

Labour & Immigration
Research Centre

Te Pokapū a Mahi me Te Manene Rangahau

Migration Trends Key Indicators Report

June 2012



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Ministry of Business,
Innovation & Employment



MIGRATION TRENDS KEY INDICATORS REPORT: JUNE 2012

Purpose

This report summarises key indicators of migration trends for the 2011/12 financial year (1 July 2011 through 30 June 2012). The report focuses on three areas:

- Migration flows
- New Zealand Residence Programme (NZRP)
- Temporary visa entry.

All data is sourced from the Ministry of Business, Innovation and Employment, Labour Group and, unless otherwise stated, is reported as a count of individual people rather than the number of applications. The purpose of this reporting is to show the number of people who enter New Zealand rather than the number of visas they were granted. In practice, counting individual people gives lower numbers for temporary workers and students than when reporting the number of applications decided, as individuals can make more than one application in a year.¹

Summary of key points

- Migration into OECD countries fell in 2010 for the third year in a row, but started to rise again in most countries in 2011. This suggests that the recent slowdown in migration into OECD countries may have come to an end.
- Permanent and long-term (PLT) migration to New Zealand had a net loss of 3,200 in the year ended 30 June 2012 compared with a net gain of 3,900 in the year ended 30 June 2011. Annual net migration is forecast to return to a net gain by 2013.
- 40,448 people were approved for residence in 2011/12, compared with 40,737 in 2010/11. The United Kingdom remains the largest source country (15 percent), followed by China and India (13 percent each).
- Skilled Migrant Category (SMC) approvals (18,843 people) accounted for just under half of all residence approvals in 2011/12. The number of SMC approvals was down 11 percent (2,369 people fewer) from the previous year. The decrease reflects a flow-on effect from the prior decrease in Essential Skills workers due to the global recession.
- India has overtaken the United Kingdom as the top source country for SMC principal applicants in 2011/12. The number of SMC principal applicants from India increased by 27 percent from 2010/11. The increase from India is mainly due to former Indian international students who transition to temporary work and then to permanent residence.
- 92 percent of SMC principal migrants were approved with a job or job offer in skilled employment in 2011/12 compared with 90 percent in 2010/11.

¹ The Ministry of Business, Innovation and Employment 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 Immigration New Zealand website at www.immigration.govt.nz/statistics). The permanent residence statistics are uniform across the Ministry of Business, Innovation and Employment.

- The number of people approved for a work visa for 2011/12 increased by 2 percent from the previous year due to increases in the 'study to work' visa and horticulture and viticulture seasonal workers.²
- Essential Skills temporary workers approved in 2011/12 decreased by 1 percent from the previous year. As the economic and labour market recovery are forecast to continue, it is likely that the number of Essential Skills workers will start to increase.
- In 2011/12, 3,345 principal applicants were approved for a work visa under Essential Skills for a job offer in the Canterbury region, an increase of 34 percent from a low of 2,499 in 2010/11 due to the February 2011 Christchurch earthquake.
- In 2011/12, 68,980 international students were approved to study in New Zealand, a 7 percent decrease from 74,097 in 2010/11.³ The number of full fee-paying students (50,662 people) decreased by 5 percent compared with the previous year.
- The Rugby World Cup had an impact on visitor arrivals in 2011/12, which increased 6 percent on last year.

Global outlook

Migration into OECD countries fell in 2010 for the third year in a row, but started to rise again in 2011 in most European OECD countries (except Italy) as well as in Australia and New Zealand. This suggests that the slowdown in migration into OECD countries may have come to an end. The decline in temporary labour migration continued but at a slower rate while number of people coming to study in OECD countries continued to grow.

The latest report on migration from the OECD concludes that "Labour market developments and migration flows are closely linked. The decline in labour demand has been the driving force behind the fall in migration during the crisis, not restrictions imposed by migration policies".⁴

The report suggests that countries should focus on their long-term labour market needs, skills and policies for the integration of migrants, particularly the young, whose competencies will be needed as the global economy recovers.

² This is a count of individuals approved a work visa rather than the number of applications.

³ This is a count of individuals approved a student visa rather than the number of applications and will be different from the number of student enrolments reported by TEC/MoE.

⁴ OECD (2012), International Migration Outlook 2012, OECD Publishing.

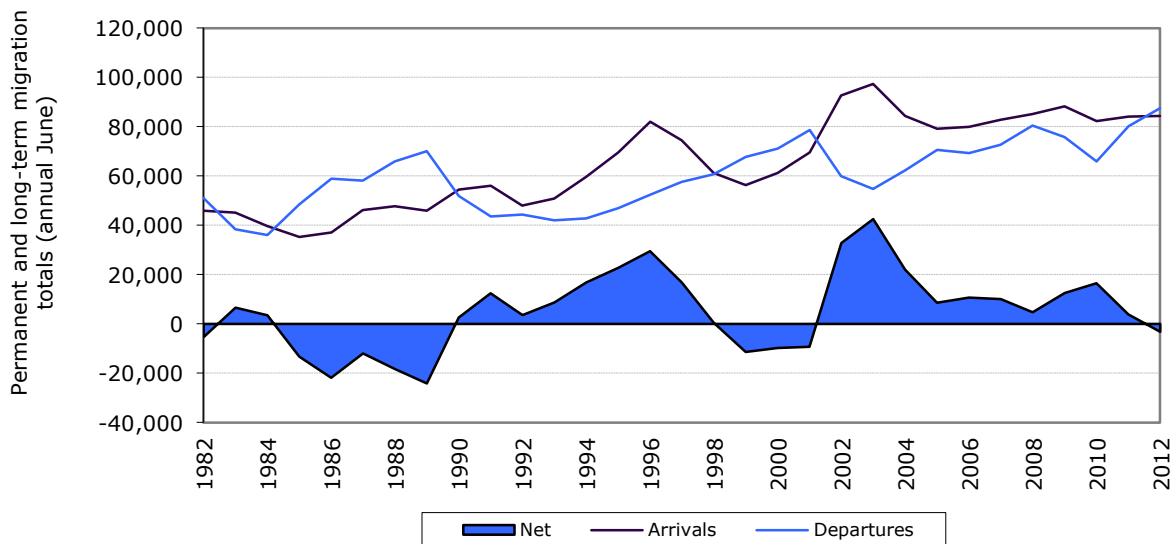
http://dx.doi.org/10.1787/migr_outlook-2012-en

Migration flows

The total number of people migrating to and from New Zealand fluctuates greatly from year to year, but cyclical patterns emerge over time (Figure 1). Permanent and long-term (PLT) migration to New Zealand had a net loss of 3,200 in the year ended 30 June 2012 compared with a net gain of 3,900 in the year ended 30 June 2011. PLT arrivals increased by less than 1 percent while departures increased by 9 percent from the year end 30 June 2011. Annual net migration is forecast to return to a net gain by 2013.⁵

The number of people departing to Australia continued to increase, due largely to Australia's attractive economic and labour market conditions. Departures of New Zealand citizens to Australia were up 22 percent (8,700 more departed) in the year end June 2012 compared with the year end June 2011, whilst the arrivals of New Zealand citizens from Australia were down by 5 percent (500 less arrived) in the same time period. The Ministry forecasts PLT departures to Australia to ease in the latter part of 2012.

Figure 1: Permanent and long-term migration totals (annual June years) 1982-2012



Source: Statistics New Zealand

⁵ <http://www.dol.govt.nz/research/migration/migration-factsheets/migration-jun-12/index.asp>

New Zealand Residence Programme

The New Zealand Residence Programme (NZRP) target planning range is 135,000-150,000 permanent residence approvals over the three year period, 2011/12 to 2013/14.

Residence approvals

In 2011/12, 40,448 people were approved for residence. This is similar to the 40,737 approved in 2010/11 although there was an underlying change in the two largest streams. The decline rate for residence applications (15 percent) was unchanged from the same period last year. Table 1 shows the breakdown of residence approvals by stream.

Table 1: Residence approvals by stream

Stream	2009/10	2010/11	2011/12
Skilled/Business stream	28,473	23,145	20,431
Uncapped Family stream	9,862	9,597	11,507
Capped Family Sponsored stream	4,708	5,229	5,708
International/Humanitarian stream	2,676	2,766	2,802
Total	45,719	40,737	40,448

The top source countries for residence approvals in 2011/12 were the United Kingdom (15 percent), China and India (13 percent each), the Philippines (8 percent), and Fiji and South Africa (6 percent each).

Compared with the previous year, there was an increase in residence approvals from India (24 percent increase), China (3 percent increase), and the Philippines (3 percent increase), while there was a decrease in residence approvals from South Africa (34 percent decrease), Fiji (14 percent decrease), and the United Kingdom (8 percent decrease).

The increase in residence approvals from India was driven by increases in the Skilled/Business stream (up from 2,851 to 3,316, a 16 percent increase), Uncapped Family Sponsored stream (up from 793 to 1169, a 47 percent increase), and Capped Family stream (up from 557 to 714, a 28 percent increase).

Skilled Migrant Category (SMC)

In 2011/12, 18,843 people were approved for residence through the SMC compared with 21,212 in 2010/11 and 26,652 in July 2009/10. The number of people applying through the SMC in 2011/12 decreased by 8 percent compared with the previous year. The decrease reflects a flow-on effect from the prior decrease in Essential Skills workers due to the global economic slowdown.

Currently, the top source countries of SMC approvals are the United Kingdom and India (17 percent each), the Philippines (13 percent), China (8 percent) and South Africa and Fiji (7 percent each). In 2011/12, India overtook the United Kingdom as the top source country for SMC principal applicants (2,145 approvals, 23 percent). The number of SMC principal applicants from India increased by 27 percent from 2010/11.

Reflecting a long-term trend, the increase from India is mainly due to former Indian international students who transition to temporary work and then to permanent residence. SMC approvals from South Africa have decreased over the last two years (from 4,588 in 2009/10 to 1,407 in 2011/12) and the United Kingdom has continued to decline from a peak of 11,848 approvals in 2004/05 to 3,183 in 2011/12.

In 2011/12, 92 percent of SMC principal applicants had a job or job offer (compared with 90 percent in 2010/11) and 65 percent gained points for recognised work experience (compared with 70 percent in 2010/11).

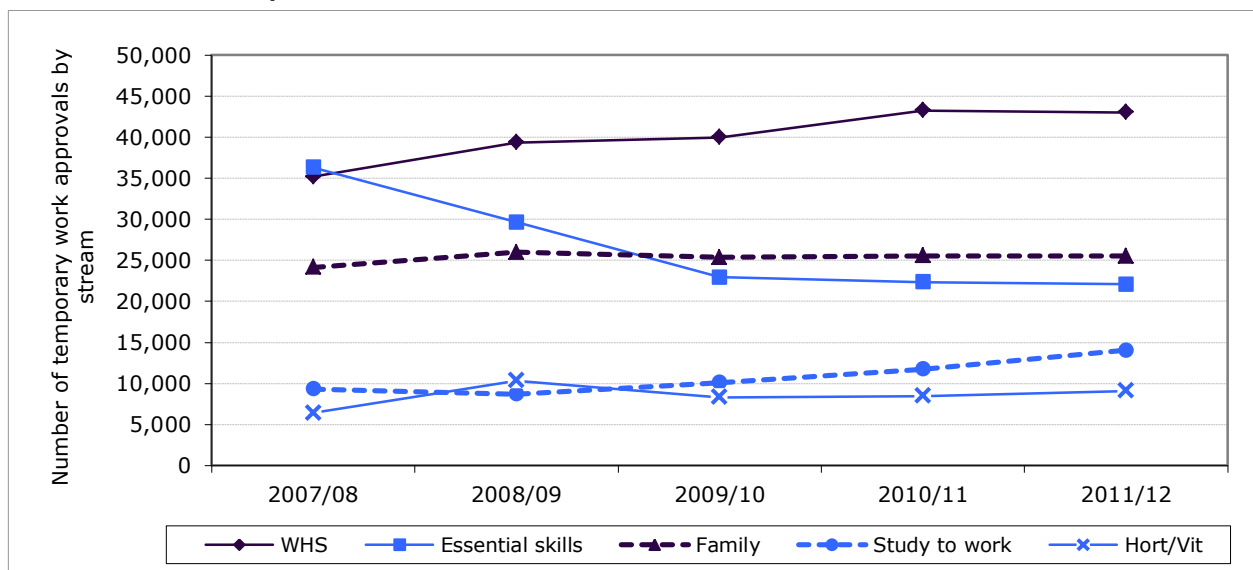
In 2011/12, most SMC principal applicants were approved onshore (87 percent), of whom 99 percent had a job or job offer. Of the 13 percent approved offshore, 52 percent had a job or job offer.

Temporary migration

Workers

The number of people approved for a work visa in 2011/12 was 138,218, an increase of 2 percent from the 135,013 approvals in the previous year.⁶ Those approved a 'study to work' visa⁷ increased by 20 percent and horticulture and viticulture seasonal workers increased by 7 percent, while Essential Skills workers and working holidaymakers each decreased by 1 percent (refer Figure 2).

Figure 2: Number of temporary workers (individuals) approved by stream, 2007/08-2011/12



Source: Ministry of Business, Innovation and Employment

The main source countries of temporary workers in 2011/12 were the United Kingdom (13 percent), India (12 percent), China (9 percent), Germany (7 percent), and the United States (6 percent). India had the largest absolute increase in temporary workers in 2011/12 (up 2,270 people or 16 percent) due to increases in the 'study to work' and Essential Skills visas.

⁶ This is a count of individuals approved a work visa rather than the number of applications.

⁷ Includes the Graduate Job Search, Graduate Work Experience and Practical Experience Post Study policies.

Essential Skills workers⁸

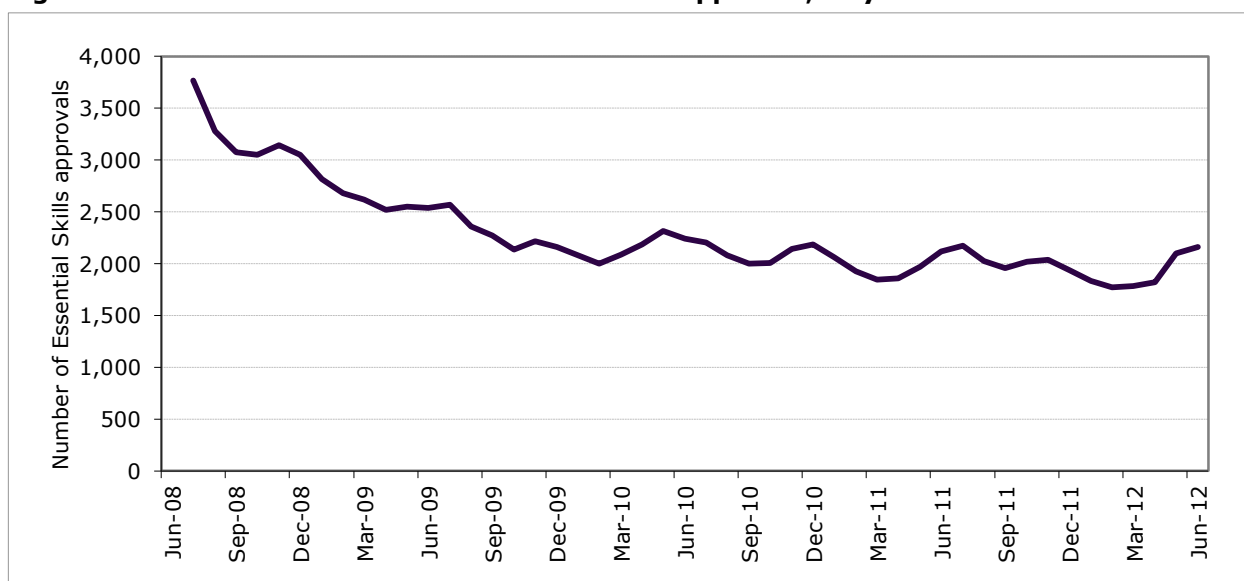
The demand for Essential Skills workers slowed from October 2008 with the onset of the global economic slowdown and its effect on the domestic economy. Over the last two years, the number of Essential Skills workers approved has remained relatively stable (Figure 3) although still shows a slight downward trend.

Essential Skills workers approved in 2011/12 decreased by 1 percent compared with the previous year. As the economic and labour market recovery are forecast to continue over the coming year, it is likely that the number of Essential Skills workers will start to increase.⁹

The main source countries of Essential Skills workers in 2011/12 were the United Kingdom (15 percent), the Philippines (13 percent), India (10 percent), and Fiji and China (7 percent each).

In 2011/12, 3,345 principal applicants were approved for a work visa under Essential Skills for a job offer in the Canterbury region, an increase of 34 percent from a low of 2,499 in 2010/11 due to the February 2011 Christchurch earthquake. This was the largest absolute increase in Essential Skills workers across the main regions of New Zealand in 2011/12.

Figure 3: Number of Essential Skills workers approved, July 2008 to June 2012



Note: 3 month moving average applied.

Source: Ministry of Business, Innovation and Employment

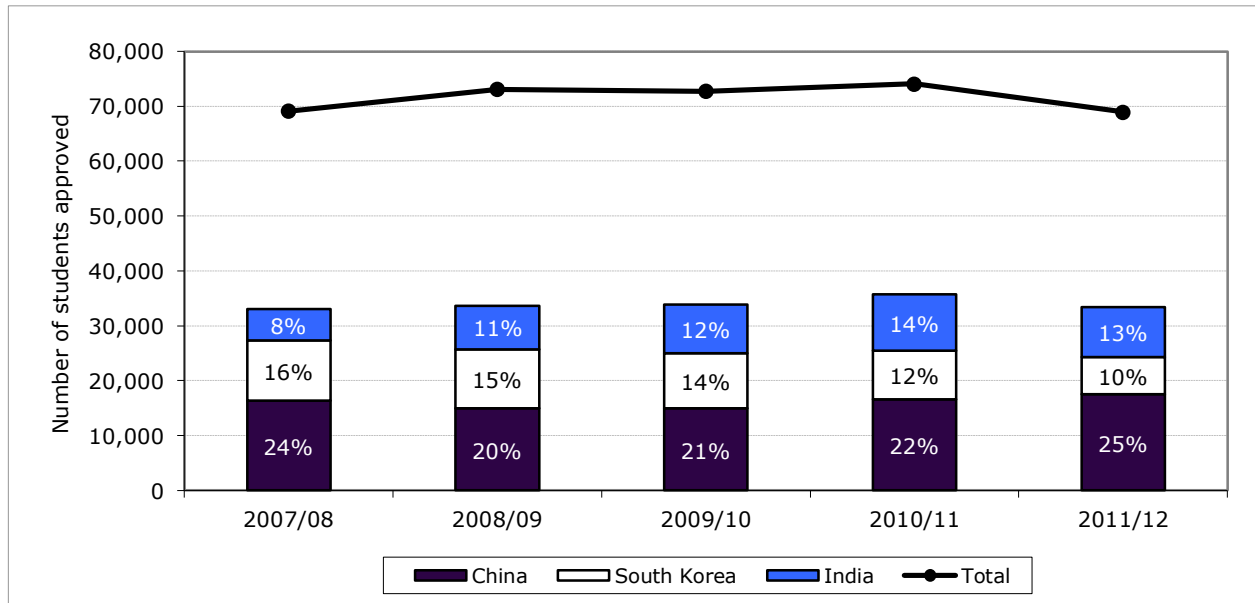
⁸ Includes the following policies: Approved in Principle, Essential Skills, Essential Skills - Skill Level 1, General, and Specialist skills.

⁹ <http://www.dol.govt.nz/publications/lmr/reports/labour-market-update-jun-12/index.asp>

International Students

In 2011/12, 68,980 international students were approved to study in New Zealand, a 7 percent decrease from 74,097 in 2010/11.¹⁰ The number of full fee-paying students (50,662 people) decreased by 5 percent compared with the previous year. Figure 4 shows the total number of students approved over the last five years and the number from each of the three main source countries.

Figure 4: Number of students¹¹ compared to top source countries, 2007/08-2011/12



Source: Ministry of Business, Innovation and Employment

In 2011/12, the largest source countries of students were China (25 percent), India (13 percent), and South Korea (10 percent). Compared with last year, there was a 6 percent increase in the number of students from China, while the number of students from South Korea and India decreased by 24 percent and 11 percent respectively.

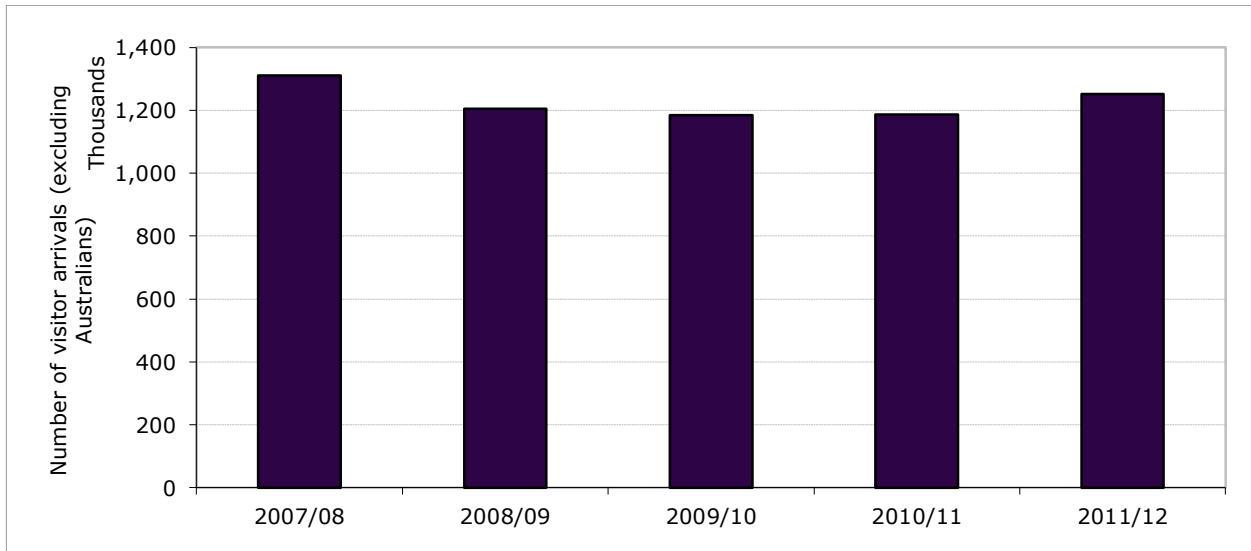
¹⁰ This is a count of individuals approved a student visa rather than the number of applications and will be different from the number of student enrolments reported by TEC/MoE.

¹¹ Includes fee paying and domestic students.

Visitors (excluding Australians)¹²

The number of visitor arrivals for 2011/12 increased by 6 percent compared with the previous year (refer Figure 5). This increase is primarily a result of visitors arriving for the Rugby World Cup in September and October 2011. The effect of the Rugby World Cup on total visitor numbers will be higher than shown as the data in Figure 5 excludes Australians.

Figure 5: Number of visitor arrivals (excluding Australians), 2007/08-2011/12



Source: Ministry of Business, Innovation and Employment

The top source countries for visitor arrivals in 2011/12 were the United Kingdom (16 percent), the United States (14 percent), China (13 percent), and France (6 percent). Compared with the previous year, there was an increase in visitors from the China (36 percent increase) and France (20 percent increase), while there was decrease in visitors from the United States (3 percent decrease) and United Kingdom (1 percent decrease).

For further information please visit <http://dol.govt.nz/research> or email research@dol.govt.nz

¹² Number of people issued a visitor visa on arrival in New Zealand. Australian citizens and resident visa holders are issued a resident visa on arrival.

⇒ More information

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