



# MIGRATION TRENDS KEY INDICATORS REPORT

## MARCH 2011



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### ***Purpose***

This report summarises key indicators of migration trends for the 2010/11 financial year to date (July-March 2011). The report focuses on three key areas: the New Zealand Residence Programme, permanent skilled migration, and temporary entry.

All data is sourced from the Department of Labour and, unless otherwise stated, is reported as a count of individual people rather than the number of applications. This reporting method is in line with the annual *Migration Trends and Outlook* report, and its purpose 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 gives lower numbers for temporary workers and students than when reporting the number of applications decided, as individual can make more than one application in a year.<sup>1</sup>

### ***Summary of key points***

- The Christchurch earthquake on 22<sup>nd</sup> February has had an impact on migration trends in the current financial year. The immediate impact of the earthquake was mainly seen in reduced visitor arrivals. However, the full impact of the earthquake on migration flows may emerge in the coming months.
- 28,675 people were approved residence in the financial year to date compared with 32,359 for the same period in 2010 and 33,526 in 2009.
- 90% of Skilled Migrant Category (SMC) principal migrants were approved with a skilled job or offer of employment in the financial year to date.
- Temporary work approval numbers in the financial year to date were up slightly on last year. Current trends show a growing number of temporary workers from India.
- Essential Skills Policy approvals for July-March 2011 decreased by 4 percent from the same period in the previous year.
- 61,138 people were approved student permits in the July to March period in 2011, a 4 percent increase from the same period in the previous year. Significant increases came from India and Saudi Arabia (both a 25 percent increase).
- The number of visitor arrivals at the border was up 1 percent in July-March 2011 compared with the same period last year. This was mainly due to an increase in visitors from China (34 percent increase) and India (14 percent increase).

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<sup>1</sup> The Department of Labour 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 Business Information Services Group data reported at [www.immigration.govt.nz/statistics](http://www.immigration.govt.nz/statistics)). The permanent residence statistics are uniform across the Department of Labour.

## ***The response to the Christchurch earthquake***

- 693 passengers were granted urgent entry in the aftermath of the Christchurch earthquake. These included police and rescue personnel, family of victims and a number of diplomatic and media personnel.
- Special interim visa provisions were put in place for customers affected by the quake.
- The number of applications being processed through the Christchurch branch has reduced. Other visa services branches picked up work that was unable to be completed by the Christchurch branch. However the resulting longer processing times are likely to affect numbers approved in subsequent months.

### **1. New Zealand Residence Programme**

The New Zealand Residence Programme (NZRP) planning level is 45,000-50,000 permanent residence approvals in the 2010/11 financial year. This range is unchanged from 2009/10.

The economic slowdown continues to have a significant impact on migration flows globally. Like other OECD countries, New Zealand has not been immune to the decrease in skilled migration. Skilled people who might be interested in migrating are less willing and able to give up a job, sell their house and move to a new life overseas. Additionally, fewer skilled job offers have been available in New Zealand, although opportunities are expected to increase once the economy recovers and the rebuild of Christchurch gains momentum.

#### **1.1 Residence approvals**

- 28,675 people were approved residence in July-March 2011 compared with 32,359 for the same period in 2010 and 33,526 in 2009. The number of people approved for residence in July-March 2011 fell by 11 percent from the same period in 2010. Although applications fell, the decline rate of 14% remained the same as the previous year. Business/Skilled approvals have dropped 18% compared with the previous year. This is due to a decline in the number of high quality applicants in the Skilled Migrant Category (SMC) Expression of Interest pool as there are fewer job offers available for skilled migrants and the disruption in processing caused by the Christchurch earthquake. Table 1 shows the breakdown of year to date approvals by stream.

**Table 1: Residence approvals by stream**

<b>Stream</b>	<b>July-Mar 2009</b>	<b>July-Mar 2010</b>	<b>July-Mar 2011</b>
Business / Skilled	20,678	20,194	16,525
Uncapped Family Sponsored Stream	6,235	6,969	6,668
Parent Sibling Adult Child Stream	4,166	3,365	3,515
International / Humanitarian	2,447	1,831	1,967
<b>Total</b>	<b>33,526</b>	<b>32,359</b>	<b>28,675</b>

- The top 5 source countries in July-March 2011 were the United Kingdom (16%), China (13%), India (10%), and South Africa and the Philippines (both 8%).

- Some changes in migrant source countries have emerged in the year to date. Trends showed a decrease in residence approvals from all of the main source countries, with the exception of India which increased by 14 percent. The increase from India was mainly through the Skilled/Business Stream. South Africa decreased by 38 percent and the Philippines decreased by 23 percent, mainly due to fewer residence approvals in the Skilled/Business Stream.

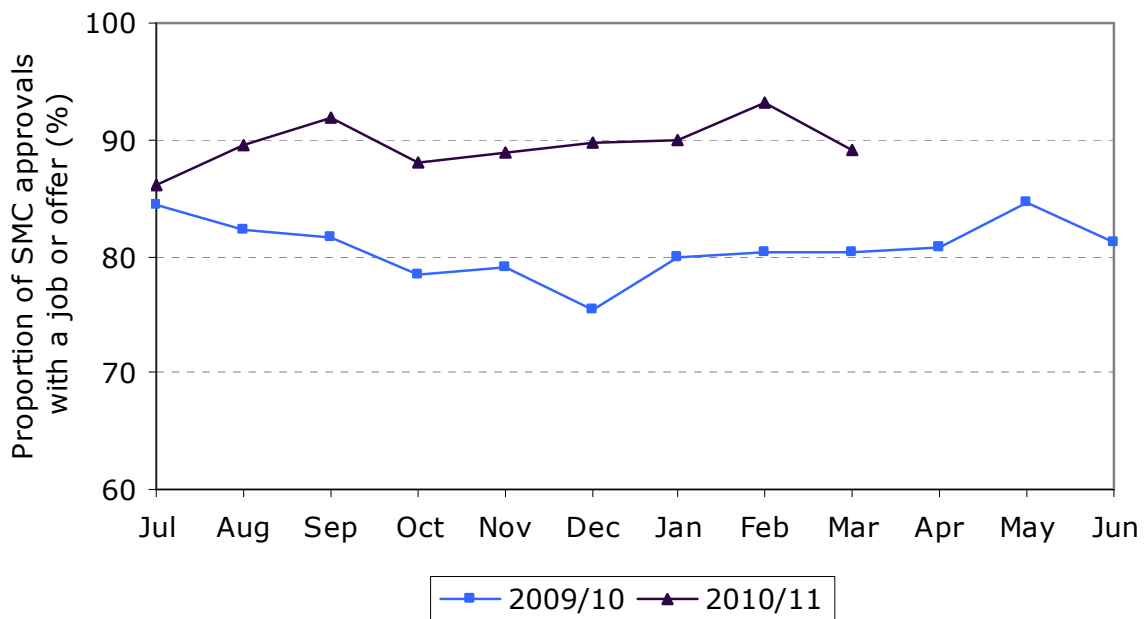
### **1.2 Skilled Migrant Category (SMC)**

- 15,030 people were approved for residence through the SMC in July-March 2011 compared with 18,789 for the same period in 2010 and 19,565 in 2009. The number of people applying through the SMC has decreased by 20%.
- The onshore decline rate increased from 8% in 2010 to 12% in 2011, while the offshore decline rate decreased from 37% in 2010 to 25% in 2011. The overall decline rate (15%) for July-March 2011 remains the same as it was in 2010.
- Currently, the top source countries for SMC approvals for the year to date are the United Kingdom (18%), South Africa and India (both 13%), the Philippines (12%), and China and Fiji (both 8%). SMC approvals from the top source countries decreased from the same period last year, with the exception of India which increased by 32 percent. This increase is due to increasing numbers of former Indian international students who are transitioning to temporary work and permanent residence.
- 90% of SMC principal applicants had a job or job offer (compared with 80% in July-March 2010) and 72% gained points for recognised work experience (compared with 71% in July-March 2010).

### **1.3 Skilled migrants with job offers**

- Figure 1 shows that the proportion of SMC approvals with a job or offer of skilled employment is generally higher in 2010/11 than in 2009/10.

**Figure 1: Proportion of SMC approvals with a job or offer for 2009/10 and 2010/11**



- Most SMC principal applicants were approved onshore (84%), of whom 97% had a job or job offer. Of the 16% approved offshore, 52% had a job or job offer.

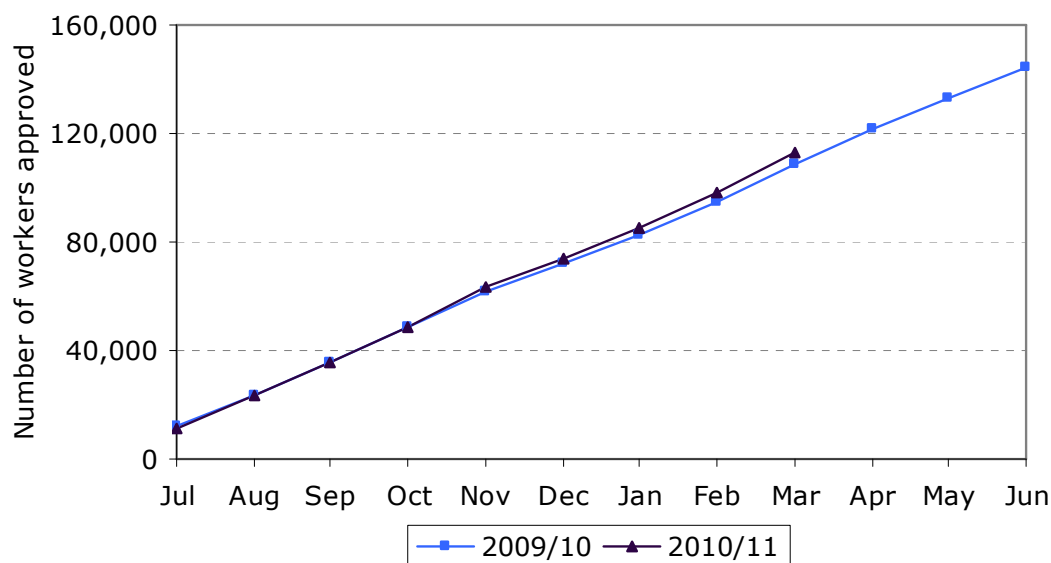
## 2. Temporary migration

### 2.1 Workers

- The number of people approved a temporary work visa in July-March 2011 was 105,434, which was an increase from the 101,321 approvals in the previous July-March year (refer Figure 2).
- The number of working holidaymakers and approvals through the 'study to work'<sup>2</sup> policy is growing. This offset the lower numbers through the Essential Skills Policy and the Family Policy.

<sup>2</sup> Includes the Graduate Job Search and Practical Experience Post Study policies.

**Figure 2: Cumulative number of workers (individuals) approved by month: 2009/10 compared with 2010/11**



- The main source countries of temporary workers in July-March 2011 were the United Kingdom (13%), India (11%), China (8%), Germany (7%) and the United States of America (6%). Current trends show that the decline in the number of temporary workers from the United Kingdom is slowing (1 percent decrease) and there are a growing number of temporary workers from India (17 percent increase). Temporary work approvals from India have been increasing in the last 5 years and are catching up with the United Kingdom as the top source country. This is driven by a growing number of Indian international students and the flow on to the 'study to work' visa as these students complete their studies.

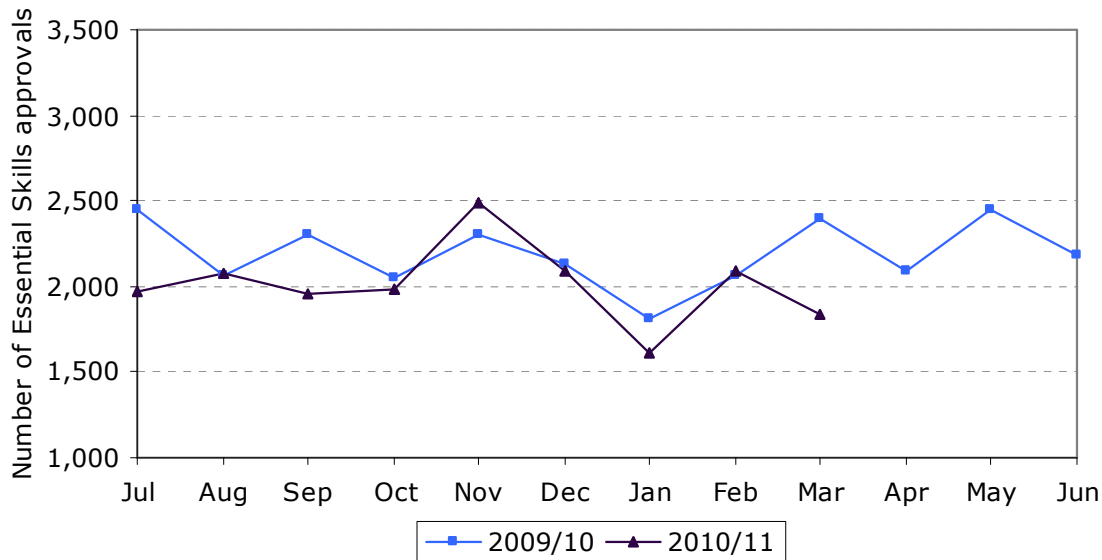
## 2.2 Essential Skills policy approvals<sup>3</sup>

- The demand for Essential Skills workers slowed from October 2008 and the number of new applications is still declining. The number of applications decided in July-March 2011 reduced by 17% compared to the same period in the previous year. This reflects a decline in the number of applications that were accepted for processing compared to the same point last year.
- The rate of decline for the Essential Skills applications decreased from 13% in the previous year to 11% in July-March 2011.
- Highly skilled Essential Skills workers have a relatively high rate of transition to residence. A drop in the number of Essential Skills applicants will potentially have a flow on effect on permanent residence approvals.
- The Essential Skills Policy approvals for July to March in 2011 decreased by 4 percent from the same period in the previous year. With the exception of India, approval numbers for all of the main source countries decreased. China decreased by 14%, the

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

United Kingdom decreased by 7% and Fiji decreased by 5%. Figure 3 shows the approval numbers in the last two years.

**Figure 3: Number of Essential Skills workers approved: 2009/10 compared with 2010/11**



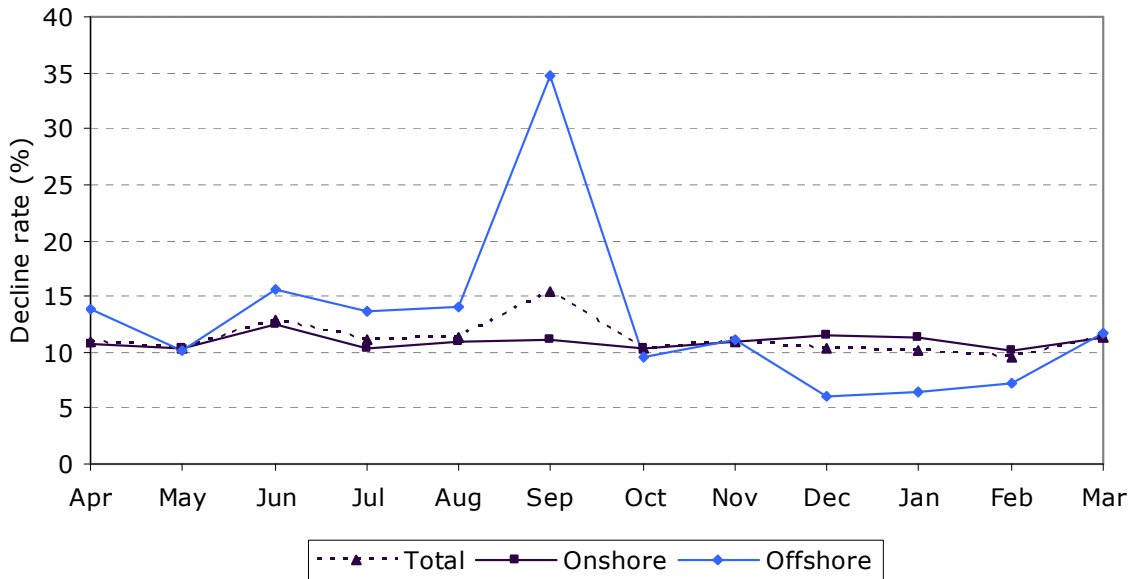
### 2.3 Essential Skills policy decisions<sup>4</sup>

- Figure 4 shows the decline rates in the last twelve months. The offshore decline rate is more volatile but has reduced from the high in September 2010<sup>5</sup>, to a rate similar to the onshore decline rate in March 2011.

<sup>4</sup> Includes all decisions on the following policy types: Approved in Principle, Essential Skills, Essential Skills - Skill Level 1, General, Specialist skills.

<sup>5</sup> Four group visa applications (for 136 people) were withdrawn in September for Orchestra performers whose tour was postponed.

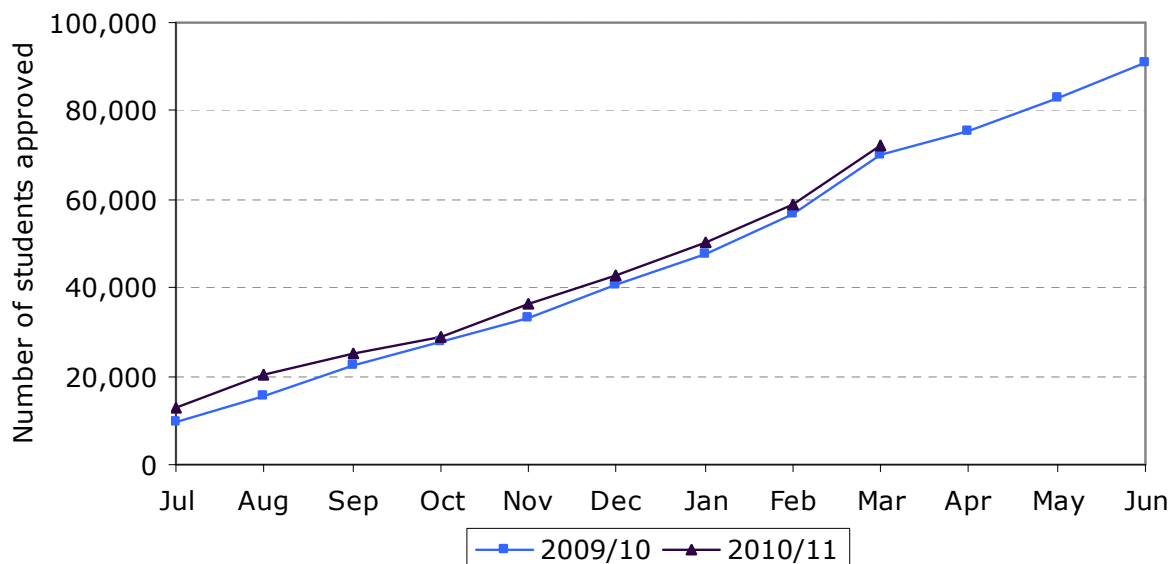
**Figure 4: Decline rate for Essential Skills applications by branch location: April 2010–March 2011**



## 2.4 Students

- 61,138 people were approved a student visa in July-March 2011, a 4 percent increase from the 58,859 who were approved in the same period in 2010. Figure 5 shows the cumulative number of students approved in 2009/10 and 2010/11. Little change in the 2010/11 trend can be seen (refer Figure 5).

**Figure 5: Cumulative number of students approved by month: 2009/10 compared with 2010/11**



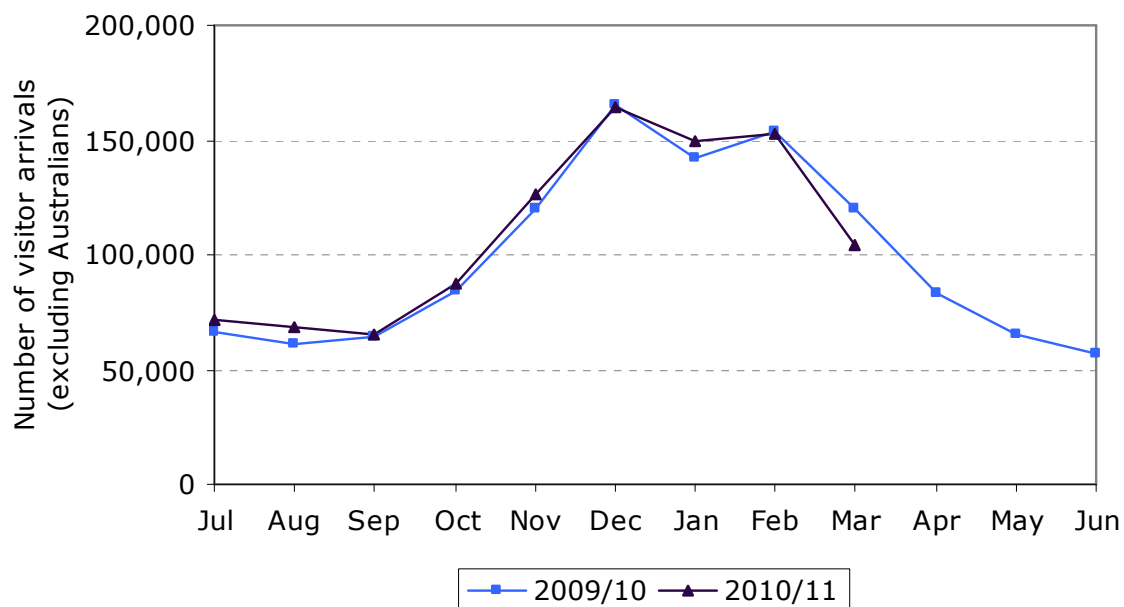
- In July to March 2011, the largest source countries of students were China (23%), India (14%) and South Korea (12%). Both India and Saudi Arabia had a 25 percent increase in student approvals, compared with the same period in the last financial year.



## 2.5 Visitors (excluding Australians)<sup>6</sup>

- The cumulative number of visitor arrivals at the border increased by 1 percent in July to March 2011 compared to the same period in 2010 (refer Figure 6).

**Figure 6: Number of visitor arrivals by month: 2009/10 compared with 2010/11**



- The top source countries for visitor arrivals in July to March were the United Kingdom (18%), the United States of America (15%), China (10%) and Japan (7%). Large increases in visitors from China (34 percent increase) and India (14 percent increase) were seen compared to the same time last year. Overall, visitor arrivals increased by 1 percent from the previous year. However, visitor numbers were low for the month of March 2011, which is likely to reflect the impact of the Christchurch earthquake on the Canterbury region.

<sup>6</sup> Number of people issued a visitor visa on arrival in New Zealand.

