



# MONTHLY MIGRATION TRENDS

## MAY 2010



# MIGRATION TRENDS KEY INDICATORS REPORT: MAY 2010

## **Purpose**

This report provides a brief summary of migration trends for the 2009/10 financial year to date (July 2009-May 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 approved for residence in the financial year to date was 41,466, compared with 41,588 for the same period in 2009. The Department is on target to meet the NZRP Programme at the lower end of the 45,000 – 50,000 range.
- 81% of Skilled Migrant Category (SMC) principal migrants were approved with a skilled job or offer, while 86% 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 5% on last year.
- The number of applications through the labour market tested Essential Skills Policy is down 27% compared to the same period last year. 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 partially 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 policies.
- International student approvals in the financial year to date were comparable to those for the same period last year. The number of students approved from India, Thailand and Saudi Arabia has grown steadily.
- The number of visitor arrivals at the border was 7% higher in May 2010 than in May 2009, and was down 2% in the year to date compared to the same time last year.

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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. 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

- 41,466 people were approved for residence in the financial year to date compared with 41,588 for the same period in 2009. Year to date approval numbers for the Parent and Sibling/Adult Child Stream and the International/Humanitarian Stream have been decreasing over the last two years. However, year to date Skilled/Business approvals are close to those of previous years. The Department is on target to meet the NZRP Programme at the lower end of the 45,000 – 50,000 range.
- Table 1 shows the breakdown of approvals by stream for the last three July-May periods.

**Table 1: Residence approvals by stream**

| <b>Stream</b>                           | <b>Jul-May<br/>2008</b> | <b>Jul-May<br/>2009</b> | <b>Jul-May<br/>2010</b> | <b>% change from<br/>previous year</b> |
|---|-------------------------|-------------------------|-------------------------|--|
| Business / Skilled                      | 25,064                  | 25,594                  | 25,776                  | 0.7%                                   |
| Uncapped Family Sponsored Stream        | 8,671                   | 7,964                   | 8,959                   | 12.5%                                  |
| Parent and Sibling / Adult Child Stream | 4,979                   | 4,811                   | 4,358                   | -9.4%                                  |
| International / Humanitarian            | 3,818                   | 3,219                   | 2,373                   | -26.3%                                 |
| <b>Total</b>                            | <b>42,532</b>           | <b>41,588</b>           | <b>41,466</b>           | <b>-0.3%</b>                           |

- The increase in the Uncapped Family Sponsored Stream is mainly due to the Partnership Policy. A reduction in approvals through the Samoan Quota, possibly due to the lack of job offers, is partially responsible for the fall in the International/Humanitarian Stream approvals.
- 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)

- 24,014 people were approved for residence through the SMC in the financial year to date compared with 24,186 for the same period in 2009 and 23,299 in 2008.
- The top source countries for SMC approvals in 2009/10 to date were the UK (18%), South Africa (18%), the Philippines (13%) and China (11%). The number of approvals from China and the UK were down by 27% and 15% on the same point last year.

- 81% of SMC principal applicants had a job or job offer (no change for the same period in 2009). Most were approved onshore (86%), of whom 86% had a job or job offer. Of the 14% approved offshore, 44% had a job or job offer.
- The overall decline rate on SMC applications was 12% in the financial year to date compared with 10% for the same period last year. The offshore decline rate was 35% 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 121,200 – 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.
- In the year to date there was a 1% increase in the number of people approved through working holiday schemes (512 approvals) and a 16% increase in the 'study to work'<sup>2</sup> policies (1,289 approvals). These have partially offset the lower number approved through Essential Skills Policy (down 24% or 6,592 approvals) and family-related work policies (down 1% or 310 approvals).
- 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' policies.
- The number of workers from India has grown, most notably in the number approved a 'study to work' permit, which is 87% higher (2,152 approvals) 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 Policy*<sup>3</sup>

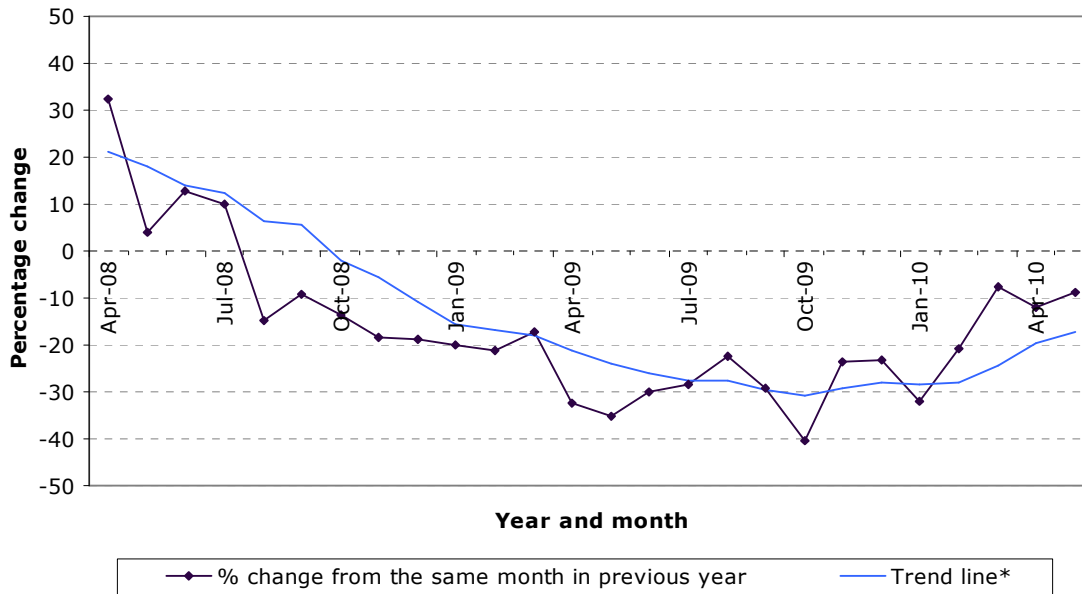
- The number of Essential Skills applications began to slow from October 2008 and numbers are currently well down on last year. Data for the year to date shows that 27% fewer applications (over 13,600) were accepted for processing compared with the same period last year.
- The lower number of Essential Skills applications, combined with a relatively high decline rate on these applications, has seen approval numbers drop substantially but the situation is improving. Figure 1 shows that the decline in approvals compared to last year has levelled out and the approval numbers are picking up, albeit from a low base.
- The average number of people approved each month is currently tracking at around 17% lower than the same month in the previous year. Approval numbers were lower for the UK, China, India and Fiji whereas the numbers were higher for the Philippines compared to the same month in the previous year.
- 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.

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

<sup>3</sup> 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<sup>†</sup>.**

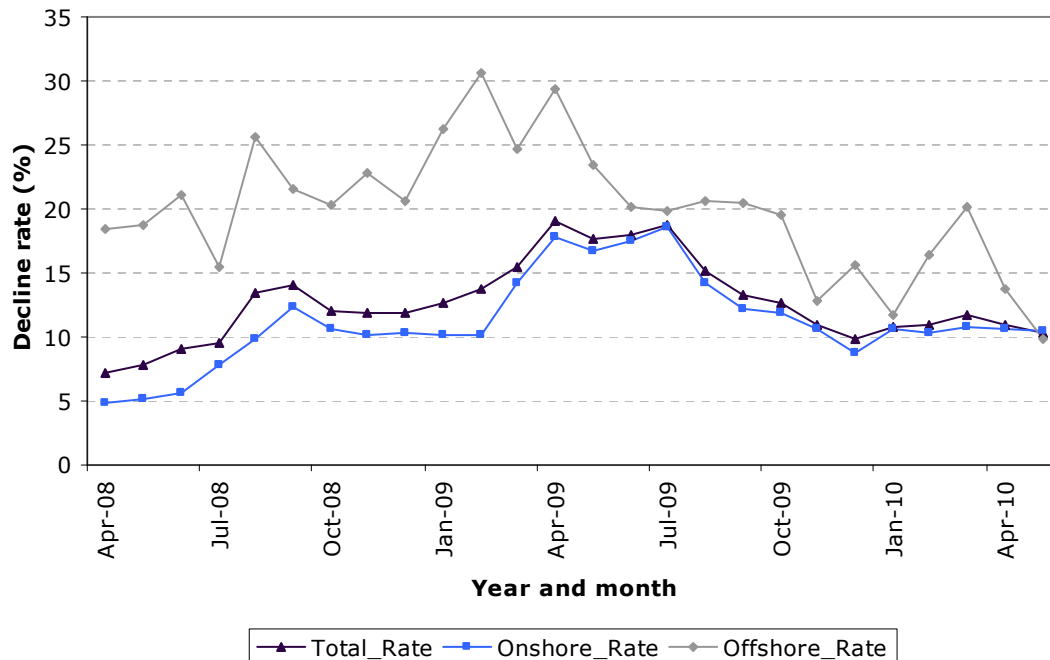


<sup>†</sup>The percentage change from the *same month* in the previous year.

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

- The decline rate on Essential Skills Policy decisions<sup>4</sup> was relatively high throughout 2008/09 but had fallen over the last year for both onshore and offshore decisions. Despite fluctuations in the offshore decline rate, the overall decline rate has sat at around 11% for the last six months.

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

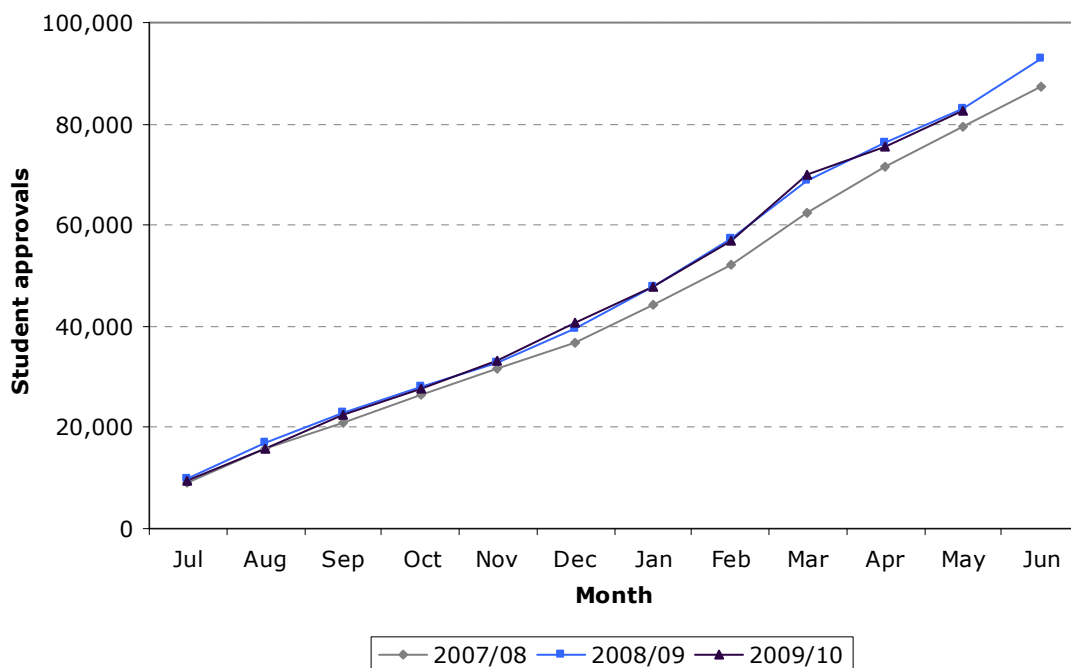


<sup>4</sup> Includes all *decisions* on the following work policy types: Essential Skills, Essential Skills - Skill Level 1, Approved in Principle, General, and Specialist skills.

### 2.3 Students

- 67,492 people were approved student permits in the financial year to date. This number is comparable to the same period in 2009 (67,251). Compared to the same period last year, there has been a steady increase in the number of students approved from India (up 11%), Thailand (up 11%), and Saudi Arabia (up 5%).
- Figure 3 shows the cumulative number of international students approved over the last three years. It tracks the year to date number of international students approved since July in a given year.

**Figure 3: Total number of students approved.**



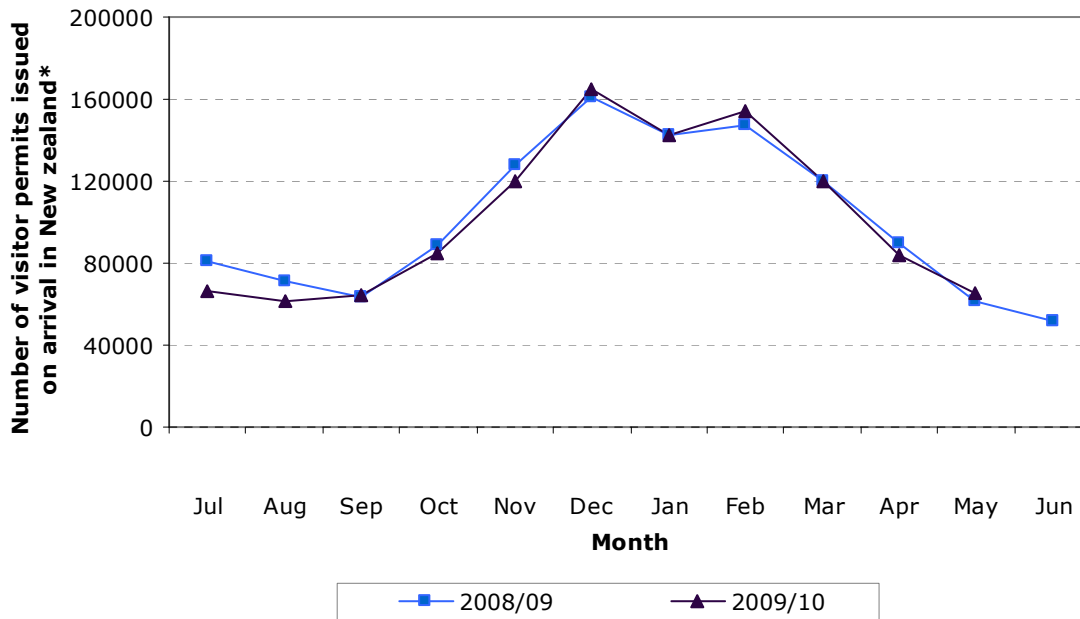
### 2.4 Visitors

- In the financial year to date, 1,127,562 visitor arrivals were recorded at the border compared to 1,152,665 for the same period in the previous year, indicating a decrease of 2%<sup>5</sup>. The number of visitor arrivals in May 2010 (65,344) was 7% higher compared to May 2009<sup>6</sup>.

<sup>5</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>6</sup> 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 that the New Zealand tourism sector remains challenging with key indicators suggesting that recovery from the recession will be a slow process rather than a rapid rebound.<sup>7</sup> It noted that despite the growth in international visitors, their expenditure fell by 2.2% to \$6 billion (year ended March 2010). This result was driven by a 5.6% fall in average visitor spend (to \$2,633), particularly for visitors from Japan, UK and USA. However, it also noted that overall inbound visitor arrivals will likely be strong over the next few months, particularly as the key Asian markets of Japan, China and South Korea rebound from the severe downturn during the influenza pandemic period last year.

<sup>7</sup> <http://www.tourismresearch.govt.nz/Data--Analysis/Key-Statistics/Tourism-Leading-Indicators-Monitor/> (Accessed 11 June 2010)

