



BENEFIT RECEIPT OF MIGRANTS TO NEW ZEALAND

↘ 2007

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Executive Summary

This report details findings from the 12th annual information match between Ministry of Social Development (MSD) benefit and Department of Labour (the Department) immigration data. The purpose of the study is to determine the extent of benefit receipt by migrants.

Due to the diverse objectives of immigration policy, benefit receipt by different migrant streams can be quite different. For example, benefit receipt by skilled migrants is extremely low, whereas it is higher for those entering New Zealand for humanitarian reasons. Some of the key findings regarding the benefit receipt of migrants are outlined below.

At the end of June 2007, there were 13,181 records of individuals receiving one of the benefits examined who had an immigration date recorded by MSD on or subsequent to 1 July 1998. Of these, 11,804 were successfully matched with Department records – a match rate of 90 percent. Of the 11,804 successfully matched migrants in receipt of a benefit, only 1,087 had been granted residence within the previous two years, between 1 July 2005 and 30 June 2007.

The benefit rate was significantly lower in 2007 than in 2002. The rate fell from 6.9 percent (one in 14 principal applicants) in 2002, to 5.4 percent (one in 19 principal applicants) in 2007. In 2007, the benefit rate was at its lowest for both the Skilled/Business and International Humanitarian Streams (1.2 percent and 24.3 percent respectively). The benefit rate of the Family Sponsored Stream peaked in 2004 at 6.8 percent and fell back to 6.4 percent in 2007.

This reduction in the benefit rate was even more substantial when looking at new migrants (those approved for residence in the previous two years). The rate fell from 5.1 percent (one in 20 principal applicants) in 2002 to 2.1 percent (one in 43 principal applicants) in 2007. The rate was at its lowest for all residence streams in 2007, with the rate for the Skilled/Business Stream falling below 0.4 percent.

The reductions in the benefit rate can be attributed to a combination of factors. Over 2002 to 2007, the New Zealand economy went through a sustained period of growth and falling unemployment. Also, changes in immigration policy such as closing some residence categories, introducing additional criteria and support requirements to others, English language requirements, the introduction of SMC and Pacific Access/Samoan Quota and the introduction of specific settlement support services to migrants and refugees contributed to less reliance on benefits and better outcomes of more recent migrants and refugees.

The Family Parent Category was the largest single source of migrants in receipt of a benefit. Their share has also increased, from being 30 percent of total migrant beneficiaries in 2002, to 40 percent in 2007, although the majority receiving a benefit in 2007 entered New Zealand more than five years ago. The benefit rate for new Family Parent migrants has fallen from 9.2 percent in 2002 to 3.7 percent in 2007.

The majority of migrants who were receiving a benefit within two years of being approved for residence had entered under the International/Humanitarian Stream and were predominantly refugees. The Emergency Benefit (EB) was the most common benefit type, received by almost half of all migrant beneficiaries. As with the general beneficiary population between 2002 and 2007, there was an increase in numbers of those receiving the Sickness Benefit (SB). The proportion in receipt of the SB rose from 4 percent in 2002 to 21 percent in 2007.

The most common nationality of migrants in receipt of a benefit was those from China. This should be considered with the fact that China is the second largest source of migrants overall. Generally, the profile of nationalities of the migrant beneficiary group matches that of migrants overall. The exception is where a high proportion of migrants from a particular country are refugees, for example, Iraq, Somalia, Afghanistan and Cambodia.

Those approved for residence under the Skilled/Business Stream had a lower rate of benefit receipt (1.2 percent compared to 5.4 percent overall). Unlike the overall migrant beneficiary population, the majority of migrants approved under this category were in receipt of the Unemployment Benefit (UB). Furthermore, the majority of this group came in through the now closed 1991 and 1995 General Skills Categories. Very few Business or Skilled Migrant Category migrants were accessing benefits.

1 Introduction

This report details findings from the 12th annual information match of administrative data between the Ministry of Social Development (MSD) and the Department of Labour (the Department). The purpose is to determine the extent of benefit receipt by migrants. These results are used to inform policy and service development within MSD and the Department.

Since its inception in 1996, the information match has significantly grown in scope.¹ In the 2006 study, for the first time, the information match included data from previous years, enabling the scope of the study to be greatly enhanced through analysing trends over time. This study follows the same format looking at the years 2002–2007. Due to the nature of the information match, the data is not continuous, but a collection of point in time snapshots.

This paper begins with an outline of New Zealand's permanent residence policy followed by a description of the information match and a discussion of the benefit eligibility of migrants. The next section describes the recent migrant beneficiary population in 2007, followed by an overview in changes in the economy. This is followed by a comparison of the benefit uptake over 2002–2007, looking specifically at new and recent migrant beneficiaries. Finally, various categories of interest are examined in more detail.

1.1 Permanent residence policy

People migrate permanently to New Zealand under one of the three residence streams of the New Zealand Residence Programme (NZRP). The streams are Skilled/Business (60 percent), Family Sponsored (30 percent) and International/Humanitarian (10 percent). Each stream has a number of categories and a separate approval limit.

From July 2007, there has been no cap on the number of places available in the NZRP for partners and dependent children of New Zealand residents or citizens. These categories are now approved through a new, separate stream to the Family Sponsored Stream. Separate limits are in place for the number of parents, siblings and adult children of New Zealand sponsors.

1.1.1 Skilled/Business Stream

The Skilled/Business Stream includes the Skilled Migrant Category (SMC), the Residence from Work categories and the Business categories. The main category in this stream is the SMC, a points-based policy that allows people to gain permanent residence in New Zealand if they have the skills, qualifications and experience to contribute to New Zealand economically and socially.

¹ The initial information matches measured only the receipt of the Emergency Benefit by recent migrants. In 2003, the match was extended to include migrants in receipt of all main benefits. From the 2004 match onwards, it was agreed to include nine benefits. The 2005 information match saw the inclusion of refugees from MSD source data (anyone who received an Emergency Benefit with the reason listed as refugee). Refugees did feature in previous matches, but only if they were not identified as refugees by MSD administrative data and were identified as such by Department data.

The Business categories include an Investor, Entrepreneur and Employees of Relocating Businesses Category. The Entrepreneur Category is for business migrants who can demonstrate they have successfully set up and operated a business in New Zealand.

1.1.2 Family Sponsored Stream

This stream includes spouses and partners, dependent children, parents, adult siblings and adult children of New Zealand residents and citizens. The Family Sponsored Stream allows New Zealand citizens and residents to sponsor family members to live in New Zealand under some circumstances.

1.1.3 International/Humanitarian Stream

This stream enables New Zealand to fulfil its international obligations and commitments regarding refugees and its special relationship with some Pacific nations, as expressed by the Pacific Access Category and the Samoan Quota.

1.2 Information match

MSD extracted information from its Information Analysis Platform (IAP) at the end of June² each year from 2002 to 2007 for all individuals who had an immigration date listed (date arrived in New Zealand, recorded by MSD) that was on or subsequent to 1 July 1998 and were receiving one of the following benefits:

- Domestic Purposes Benefit (DPB)
- Emergency Benefit (EB)³
- Sickness Benefit (SB)
- Unemployment Benefit (UB)⁴
- Independent Youth Benefit (IYB)
- Invalid's Benefit (IB)
- Widow's Benefit (WB)
- Orphan's Benefit (OB)⁵
- Unsupported Child's Benefit (UCB)⁶

Furthermore, the information match did not include those whose country of birth was Australia, Cook Islands, Niue or Tokelau as they are not legally classified as migrants. The records were then matched against data from the Application Management System (AMS).

It is important to note that, in accordance with MSD conventions, this paper reports on individuals who are the primary (or single) beneficiary, excluding partners/spouses and dependents. The term 'migrant beneficiaries' thus refers to primary beneficiaries who are also migrants (fitting the criteria listed above).

² The counts are keyed to the last payday of the month (usually the last Friday of the month) to ensure that counts are taken at a consistent point in the processing cycle.

³ Including Unemployment Benefit – Hardship, Unemployment Hardship – in Training, Unemployment Hardship – Student, Sickness Benefit Hardship and the Emergency Maintenance Allowance.

⁴ Including Unemployment Benefit – in Training.

⁵ Note this benefit is a top-up payment to assist with the care of a child and is not set at a level to provide income support for carers.

⁶ Note, as with the OB, this benefit is a top-up payment to assist with the care of a child and is not set at a level to provide income support for carers.

This study particularly looks at migrants approved for residence since 1 July 1997. A 'new migrant' is a migrant who has been in New Zealand for less than two years, whereas a 'recent migrant' is defined as a migrant who has been in New Zealand for two to five years.

1.3 Migrant benefit eligibility

To qualify for a working age benefit, the applicant must be a New Zealand citizen or permanent resident. There is discretion to terminate, reduce or refuse to grant a benefit where a person is not ordinarily a resident of New Zealand.

Since April 2007, the residence period requirements for the UB, SB, DPB, IB, WB and IYB has been set to two years. This, however, excludes the EB, UB – Hardship, SB – Hardship and UB – Student Hardship, which have no residence period requirements. The EB can be granted on the grounds of hardship to migrants who are ineligible for other statutory benefits through not meeting length of residence criteria.

In order to receive New Zealand Superannuation (or a Veteran's Pension), people are required to have been resident and present in New Zealand for at least 10 years since the age of 20 and including at least five years since the age of 50.

2 Findings 2007

Key findings

- In 2007, a total of 11,804 migrants who entered New Zealand since 1 July 1997 were identified as receiving a benefit.
- The benefit uptake was highest for migrants entering New Zealand under the Family Sponsored Residence Stream, followed by the International/Humanitarian Stream.
- The Family Parent Category was the largest source of recent migrant beneficiaries across all categories.
- Approximately half of all migrants identified were in receipt of an Emergency Benefit (EB).

At the end of June 2007, there were 13,181 migrant beneficiaries identified by MSD. Of these, 11,804 were successfully matched with Department records – a match rate of 90 percent. This rate is similar to that of previous information matches. Of the 11,804 successfully matched migrants in receipt of a benefit, only 1,087 had been granted residence within the previous two years, between 1 July 2005 and 30 June 2007. At the end of June 2007, there were a total of 279,156 people receiving one of the benefits included in this report.

Table 1 shows the number of migrants in receipt of a benefit by the benefit type and the residence category that they were approved under.⁷ Overall, the Family Sponsored Stream was the largest source, accounting for 56 percent of all recent migrants in receipt of a benefit. The International/Humanitarian Stream was second with 33 percent and the Skilled/Business Stream third with 10 percent.

Table 1 Number of migrant beneficiaries by residence category and benefit type (June 2007)

Residence category	DPB	EB	SB	UB	Other	Total	%
Family Child	74	46	32	59	3	214	2%
Family Parent	140	3,354	795	356	24	4,669	40%
Family Partnership	653	273	309	182	35	1,452	12%
Family Sibling/Adult Child	47	110	89	66	7	319	3%
Family Sponsored total	914	3,783	1,225	663	69	6,654	56%
Humanitarian	141	509	323	176	9	1,158	10%
Other International/Humanitarian	106	133	58	34	2	333	3%
Refugee Family Quota	4	91	7	8	1	111	1%
Refugee Quota	152	781	324	192	22	1,471	12%
Refugee Status	65	149	209	55	2	480	4%
Samoan Quota	169	86	58	58	2	373	3%
International/Humanitarian total	637	1,749	979	523	38	3,926	33%
1991 General Skills	2	1	6	5	1	15	0%
1995 General Skills	300	221	241	184	30	976	8%
Other Skilled/Business	59	72	48	48	6	233	2%
Skilled/Business total	361	294	295	237	37	1,224	10%
Total	1,912	5,826	2,499	1,423	144	11,804	100%
Total %	16%	49%	21%	12%	1%	100%	

⁷ Some residence categories have been aggregated.

Of the individual categories, the Family Parent Category was clearly the largest source of recent migrant beneficiaries (40 percent or 4,669 people). The second largest source group receiving a benefit was Refugee Quota (12 percent or 1,471) followed closely by Family Partnership (12 percent or 1,452). Also notable was the 10 percent (1,158) and 8 percent (976) of migrants entering under the now closed Humanitarian and 1995 General Skills categories respectively.

Nearly half of all migrants identified were in receipt of an EB. Generally, migrants must have resided in New Zealand for two years before they are eligible for statutory benefits.⁸ The EB can be granted on the grounds of hardship to migrants ineligible for other statutory benefits through not meeting length of residence criteria. Family Parent was the largest group in receipt of the EB (28 percent of all migrant beneficiaries). In many cases, this was due to the fact that, in order to be eligible for New Zealand Superannuation, migrants must have resided in New Zealand for ten years or more. Sponsors could have met the current legal requirements of providing support for the first two years of residence, with migrants subsequently receiving a benefit. The SB was the second most common benefit type with 21 percent, followed by the DPB at 16 percent and the UB at 12 percent.

Table 2 lists the top ten nationalities of migrant beneficiaries and compares this with the overall ranking of nationalities of approved principal applicants since 1 July 1997.⁹ While China accounted for the greatest number of migrant beneficiaries, it was the second largest source of migrants (second to the United Kingdom). India, Tonga and Fiji also had a similar rank as a source of migrant beneficiaries and approved principal applications. South Africa ranked lower as a source of beneficiaries (10th) than approved principal applicants (fourth). Samoa ranked higher as a source of migrant beneficiaries than migrants overall (third compared to being the sixth largest source of migrants). Iraq, Somalia, Afghanistan and Cambodia also ranked higher as a source of migrant beneficiaries than as migrants. This was due to the high proportion of these migrants being approved residence through the International/Humanitarian Stream as refugees.

Table 2 Top ten nationalities of migrant beneficiaries at June 2007 (approvals and beneficiaries)

Country	Rank of nationalities of recent migrant beneficiaries at 30 June 2007	Rank of nationalities of approved principal applicants since 1 July 1997
China	1	2
India	2	3
Samoa	3	6
Iraq	4	20
Fiji	5	5
Somalia	6	33
Tonga	7	8
Cambodia	8	23
Afghanistan	9	32
South Africa	10	4

⁸ See Section 1.3.

⁹ 1 July 1997 is used, as migrants have up to 12 months to take up residence subsequent to being approved.

Interestingly, although the United Kingdom was the largest source country of approved principal applicants, it ranks only 13th as a source of beneficiaries. This is true despite a reciprocal agreement in place eliminating any length of residence requirement.

3 Trends in the economy, benefit composition and residence 2002–2007

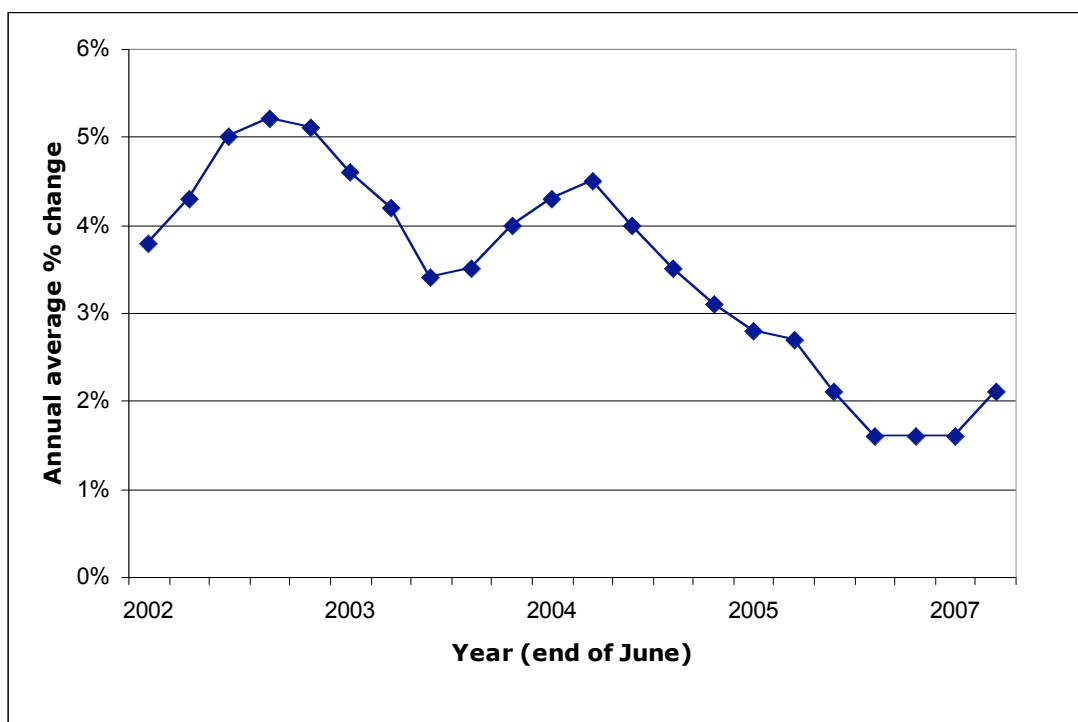
Key findings

- Over 2002–2007, the New Zealand economy experienced broad-based growth.
- There was a significant decrease in the unemployment rate between 2002 and 2007.
- The total number of clients receiving a main benefit decreased between 2002 and 2007.
- In 2006/07, a total of 47,000 people were approved for New Zealand residence.

To provide some context for the discussion on the benefit receipt of migrants, it is worth briefly reviewing some of the relevant social and economic developments that occurred between 2002 and 2007. The most relevant developments are those of changes in the economy, the benefit population and the composition of those being approved for residence.

Between 2002 and 2007, the economy underwent a period of broad-based growth. Over 2002 to 2004, growth in Gross Domestic Product (GDP) was generally in the range of 3.5 percent to 4.5 percent, peaking above this at 5.2 percent annual average growth in December 2002 (see Figure 1). In the last few years, growth had eased, with annual average growth slowing to less than 2 percent in the June quarter of 2006 before increasing to 2.1 percent in June 2007.

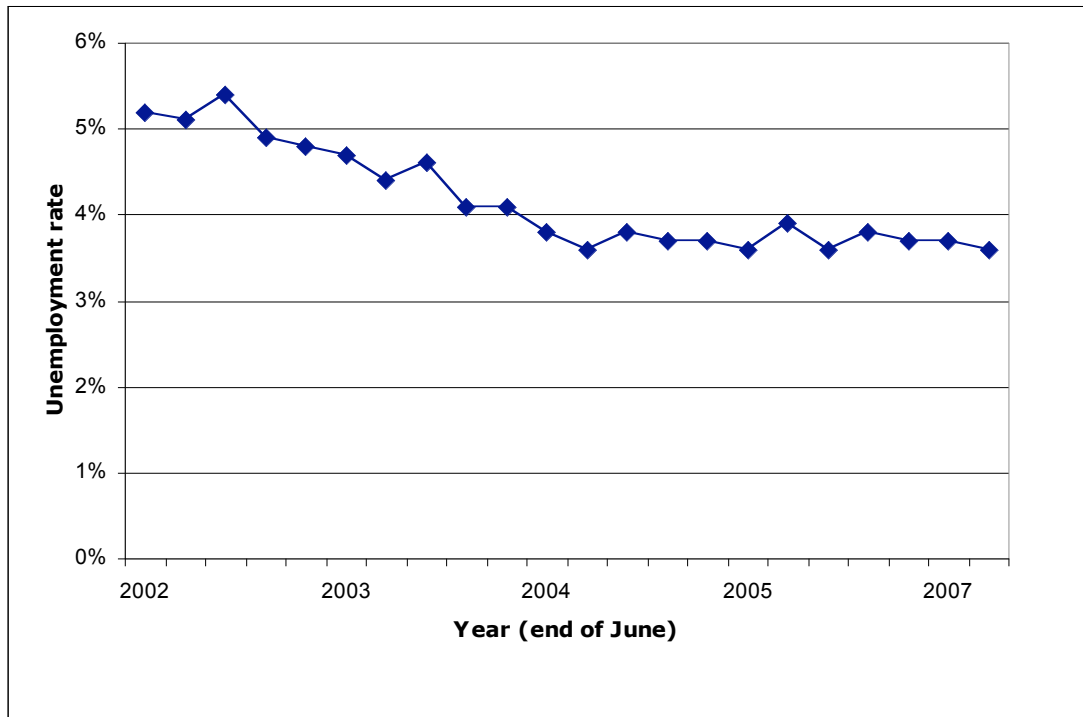
Figure 1 Real Gross Domestic Product (annual average percent change) June 2002 to 2007



Source: Reserve Bank of New Zealand, Key Statistics.

There was also significant change in the unemployment rate, falling from 5.2 percent in June 2002 to 3.6 percent in June 2007 (see Figure 2).

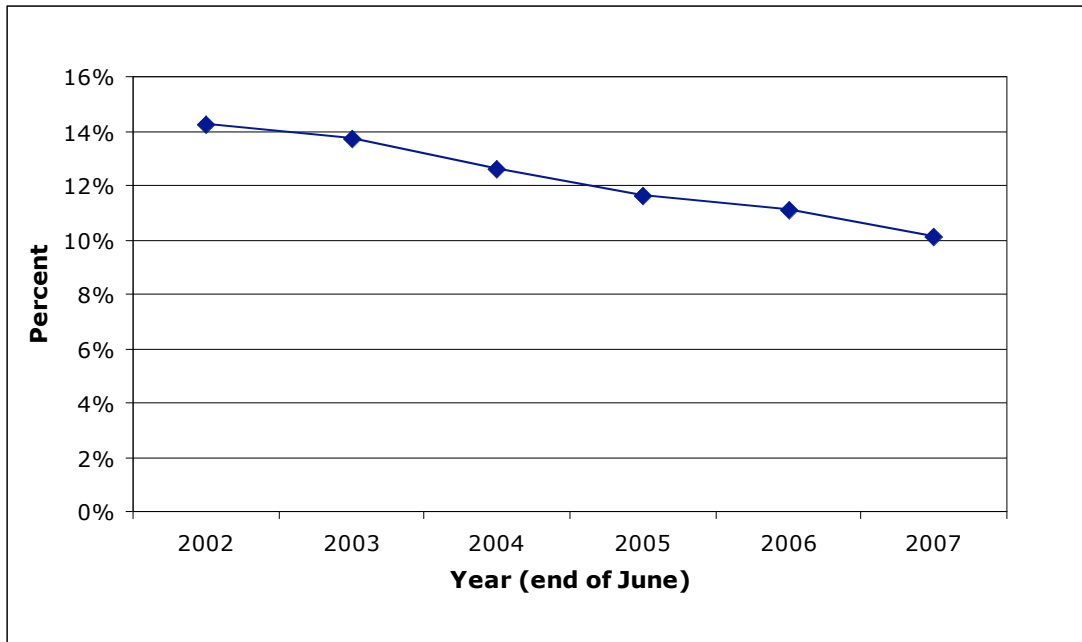
Figure 2 Unemployment rate June 2002 to 2007



Source: Statistics NZ, Household Labour Force Survey.

Overall, the number of clients receiving a main benefit at the end of June decreased from 354,000 to 280,000 between 2002 and 2007. The proportion of the working age population who were receiving a main benefit at the end of June decreased every year between 2001 and 2007 (See Figure 3).

Figure 3 Proportion of working age population receiving main benefits at the end of June between 2002 and 2007

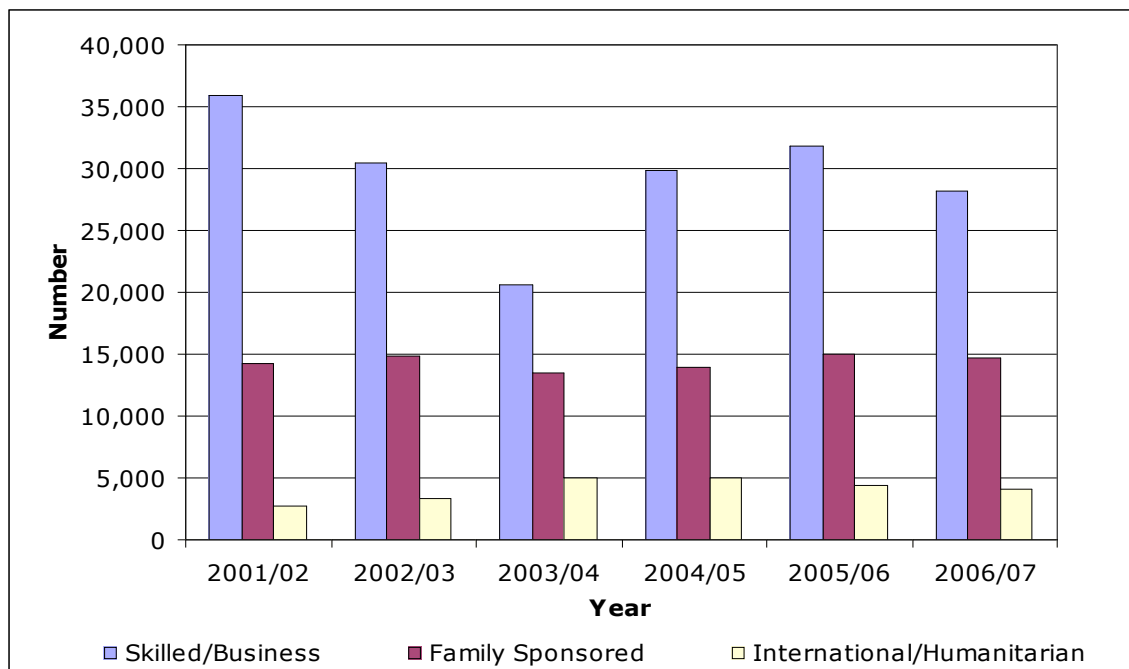


Source: MSD, numbers of working age clients receiving a main benefit at the end of June. Statistics New Zealand, final population estimates, resident population aged 18–64 years, at 31 December.

The primary reason for the decline in the proportion of the working age population receiving main benefits has been a significant reduction in UB receipt. UB numbers fell from 112,000 at the end of June 2002 to 23,000 at the same time in 2007. Changes between 2002 and 2007 that have affected the number of clients receiving the UB include improved economic conditions between 2002 and 2007 and an increased focus by Work and Income on moving work-ready clients into sustainable paid work. The number of the working age population on the DPB has fallen from 106,000 in 2002 to 95,000 in 2007. However, this period has also been characterised by increasing numbers in receipt of the IB (64,500 to 80,000) and the SB (35,000 to 47,500). Wider demographic changes such as New Zealand's ageing population may have contributed to this increase. The overall decline in the working age population receiving main benefits far outweighs the growth in the SB and IB.

In 2006/07, a total of 47,000 people were approved for residence. Of these, 28,140 were approved through the Skilled/Business Stream, 14,705 through the Family Sponsored Stream and 4,119 through the International/Humanitarian Stream. Figure 4 shows the number of people approved for residence through the streams between 2001/02 to 2006/07.

Figure 4 Residence approvals by residence stream from 2002 to 2007



Overall trends in the state of the economy, benefit composition and migration flows as well as social and immigration policy all have an influence on the benefit receipt of migrants outlined in this report.

4 Benefit receipt comparison 2002–2007

Key findings

- The overall rate of benefit receipt for migrants fell every year over 2002 to 2007.
- In 2007, the benefit rate was highest for the International/Humanitarian Stream and lowest for the Skilled/Business Stream.
- In each of the years over 2002–2007, the highest proportion of migrant beneficiaries came from the Family Parent Category.
- The percentage of beneficiaries entering New Zealand under the Refugee Quota and Humanitarian Category has steadily decreased over 2002 to 2007.
- The proportion of migrants in receipt of the EB and UB fell significantly over 2002–2007.

At the end of June 2007, 11,804 migrants approved for residence on or after 1 July 1997 were in receipt of a benefit (see Table 3). This number is higher than as at the end of June 2002 (6,696). However, the information defined this cohort of migrants as having been approved for residence since 1 July 1997, meaning there was a greater number of migrants residing in New Zealand in 2007 than 2002. There were, in fact, 122,212 more approved principal migrants in 2007, increasing from 96,483 in 2002 to 218,695 in 2007 (an increase of nearly two-and-a-half times). Table 3 shows that the benefit rate (see note in text box below) fell 1.5 percentage points from 6.9 to 5.4 percent. Although, in absolute terms, there were more migrants in receipt of a benefit in 2007 than 2002, the proportion of migrants on a benefit fell significantly.

Table 3 Benefit rates of migrants approved for residence since 1 July 1997, as at the end of June 2002–2007

Year	2002	2003	2004	2005	2006	2007
Primary migrant beneficiaries approved since 1 July 1997	6,696	8,812	9,737	10,384	11,066	11,804
Principal applicants approved for residence since 1 July 1997	96,483	121,045	141,676	166,460	193,397	218,695
Rate of primary migrant beneficiaries to approved principal applicants since 1 July 1997	6.9%	7.3%	6.9%	6.2%	5.7%	5.4%

Calculating benefit rates

In order to calculate benefit rates, migrant beneficiaries are defined as the total number of **primary** migrant beneficiaries (of a certain residence category) at a specified date (30 June each year). Migrants are defined as the total approved **principal** applicants (of a certain residence category) up to two years previous to the specified date, or since 1 July 1997 (given approved applications are valid for up to one year and to enable comparison).

Some issues with this definition need to be taken into consideration. The match with immigration data does not account for changes in families or relationships since migrants entered New Zealand. For instance, a principal applicant and adult secondary applicant may no longer be in a relationship, and a dependent child (in immigration terms) may now qualify and receive a benefit in their own right. Also, the person who was the principal applicant in immigration terms may not be the primary benefit recipient.

It is likely that many factors – ranging from the economy, changes to immigration policy and the introduction of new settlement support initiatives – contributed to the decrease in the benefit rate between 2002 and 2007. First, as shown in Figures 1 and 2, the New Zealand economy experienced a period of broad-based growth and a significant decline in the unemployment rate (5.2 percent in June 2002 to 3.6 percent in June 2007). Between 2002 and 2007, categories such as 1991 General Skills, 1995 General Skills¹⁰ and Humanitarian closed, while others such as the Family Parent and Family Partnership categories changed. In 2003, a New Zealand Immigration Settlement Strategy for migrants, refugees and their families was launched. Additionally, MSD introduced an initiative to enable Work and Income to implement a strategy of Enhanced Employment Services for Refugees and Migrants. Both of these initiatives¹¹ have also played a role in the improved outcomes for migrants.

Work and Income offers a number of services to assist migrant and refugee clients.¹² These include a multilingual call centre, specialised work brokerage and contracted services. Work and Income staff regularly attend a range of forums and meetings to work with interested groups to further improve refugee resettlement outcomes.

Localised employment and development initiatives for migrants and refugees are in place in central locations across New Zealand where there are more significant populations. Among other initiatives targeted at migrants and refugees, the Settling In programme works directly with refugee and migrant communities to develop and deliver social services.

¹⁰ Closed in 2003 and replaced with the Skilled Migrant Category, which had a focus on the applicant having an offer of skilled employment.

¹¹ As well as others such as the Auckland Regional Settlement Strategy.

¹² For more information visit www.msd.govt.nz

Figure 5 presents the benefit rates of each residence stream. In 2007, the benefit rate was lowest for the Skilled/Business Stream at 1.2 percent whereas the Family Sponsored benefit rate was 6.4 percent. Since the two year residence period requirement does not apply to various categories (such as Refugee Quota) of the International/Humanitarian Stream, as expected, the benefit rate for this stream was the highest at 24.3 percent; however, the benefit rate for the International/Humanitarian Stream has steadily declined since 2002 when it peaked at 48 percent.

Figure 5 Benefit rates of migrants approved for residence since 1 July 1997 by residence category

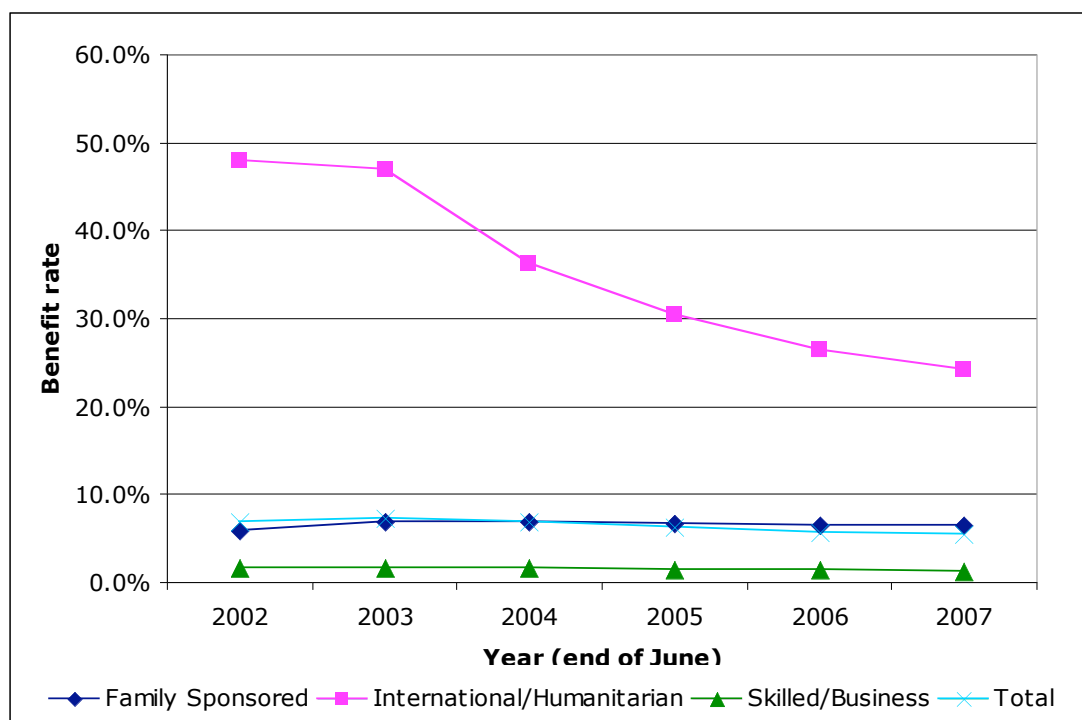


Table 4 shows the relative contribution of migrant beneficiaries across the different residence streams and categories. The Family Sponsored Stream surpassed the International/Humanitarian Stream as the largest source of recent migrant beneficiaries in 2003. The gap subsequently widened with the relative share of the Family Sponsored Stream increasing and the International/Humanitarian Stream falling. The Skilled/Business Stream remained stable between 2002 and 2007 at around 10 percent. The Family Parent Category was the largest source category for all the years measured. In fact, its share increased by 10 percentage points from 30 percent to 40 percent over 2002–2007. The Family Parent Category is discussed in more detail in section 6.1.

Table 4 Percentage of migrant beneficiaries by residence category over 2002–2007

Residence category	2002	2003	2004	2005	2006	2007	Total
Family Child	1%	1%	1%	2%	2%	2%	1%
Family Parent	30%	32%	35%	36%	37%	40%	36%
Family Partnership	10%	11%	11%	12%	13%	12%	12%
Family Sibling/Adult Child	3%	2%	2%	2%	3%	3%	3%
Family Sponsored total	44%	47%	50%	52%	54%	56%	51%
Humanitarian Other	15%	15%	14%	12%	11%	10%	13%
International/Humanitarian	1%	1%	2%	2%	2%	3%	2%
Refugee Family Quota	0%	0%	0%	1%	1%	1%	0%
Refugee Quota	15%	14%	14%	13%	13%	12%	13%
Refugee Status	10%	9%	7%	6%	4%	4%	6%
Samoan Quota	5%	4%	4%	3%	3%	3%	4%
International/Humanitarian total	47%	44%	40%	38%	35%	33%	39%
1991 General Skills	1%	1%	0%	0%	0%	0%	0%
1995 General Skills	9%	9%	10%	10%	9%	8%	9%
Other Skilled/Business	0%	0%	0%	0%	1%	2%	1%
Skilled/Business total	10%	9%	10%	10%	11%	10%	10%
Total %	100%	100%	100%	100%	100%	100%	100%
Total	6,696	8,812	9,737	10,384	11,066	11,804	58,499

The distribution among benefit types changed considerably between 2002 and 2007. The proportion of those in receipt of the emergency benefit (EB) fell 21 percentage points, from 70 percent in 2002 to 49 percent in 2007 (see Table 5). Other notable changes are the increases in the Sickness Benefit (SB) (4 to 21 percent), the Domestic Purposes Benefit (DPB) (4 to 16 percent) and the rise and then fall of those receiving an Unemployment Benefit (UB).

Table 5 Percentage of migrant beneficiaries by benefit type over 2002–2007

Benefit type	2002	2003	2004	2005	2006	2007
DPB	4%	6%	9%	12%	14%	16%
EB	70%	63%	56%	51%	50%	49%
SB	4%	6%	11%	16%	19%	21%
UB	21%	25%	23%	21%	17%	12%
Other	0%	0%	0%	1%	1%	1%
Total %	100%	100%	100%	100%	100%	100%
Total	6,696	8,812	9,737	10,384	11,066	11,804

There are several possible explanations for the changing composition of benefit receipt. First, because the data is for migrants approved for residence since 1 July 1997, the earlier years of the match have a higher proportion of migrants who are ineligible for statutory benefits other than an EB. Table 6 shows that, in 2002, 36 percent of migrant beneficiaries had been residing in New Zealand for less than two years (new migrants) whereas, in 2007, it was only 9 percent. This means that the increasing trend of migrants receiving other benefits may, in part, be due to more being eligible for benefits that they were not eligible for

previously. Table 10 of this report simplifies this issue by showing the benefit composition of migrants who were approved for residence up to two years prior to the extraction date. Second, although greater in scale, the increase in those receiving an SB follows the trend for the wider benefit population where the numbers on the SB increased by nearly 36 percent, from 35,000 in 2002 to 47,500 in 2007 (or from 10 to 17 percent of the comparable benefit population).

Table 6 Migrant beneficiaries by time since residence approval at the end of June 2002–2007

Residence approval	2002	2003	2004	2005	2006	2007
New (<2 years)	36%	25%	18%	13%	11%	9%
Recent (2–5 years)	60%	67%	62%	51%	39%	30%
Earlier (> 5 years)	0%	5%	19%	36%	50%	61%
Other	4%	2%	1%	1%	0%	0%
Total %	100%	100%	100%	100%	100%	100%
Total	6,696	8,812	9,737	10,384	11,066	11,804

5 Trends in benefit streams of new and recent migrant beneficiaries

Key findings

- The benefit rate for new and recent migrants has fallen steadily each year between 2002 and 2007.
- The benefit rate for new and recent migrants entering New Zealand under the International/Humanitarian Stream was higher than for other residence streams.
- The EB was the most dominant benefit type among new and recent migrants; however, in absolute terms, the number of those receiving an EB dramatically fell over 2002–2007.

It is appropriate, in this context, to analyse the trends in the benefit streams for new and recent migrants. In this study, 'new migrants' are considered to be immigrants who have lived in New Zealand for less than two years, and 'recent migrants' are immigrants who have lived in New Zealand for two to five years.

5.1 Benefit receipt of new migrants

This section analyses the benefit receipt of migrant beneficiaries who were approved for residence in the two years prior to the date of extraction (i.e. new migrants). For example, the data for 30 June 2007 includes any migrant beneficiary approved for residence since 1 July 2005, and the 30 June 2002 data includes any migrant beneficiary approved for residence since 1 July 2000.

Table 7 shows that the lowest number of new migrant beneficiaries was at the end of June 2007 (1,087). Interestingly, the period 1 July 2005 to 30 June 2007 also had the highest number of approved principal applicants (52,235). These two features combined to provide the lowest benefit rate over the years between 2002 and 2007. In fact, the benefit rate fell steadily each year between 2002 and 2007, from 5.1 percent to a mere 2.1 percent.

Table 7 Benefit rates of new migrants at the end of June 2002–2007

Year	2002	2003	2004	2005	2006	2007
New primary migrant beneficiaries	2,415	2,246	1,717	1,343	1,185	1,087
New approved principal applicants (approved in previous two years)	47,024	49,648	45,193	45,415	51,721	52,235
Rate of new primary migrant beneficiaries to new approved principal applicants	5.1%	4.5%	3.8%	3.0%	2.3%	2.1%

In 2007, the benefit rate of new migrants was 2.1 percent, considerably lower than for the migrant beneficiary group as a whole (5.4 percent).

Table 8 breaks down the benefit rates of new migrants approved by residence stream. The benefit rate for cohorts entering through the Skilled/Business Stream remained at 0.4 percent, which is the same as in the last year. The Family Sponsored Stream went down to 1.6 percent from 3.9 percent over 2002–2007. The benefit rate of the International/Humanitarian Stream fell substantially, from

52.7 percent to 17.4 percent over 2002–2006; however, it rose to 18.8 percent in 2007.

Table 8 Benefit rates of new migrants by residence category over 2002–2007

Residence stream	2002	2003	2004	2005	2006	2007
Skilled/Business	0.9%	0.8%	0.8%	0.5%	0.4%	0.4%
Family Sponsored	3.9%	2.9%	2.3%	2.2%	1.9%	1.6%
International/Humanitarian	52.7%	48.9%	24.9%	17.0%	17.4%	18.8%
Total	5.1%	4.5%	3.8%	3.0%	2.3%	2.1%

The rate for the International/Humanitarian Stream has fallen for a variety of reasons. First, overall, the number of new International/Humanitarian benefit recipients has fallen significantly from 1,402 to 623. Second, the composition of the stream has changed between 2002 and 2007. There has also been a significant fall in the number of people claiming Refugee Status. The number of successful Refugee Status claimants granted residence fell from 394 in 2001/2002 to 94 in 2006/2007. After sharp initial increases in those approved through the Samoan Quota and the Pacific Access Category, their numbers have slightly decreased.

The composition of new migrant beneficiaries is quite different to the new migrant beneficiary population as a whole (see Table 9). Although the number of migrants entering under the International/Humanitarian Stream has dropped to a lesser extent than other types, it still accounts for a much higher proportion: 57 percent compared to 33 percent overall. The proportions for other categories are quite different as well. The proportion of Family Parent migrant beneficiaries approved in the previous two years fell from 18 percent in 2002 to 11 percent in 2004 and then increased back to 18 percent in 2007.

Table 9 Number of new migrant beneficiaries by residence category over 2002–2007

Residence category	2002	2003	2004	2005	2006	2007
Family Child	26	35	40	43	29	19
Family Parent	432	288	181	175	179	191
Family Partnership	297	250	225	202	192	145
Family Sibling/Adult Child	46	31	22	28	23	10
Family Sponsored total	801	604	468	448	423	365
Humanitarian	485	505	218	62	24	3
Other International/Humanitarian	26	45	139	115	78	97
Refugee Family Quota	-	-	16	59	58	44
Refugee Quota	420	438	438	363	342	378
Refugee Status	336	383	252	164	113	65
Samoan Quota	135	62	20	24	49	36
International/Humanitarian total	1,402	1,433	1,083	787	664	623
1991 General Skills	7	3	1	-	-	-
1995 General Skills	205	205	160	81	13	2
Other Skilled/Business	-	1	5	27	85	97
Skilled/Business total	212	209	166	108	98	99
Total	2,415	2,246	1,717	1,343	1,185	1,087

Table 10 details the distribution of benefit types over the years. As could be expected, due to the EB being available to those who qualify through hardship and are ineligible for other benefits, those on the EB constitute a greater proportion of the migrant beneficiary population who were approved for residence in the two years between 1 July 2005 and 30 June 2007 (72 percent).

Although the EB was still the dominant benefit type at 72 percent, it was to a lesser extent (84 percent in 2002). In absolute terms, numbers of those receiving an EB fell dramatically from 2,018 to 782. The UB also fell from 11 to 5 percent. The benefit types that grew relative to the others were the DPB and SB, from 3 to 11 percent apiece.

Table 10 Percentage of new migrant beneficiaries by benefit type over 2002–2007

Benefit type	2002	2003	2004	2005	2006	2007
DPB	3%	4%	9%	10%	10%	11%
EB	84%	83%	74%	72%	70%	72%
SB	3%	3%	5%	7%	8%	11%
UB	11%	10%	11%	11%	10%	5%
Other	0%	0%	0%	1%	1%	1%
Total %	100%	100%	100%	100%	100%	100%
Total	2,415	2,246	1,717	1,343	1,185	1,087

5.2 Benefit receipt of recent migrants

This section analyses the benefit receipt of recent migrants. In the context of this study, 'recent migrants' are migrants approved for residence two to five years prior to the date of extraction.

Table 11 gives us the total number of recent migrant beneficiaries and recent principal applicants over the 2002 to 2007 period. The table indicates that 2007 had the lowest number of recent migrant beneficiaries compared to previous years. Approved principal applicants also decreased, from a peak of 71,586 in 2005 to 69,977 in 2007. The benefit rate for recent migrants in 2007 was estimated at 5.1 percent, slightly lower than for the migrant beneficiary group as a whole (5.4 percent). The rate has fallen steadily after peaking at 10.5 percent in 2003.

Table 11 Benefit rates of recent migrants at the end of June 2002–2007

Year	2002	2003	2004	2005	2006	2007
Recent migrant beneficiaries	3,993	5,903	6,032	5,276	4,349	3,546
Recent principal applicants	49,459	56,195	65,699	71,586	70,279	69,977
Rate of recent primary beneficiaries to recent principal approvals	8.1%	10.5%	9.2%	7.4%	6.2%	5.1%

Over the 2003 to 2006 period, the gap has significantly decreased between the benefit rates of principal applicant approvals since July 1997 and the benefit rates for recent migrants. The gap has decreased to a point where, in 2007, the rate of

recent primary beneficiaries to recent principal approvals has fallen below the rate of primary beneficiaries to principal approvals since July 1997.

Breaking down the benefit rates of recent migrants by residence stream, the benefit rate for cohorts entering through the Skilled/Business Stream steadily decreased from 2.6 percent in 2002 to 1.3 percent in 2007 (shown in Table 12). The Family Sponsored Stream fell to 6.2 percent in 2007 after peaking at 10.5 in 2003.

The number of recent International/Humanitarian benefit recipients fell from 1,473 in 2002 to 1,163 in 2007, whereas the benefit rate of the International/Humanitarian Stream fell substantially from 53.5 percent in 2004 to 18.3 percent in 2007.

Table 12 Benefit rates of recent migrants by residence category over 2002–2007

Residence stream	2002	2003	2004	2005	2006	2007
Skilled/Business	2.6%	2.5%	2.1%	1.9%	1.7%	1.3%
Family Sponsored	7.2%	10.5%	10.1%	8.7%	7.2%	6.2%
International/Humanitarian	38.4%	50.5%	53.5%	42.4%	27.8%	18.3%
Total	8.1%	10.5%	9.2%	7.4%	6.2%	5.1%

Table 13 shows that the composition of recent migrant beneficiaries is somewhat different to the migrant beneficiary population as a whole. The International/Humanitarian Stream for recent beneficiaries accounts for the same percentage as the overall proportion, at 33 percent. The proportion of recent Family Parent migrant beneficiaries fell from 39 percent (1,574) in 2002 to 32 percent (1,143) in 2007.

Table 13 Number of recent migrant beneficiaries by residence category over 2002–2007

Residence category	2002	2003	2004	2005	2006	2007
Family Child	45	80	72	74	74	82
Family Parent	1,574	2,283	2,264	1,871	1,345	1,143
Family Partnership	351	664	667	668	655	578
Family Sibling/Adult Child	122	160	161	127	159	144
Family Sponsored total	2,092	3,187	3,164	2,740	2,233	1,947
Humanitarian	534	820	1,005	767	531	179
Other International/Humanitarian	12	27	39	78	161	203
Refugee Family Quota	-	-	-	4	24	67
Refugee Quota	567	758	653	550	492	436
Refugee Status	129	248	299	304	230	201
Samoan Quota	231	327	226	164	97	77
International/Humanitarian total	1,473	2,180	2,222	1,867	1,535	1,163
1991 General Skills	43	36	31	12	6	1
1995 General Skills	383	499	610	647	551	315
Other Skilled/Business	2	1	5	10	24	120
Skilled/Business total	428	536	646	669	581	436
Total	3,993	5,903	6,032	5,276	4,349	3,546

Table 14 shows us that, over the 2002–07 period, recent migrant beneficiaries were on an EB more than any other benefit. This, again, is due to the EB being available through the hardship criteria and for those ineligible for any other benefit.

The proportion of recent migrants on an EB, however, has fallen from 61 percent in 2002 to 48 percent in 2007. In absolute terms, numbers of those receiving an EB fell from 2,432 in 2002 to 1,700 in 2007. The UB also fell from 29 to 13 percent. The benefit types that grew relative to the others were the DPB from 5 to 16 percent and the SB from 5 to 22 percent.

Table 14 Percentage of recent migrant beneficiaries by benefit type over 2002–2007

Benefit type	2002	2003	2004	2005	2006	2007
DPB	5%	7%	9%	11%	14%	16%
EB	61%	55%	53%	49%	49%	48%
SB	5%	8%	12%	18%	19%	22%
UB	29%	30%	26%	22%	18%	13%
Other	0%	0%	0%	0%	1%	1%
Total %	100%	100%	100%	100%	100%	100%
Total	3,993	5,903	6,032	5,276	4,349	3,546

6 Groups of interest

6.1 Family Parent Category

Key findings

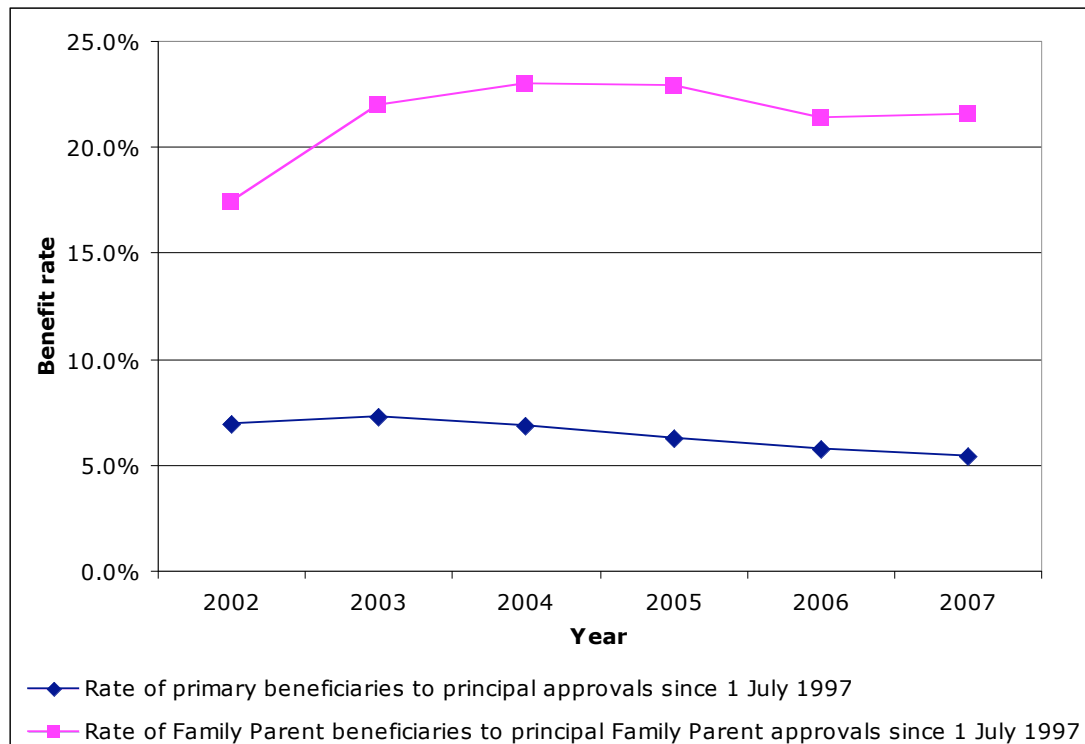
- The Family Parent Category was the single largest source of recent migrant beneficiaries in each year from 2002 to 2007.
- Family Parent numbers have increased as a proportion of the migrant benefit population over 2002 to 2007.
- The benefit rate for the Family Parent Category is significantly higher than that of the overall migrant benefit population.
- The benefit rate for new Family Parent beneficiaries has decreased.
- The majority of Family Parent beneficiaries were in receipt of an EB.

The New Zealand Residence Programme enables New Zealand citizens and residents to sponsor parents for permanent residence through the Family Parent Category of the Family Sponsored Stream. The parent must have the 'centre of gravity' of their family in New Zealand (an equal or greater number of adult children living lawfully and permanently in New Zealand than in any other single country). Additionally, sponsors must undertake financial support and accommodation obligations for the first two years of the sponsored person's residence. In 2001, the support obligations became legally enforceable. The financial support obligation is not applicable to those whose sponsors are refugees. It is also of note that, in order to be eligible for New Zealand Superannuation, migrants must have been resident in New Zealand for a minimum of 10 years.

The Family Parent Category was the single largest source of recent migrant beneficiaries in each year from 2002 to 2007. In fact, Family Parent has increased as a proportion of the migrant benefit population from 30 percent in 2002 to 40 percent in 2007 (see Table 4). In numerical terms, this is an increase from 2,011 in 2002 to 4,669 in 2007. Again, this increase is due, in part, to there being a larger group of those approved under Family Parent in 2007 than 2002.

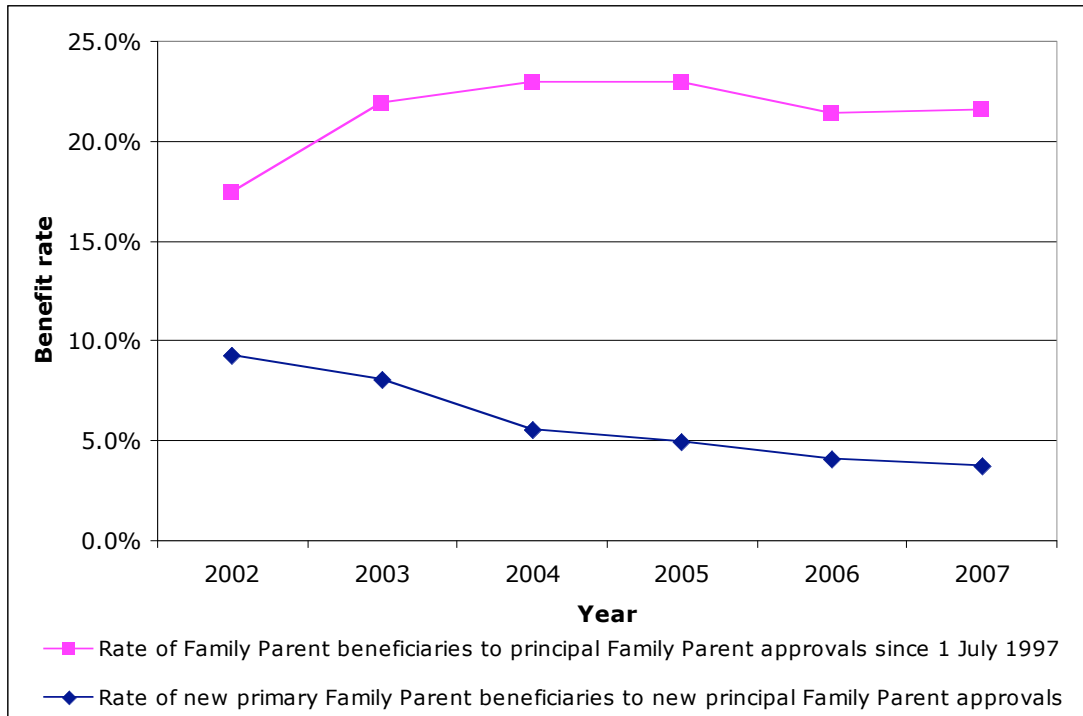
Figure 6 compares the benefit rates of those approved under the Family Parent Category to all approvals since 1 July 1997. At 21.6 percent, the benefit rate of the Family Parent Category is a great deal higher than overall (5.4 percent). The benefit rate peaked at 23 percent in 2004 and fell to 21.4 percent in 2006. The picture is slightly different when looking at new migrant beneficiaries.

Figure 6 Benefit rates of Family Parent migrants and all migrants since 1 July 1997



While the benefit rate of Family Parent approvals is much higher than that of the overall migrant benefit population, contemporary cohorts of migrants have had a lower rate. This can be seen in Figure 7, which compares the benefit rates of new Family Parent approvals, at the time of each information match, to the benefit rate of all Family Parent approvals since 1 July 1997. As at 1 July 2002, 9.2 percent of people approved under the Family Parent Category (since 1 July 2000) were receiving a benefit, compared with only 3.7 percent as at 1 July 2007. This is also considerably lower than the 21.6 percent of all Family Parent approvals since 1 July 1997. The consistent and marked fall in the proportion of parents receiving a benefit during the time the sponsor has support obligations can, in part, be attributed to a policy change in 2001, making family sponsorship obligations legally enforceable.

Figure 7 Benefit rates of new Family Parent migrants and total Family Parent migrants since 1 July 1997



On 1 July 2007, 72 percent of Family Parent beneficiaries were in receipt of an EB – down from 77 percent in 2002 (see Table 15). Where parents are in receipt of an EB longer-term, it is likely that they have not yet met the 10 years residence criteria for New Zealand Superannuation. This means that sponsors may have met their legal requirements to support for the first two years, but because there is an eight-year shortfall between the end of the legally required support and eligibility for New Zealand Superannuation, migrants can access the EB in the meantime. In 2002, 4 percent were receiving an SB; this rose to 17 percent in 2007. The proportion on the UB dropped after peaking at 22 percent in 2003 to 8 percent in 2007. The proportion on the DPB increased from 0 percent to 3 percent over 2002 to 2007, while other benefits remained steady over the years.

It is difficult to attribute specific reasons to the differing benefit rates, due to the complexities involved. After 2001, sponsor support in the first two years became legally enforceable. This, combined with the fact that there was a larger group in 2007 than 2002 (i.e. more migrants approved over a longer period), appears to have lowered the rate of new migrants. This means that more migrants were eligible for other types of benefits in 2007 than in 2002. The change in the group’s eligibility seems to have resulted in a large increase in the receipt of the SB.

Table 15 Percentage of migrants approved under the Family Parent Category by benefit type at the end of June 2002–2007

Benefit type	2002	2003	2004	2005	2006	2007
DPB	0%	1%	1%	1%	1%	3%
EB	77%	71%	68%	68%	71%	72%
SB	4%	6%	9%	14%	15%	17%
UB	19%	22%	21%	16%	12%	8%
Other	0%	0%	0%	0%	0%	1%
Total %	100%	100%	100%	100%	100%	100%
Total	2,011	2,844	3,402	3,786	4,108	4,669

6.2 Skilled/Business Stream

Key findings

- The Skilled/Business Stream accounts for the lowest proportion of migrant beneficiaries, despite the majority of migrants entering New Zealand under this stream.
- The benefit rate for the Skilled/Business Stream has decreased over 2000–2007.

The aim of the Skilled/Business Stream is to meet New Zealand’s identified needs and opportunities and contribute to building growth, innovation and global connectedness. Gaining residence through the Skilled/Business Stream is based on employability and capacity-building factors and an applicant’s ability to settle and contribute to New Zealand. Applicants must also meet relevant character, health and English language requirements.

Given the objectives of the Skilled/Business Stream, and the selection criteria, it is not surprising that the stream accounted for only 10 percent or 1,224 of all migrant beneficiaries in 2007, even though the majority of migrants entered through this stream.¹³ Table 16 shows that the benefit rates of those approved for residence through the Skilled/Business Stream are very low. For example, in 2007, the rate of Skilled/Business migrants who entered since 1 July 1997 was 1.2 percent, compared to 5.4 percent for the total migrant benefit population since 1 July 1997. The figure drops further to only 0.4 percent for new Skilled/Business migrants (predominantly skilled migrants). Both of these rates have also dropped in the period between 2002 and 2007.

Table 16 Benefit rates of new Skilled/Business Stream migrants and those since 1 July 1997, at the end of June 2002–2007

	2002	2003	2004	2005	2006	2007
New Skilled/Business migrants	0.9%	0.8%	0.8%	0.5%	0.4%	0.4%
Since 1 July 1997	1.6%	1.6%	1.6%	1.5%	1.3%	1.2%

In 2007, 81 percent of migrant beneficiaries who entered through the Skilled/Business Stream did so through categories that are now closed (see Table 17). The majority were through the 1995 General Skills Category (80 percent),

¹³ The New Zealand Residence Programme currently allocates 60 percent of residence places to the Skilled/Business Stream.

which was closed in 2003. Only 233 migrants who entered through the Other Skilled/Business Categories (this includes the Skilled Migrant Category) were in receipt of a benefit.

Table 17 Percentage of migrant beneficiaries approved through the Skilled/Business Stream by residence category at the end of June 2002–2007

Residence category	2002	2003	2004	2005	2006	2007
1991 General Skills	8%	6%	4%	3%	2%	1%
1995 General Skills	91%	94%	95%	93%	88%	80%
Other Skilled/Business	1%	1%	1%	4%	10%	19%
Total %	100%	100%	100%	100%	100%	100%
Total	649	816	981	1,066	1,164	1,224

In contrast to the Family Sponsored and International/Humanitarian Streams where migrants were more likely to be in receipt of an EB, those approved under the Skilled/Business Stream were most likely to be in receipt of the UB. Table 18 shows that, in 2007, 29 percent of beneficiaries who entered through the Skilled/Business Stream were in receipt of a DPB. This proportion has increased from being at 5 percent in 2002. This was followed by the EB and SB at 24 percent apiece. The proportion of Skilled/Business migrants on the UB in 2007 was 19 percent – down from 36 percent in 2004. This distribution is different to that of the overall recent migrant benefit population, where almost 50 percent of the group were in receipt of an EB and 12 percent received the UB. The higher proportion of UB recipients over the years indicates a higher level of attachment to the labour market. Again, this is to be expected, given the objectives of this stream. Also, given the higher tendency of those entering through the Skilled/Business Stream and the decrease in the unemployment rate between 2002 and 2007, it is not surprising that the proportion of Skilled/Business migrants on the UB fell between 2004 and 2007.

Table 18 Percentage of migrant beneficiaries approved through the Skilled/Business Stream by benefit type at the end of June 2002–2007

Benefit type	2002	2003	2004	2005	2006	2007
DPB	5%	9%	13%	19%	23%	29%
EB	53%	45%	38%	30%	26%	24%
SB	6%	9%	12%	17%	21%	24%
UB	35%	36%	36%	33%	28%	19%
Other	1%	1%	1%	1%	2%	3%
Total %	100%	100%	100%	100%	100%	100%
Total %	649	816	981	1,066	1,164	1,224

7 Conclusions

The annual information match between MSD and the Department provides information on the extent of benefit receipt of recent migrants, including retrospective information allowing the analysis of trends in benefit receipt over time.

From this study, we gather that the overall benefit receipt of migrants has declined significantly over recent years (i.e. the benefit rate was significantly lower in 2007 than in 2002). In 2007, the benefit rate was at its lowest for both the Skilled/Business and International/Humanitarian Streams, whereas the benefit rate of the Family Sponsored Stream peaked in 2004 and fell back in 2007. The reduction in the overall benefit rate was even more substantial when looking at new migrants. These rates were at their lowest for all residence streams. The benefit rate for recent migrants also fell over 2002–2007.

The reductions in the benefit rates can be attributed to the New Zealand economy going through a sustained period of growth and falling unemployment over the 2002 to 2007 period. Also, changes in immigration policy (closing some categories, introducing additional criteria and support requirements to others, English language requirements and the introduction of SMC and Pacific Access/Samoan Quota) and the introduction of specific settlement support services to migrants and refugees have contributed to less reliance on benefits and better outcomes for more recent migrants and refugees.

The largest single source of migrants in receipt of a benefit was the Family Parent Category. Their share had increased over the 2002–2007 period; however, most Family Parents in receipt of a benefit in 2007 had been in New Zealand for more than five years. Furthermore, the benefit rate for new Family Parent migrants has fallen over 2002–2007.

The majority of migrants receiving a benefit within two years of being approved for residence had come in under the International/Humanitarian Stream and were predominantly refugees. Refugees are likely to meet the hardship criteria for emergency benefits as they are not required to agree to support themselves or others when they come to New Zealand. Others were from countries for which New Zealand has reciprocal arrangements negating the two-year residency requirement.

Compared to the overall migrant beneficiary population, those approved for residence under the Skilled/Business Stream had a lower benefit rate, and unlike the overall migrant beneficiary population, the majority of migrant beneficiaries approved under this category were in receipt of the UB. Overall, a very small number of Skilled/Business migrants were accessing benefits.

The EB was the most common benefit type, constituting almost half of all migrant beneficiaries. This is likely due to several reasons. First, generally, migrants must have resided in New Zealand consecutively for two years to be eligible for a statutory benefit. The EB can be granted to those who are ineligible for other

benefit types through not meeting this time restriction. Second, the EB is the most common benefit type of those approved through the Family Parent Category. This is partly due to the ten-year residence requirement to be eligible for New Zealand Superannuation.

Between 2002 and 2007, there was a significant increase in those receiving an SB. The proportion in receipt of the SB rose over 2002–2007. This increase is, in part, due to a higher proportion of migrants eligible for statutory benefits in 2007 than in 2002. Also, although the scale is different, this trend is consistent with the general benefit population where numbers in receipt of an SB grew over this time period.

China was the most common nationality of migrants in receipt of a benefit. This should be considered in the context that China is also the second largest source of migrants overall. Generally, the migrant profile of beneficiaries matches that of migrants overall. The exception is where a high proportion of migrants from a particular country are refugees, for example, Iraq, Somalia, Afghanistan and Cambodia.

The findings show that it is likely that a combination of positive economic conditions, changes to immigration policy and the introduction of settlement support initiatives by MSD and the Department have all contributed to a reduction in the benefit rates of recent cohorts of migrants. These results will continue to inform policy development within the Department and the Ministry of Social Development.