



MONTHLY MIGRATION TRENDS

MARCH 2010



MIGRATION TRENDS KEY INDICATORS REPORT: MARCH 2010

Purpose

This report provides a brief summary of migration trends for the 2009/10 financial year to date (July-March 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 was 32,294, compared with 33,526 for the same period in 2009 and 33,566 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 and Sibling/Adult Child Stream.
- Work approval numbers in the financial year to date were down 4% on last year.
- The number of applications through the labour market tested Essential Skills Policy is well down. However, the decline rate for people applying through the Essential Skills Policy has levelled out so more applicants are being approved.
- 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 1% higher than the same period last year. The number of students approved from India, United States, Thailand and Saudi Arabia has grown steadily.
- The number of visitor arrivals at the border was 1% lower in March 2010 than in March 2009, and is down 2% in the year to date compared to the same time last year.

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

- 32,294 people were approved for residence in the financial year to date compared with 33,526 for the same period in 2009 and 33,566 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. However, year to date Skilled/Business approvals are almost on par with last year and are higher than the year before.
- 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-March periods.

Table 1: Residence approvals by stream

Stream	Jul-Mar 2008	Jul-Mar 2009	Jul-Mar 2010	% change from previous year
Business / Skilled	20,064	20,678	20,147	-2.6%
Uncapped Family Sponsored Stream	6,607	6,235	6,974	11.9%
Parent and Sibling / Adult Child Stream	3,894	4,166	3,375	-19.0%
International / Humanitarian	3,001	2,447	1,798	-26.5%
Total	33,566	33,526	32,294	-3.7%

- The top 6 source countries in the 2009/10 year to date were 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)

- 18,736 people were approved for residence through the SMC in the financial year to date compared with 19,565 for the same period in 2009 and 18,566 in 2008.
- The top source countries for SMC approvals in 2009/10 to date were the UK and South Africa (18% each), the Philippines (12%) and China (11%). The number of approvals from China and the UK were down by 28% and 18% on the same point last year.
- 80% of SMC principal applicants had a job or job offer (compared with 82% for the same period in 2009). Most were approved onshore (87%), of whom 85% had a job or job offer. Of the 13% approved offshore, 46% had a job or job offer.
- The overall decline rate on SMC applications was 14% in the financial year to date compared with 10% for the same period last year, which has slightly increased the

average processing time on applications. The offshore decline rate was 38% in the 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 was 101,393 – 4% lower than in the same period last year. Fewer applicants through the labour market tested Essential Skills Policy continues to drive the lower numbers.
- In the year to date there was an increase in the number of people approved through working holiday schemes (up 5%) and the 'study to work'² policies (up 17%). These have largely offset the lower number approved through Essential Skills Policy (down 26%) and family-related work policies (down 1%).
- The main source countries of temporary workers in 2009/10 to date were 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 95% higher than at the same time last year. This reflects the upward trend in recent years in the number of Indian international students.

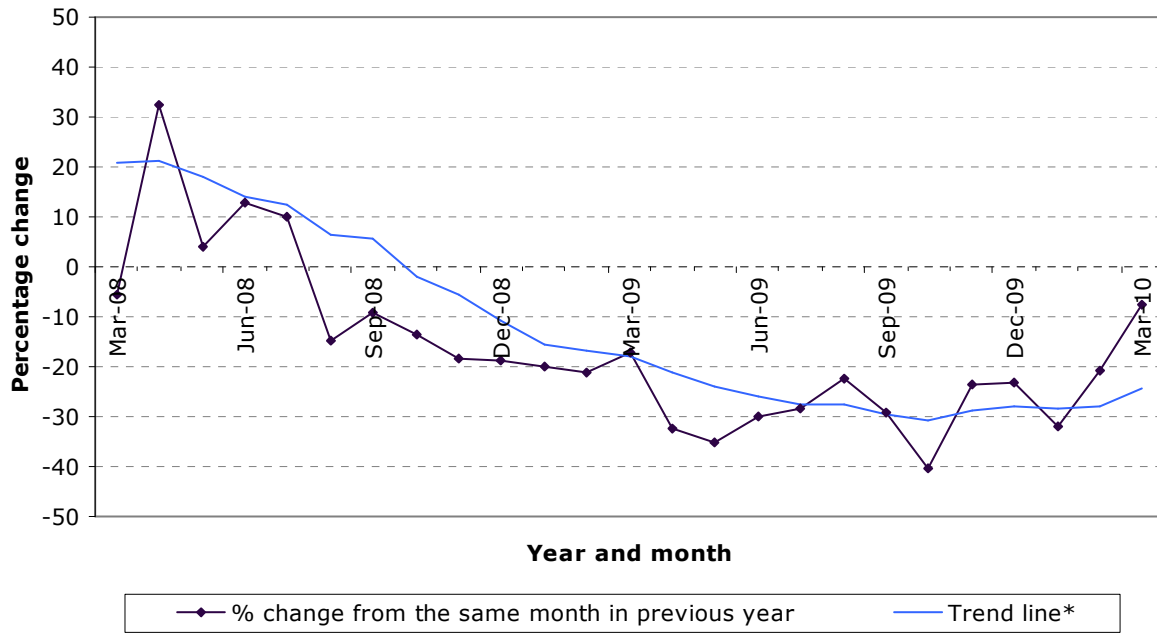
2.2 Essential Skills Policy³

- 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 31% fewer applications (over 12,800) 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 25% lower than the same month in the previous year. Approval numbers among the main source countries were lower for the UK, India, China and South Africa whereas the numbers were higher for the Philippines and Fiji.
- 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 has levelled out and the approval numbers seem to be picking up, albeit from a low base

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[†].

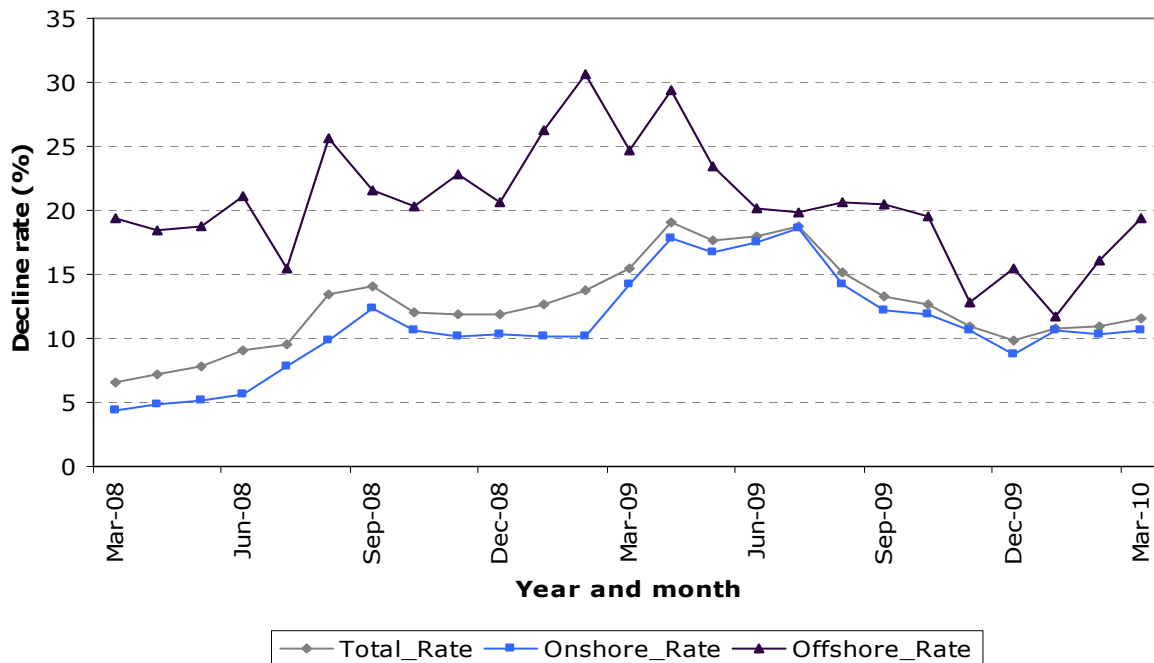


[†]The percentage change from the *same month* in the previous year.

*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 had fallen over the last year for both onshore and offshore decisions. A recent increase in the offshore decline rate has left the overall decline rate at 12% in March 2010.

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

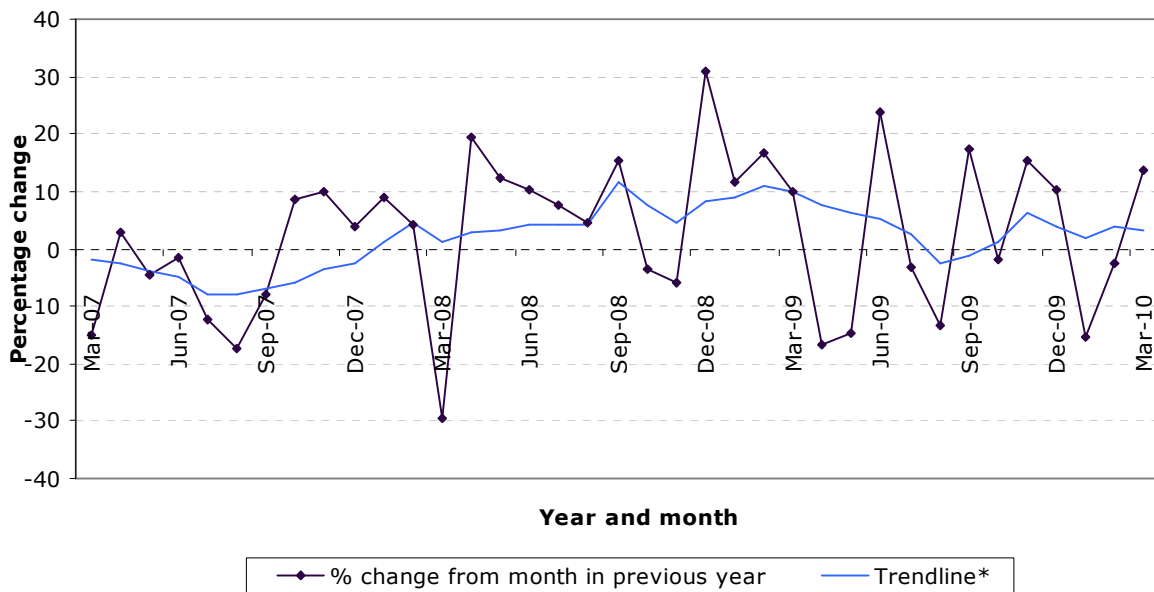


⁴ Includes all *decisions* on the following work policy types: Essential Skills, Essential Skills - Skill Level 1, Approved in Principle, General, and Specialist skills.

2.3 Students

- 58,909 people were approved student permits in the financial year to date. This number is 1% higher than the same period in 2009. Compared to the same period last year, there has been a steady increase in the number of students approved from India (up 9%), United States of America (up 5%), Thailand (up 14%) and Saudi Arabia (up 13%).
- 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 year.

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.

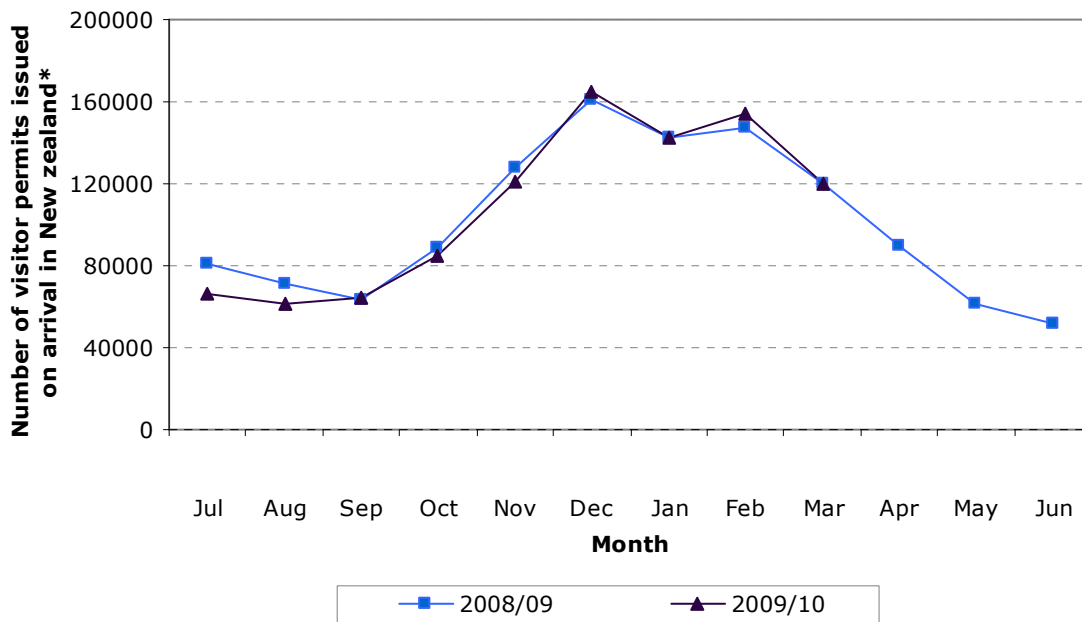
2.4 Visitors

- In the financial year to date 978,600 visitor arrivals were recorded at the border compared with 1,001,700 for the same period in the previous year, indicating a decrease of 2%⁵. The number of visitor arrivals in March 2010 (119,719) was 1% lower compared to March 2009⁶.

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 a continuous improvement in New Zealand’s tourism indicators since early 2009. The latest data shows that international arrivals are back in the positive compared to the previous year, although they were still marginally below the level of two years ago. Looking forward, the Ministry reported the likelihood of seeing sustained recovery in our long-haul markets over the next few months. However, the pace of recovery will likely be affected by the slow economic recovery of these markets.⁷

⁷ <http://www.tourismresearch.govt.nz/Data--Analysis/Key-Statistics/Tourism-Leading-Indicators-Monitor/> (Accessed 12 April 2010).

Long-haul markets include the United States, United Kingdom and Europe, and China.

