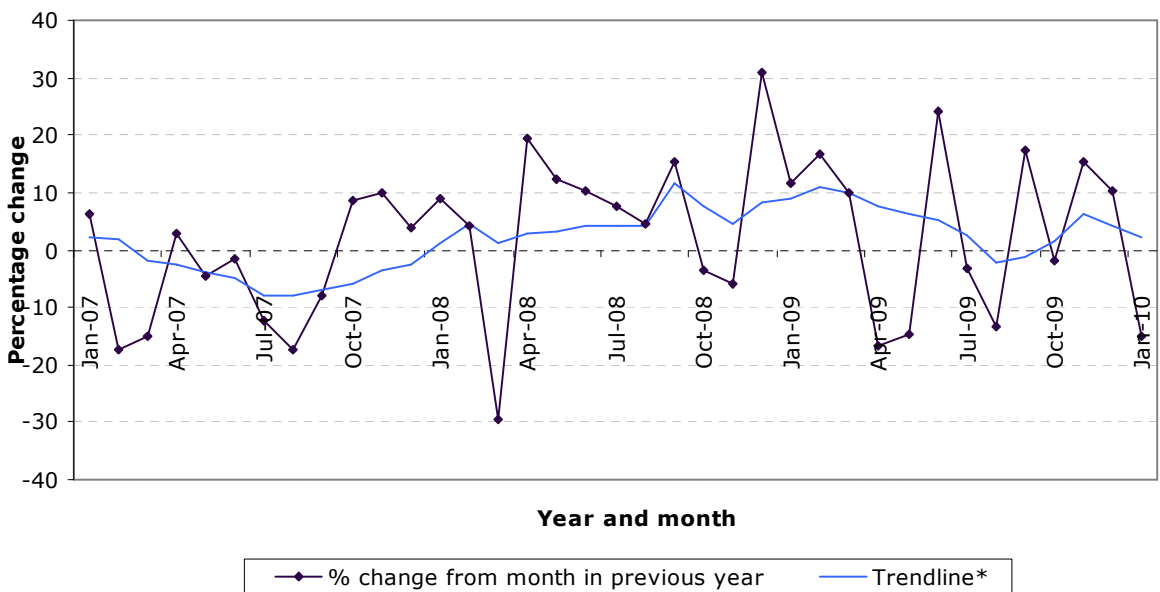
**Figure 2: Decline rate on Essential Skills applications by decision branch location.**



**3.3 Students**

- 43,108 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 was 2% lower than in the same period last year, but there has been a steady increase in the number approved from India (up 5%), Japan (up 2%), United States of America (up 5%) and Saudi Arabia (up 35%).
- 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†.**



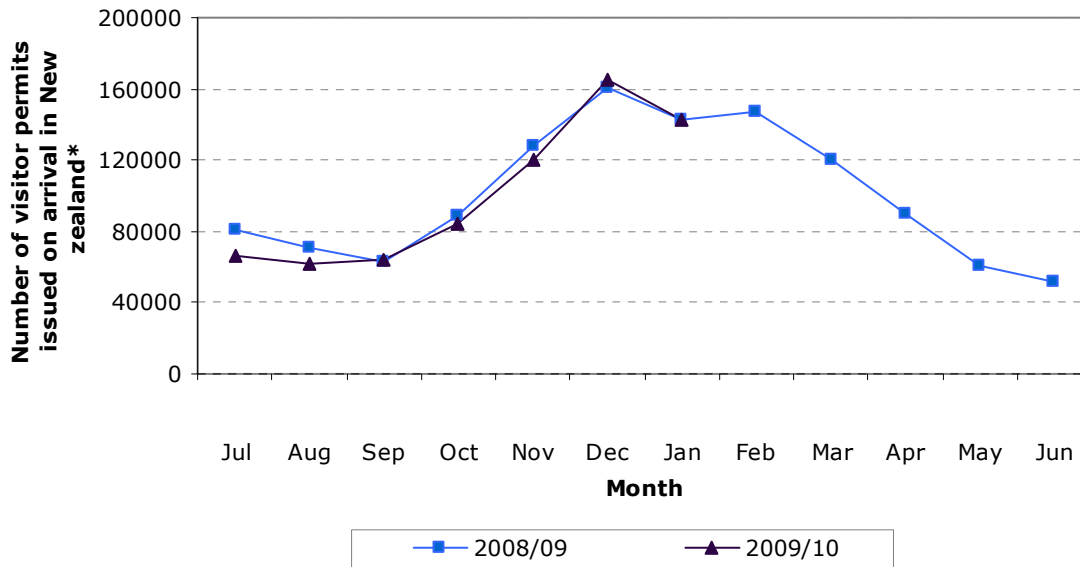
†The percentage change from the *same month* in the previous year.

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

### 3.4 Visitors

- In the financial year to date 705,000 visitor arrivals were recorded at the border compared with 734,000 for the same period in the previous year, indicating a decrease of 4%.<sup>8</sup> The number of visitor arrivals in January 2010 (142,500) was the same as that for January 2009.<sup>9</sup>

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



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

<sup>8</sup> 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.

<sup>9</sup> Ibid.

