



MIGRATION TRENDS KEY INDICATORS REPORT

SEPTEMBER 2010



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Purpose

This report briefly summarises key indicators of migration trends for the months of July-September 2010. 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 the average individual makes more than one application in a year.¹

Summary of key points

- 9,275 people were approved residence in the three months to September 2010, compared with 9,990 for the same quarter in 2009 and 11,818 in 2008.
- 89% 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 declining number of temporary workers from China and a growing number from India.
- Essential Skills Policy approvals for the three months to September 2010 were down 11 percentage points from the same period in 2009.
- 23,808 people were approved student permits in the three months to September 2010, 11 percentage points higher than the same period in 2009, with significant increases coming from India (up 44 percentage points) and Saudi Arabia (up 23 percentage points).
- The cumulative number of visitor permits issued at the border was up 7 percentage points in July-September 2010 compared with July-September 2009. This is mainly due to an increase in visitors from China (up 84 percentage points), Japan (up 31 percentage points) and South Korea (up 23 percentage points).

¹ 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). The permanent residence statistics are uniform across the Department of Labour.

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.

1.1 Residence approvals

- 9,275 people were approved residence in July-September 2010 compared with 9,990 for the same quarter in 2009 and 11,818 in 2008. The number of residence applications in July-September 2010 fell by 9 percentage points from the same period in 2009. But the decline rate reduced from 14 percent in 2009 to 12 percent in 2010. Table 1 shows the breakdown of year to date approvals by stream.

Table 1: Residence approvals by stream

| Stream | July-Sept 2008 | July-Sept 2009 | July-Sept 2010 |
|-----------------------------------|-------------------|-------------------|-------------------|
| Business / Skilled | 7,180 | 5,840 | 5,457 |
| Uncapped Family Sponsored Stream | 2,140 | 2,297 | 2,130 |
| Parent Sibling Adult Child Stream | 1,791 | 1,329 | 1,169 |
| International / Humanitarian | 707 | 524 | 519 |
| Total | 11,818 | 9,990 | 9,275 |

- The top 5 source countries in the 2010/11 year to date were the UK (17%), China (14%), India (9%), South Africa (9%) and the Philippines (8%).
- Year to date changes from 2009/10 in the main source countries of residence approvals show decreases in residence approvals from South Africa (down 28 percentage points, mainly migrants from the Skilled / Business Stream), the UK (down 6 percentage points, mainly through the Skilled / Business Stream and the Uncapped Family Sponsored Stream) and the Philippines (down 4 percentage points, mainly through the Uncapped Family Sponsored Stream). Increases in residence approvals were seen from India (up 8 percentage points, mainly through the Skilled / Business Stream) and China (up 2 percentage points, mainly through the Parent Sibling Adult Child Stream).

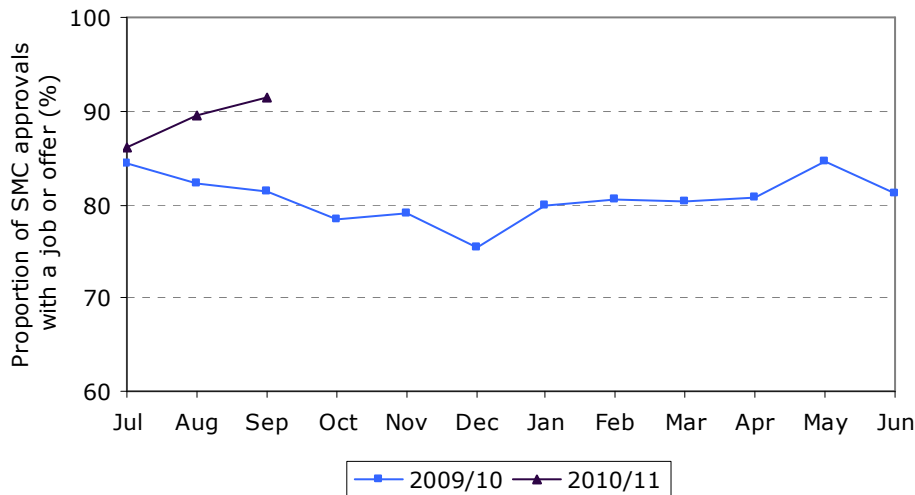
1.2 Skilled Migrant Category (SMC)

- 4,858 people were approved for residence through the SMC in July-September 2010 compared with 5,341 for the same period in 2009 and 6,806 in 2008. The decline rate (14%) for July-September 2010 is similar to the same period in 2009, but the offshore decline rate has reduced from 32% in 2009/10 to 21% in 2010/11.
- Currently, the top source countries for SMC approvals in 2010/11 to date are the UK (19%), South Africa (14%), the Philippines (12%), India (11%) and China (9%). SMC approvals from India increased by 53 percentage points from the first three months of 2009/10, most of them being former students who have made the transition to residence in New Zealand.
- 89% of SMC principal applicants had a job or job offer (compared with 83% in July-September 2009) and 72% gained points for recognised work experience (compared with 69% in July-September 2009).

1.3 Skilled migrants with job offers

- Figure 1 shows that the proportion of SMC approvals with a job or offer of skilled employment has increased over the first quarter of 2010/11.

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



- Most SMC principal applicants were approved onshore (87%), of whom 95% had a job or job offer. Of the 13% approved offshore, 52% had a job or job offer.

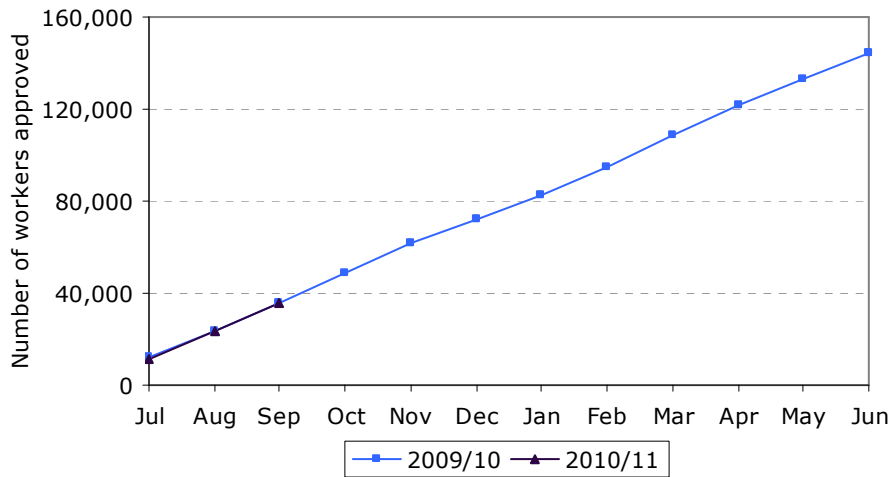
2. Temporary migration

2.1 Workers

- The number of people approved a work permit in July-September 2010 was 35,108, very close to the 34,978 approvals in July-September 2009 (refer Figure 2).
- The number of working holidaymakers and approvals through the 'study to work'² policy is growing. This partially offset the lower numbers through Essential Skills Policy.

² 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



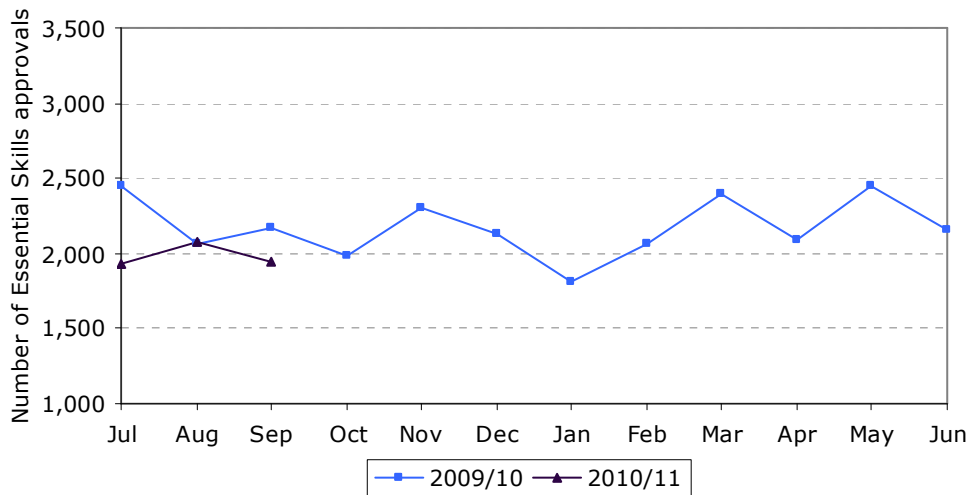
- The main source countries of temporary workers in 2010/11 to date were the UK (15%), India (12%), Germany (9%), and China (9%). Current trends show a declining number of temporary workers from China and a growing number from India. In the case of India, a growing number of 'study to work' permits are being approved as Indian international students complete their study. The opposite was true for China where fewer students gained 'study to work' permits, as well as falling numbers of Essential Skills workers.

2.2 Essential Skills policy approvals³

- The demand for Essential Skills workers slowed from October 2008 and the inflows of applications accepted for processing is still declining. Data for the three months to September 2010 show that over 200 fewer applications were accepted for processing compared to the same point last year. There were also fewer applications decided in the three months to September 2010 but the decline rate has reduced to 11% from 16% in the three months to September 2009.
- Essential Skills Policy approvals for the three months to September 2010 were down 11 percentage points from the same period in 2009. With the exception of India, approval numbers in the financial year to date were lower for all of the main source countries (the UK, the Philippines, Fiji and China). Figure 3 shows the approval numbers in the last two years.

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

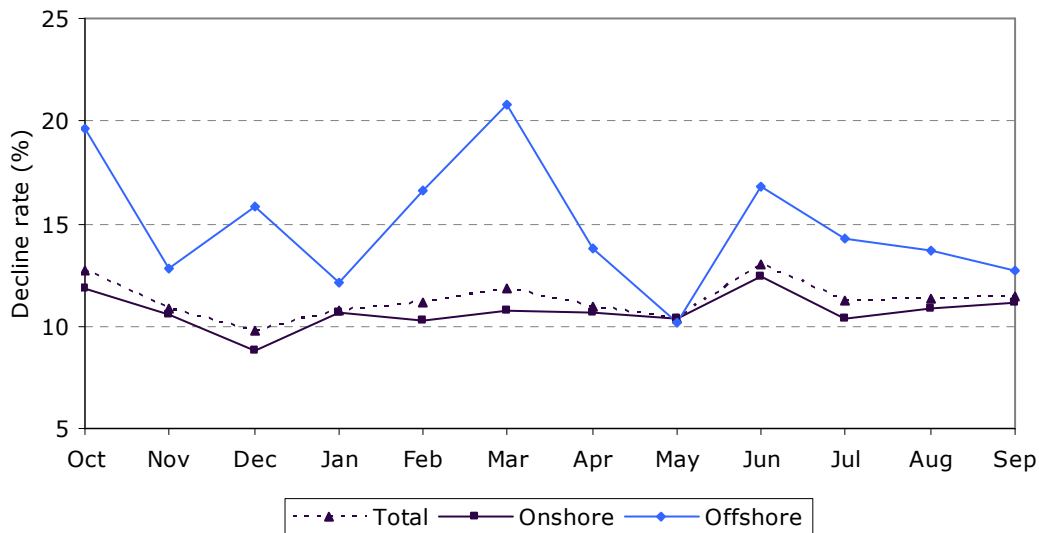
Figure 3: Number of Essential Skills workers approved: 2009/10 compared with 2010/11



2.3 Essential Skills policy decisions⁴

- Figure 4 shows the decline rates in the last twelve months. The offshore decline rate is more volatile but seems to be converging to the onshore decline rate in the last four months.

Figure 4: Decline rate for Essential Skills applications by branch location: October 2009 – September 2010

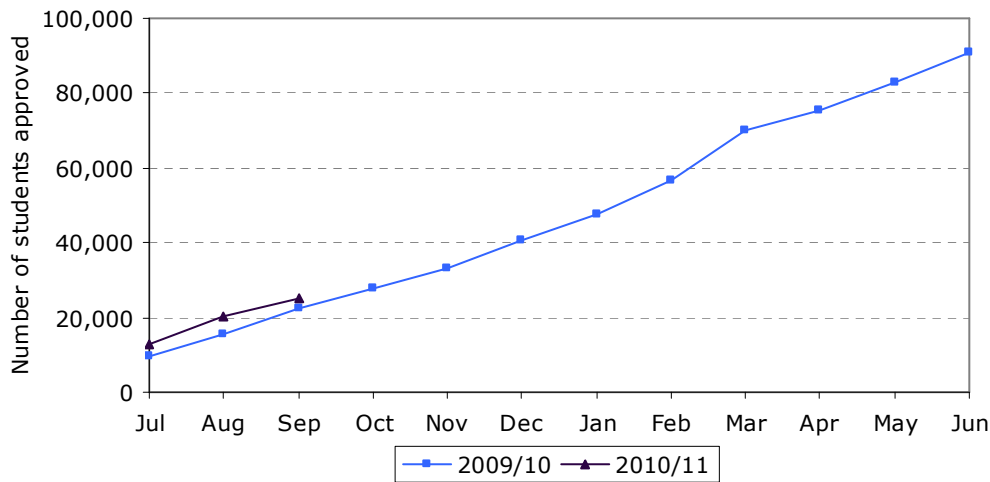


2.4 Students

- 23,808 people were approved student permits in the 3 months to September 2010, 11 percentage points higher than the same period in 2009. Figure 5 shows the cumulative number of students approved in 2009/10 and 2010/11.

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

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

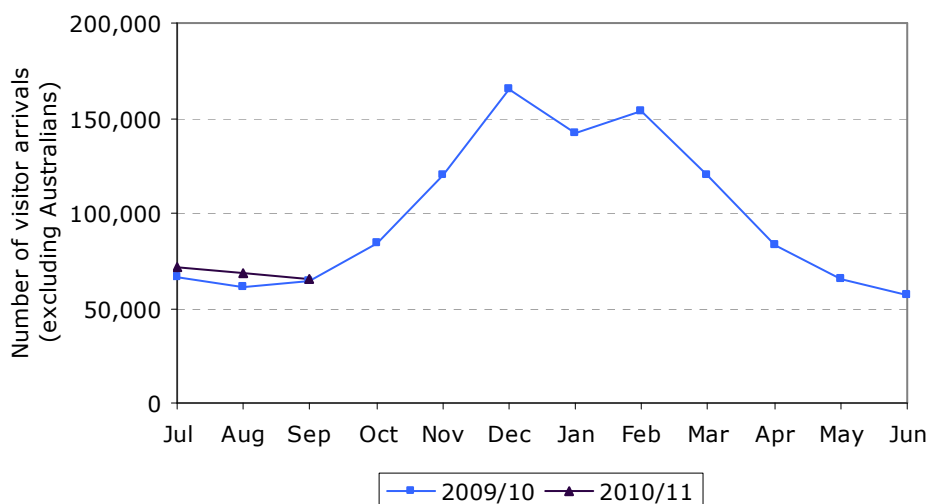


- In the 3 months to September 2010, the largest source countries were China (27%), India (15%), South Korea (12%), and Saudi Arabia (5%). Large increases from the 3 months to September 2009 were seen in the number of students coming from India (up 44 percentage points) and Saudi Arabia (up 23 percentage points).

2.5 Visitors (excluding Australians)⁵

- The cumulative number of visitor permits issued at the border was up 7 percentage points in July-September 2010 compared with July-September 2009 (refer Figure 6). This is mainly due to an increase in visitors from China (up 84 percentage points), Japan (up 31 percentage points) and South Korea (up 23 percentage points).

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



⁵ Number of people issued a visitor permit on arrival in New Zealand.

- New Zealand's inbound tourism industry achieved the milestone of 2.5 million international visitor arrivals in the year to June 2010, continuing the long-term growth trend of the sector⁶. The outlook remains positive, with the Ministry of Tourism forecasts expecting the next milestone of 3 million visitors to be reached in 2015. This represents a growth of 27% (or 669,000 visitors).
- International visitor arrivals to New Zealand are forecast to increase by 3.7% in 2010 as the global economy is expected to improve from the recession in 2009. This will be followed by a strong 6.8% forecast growth in 2011 boosted by New Zealand hosting the Rugby World Cup event. For the rest of the forecast period (to 2015) an average annual growth of 2.8% is forecast.

⁶ <http://www.tourismresearch.govt.nz/Data--Analysis/Key-Statistics/Tourism-Leading-Indicators-Monitor/> (Accessed 11 October 2010)

