

Migration Trends Key Indicators Report

June 2013



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INNOVATION & EMPLOYMENT**
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ISSN: 2324-456
August 2013

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Ministry of Business, Innovation and Employment
PO Box 3705
Wellington
New Zealand
www.dol.govt.nz
www.mbie.govt.nz

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Migration Trends Key Indicators Report: June 2013

Purpose

This report summarises key indicators of migration trends for the 2012/13 financial year (1 July 2012 through 30 June 2013). The report focuses on three areas:

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

and includes information from the Department of Statistics and comparative international information from the OECD.

All New Zealand immigration data is sourced from the Ministry of Business, Innovation and Employment 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

- The OECD is experiencing modest growth in immigration after three consecutive years of decline. Annual migration flows in OECD countries grew by about 2 percent in 2011, to reach almost four million, and this upward trend is predicted to continue.
- Permanent and long-term (PLT) migration to New Zealand had a net gain of 7,900 in the June 2013 year compared with a net loss of 3,200 in the June 2012 year. The net gain was mainly due to fewer New Zealand citizen departures to Australia.
- In 2012/13, 38,961 people were approved for residence, down 4 percent compared with 40,448 in 2011/12. The top source countries were China (15 percent) followed by the United Kingdom and India (13 percent each). This is the first time in the last 10 years that China has been the top source country for residence approvals.
- Skilled Migrant Category (SMC) approvals (18,156 people) accounted for just under half of all residence approvals in 2012/13. The number of SMC approvals was down 4 percent, though the decline was more modest than in previous years. The decrease reflects a flow-on effect from the prior decrease in Essential Skills workers due to the global economic slowdown and subsequent downturn in labour demand.
- India was the top source country of SMC principal applicants in 2012/13 and increased 5 percent from 2011/12. The increase from India is mainly due to former Indian international students who transition to temporary work and then to permanent residence.

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.

- In 2012/13, 94 percent of SMC principal migrants were approved with a job or job offer in skilled employment compared with 92 percent in 2011/12.
- The number of people approved for a temporary work visa in 2012/13 increased 5 percent from the previous year due to increases in the number of working holidaymakers, 'study to work' visa holders, horticulture and viticulture seasonal workers, and Essential Skills workers.²
- Essential Skills temporary workers approved in 2012/13 increased 2 percent from the previous year. This was the first annual increase in Essential Skills workers since the start of the global economic slowdown and reflects the growth in labour demand in Canterbury.
- In 2012/13, 4,733 people were approved for a work visa under Essential Skills for a job offer in the Canterbury region, an increase of 40 percent from 2011/12. This follows a 34 percent increase in the previous year as the number of Essential Skills workers rebounded from a low in 2010/11 due to the February 2011 Christchurch earthquake.
- In 2012/13, the number of international students approved to study in New Zealand (64,232 students) continued to fall, down 7 percent from 2011/12.³ The number of full fee-paying students (48,564 people) decreased 4 percent compared with the previous year.
- The number of visitor arrivals for 2012/13 was similar to the previous year with 1.25 million visitor arrivals. China had the largest absolute increase in visitor arrivals and moved from 3rd ranking in 2011/12 to 1st in 2012/13.⁴

Global outlook

The OECD is experiencing modest growth in immigration after three consecutive years of decline. Annual migration flows in OECD countries grew by about 2 percent in 2011, to reach almost four million, and this upward trend is predicted to continue. Policy developments continue to focus on high-skilled migration and the attraction of international students.

The latest report on migration from the OECD provides a comparative analysis of the net fiscal impact of migration. The evidence compiled shows that the fiscal impact of immigration is close to zero on average over the OECD. In other words, 'migration represents neither a significant gain nor drain for the public purse'.⁵

The labour market situation for migrants has worsened over the past five years in many countries, particularly in Europe where high and long-term unemployment of migrants has become a significant concern. Countries such as New Zealand, Australia, and Canada have fared much better in terms of migrant labour market outcomes as they have a higher level of discretionary flows.

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 Australia remains the top source country of arrivals but is excluded from this analysis of visitor arrivals as their citizens are issued a resident visa on arrival.

⁵ OECD (2013), International Migration Outlook 2013, OECD Publishing, www.oecd.org/els/mig/imo2013.htm

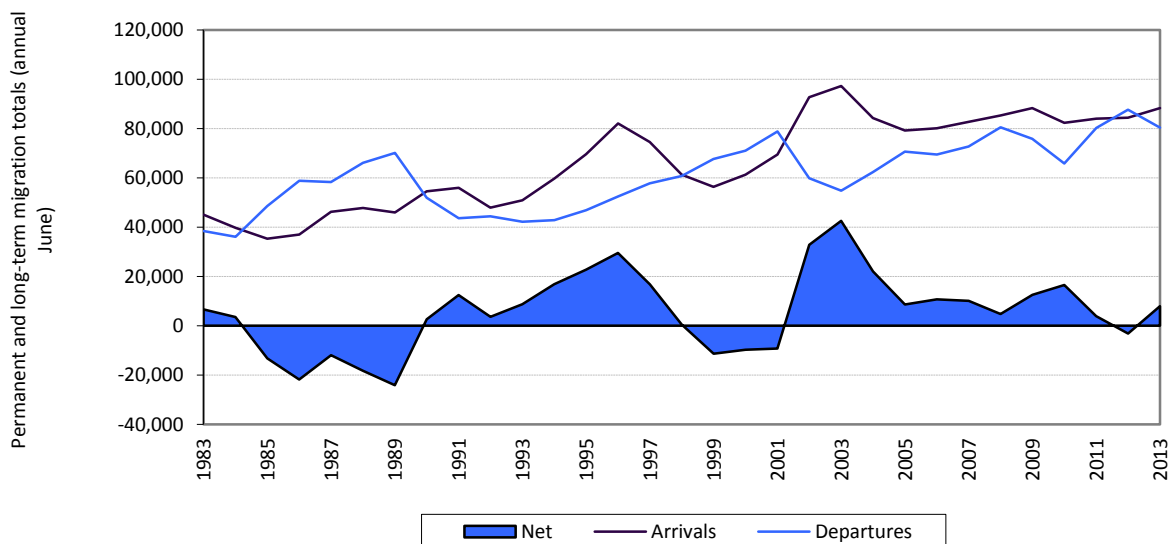
The OECD report concludes by suggesting countries should focus settlement and integration efforts on measures that provide the largest gain, such as language training, and on the most vulnerable groups, such as young migrants.

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 gain of 7,900 in the June 2013 year compared with a net loss of 3,200 in the June 2012 year. During this time, PLT arrivals increased 5 percent to 88,200 while departures fell 8 percent to 80,300.

There was a net loss of 31,200 people to Australia in the June 2013 year compared with a net loss of 39,800 in the June 2012 year. Departures to Australia fell 11 percent (5,700 people) to 48,000 while arrivals from Australia increased 20 percent (2,800 people) to 16,800. In both directions, most PLT migrants were New Zealand citizens.

Figure 1: Permanent and long-term migration totals (annual June years) 1983-2013



Source: Statistics New Zealand

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 2012/13, 38,961 people were approved for residence, down 4 percent from 40,448 in 2011/12. Driving the decrease in residence approvals was a 23 percent fall in approvals in the Capped Family Sponsored stream as a result of changes to the Parent category and closing of the Adult Child and Sibling categories in 2012. The Skilled/Business stream decreased 2 percent though the drop was more modest than in previous years. The decline rate for residence applications was 14 percent compared with 15 percent in the previous year. Table 1 shows the breakdown of residence approvals by stream.

Table 1: Residence approvals by stream

Stream	2010/11	2011/12	2012/13
Skilled/Business stream	23,145	20,431	20,007
Uncapped Family stream	9,597	11,507	11,291
Capped Family Sponsored stream	5,229	5,708	4,401
International/Humanitarian stream	2,766	2,802	3,262
Total	40,737	40,448	38,961

The top source countries for residence approvals in 2012/13 were China (15 percent), the United Kingdom and India (13 percent each), and the Philippines (8 percent). This is the first time in the last 10 years that China has been the top source country for residence approvals.

Compared with 2011/12, there was an increase in residence approvals from China (7 percent increase) while there was a decrease in approvals from the United Kingdom (14 percent decrease), the Philippines (7 percent decrease), and India (2 percent decrease).

The increase in residence approvals from China was driven by increases in the Uncapped Family stream (up from 1,118 to 1,929, a 72 percent increase) and the Skilled/Business stream (up from 1,704 to 1,960, a 15 percent increase).

Skilled Migrant Category (SMC)

In 2012/13, 18,156 people were approved for residence through the SMC compared with 18,843 in 2011/12 and 21,212 in 2010/11. The number of people applying through the SMC in 2012/13 decreased by 4 percent compared with 2011/12, though this fall was less than the 11 percent decrease in the previous year. The decrease reflects a flow-on effect from the prior decrease in Essential Skills workers due to the global economic slowdown and subsequent downturn in labour demand.

The top source countries of SMC approvals were India (19 percent), the United Kingdom (15 percent), the Philippines (12 percent) and China (9 percent). In 2012/13, India was the top source country for SMC principal applicants (2,248 approvals, 25 percent) and increased 5 percent from 2011/12.

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 the United Kingdom have continued to fall from a peak of 11,848 approvals in 2004/05 to 2,706 in 2012/13.

In 2012/13, 94 percent of SMC principal applicants had a job or job offer (compared with 92 percent in 2011/12) and 63 percent gained points for recognised work experience (compared with 65 percent in 2011/12).

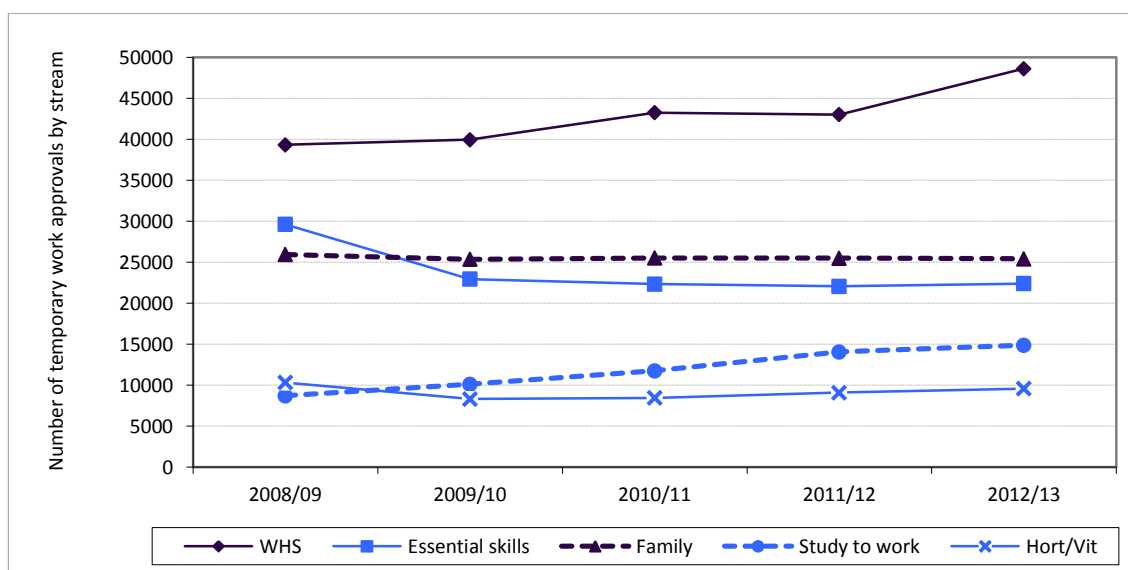
In 2012/13, most SMC principal applicants were approved onshore (87 percent), of whom 99 percent had a job or job offer. Of the 13 percent approved offshore, 57 percent had a job or job offer.

Temporary migration

Workers

The number of people approved for a work visa in 2012/13 was 144,978, an increase of 5 percent from the 138,162 approvals in the previous year.⁶ The number of working holidaymakers increased 13 percent while horticulture and viticulture seasonal workers increased 6 percent, those approved a ‘study to work’ visa⁷ increased 5 percent and Essential Skills workers increased 2 percent. (refer Figure 2).

Figure 2: Number of temporary workers (individuals) approved by stream, 2008/09–2012/13



The main source countries of temporary workers in 2012/13 were the United Kingdom (13 percent), India (12 percent), China (9 percent), Germany (8 percent), and the United States (6 percent). Germany had the largest absolute increase in temporary workers in 2012/13 (up 2,106 or 22 percent) due to an increase in the number of working holidaymakers to New Zealand.

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.

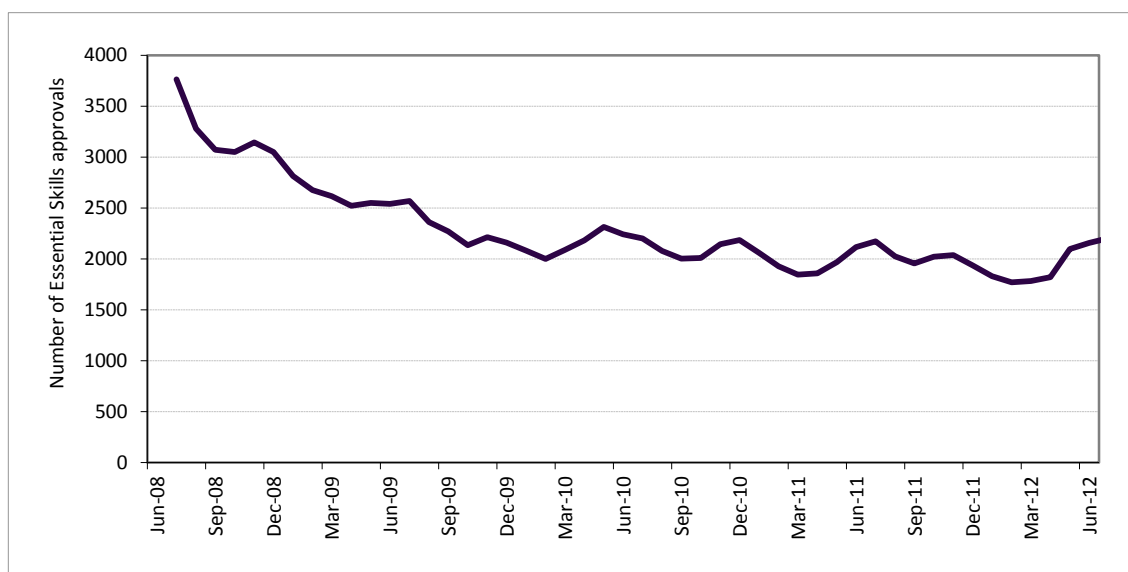
Essential Skills workers⁸

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. Essential Skills workers approved in 2012/13 increased by 2 percent, representing the first annual increase in Essential Skills workers since the start of the global economic slowdown in 2008/09.

The main source countries of Essential Skills workers in 2012/13 were the United Kingdom (16 percent), the Philippines (14 percent), India (12 percent), and Fiji (7 percent). India had the largest absolute increase in Essential Skills workers in 2012/13 (up 439 people or 20 percent).

In 2012/13, 4,733 people were approved for a work visa under Essential Skills for a job offer in the Canterbury region, an increase of 40 percent from 2011/12. This follows a 34 percent increase in the previous year as the number of Essential Skills workers rebounded from a low in 2010/11 due to the February 2011 Christchurch earthquake. The increase in the number of Essential Skills workers in Canterbury was the largest absolute increase in Essential Skills workers across the main regions of New Zealand. Of the occupations recorded in the Canterbury region using the ANZSCO classification, 20 percent were Construction and Trades Workers.⁹ This figure does not include people on other work visas (WHS, partner of a worker for example) who may have sought or gained employment in Canterbury during 2012/13.

Figure 3: Number of Essential Skills workers approved, July 2008 to June 2013



Note: 3 month moving average applied.

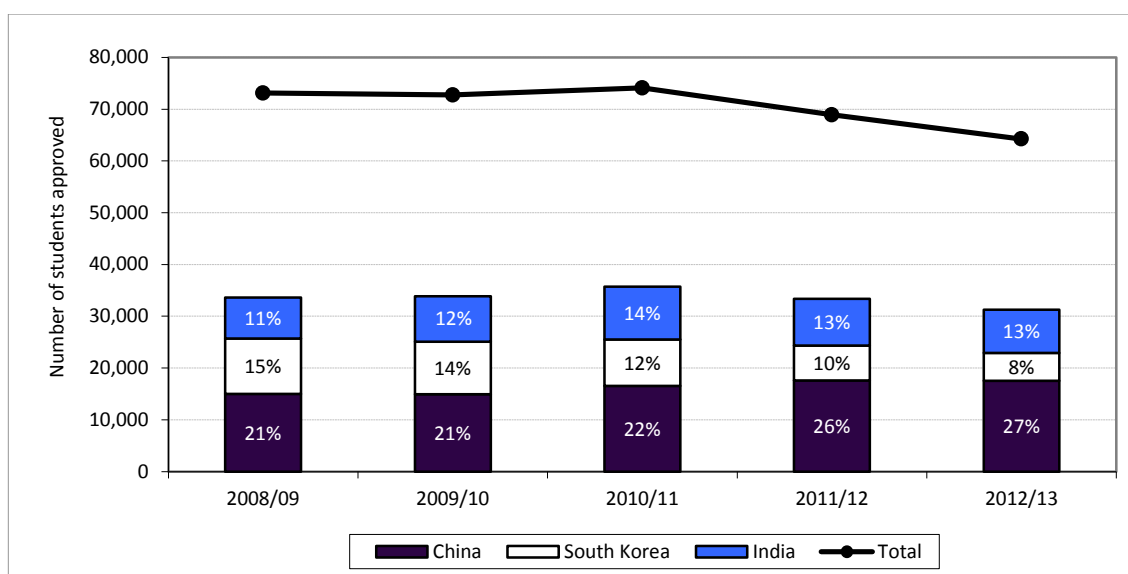
⁸ Includes the following policies: Approved in Principle, Essential Skills, Essential Skills - Skill Level 1, General, and Specialist skills.

⁹ ANZSCO is the Australian and New Zealand Standard Classification of Occupations.

International Students

In 2012/13, the number of international students approved to study in New Zealand (64,232 students) was down 7 percent from 2011/12.¹⁰ This follows a 7 percent decrease in the previous year. In 2012/13, 31,487 new international students were approved to study in New Zealand, down 9 percent from 34,433 in 2011/12. New international students in 2012/13 were 49 percent of all international students. The number of full fee-paying students (48,564 people) decreased 4 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, 2008/09-2012/13



In 2012/13, the largest source countries of students were China (27 percent), India (13 percent), and South Korea (8 percent). Compared with the previous year, the number of students from South Korea and India decreased by 21 percent and 7 percent respectively while the number of students from China remained similar.

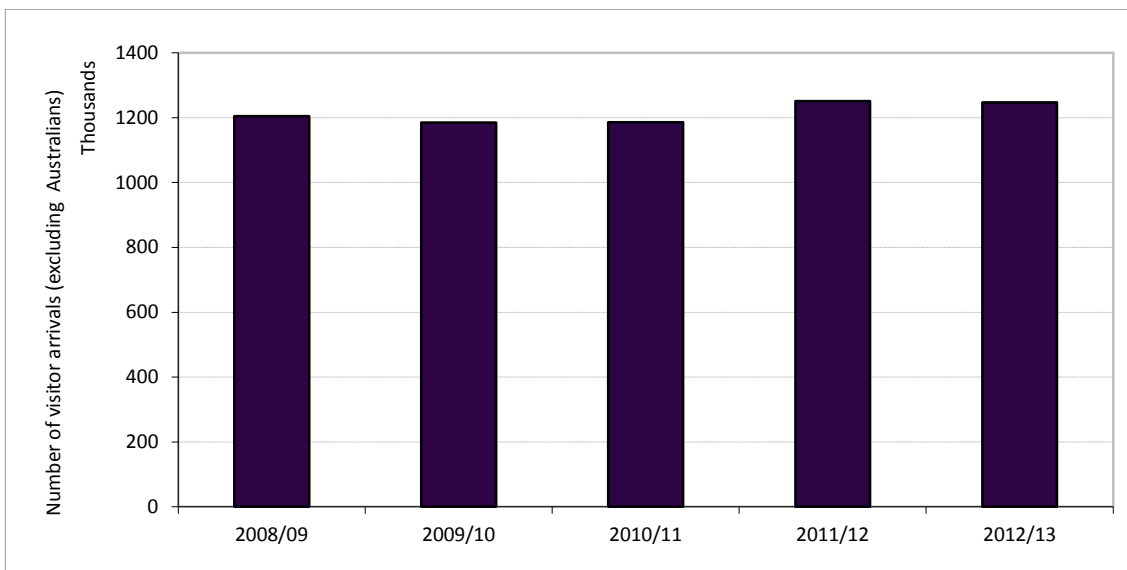
Visitors (excluding Australians)

The number of visitor arrivals for 2012/13 was similar to the previous year (refer Figure 5) with 1.25 million visitor arrivals. The number of visitor arrivals excludes Australian citizens and resident visa holders, as they are issued a resident visa on arrival.

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.

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



The top source countries for visitor arrivals in 2012/13 were China (17 percent), the United States and the United Kingdom (14 percent each), and Japan (6 percent). Compared with the previous year, China had the largest absolute increase in visitor arrivals (up 47,000 or 29 percent) and moved from 3rd ranking in 2011/12 to 1st in 2012/13.¹² There was an increase in visitors from Japan (13 percent increase) and the United States (5 percent increase), while there was a decrease in visitors from the United Kingdom (13 percent decrease).

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

¹² Australia remains the top source country of arrivals but is excluded from this analysis of visitor arrivals as their citizens are issued a resident visa on arrival.

