

Department of Labour  
TE TARI MAHI



# Benefit Receipt of Recent Migrants to New Zealand - 2006

**Rob Hodgson**

Senior Research Analyst  
Department of Labour

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Department of Labour  
PO Box 3705  
Wellington  
New Zealand

[www.dol.govt.nz](http://www.dol.govt.nz)

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# CONTENTS

<b>LIST OF FIGURES .....</b>	<b>4</b>
<b>LIST OF TABLES.....</b>	<b>5</b>
<b>EXECUTIVE SUMMARY .....</b>	<b>7</b>
<b>1. INTRODUCTION.....</b>	<b>10</b>
1.1 Information match .....	10
1.2 Migrant benefit eligibility.....	11
<b>2. FINDINGS 2006.....</b>	<b>13</b>
<b>3. TRENDS IN THE ECONOMY, BENEFIT COMPOSITION AND RESIDENCE 2001 TO 2006.....</b>	<b>16</b>
<b>4. BENEFIT RECEIPT COMPARISON 2001-2006 .....</b>	<b>19</b>
4.1 Benefit receipt of those granted residence in the previous two years ..	22
<b>5. BREAKDOWNS BY BENEFIT TYPE.....</b>	<b>27</b>
5.1 Emergency Benefit.....	27
5.2 Domestic Purposes Benefit.....	28
5.3 Sickness benefit.....	29
5.4 Unemployment Benefit .....	30
<b>6. GROUPS OF INTEREST .....</b>	<b>32</b>
6.1 Family Parent Category .....	32
6.2 Skilled/Business Stream .....	35
<b>7. CONCLUSIONS.....</b>	<b>38</b>
<b>APPENDIX A: IMMIGRATION CHANGE PROGRAMME.....</b>	<b>40</b>
<b>APPENDIX B: COMPARISON OF DISTRIBUTIONS FOR MATCHED AND UNSUCCESSFULLY MATCHED RECORDS .....</b>	<b>42</b>
<b>APPENDIX C: RECENT INITIATIVES TO ASSIST MIGRANT'S SETTLEMENT .....</b>	<b>44</b>

## LIST OF FIGURES

Figure 1: Real Gross Domestic Product (annual average percent change) June 2001 to 2006.....	16
Figure 2: Unemployment rate June 2001 to 2006 .....	17
Figure 3: Trends in proportion of the working aged population receiving main benefits at the end of June, between 2001 and 2006 .....	17
Figure 4: People approved for residence by residence stream 2001 to 2006 .....	18
Figure 5: Benefit rates of matched migrants approved for residence since 1 July 1997 by residence category.....	20
Figure 6: Benefit rates of matched migrants approved for residence in the previous two years and since 1 July 1997.....	23
Figure 7: Benefit rates of matched migrants approved under Family Parent Category and all migrants in previous two years and since 1 July 1997 .....	33
Figure 8: Benefit rates of matched migrants approved under Family Parent Category in previous two years and since 1 July 1997.....	34

## LIST OF TABLES

Table 1: Matched records of migrants receiving a benefit by residence Category at the end of June 2006.....	14
Table 2: Matched records of migrants receiving a benefit at the end of June 2006 by top ten nationalities (approvals and migrant beneficiaries).....	15
Table 3: Benefit rate of matched migrants approved for residence since 1 July 1997, as at the end of June 2001-2006.....	19
Table 4: Matched records of migrants receiving a benefit by residence Category as at the end of June 2001-2006.....	21
Table 5: Matched records of migrants receiving a benefit by benefit type as at the end of June 2001-2006.....	22
Table 6: Matched records of migrants receiving a benefit by time since residence was approved at the end of June 2001-2006.....	22
Table 7: Benefit rate of matched migrants approved for residence in previous two years as at the end of June 2001-2006.....	23
Table 8: Benefit rates of matched migrants approved for residence in the previous two years by residence category.....	24
Table 9: Matched records of migrants receiving a benefit and approved for residence in the previous two years by residence Category as at the end of June 2001-2006.....	25
Table 10: Matched records of migrants receiving a benefit and approved for residence in the previous two years by benefit type at the end of June 2001-2006.....	26
Table 11: Matched records of migrants in receipt of an Emergency Benefit by residence Category as at the end of June 2001-2006.....	28
Table 12: Matched records of migrants in receipt of the Domestic Purposes Benefit by residence Category at end of June 2001-2006.....	29
Table 13: Matched records of migrants in receipt of the Sickness Benefit by residence Category as at the end of June 2001-2006.....	30
Table 14: Matched records of migrants in receipt of the Unemployment Benefit by residence Category as at the end of June 2001-2006.....	31
Table 15: Matched records migrants approved under Family Parent by Category at the end of June 2001-2006.....	34
Table 16: Matched records of migrants approved under Family Parent Category by benefit type at the end of June 2001-2006.....	35
Table 17: Matched records of migrants approved under Family Parent receiving a benefit as at the end of June 2001-2006.....	35
Table 18: Benefit rates of migrants approved for residence through the Skilled/Business Stream since 1 July 1997, as at the end of June 2001-2006.....	36
Table 19: Matched records migrants approved through the Skilled/Business Stream by Category at end of June 2001-2006.....	36
Table 20: Matched records of migrants approved through the Skilled/Business Stream by benefit type at end of June 2001-2006.....	37
Table 21: Comparison of match rates 2001 - 2006.....	42
Table 22: Benefit type by year for unsuccessfully matched migrant beneficiaries by year.....	42
Table 23: Benefit type by year for matched migrant beneficiaries.....	42

Table 24: Top ten countries of birth by year for unsuccessfully matched migrant beneficiaries ..... 42  
Table 25: Top ten countries of birth by year for matched migrant beneficiaries . 43

## EXECUTIVE SUMMARY

This report details findings from the 11<sup>th</sup> annual information match between Ministry of Social Development (MSD) benefit and Department of Labour (the Department) immigration data. The purpose is to determine the extent of benefit receipt by recent migrants. Since its inception in 1996, the information match has significantly grown in scope. For the first time the 2006 information match includes information on previous years. This enables the analysis of trends over time.

Immigration policy has many different objectives. These include building New Zealand's workforce and addressing specific skills shortages, reuniting migrant families and fulfilling the government's international commitments. This means the benefit receipt by different streams can be quite different. 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 2006, there were 12,984 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 11,366 were successfully matched with Department records, a match rate of 88 percent. Of the 11,366 successfully matched migrants in receipt of a benefit only 1,185 had been granted residence within the previous two years, between 1 July 2004 and 30 June 2006.

The benefit rate was significantly lower in 2006 than in 2001. The rate fell from 7.2 percent (one in 14 Principal applicants) in 2001, to 5.7 percent (one in 18 Principal applicants) in 2006. In 2006 benefit rate was at its lowest for both the Skilled/Business and International Humanitarian Streams (1.4 percent and 8.4 percent respectively). The benefit rate of the Family Sponsored Stream peaked in 2004 at 6.9 percent, and fell back to 6.6 percent in 2006.

This reduction in the benefit rate was even more substantial when looking at those approved for residence in the previous two years. The rate fell from 6.7 percent (one in 15 Principal applicants) in 2001 to 2.3 percent (one in 44 Principal applicants) in 2006. The rate was at its lowest for all residence streams 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 the period 2001 to 2006 the New Zealand economy went through a sustained period of growth and falling unemployment. Also, changes in immigration policy in 2001 (closing some categories and introducing additional criteria and support requirements to others), and the introduction of specific settlement support services to migrants and refugees, have 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 just over one in five migrant

beneficiaries in 2001, to just over one in three in 2006. The majority of Family Parent beneficiaries were approved for residence before the October 2001 changes to family sponsorship policy, which required sponsors (except those who gained residence as refugees) to provide accommodation and financial support in the parents' first two years in New Zealand.

The majority of migrants who were receiving a benefit within two years of being approved for residence had entered under the International/Humanitarian Stream (56 percent), and were predominantly refugees (44 percent). 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. Despite the fact that migrants are generally ineligible to receive benefits other than the Emergency Benefit (EB) within the first two years of residence, a minority were accessing other benefits. This is due to reciprocal arrangements with other countries.

The EB was the most common benefit type, received by 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 in hardship who are ineligible for other benefits 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 2001 and 2006 there was a significant increase in numbers of those receiving the Sickness Benefit (SB). The proportion in receipt of the SB rose from 2 percent in 2001 to 19 percent in 2006. This increase is in part due to a higher proportion of migrants who had been resident for greater than two years in 2006 than 2001 and therefore eligible for statutory benefits. Also, although the scale is different, this trend is consistent with trends in the general benefit population where numbers in receipt of the SB grew over this time period.

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 (2.3 percent compared to 5.7 percent overall). Unlike the overall migrant beneficiary population, the majority of migrants approved under this category were in receipt of the 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.

This information match further increases the knowledge available for assessing the extent of benefit receipt among migrants. The findings show that it is likely 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 rate of recent cohorts of migrants. These results will continue to inform policy development within the Department (such as the Immigration Change Programme) and the Ministry of Social Development.

# 1. INTRODUCTION

This report details findings from the 11<sup>th</sup> annual information match between Ministry of Social Development (MSD) and Department of Labour (the Department) administrative data. The purpose is to determine the extent of benefit receipt by recent migrants. These results are used to inform policy development within MSD and the Department. Part of the Department's current Immigration Change Programme (see Appendix A for an overview) is developing an Immigration Policy Framework. Information on the benefit receipt of specific residence categories is directly informing this work.

Since its inception in 1996, the information match has significantly grown in scope<sup>1</sup>. For the first time the 2006 information match includes information on previous years. Information was included for the years 2001 to 2005 using the same extraction criteria as the 2006 data (discussed below). This has enabled the scope to be greatly enhanced through analysing trends over time. Due to the nature of the information match the data is not continuous, but a collection of point in time snapshots.

The paper begins with 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 2006, followed by an overview in changes in the economy, overall benefit composition, migration flows and an analysis of trends in benefit receipt of migrants over time. The composition of migrants by benefit type is then analysed. Finally, the largest single category (the Family Parent Category) and the Skilled/Business Stream are examined to analyse recent trends and the effect of changes in policy.

## 1.1 Information match

MSD extracted information from its Information Analysis Platform (IAP) at the end of June<sup>2</sup> each year from 2001 to 2006 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 (defined as recent migrants) and were receiving one of the following benefits:

- Domestic Purposes Benefit (DPB)
- Emergency Benefit (EB)<sup>3</sup>
- Sickness Benefit (SB)

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<sup>1</sup> 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.

<sup>2</sup> 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.

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

- Unemployment Benefit (UB)<sup>4</sup>
- Independent Youth Benefit (IYB)
- Invalid's Benefit (IB)
- Widow's Benefit (WB)
- Orphan's Benefit (OB)<sup>5</sup>
- Unsupported Child's Benefit (UCB)<sup>6</sup>

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 with Department data from the Application Management System (AMS). The match only included a limited number of variables.

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 'recent migrant beneficiaries' thus refers to primary beneficiaries who are also migrants (fitting the criteria listed above).

## 1.2 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 resident in New Zealand. In addition, most working age benefits require people to have lived in New Zealand for a certain period of time before they can be eligible for a benefit:

- **Unemployment Benefit and Sickness Benefit:** a person must have lived continuously in New Zealand for two years.
- **Invalid's Benefit:** a person must have lived in New Zealand for at least 10 years (with no more than one year's worth of absences during that period, increased by six months for every additional year that s/he has been resident in New Zealand)
- **Domestic Purposes Benefit - Sole Parent, Domestic Purposes Benefit - Women Alone and Widow's Benefit:** the period of residence required is determined through any dependent children (the qualifying child criteria) or the partnership; and
- **Domestic Purposes Benefit - Care of Sick or Infirm:** has no residence period requirements.

To residentially qualify for 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).

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<sup>4</sup> Including Unemployment Benefit – in Training.

<sup>5</sup> 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.

<sup>6</sup> Note as with 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.

The EB can be granted on the grounds of hardship to migrants who are ordinarily resident in New Zealand but are ineligible for other benefits through not meeting time restrictions. 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.

In April 2007 Working New Zealand changes align the residence period requirements to 2 years for Unemployment Benefit, Sickness Benefit, Domestic Purposes Benefit, Invalid's Benefit, Widow's Benefit and the Independent Youth Benefit. This excludes Emergency Benefit, Unemployment Benefit - Hardship, Sickness Benefit - Hardship and Unemployment Benefit - Student Hardship.

## 2. FINDINGS 2006

At the end of June 2006, there were 12,984 recent migrant beneficiaries identified by MSD. Of these 11,366 were successfully matched with Department records, a match rate of 88 percent. This rate is similar to that of previous information matches (see Appendix B). The unmatched records had similar distributions of country of birth, and benefit type to those who were matched (see Appendix B). Of the 11,366 successfully matched migrants in receipt of a benefit only 1,185 had been granted residence within the previous two years, between 1 July 2004 and 30 June 2006.

At the end of June 2006, there were 298,743 people receiving a benefit in New Zealand<sup>7</sup>. Of this 4.4 percent were recent migrants, with under 0.5 percent approved for residence in the previous two years.

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<sup>8</sup>. Overall the Family Sponsored Stream<sup>9</sup> was the largest stream accounting for 54 percent of all recent migrants in receipt of a benefit. The International/Humanitarian Stream<sup>10</sup> was second with 34 percent and the Skilled/Business Stream<sup>11</sup> third with 11 percent.

Of the individual categories Family Parent is clearly the largest source of recent migrant beneficiaries (36 percent or 4,136 people). As discussed later (Section 6.1) further analysis of the Family Parent Category shows that the majority of this group were approved for residence before the October 2001 changes to family sponsorship policy. The second largest source group receiving a benefit is Family Partnership policy (1,449) followed closely by Refugee Quota (1,436). Also notable is the eleven percent (1,234) and nine percent (1,038) of migrants who entered under the now closed Humanitarian and 1995 General Skills categories respectively. Migrants from the Other Skilled/Business Category<sup>12</sup> had the lowest share of benefit receipt of all the current residence categories. The Family Parent Category and the Skilled/Business Stream are discussed further in Section 6.

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<sup>7</sup> In receipt of benefits included in the match.

<sup>8</sup> Some residence categories have been aggregated.

<sup>9</sup> Comprising Family: Child, Partnership, Parent and Sibling/Adult Child categories.

<sup>10</sup> Comprising the Humanitarian, Samoan Quota, Refugee Quota, Refugee Family Quota, Refugee Status and Other International Humanitarian categories.

<sup>11</sup> Comprising the 1991 General Skills, 1995 General Skills and Other Skilled/Business categories.

<sup>12</sup> Comprising the 1991 Business Investment Category, 1995 Business investor, Employees of businesses, Entrepreneur (Transitional) Category, Entrepreneur category, Investor category, Investor Category 2005, Skilled Migrant, and Skills/Business deferral.

**Table 1: Matched records of migrants receiving a benefit by residence Category at the end of June 2006**

<b>Residence Category</b>	<b>DPB</b>	<b>EB</b>	<b>SB</b>	<b>UB</b>	<b>Other</b>	<b>Total</b>	<b>%</b>
1991 General Skills	11	14	20	26	2	73	1%
1995 General Skills	251	259	210	297	21	1,038	9%
Other Skilled/Business <sup>13</sup>	20	39	32	29	1	121	1%
<b>Total Skilled/Business Stream</b>	<b>282</b>	<b>312</b>	<b>262</b>	<b>352</b>	<b>24</b>	<b>1,232</b>	<b>11%</b>
Family Child	63	43	23	45	1	175	2%
Family Parent <sup>14</sup>	53	2,957	637	479	10	4,136	36%
Family Partnership	606	318	247	258	20	1,449	13%
Family Sibling/ Adult Child <sup>15</sup>	43	99	76	102	2	322	3%
<b>Total Family Sponsored Stream</b>	<b>765</b>	<b>3,417</b>	<b>983</b>	<b>884</b>	<b>33</b>	<b>6,082</b>	<b>54%</b>
Humanitarian <sup>16</sup>	121	594	290	225	4	1,234	11%
Refugee Family Quota	-	79	-	3	-	82	1%
Refugee Quota	133	750	290	254	9	1,436	13%
Refugee status	43	183	180	87	1	494	4%
Samoa Quota	145	96	50	79	3	373	3%
Other	82	109	39	38	1	269	2%
International/Humanitarian <sup>17</sup>							
<b>Total International/ Humanitarian Stream</b>	<b>524</b>	<b>1,811</b>	<b>849</b>	<b>686</b>	<b>18</b>	<b>3,888</b>	<b>34%</b>
Residence Not Known	30	58	39	24	13	164	1%
<b>Total</b>	<b>1,601</b>	<b>5,598</b>	<b>2,133</b>	<b>1,946</b>	<b>88</b>	<b>11,366</b>	<b>100%</b>
<b>Total %</b>	<b>14%</b>	<b>49%</b>	<b>19%</b>	<b>17%</b>	<b>1%</b>	<b>100%</b>	

Nearly half of all migrants identified were in receipt of an Emergency Benefit (EB). Generally, migrants must have resided in New Zealand for two years before they are eligible for statutory benefits<sup>18</sup>. 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. Family Parent was the largest group in receipt of the EB (26 percent of all migrant beneficiaries). As discussed later in Section 6.1, in many cases this will be 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

<sup>13</sup> Comprising the 1991 Business Investment Category, 1995 Business investor, Employees of businesses, Entrepreneur (Transitional) Category, Entrepreneur category, Investor category, Investor Category 2005, Skilled Migrant, and Skills/Business deferral.

<sup>14</sup> Note this category also includes 2002 Family Quota Parent and 2003 Family Quota Parent.

<sup>15</sup> Note this category also includes 2002 Family Quota Adult Child, 2002 Family Quota Adult Sibling, 2003 Family Quota Adult Child and 2003 Family Quota Adult Sibling.

<sup>16</sup> In keeping with previous reports, the Humanitarian category has been counted under the International/Humanitarian Stream.

<sup>17</sup> Comprising October 2000 Transitional Policy, Pacific Access Category, Victims of Domestic Violence, those who gained access under a ministerial direction and those who gained residence under the 1991 Transitional Policy.

<sup>18</sup> See Section 1.2.

providing support for the first two years of residence, with migrants subsequently receiving a benefit. The Sickness Benefit (SB) was the second most common benefit type with 19 percent, followed closely by the Unemployment Benefit (UB) at 17 percent and the Domestic Purposes Benefit (DPB) 14 percent. Section 5 presents breakdowns by benefit type in greater detail.

Table 2 lists the top ten nationalities of recent migrant beneficiaries and compares this with the overall ranking of nationalities of approved Principal applicants since 1 July 1997. While China accounted for the greatest number of recent migrant beneficiaries, it was the second largest source of recent migrants (second to the United Kingdom). India, Fiji and Tonga also had a similar rank as a source of recent migrant beneficiaries and approved Principal applications. South Africa ranked much lower as a source of beneficiaries (8<sup>th</sup>) than approved Principal applicants (4<sup>th</sup>). Samoa ranked higher as a source of recent migrant beneficiaries than recent migrants overall (second compared to being the 6<sup>th</sup> largest source of recent migrants). Iraq, Somalia, Afghanistan and Cambodia also ranked higher as a source of recent migrant beneficiaries than as recent migrants. This is due to the high proportion of these migrants being approved residence through the International/Humanitarian Stream as refugees. Interestingly, although the United Kingdom was the largest source country of approved Principal applicants it ranks only 11<sup>th</sup> as a source of beneficiaries. This is true despite a reciprocal agreement in place eliminating any length of residence requirement.

**Table 2: Matched records of migrants receiving a benefit at the end of June 2006 by top ten nationalities (approvals and migrant beneficiaries)**

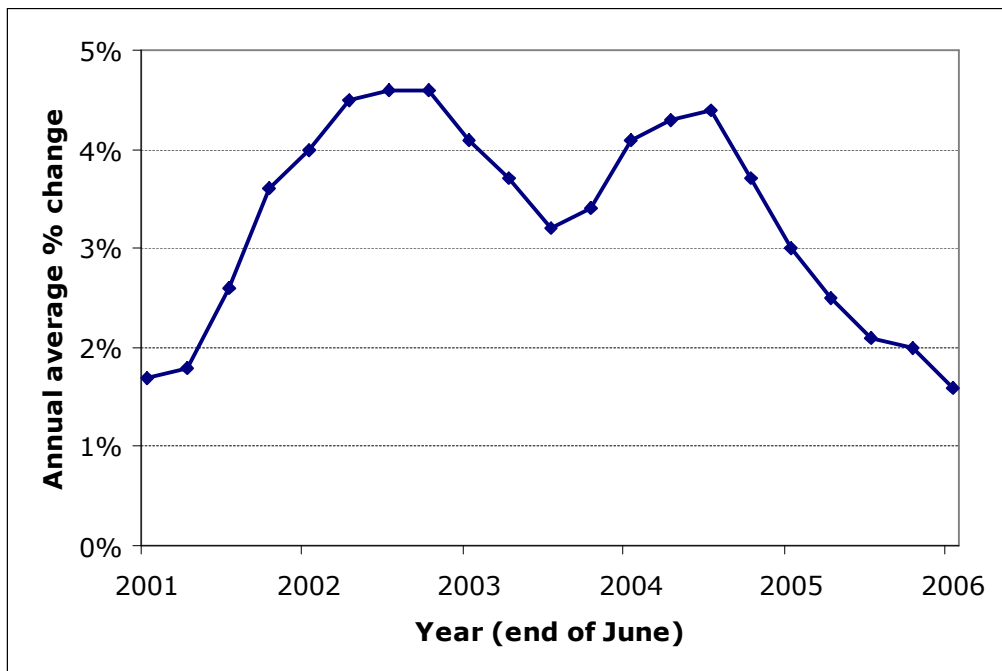
<b>Country</b>	<b>Rank of nationalities of recent migrant beneficiaries 30 June 2006</b>	<b>Rank of nationalities of approved Principal applicants since 1 July 1997</b>
China	1	2
Samoa	2	6
India	3	3
Fiji	4	5
Iraq	5	18
Tonga	6	7
Somalia	7	33
South Africa	8	4
Afghanistan	9	32
Cambodia	10	22

### 3. TRENDS IN THE ECONOMY, BENEFIT COMPOSITION AND RESIDENCE 2001 TO 2006

It is worth briefly reviewing some of the relevant social and economic developments that occurred between 2001 and 2006 to provide some context for later discussion on the benefit receipt of recent migrants. The most relevant developments are those of changes in the economy, the benefit population, and the composition of those being approved for residence.

Between 2001 and 2006 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 4.8 percent annual average growth in December 2002 (see Figure 1). More recently growth has been easing with annual average growth slowing to less than 2 percent in the June quarter 2006. There was also significant change in the unemployment rate between 2001 and 2006, falling from 5.2 percent in June 2001 to 3.6 percent in June 2006 (see Figure 2).

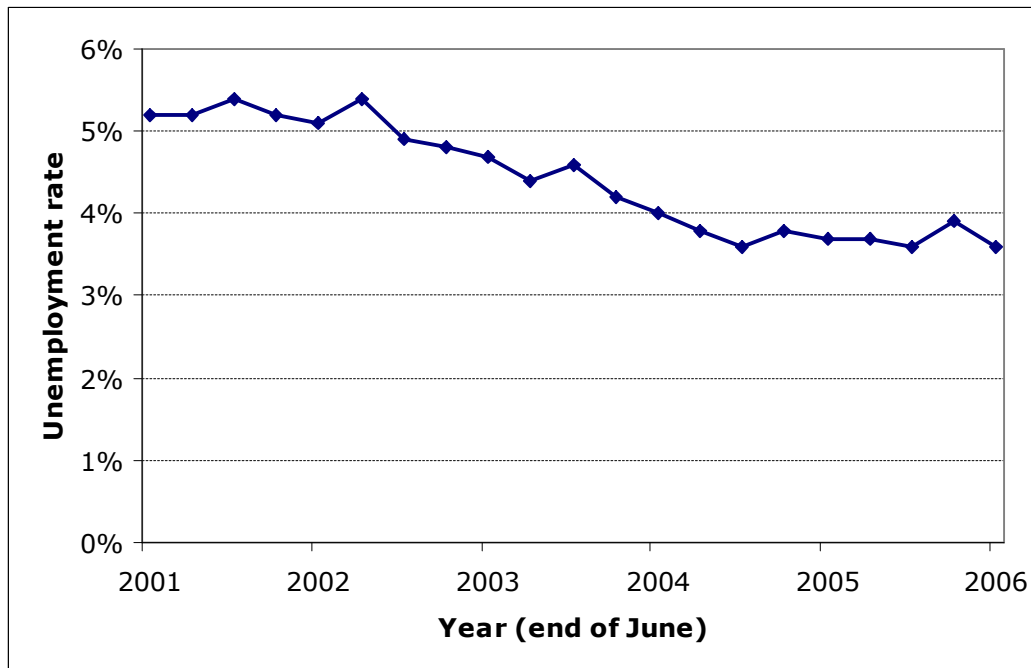
**Figure 1: Real Gross Domestic Product (annual average percent change) June 2001 to 2006**



Source: Reserve Bank of New Zealand Key Statistics.



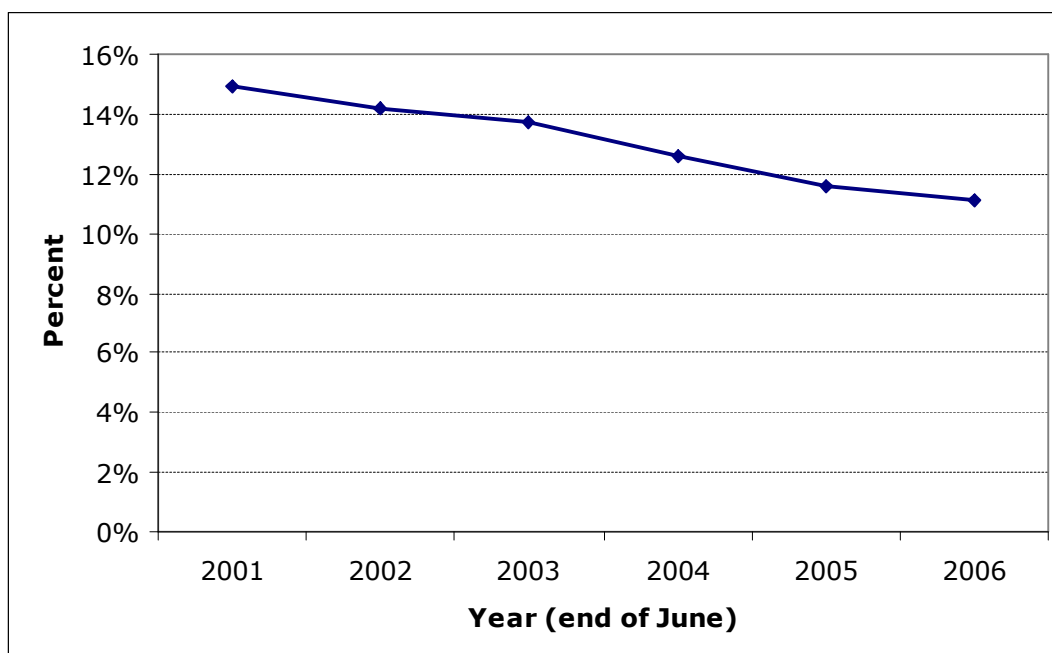
**Figure 2: Unemployment rate June 2001 to 2006**



Source: Reserve Bank of New Zealand Key Statistics.

Overall the number of clients receiving a main benefit at the end of June decreased from 354,000 to 280,000 between 2001 and 2006. The proportion of the working aged population who were receiving a main benefit at the end of June decreased every year between 2001 and 2006 (See figure 3).

**Figure 3: Trends in proportion of the working aged population receiving main benefits at the end of June, between 2001 and 2006**

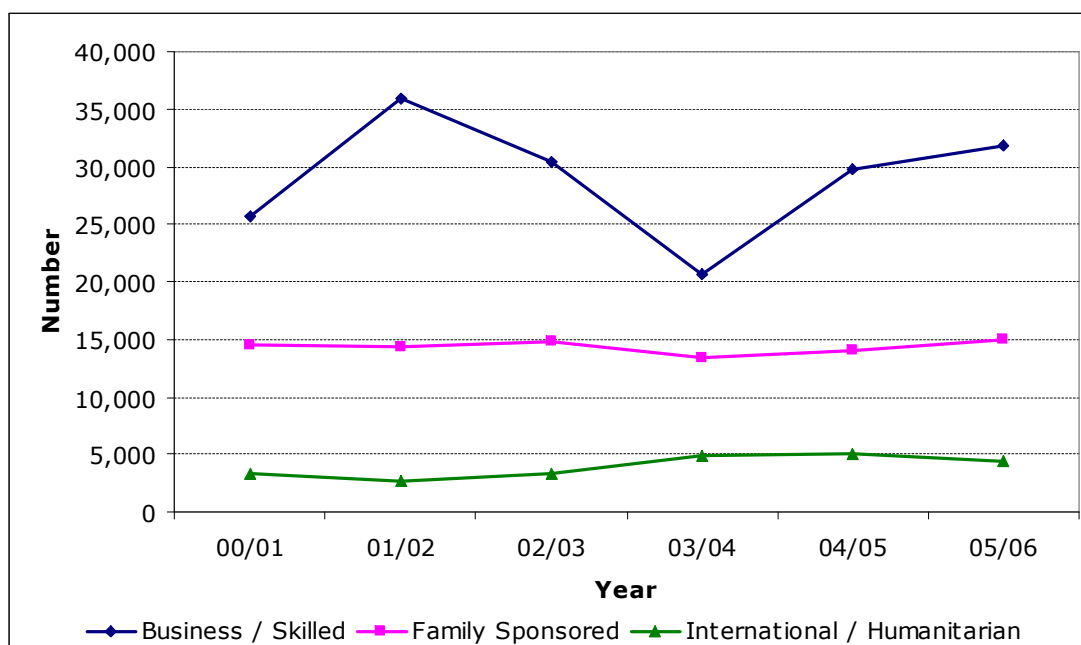


Sources: MSD, numbers of working aged clients receiving a main benefit at the end of June. Statistics New Zealand, final population estimates, resident population aged 18–64 years, at 31 December.

The primary reason for the decline in the proportion of working age population receiving main benefits has been a decline in UB receipt. UB numbers fell from 125,000 at the end of June 2001 to 39,000 at the same time in 2006. Changes between 2001 and 2006 which have affected the number of clients receiving the UB include improved economic conditions between 2001 and 2006 and an increased focus by Work and Income on moving work-ready clients into sustainable paid work. However, this period has also been characterised by increasing numbers in receipt of the IB (60,000 to 77,000) and the SB (32,000 to 47,000). As a result, although there has been a considerable reduction in benefit numbers due to the fall in UB numbers, the composition of the benefit population changed markedly.

In 2005/06 a total of 51,000 people were approved for residence. Of these 31,870 were approved through the Skilled/Business Stream (62 percent), 14,967 through the Family Sponsored Stream (29 percent) and 4,399 through the International/Humanitarian Stream (9 percent). Figure 4 shows the number of people approved for residence through the streams between 2000/01 to 2005/06.

**Figure 4: People approved for residence by residence stream 2001 to 2006**



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 2001-2006

For the first time the annual information match included data for previous years allowing a stable comparison of trends across time. At the end of June 2006, 11,066 migrants<sup>19</sup> approved for residence on or after 1 July 1997 were in receipt of a benefit (see Table 3). This number is more than twice as high at the end of June 2001 (5,127). However, the information defined recent migrants as having an MSD immigration date on or subsequent to 1 July 1998, meaning there were a greater number of recent migrants residing in New Zealand in 2006 than 2001. There were in fact 122,000 more recent (Principal) migrants, with 71,399 in 2001 and 193,399 in 2006 - an increase of over two-and-a-half times. Table 3 shows that the benefit rate (see note in text box below) fell 1.5 percentage points from 7.2 to 5.7 percent. Although there were more recent migrants in receipt of a benefit in 2006 than 2001, the proportion of recent migrants on a benefit fell significantly.

**Table 3: Benefit rate of matched migrants approved for residence since 1 July 1997, as at the end of June 2001-2006**

Year	2001	2002	2003	2004	2005	2006
Migrant beneficiaries approved for residence since 1 July 1997	5,127	6,696	8,811	9,732	10,377	11,066 <sup>19</sup>
Principal applicants approved for residence since 1 July 1997	71,399	96,485	121,047	141,678	166,462	193,399
Rate of Primary beneficiaries to Principal approvals since 1 July 1997	7.2%	6.9%	7.3%	6.9%	6.2%	5.7%

### 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.

<sup>19</sup> Note this number is different to that reported earlier. For purposes of comparison it only includes those who were approved for residence on or after 1 July 1997.

It is likely that many factors ranging from the economy, changes to immigration policy and the introduction of new settlement support initiatives that contributed to the decrease in the benefit rate between 2001 and 2006. 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 2001 to 3.6 percent in June 2006). Between 2001 and 2006 categories such as 1991 General Skills, 1995 General Skills<sup>20</sup> and the 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 (these initiatives are outlined in Appendix 2). Both of these initiatives<sup>21</sup> have also played a significant role in the improved outcomes for migrants.

Figure 5 presents the benefit rates of each residence stream. In 2006 benefit rate was at its lowest for both the Skilled/Business and International Humanitarian Streams (1.4 percent and 8.4 percent respectively). Benefit rate of the Family Sponsored Stream peaked in 2004 at 6.9 percent, and fell back to 6.6 percent in 2006.

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

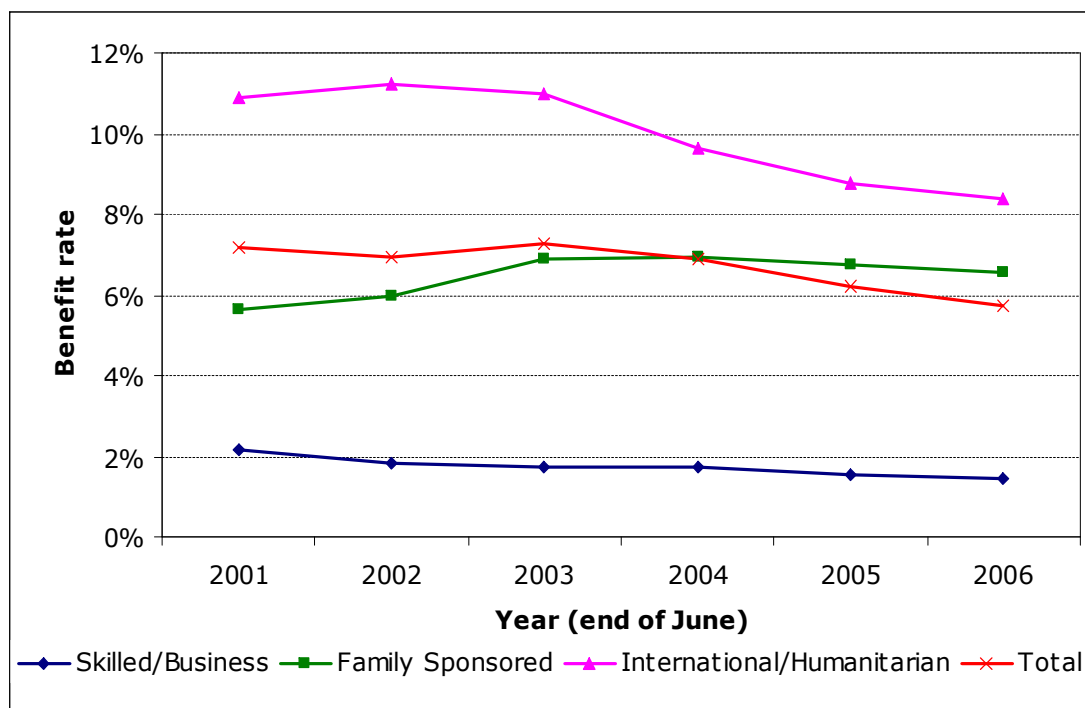


Table 4 shows the relative contribution of migrant beneficiaries across the different residence streams and categories. Overall, the Family Sponsored Stream

<sup>20</sup> Closed in 2003 and replaced with the Skilled Migrant Category that had a focus on the applicant having an offer of skilled employment.

<sup>21</sup> As well as others such as the Auckland Regional Settlement Strategy.

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 of the International/Humanitarian Stream falling. The Skilled/Business Stream remained stable between 2001 and 2006 at around 11 percent. The Family Parent category was the largest source category for all the years measured. In fact its share increased by 8 percentage points from 28 percent to 36 percent.

**Table 4: Matched records of migrants receiving a benefit by residence Category as at the end of June 2001-2006**

<b>Residence Category</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
1991 General Skills	3%	2%	1%	1%	1%	1%
1995 General Skills	8%	9%	9%	9%	9%	9%
Other Skilled/Business	0%	0%	0%	0%	0%	1%
<b>Total Skilled/Business Stream</b>	11%	10%	10%	10%	11%	11%
Family Child	1%	1%	1%	1%	2%	2%
Family Parent	28%	29%	32%	34%	36%	36%
Family Partnership	10%	10%	11%	11%	11%	13%
Family Sibling / Adult Child	3%	2%	2%	2%	2%	3%
<b>Total Family Sponsored Stream</b>	42%	42%	46%	49%	51%	54%
Humanitarian	14%	15%	15%	14%	12%	11%
Refugee Family Quota	0%	0%	0%	0%	1%	1%
Refugee Quota	16%	14%	14%	13%	13%	13%
Refugee status	10%	10%	9%	7%	6%	4%
Samoa Quota	6%	5%	4%	3%	3%	3%
Other	1%	1%	1%	2%	2%	2%
International/Humanitarian						
<b>Total International/ Humanitarian Stream</b>	46%	45%	43%	39%	37%	34%
Residence Not Known	1%	2%	2%	1%	1%	1%
<b>Total %</b>	100%	100%	100%	100%	100%	100%
<b>Total</b>	5,345	6,934	9,096	10,006	10,655	11,366

The distribution among benefit types changed considerably between 2001 and 2006. The proportion of those in receipt of the EB fell 32 percentage points from 81 percent in 2001 to 49 percent in 2006 (see Table 5). Other notable changes are the increases in SB (2 to 19 percent) DPB (3 to 14 percent) and the rise and then fall of those receiving an UB.

**Table 5: Matched records of migrants receiving a benefit by benefit type as at the end of June 2001-2006**

<b>Benefit Type</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
DPB	3%	4%	6%	9%	12%	14%
EB	81%	70%	62%	56%	50%	49%
SB	2%	4%	7%	11%	16%	19%
UB	14%	22%	25%	24%	21%	17%
Other	0%	0%	0%	0%	1%	1%
<b>Total %</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Total</b>	<b>5,345</b>	<b>6,934</b>	<b>9,096</b>	<b>10,006</b>	<b>10,655</b>	<b>11,366</b>

There are several possible explanations for the changing composition of benefit receipt. First, because the data is for migrants with an immigration date on or after 1 July 1998 the earlier years of the match have a higher proportion of migrants who are ineligible for statutory benefits and were therefore receiving an EB. Table 6 shows that in 2001 51 percent of the recent migrant beneficiary group had been residing in New Zealand for less than two years, whereas in 2006 it was only 10 percent. This means that the increasing trend of migrants receiving other benefits may in part be due to more being eligible for other benefits. Table 10, on page 16, 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 a SB follows the trend for the wider benefit population where the numbers on SB increased by nearly 45 percent, from 32,500 in 2001 to 46,600 in 2006 (or from 9 to 16 percent of the comparable benefit population).

**Table 6: Matched records of migrants receiving a benefit by time since residence was approved at the end of June 2001-2006**

<b>Years since residence approved</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Less than 2 years	51%	35%	25%	17%	13%	10%
2 to 5 years	38%	58%	65%	60%	50%	38%
Greater than 5 years	2%	2%	7%	20%	36%	50%
Other*	9%	6%	4%	3%	2%	1%
<b>Total %</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Total</b>	<b>5,345</b>	<b>6,934</b>	<b>9,096</b>	<b>10,006</b>	<b>10,655</b>	<b>11,366</b>

#### **4.1 Benefit receipt of those granted residence in the previous two years**

This section analyses the benefit receipt of recent migrant beneficiaries who were approved for residence in the two years prior to the date of extraction. For example, the data for 30 June 2006 includes any migrant beneficiary approved for residence since 1 July 2004, and the 30 June 2001 data includes any migrant beneficiary approved for residence since 1 July 1999.

Table 7 shows that the lowest number of recent migrant beneficiaries approved in the previous two year period was at the end of June 2006 (1,185). Interestingly this period, 1 July 2004 to 30 June 2006, also had the highest number of approved Principal applications (51,721). These two features combined to provide the lowest benefit rate over the years between 2001 and 2006. In fact, the

benefit rate fell steadily each year, and by almost three times between 2001 and 2006 from 6.7 percent to a mere 2.3 percent.

**Table 7: Benefit rate of matched migrants approved for residence in previous two years as at the end of June 2001-2006**

Year	2001	2002	2003	2004	2005	2006
Migrant beneficiaries approved for residence in previous two years	2,716	2,415	2,246	1,717	1,343	1,185
Principal applicants approved for residence in previous two years	40,614	47,025	49,648	45,193	45,415	51,721
Rate of Primary beneficiaries to Principal approvals in previous two years	6.7%	5.1%	4.5%	3.8%	3.0%	2.3%

In 2006 the benefit rate of migrants approved in the previous two years was 2.3 percent, considerably lower than for the recent migrant beneficiary group as a whole (5.7 percent). Figure 6 compares the benefit rates of recent migrant beneficiaries who were approved for residence in the previous two years to all those approved since 1 July 1997. At the end of June 2001 there was only 0.5 percent difference between the two figures. It could be expected that these figures would be similar, given that over 50 percent of the total recent migrant beneficiary population had gained approval in the previous two years. The figures then rapidly diverge and continue to do so, although at a lessening rate.

**Figure 6: Benefit rates of matched migrants approved for residence in the previous two years and since 1 July 1997**

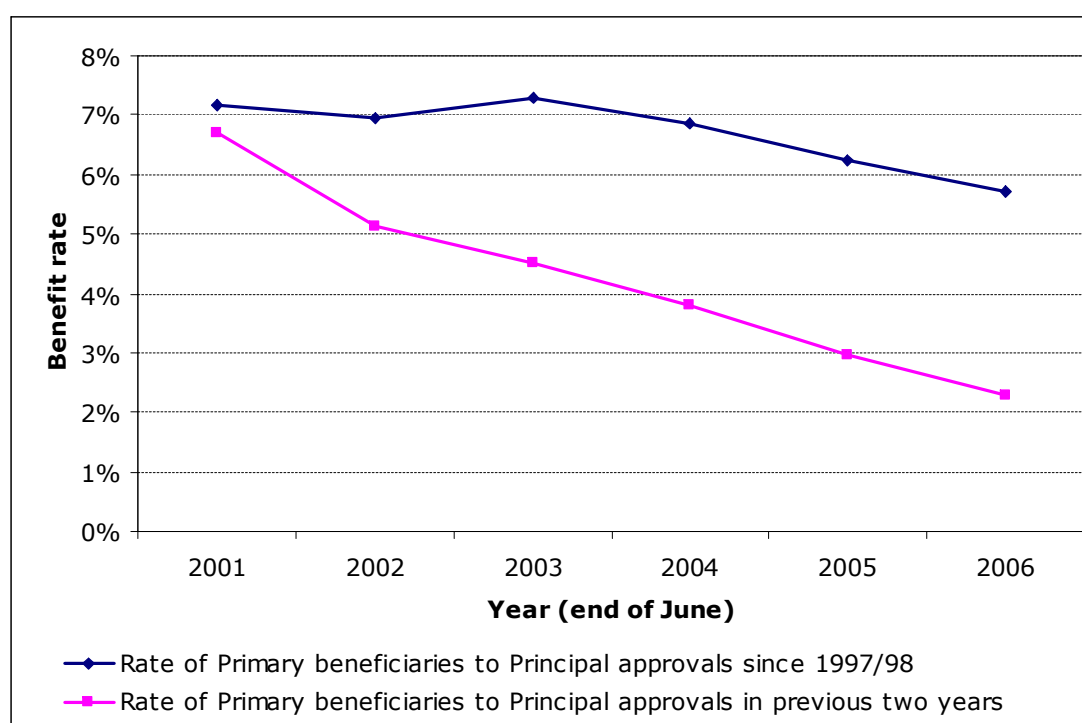


Table 8 breaks down the benefit rates of recent migrants approved in the previous two years by residence stream. All of the rates were at their lowest in

2006. All of the rates declined each year between 2001 and 2006. The benefit rate for recent cohorts entering through Skilled/Business Stream is 0.4 percent or one in 250. The rate for the Family sponsored Stream fell from 4.5 percent to below two percent (1.9 percent).

The benefit rate of the International/Humanitarian Stream fell substantially, from 51.9 percent to 17.4 percent. Both the scale and the drop in benefit rate can be explained. The benefit rate for the International/Humanitarian Stream was much higher than others, because unlike most migrants, 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.

The rate for the International/Humanitarian Stream has fallen for a variety of reasons. The number of International/Humanitarian benefit recipients in the first two years of residence has fallen significantly from 1,541 to 664. Second, the composition of the stream has changed between 2001 and 2006. There has been a significant fall in the number of people successfully claiming Refugee Status, from 311 in 2000/2001 to 67 in 2005/2006, and an increase in those approved through the Samoan Quota and the introduction of the Pacific Access Category.

In addition to the changes in the composition of the International/Humanitarian Stream, other factors have contributed to the falling benefit rates in all residence streams. These include the introduction of the New Zealand Immigration Settlement Strategy and MSD's Enhanced Employment Services for Refugees and Migrants (outlined in Appendix C) in 2003. Outcomes were greatly improved for the cohorts arriving after these initiatives (and changes to immigration policy such as closing the 1991 General Skills, 1995 General Skills and the Humanitarian categories and changes to the Family Parent and Family Partnership policy) were introduced (i.e. for the years 2005 and 2006).

**Table 8: Benefit rates of matched migrants approved for residence in the previous two years by residence category**

<b>Residence Stream</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Skilled/Business	1.3%	0.9%	0.8%	0.8%	0.5%	0.4%
Family Sponsored	4.5%	3.9%	2.9%	2.3%	2.2%	1.9%
International/Humanitarian	51.9%	52.7%	48.9%	24.9%	17.0%	17.4%
<b>Total</b>	6.7%	5.1%	4.5%	3.8%	3.0%	2.3%

The composition of recent migrant beneficiaries approved in the previous two years is quite different to the recent migrant beneficiary population as a whole (see Table 9). The International/Humanitarian Stream accounts for a much higher proportion, 56 percent compared to 34 percent overall. This is expected, as the International/Humanitarian Stream includes refugees. The rates for other categories are quite different as well. The proportion of Family Parent migrant beneficiaries approved in the previous two years fell from 21 percent in 2001 to 15 percent in 2006 (this is discussed in more detail in Section 6.1).



**Table 9: Matched records of migrants receiving a benefit and approved for residence in the previous two years by residence Category as at the end of June 2001-2006**

<b>Residence Category</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
1991 General Skills	1%	0%	0%	0%	0%	0%
1995 General Skills	7%	8%	9%	9%	6%	1%
Other Skilled/Business	0%	0%	0%	0%	2%	7%
<b>Total Skilled/Business Stream</b>	<b>8%</b>	<b>9%</b>	<b>9%</b>	<b>10%</b>	<b>8%</b>	<b>8%</b>
Family Child	1%	1%	2%	2%	3%	2%
Family Parent	21%	18%	13%	11%	13%	15%
Family Partnership	10%	12%	11%	13%	15%	16%
Family Sibling / Adult Child	3%	2%	1%	1%	2%	2%
<b>Total Family Sponsored Stream</b>	<b>35%</b>	<b>33%</b>	<b>27%</b>	<b>27%</b>	<b>33%</b>	<b>36%</b>
Humanitarian	20%	20%	22%	13%	5%	2%
Refugee Family Quota	0%	0%	0%	1%	4%	5%
Refugee Quota	20%	17%	20%	26%	27%	29%
Refugee status	8%	14%	17%	15%	12%	10%
Samoa Quota	7%	6%	3%	1%	2%	4%
Other	1%	1%	2%	8%	9%	7%
International/Humanitarian						
<b>Total International/ Humanitarian Stream</b>	<b>57%</b>	<b>58%</b>	<b>64%</b>	<b>63%</b>	<b>59%</b>	<b>56%</b>
<b>Total %</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Total</b>	<b>2,716</b>	<b>2,415</b>	<b>2,246</b>	<b>1,717</b>	<b>1,343</b>	<b>1,185</b>

Table 10 details the distribution of benefit types over the years. As could be expected, due to EB being available to those who are ineligible for other benefits, those on EB constitute a greater proportion of the migrant beneficiary population who were approved for residence in the two years between 1 July 2004 and 30 June 2006 (70 percent). Note Section 1.2 outlines exceptions where individuals may be eligible for statutory benefits without having a stand-down period.

Although EB was still the dominant benefit type at 70 percent, it was so to a lesser extent, compared to 87 percent in 2001. In absolute terms, numbers of those receiving an EB fell dramatically from 2,358 to 832. The benefit types that grew relative to the others were DPB from two to 10 percent and SB from one to eight percent. The UB stayed stable at around 10 percent.

**Table 10: Matched records of migrants receiving a benefit and approved for residence in the previous two years by benefit type at the end of June 2001-2006**

<b>Benefit Type</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
DPB	2%	3%	4%	9%	10%	10%
EB	87%	84%	83%	74%	72%	70%
SB	1%	3%	3%	5%	7%	8%
UB	9%	11%	10%	11%	11%	10%
Other	0%	0%	0%	0%	1%	1%
<b>Total %</b>	100%	100%	100%	100%	100%	100%
<b>Total</b>	2,716	2,416	2,246	1,717	1,343	1,185

## **5. BREAKDOWNS BY BENEFIT TYPE**

### **5.1 Emergency Benefit**

As introduced in Section 1.2, the EB can be granted on the grounds of hardship to migrants who are ineligible for other benefits if they do not meet the stipulated criteria. The EB is also available to those who are ineligible for New Zealand Superannuation since they do not meet the ten year residence requirement. At the end of June 2006 almost half of the recent migrants in receipt of a benefit were in receipt of an EB.

Table 11 shows the recent migrants in receipt of an EB by residence category and year. At 61 percent the Family Sponsored Stream was the largest group. As with the migrant beneficiary group overall, the Family Sponsored Stream was smaller than International/Humanitarian Stream in 2001 (41 compared to 49 percent) but surpassed it by 2004. Between 2001 and 2006, the International/Humanitarian Stream had fallen 17 percentage points to 32 percent between 2001 and 2006 (a fall of 321, from 2,132 in 2001 to 1,181 in 2006).

Family Parent was the largest group constituting over half (53 percent) of all those in receipt of the EB at the end of June 2006. In many cases this will be 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 legal requirement to provide support for the first two years of residence. Less than five percent of this group had been approved for residence in the two years between 1 July 2004 and 30 June 2006. Seventy-nine percent of the Family Parent Category gained residence prior to the October 2001 sponsorship changes.

**Table 11: Matched records of migrants in receipt of an Emergency Benefit by residence Category as at the end of June 2001-2006**

<b>Residence Category</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
1991 General Skills	2%	1%	1%	1%	0%	0%
1995 General Skills	7%	6%	6%	6%	6%	5%
Other Skilled/Business	0%	0%	0%	0%	0%	1%
<b>Skilled/Business Stream</b>	9%	8%	7%	7%	6%	6%
Family Child	1%	1%	1%	1%	1%	1%
Family Parent	31%	32%	36%	42%	48%	53%
Family Partnership	7%	7%	6%	5%	6%	6%
Family Sibling / Adult Child	2%	2%	1%	1%	2%	2%
<b>Family Sponsored Stream</b>	41%	41%	45%	50%	57%	61%
Humanitarian	15%	18%	19%	16%	12%	11%
Refugee Family Quota	0%	0%	0%	0%	1%	1%
Refugee Quota	17%	16%	15%	15%	14%	13%
Refugee status	11%	11%	10%	7%	5%	3%
Samoa Quota	5%	4%	2%	2%	2%	2%
Other International/ Humanitarian	1%	1%	1%	1%	1%	2%
<b>International/Humanitarian Stream</b>	49%	50%	47%	42%	36%	32%
Residence Not Known	1%	1%	1%	1%	1%	1%
<b>Total %</b>	100%	100%	100%	100%	100%	100%
<b>Total</b>	4,330	4,821	5,632	5,560	5,338	5,598

## 5.2 Domestic Purposes Benefit

The DPB predominantly provides income support for sole parents with one or more dependent children (Sole Parent). The DPB is also for individuals caring for someone other than their partner on a fulltime basis (Caring for Sick and Infirm), and unsupported women without dependant children who lost the support of their partner after turning the age of 50 (Woman Alone and Emergency Maintenance Allowance). To be eligible for the Domestic Purposes Benefit - Sole Parent, and Domestic Purposes - Women Alone, the period of residence required is determined through any dependent children (the qualifying child criteria) or the partnership. Domestic Purposes Benefit - Care of Sick or Infirm, has no residence period requirements.

At the end of June 2006, 14 percent of the recent migrant beneficiaries were in receipt of the DPB, up from 3 percent at the end of June 2001 (see Table 6). The Family Sponsored Stream was the largest Stream receiving this benefit type, comprising almost half of all those in receipt of this benefit (see Table 12). This was overwhelmingly due to the Family Partnership policy group (38 percent or 606 individuals). Of this group, over 96 percent were receiving the benefit on the grounds of being a sole parent, indicating that the benefit receipt may be due to a relationship break-up after entering the country. The majority of these recipients (90 percent) had been approved for residence more than two years ago (prior to 1 July 2004).

**Table 12: Matched records of migrants in receipt of the Domestic Purposes Benefit by residence Category at end of June 2001-2006**

<b>Residence Category</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
1991 General Skills	2%	1%	1%	1%	1%	1%
1995 General Skills	12%	12%	14%	14%	16%	16%
Other Skilled/Business	0%	0%	0%	0%	0%	1%
<b>Skilled/Business Stream</b>	14%	14%	15%	15%	18%	18%
Family Child	1%	2%	2%	3%	3%	4%
Family Parent	3%	2%	3%	2%	3%	3%
Family Partnership	36%	38%	37%	37%	37%	38%
Family Sibling / Adult Child	1%	4%	2%	3%	3%	3%
<b>Family Sponsored Stream</b>	42%	45%	45%	46%	46%	48%
Humanitarian	9%	6%	8%	8%	8%	8%
Refugee Quota	10%	11%	8%	8%	8%	8%
Refugee status	0%	3%	3%	2%	3%	3%
Samoa Quota	21%	17%	17%	13%	11%	9%
Other International/ Humanitarian	2%	2%	2%	6%	5%	5%
<b>International/Humanitarian Stream</b>	42%	38%	39%	37%	35%	33%
Residence Not Known	2%	3%	2%	2%	2%	2%
<b>Total %</b>	100%	100%	100%	100%	100%	100%
<b>Total</b>	146	277	564	931	1,255	1,601

Very few in receipt of the DPB entered under the Family Parent Category (3 percent). The 1995 General Skills Category was overrepresented in the DPB group compared with the migrant beneficiary group overall (16 percent compared to 9 percent overall).

It is of note that a higher number of those who had gained entry under the Samoan Quota were receiving the DPB than any other benefit type (39 percent recent beneficiaries who were approved under the Samoan Quota Category). This was also true for those from the United Kingdom (32 percent of all recent beneficiaries from the United Kingdom).

### **5.3 Sickness benefit**

The SB is available for people who cannot work due to sickness, injury, disability or pregnancy. The proportion of migrants in receipt of the SB rose by more than any other benefit type from two percent at the end of June 2001 to 19 percent at the end of June 2006 (from 117 to 2,133). Again the increase may in part be due to migrants with an immigration date on or after 1 July 1998 being included. The later years of the match have a higher proportion of migrants who are eligible for the SB. Although the scale is different, this trend is consistent with the general benefit population where numbers in receipt of the SB grew by nearly 45 percent from 32,500 to 46,600.

Table 13 shows that at the end of June 2006 the Family Sponsored Stream accounted for the most migrants in receipt of the SB (46 percent). This was

predominantly due to the receipt of those approved under Family Parent Category (30 percent). Although this category had the most migrants receiving this type of benefit, it was underrepresented compared to the overall migrant beneficiary population where it comprised 36 percent. The Humanitarian Category was slightly overrepresented (14 compared to 11 percent overall).

**Table 13: Matched records of migrants in receipt of the Sickness Benefit by residence Category as at the end of June 2001-2006**

<b>Residence Category</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
1991 General Skills	3%	2%	2%	1%	1%	1%
1995 General Skills	15%	13%	12%	10%	10%	10%
Other Skilled/Business	0%	0%	0%	0%	0%	2%
<b>Skilled/Business Stream</b>	<b>18%</b>	<b>15%</b>	<b>14%</b>	<b>11%</b>	<b>11%</b>	<b>12%</b>
Family Child	2%	2%	1%	1%	1%	1%
Family Parent	26%	26%	29%	30%	32%	30%
Family Partnership	16%	18%	14%	13%	11%	12%
Family Sibling / Adult Child	6%	3%	3%	3%	3%	4%
<b>Family Sponsored Stream</b>	<b>50%</b>	<b>50%</b>	<b>47%</b>	<b>46%</b>	<b>46%</b>	<b>46%</b>
Humanitarian	4%	10%	11%	12%	14%	14%
Refugee Family Quota	0%	0%	0%	0%	0%	0%
Refugee Quota	11%	12%	12%	13%	14%	14%
Refugee status	7%	6%	9%	9%	9%	8%
Samoa Quota	5%	4%	5%	4%	3%	2%
Other International/ Humanitarian	0%	0%	2%	2%	2%	2%
<b>International/Humanitarian Stream</b>	<b>27%</b>	<b>31%</b>	<b>37%</b>	<b>41%</b>	<b>41%</b>	<b>40%</b>
Residence Not Known	5%	4%	3%	2%	1%	2%
<b>Total %</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Total</b>	<b>117</b>	<b>304</b>	<b>598</b>	<b>1,105</b>	<b>1,730</b>	<b>2,133</b>

#### **5.4 Unemployment Benefit**

The UB provides income support for people who are looking for work or, in some cases, training. A total of 1,964 recent migrants were in receipt of the UB on 30 June 2006 (Table 14), constituting 17 percent of the overall recent migrant beneficiary population. For all years, the Skilled/Business Stream is overrepresented in the UB migrant population when compared with the migrant benefit population as a whole (18 compared to 11 percent). This is due to the 1995 General Skills Category being overrepresented (15 compared with 9 percent of the overall group). The Family Sponsored Stream is underrepresented in the UB migrant population. This is because at 25 percent the Family Parent Category accounts for a much smaller proportion than in the overall migrant beneficiary population (36 percent). The distributions across residence categories have remained relatively stable throughout the years.

**Table 14: Matched records of migrants in receipt of the Unemployment Benefit by residence Category as at the end of June 2001-2006**

<b>Residence Category</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
1991 General Skills	4%	2%	2%	2%	2%	1%
1995 General Skills	14%	15%	13%	14%	14%	15%
Other Skilled/Business	0%	0%	0%	0%	1%	1%
<b>Skilled/Business Stream</b>	<b>19%</b>	<b>17%</b>	<b>15%</b>	<b>16%</b>	<b>17%</b>	<b>18%</b>
Family Child	3%	2%	3%	2%	2%	2%
Family Parent	19%	26%	28%	31%	28%	25%
Family Partnership	18%	14%	14%	11%	11%	13%
Family Sibling / Adult Child	5%	4%	4%	4%	3%	5%
<b>Family Sponsored Stream</b>	<b>45%</b>	<b>45%</b>	<b>49%</b>	<b>48%</b>	<b>45%</b>	<b>45%</b>
Humanitarian	5%	7%	9%	10%	13%	12%
Refugee Family Quota	0%	0%	0%	0%	0%	0%
Refugee Quota	11%	11%	12%	12%	13%	13%
Refugee status	5%	7%	6%	6%	6%	4%
Samoa Quota	11%	8%	6%	4%	4%	4%
Other	0%	1%	1%	2%	2%	2%
International/Humanitarian						
<b>International/Humanitarian Stream</b>	<b>33%</b>	<b>35%</b>	<b>34%</b>	<b>34%</b>	<b>37%</b>	<b>35%</b>
Residence Not Known	3%	2%	2%	2%	2%	1%
<b>Total %</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Total</b>	<b>738</b>	<b>1,510</b>	<b>2,270</b>	<b>2,366</b>	<b>2,264</b>	<b>1,946</b>

## 6. GROUPS OF INTEREST

This section takes two groups of interest and analyses them further. The largest single category, the Family Parent Category, and the Skilled/Business Stream are examined to analyse recent trends and the effect of changes in policy.

### 6.1 Family Parent Category

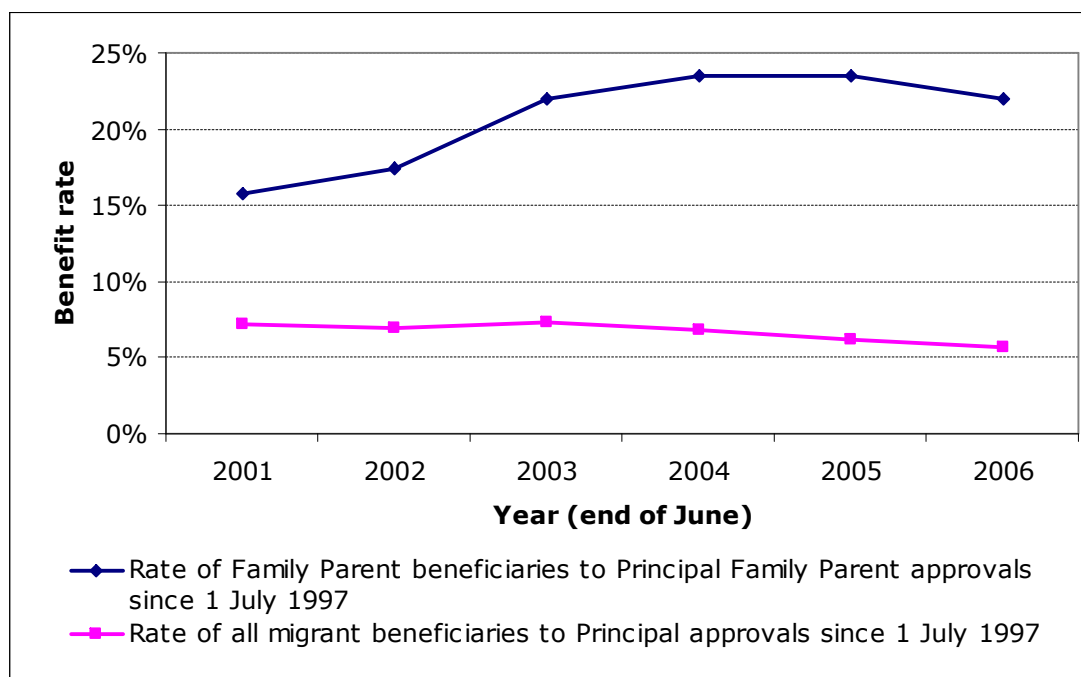
The New Zealand Residence Programme enables New Zealand citizens and residents to sponsor parents for permanent residence through the Family Parent Category of the Family Sponsored Stream. The Parent must have 'centre of gravity' of their family in New Zealand (equal or greater number of adult children 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. Around half on average of all approved parent Principal applicants are aged 65 years or older.

The Family Parent Category was the single largest source of recent migrant beneficiaries in each year from 2001 to 2006. In fact, Family Parent has increased as a proportion of the recent migrant benefit population from 28 percent in 2001 to 36 percent in 2006. In numerical terms this is an increase from 1,503 in 2001 to 4,136 in 2006. Again this increase is due in part to there being a larger group of those approved under Family Parent in 2006 than 2001.

Figure 7 compares the benefit rates of those approved under the Family Parent Category to all approvals since 1 July 1997. At 21.9 percent the benefit rate of the Family Parent Category is a great deal higher than overall (5.7 percent). The benefit rate peaked in 2003 and 2004 at 23.5 percent and fell in 2006 to the same rate as 2003 (21.9 percent). The picture is markedly different when looking at those who were approved for residence in the previous two years.



**Figure 7: Benefit rates of matched migrants approved under Family Parent Category and all migrants in previous two years and since 1 July 1997**



While the benefit rate of Family Parent approvals is much higher than that of the whole recent migrant benefit population, contemporary cohorts of migrants have had a lower rate. This can be seen in Figure 8, which compares the benefit rates of parents approved in the previous two years, at the time of each information match, to the benefit rate of all parent approvals since 1 July 1997. As at 1 July 2001, 11.9 percent of people approved under the Parent Category (since 1 July 1999) were receiving a benefit compared with only 4.2 percent as at 1 July 2006. This is also considerably lower than the 21.9 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 8: Benefit rates of matched migrants approved under Family Parent Category in previous two years and since 1 July 1997**

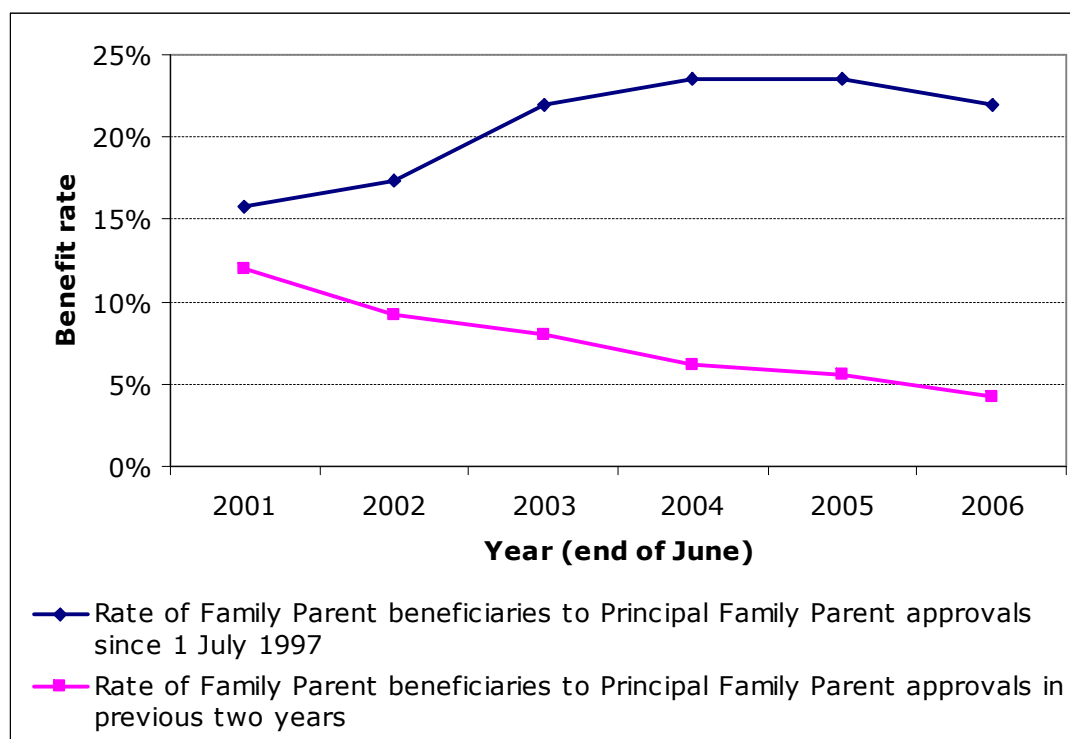


Table 15 shows that the majority of the migrants were approved for residence before the October 2001 changes to family sponsorship policy. In 2006, 78 percent of the Family Parent beneficiaries were approved under the 1995 Family Parent Category.

**Table 15: Matched records migrants approved under Family Parent by Category at the end of June 2001-2006**

Residence Category	2001	2002	2003	2004	2005	2006
1991 Family Parent	1%	1%	1%	1%	0%	0%
1995 Family Parent	98%	99%	97%	93%	85%	78%
2001 Family Parent	0%	1%	2%	6%	14%	21%
2002 Family Quota Parent	0%	0%	0%	0%	0%	0%
2003 Family Quota Parent	0%	0%	0%	0%	0%	0%
<b>Total %</b>	100%	100%	100%	100%	100%	100%
<b>Total</b>	1,503	2,034	2,869	3,433	3,816	4,136

On 1 July 2006, 71 percent of Family Parent beneficiaries were in receipt of an EB - down from 88 percent in 2001 (see Table 16). Where parents are in receipt of an EB longer term, it is often because 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 2001, two percent were receiving a Sickness Benefit; this rose to 15 percent in 2006. The proportion on UB, DPB and 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 2006 than 2001 (i.e. more migrants approved over a longer period) appear to have lowered the rate of those who have been in New Zealand for less than two years. This means that more were eligible for other types of benefits in 2006 than in 2001. The change in the group's eligibility seems to have resulted in a large increase in the receipt of the SB.

**Table 16: Matched records of migrants approved under Family Parent Category by benefit type at the end of June 2001-2006**

<b>Benefit Type</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
DPB	0%	0%	1%	1%	1%	1%
EB	88%	77%	71%	68%	68%	71%
SB	2%	4%	6%	10%	14%	15%
UB	10%	19%	22%	21%	16%	12%
Other	0%	0%	0%	0%	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Total</b>	<b>1,503</b>	<b>2,034</b>	<b>2,869</b>	<b>3,433</b>	<b>3,816</b>	<b>4,136</b>

Table 17 shows that the average age of Family Parent beneficiaries was higher in 2006 than 2001. As can be seen average age increased consistently over the time. This result is not surprising as the previous table showed that these migrants tend to be long-term recipients and are predominantly from the closed categories.

**Table 17: Matched records of migrants approved under Family Parent receiving a benefit as at the end of June 2001-2006**

	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Mean age	62.6	63.5	64.2	65.3	66.3	67.3
Median age	63.7	64.7	65.3	66.2	67.1	68.0

## **6.2 Skilled/Business Stream**

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 11 percent or 1,232 of all recent migrant beneficiaries in 2006, even though the majority of migrants entered through this stream<sup>22</sup>. Table 18 shows that the benefit rates of those approved for residence through the Skilled/Business Stream are very low. For

<sup>22</sup> The New Zealand Residence Programme currently allocates 60 percent of residence places to the Skilled/Business Stream.

example, at 2006 the rate of those who entered since 1 July 1997 was 1.4 percent compared to 5.7 percent for the total recent migrant benefit population. The figure drops further to only 0.4 percent for those who entered in the previous two years. Both of these rates have also dropped in the period between 2001 and 2006.

**Table 18: Benefit rates of migrants approved for residence through the Skilled/Business Stream since 1 July 1997, as at the end of June 2001-2006**

	2001	2002	2003	2004	2005	2006
In previous two years	1.3%	0.9%	0.8%	0.8%	0.5%	0.4%
Since 1 July 1997	2.2%	1.8%	1.7%	1.7%	1.6%	1.4%

In 2006, 90 percent of migrant beneficiaries who entered through the Skilled/Business Stream did so through categories that are now closed (see Table 19). The majority were through the 1995 General Skills Category (84 percent) that was closed in 2003. Only 121 migrants who entered through the Other Skilled/Business Categories were in receipt of a benefit. Of these, 79 migrants were approved under the Skilled/Migrant Category<sup>23</sup> (up from 10 in 2005) and 15 through the Investor Category.

**Table 19: Matched records migrants approved through the Skilled/Business Stream by Category at end of June 2001-2006**

Residence Category	2001	2002	2003	2004	2005	2006
1991 General Skills	24%	16%	13%	9%	7%	6%
1995 General Skills	74%	82%	86%	90%	89%	84%
Other Skilled/Business	2%	2%	1%	1%	4%	10%
<b>Total %</b>	100%	100%	100%	100%	100%	100%
<b>Total</b>	577	728	905	1,047	1,128	1,232

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 20 shows that in 2006 29 percent of beneficiaries who entered through the Skilled/Business Stream were in receipt of the UB, followed closely by EB (25 percent), DPB (23 percent) and SB (21 percent). 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 17 percent received the UB. The higher proportion of UB recipients 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 2001 and 2006, it is not a surprising result that the benefit rate fell between 2001 and 2006.

<sup>23</sup> That was opened in 2003.

**Table 20: Matched records of migrants approved through the Skilled/Business Stream by benefit type at end of June 2001-2006**

<b>Benefit type</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
DPB	3%	5%	9%	13%	19%	23%
EB	68%	52%	43%	36%	29%	25%
SB	4%	6%	9%	12%	17%	21%
UB	24%	36%	38%	37%	33%	29%
Other	1%	1%	1%	1%	2%	2%
<b>Total</b>	100%	100%	100%	100%	100%	100%
<b>Total</b>	577	728	905	1,047	1,128	1,232

## 7. CONCLUSIONS

The annual information match between MSD and the Department provides information on the extent of benefit receipt of recent migrants. For the first time the match included retrospective information, allowing a significant broadening of scope, the analysis of trends in benefit receipt over time.

Immigration policy has many different objectives which include, building New Zealand's workforce and addressing specific skills shortages, reuniting migrant families and fulfilling the government's international commitments. As such, the outcomes and benefit receipt of different streams can be quite different. The benefit rate of 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 listed below.

Overall, the benefit rate of recent migrants has declined significantly over recent years. Even the largest source category, the Family Parent Category, has seen improvements in outcomes.

The benefit rate was significantly lower in 2006 than in 2001. The rate fell from 7.2 percent (one in 14 Principal applicants) in 2001, to 5.7 percent (one in 18 Principal applicants) in 2006. In 2006 the benefit rate was at its lowest for both the Skilled/Business and International Humanitarian Streams (1.4 percent and 8.4 percent respectively). The benefit rate of the Family Sponsored Stream peaked in 2004 at 6.9 percent, and fell back to 6.6 percent in 2006.

This reduction in the overall benefit rate was even more substantial when looking at those approved for residence in the previous two years. The rate fell from 6.7 percent (one in 15 Principal applicants) in 2001 to 2.3 percent (one in 44 Principal applicants) in 2006. The rate was at its lowest for all residence streams with the rate for the Skilled/Business Stream falling below 0.4 percent.

The reductions in the benefit rates can be attributed to a combination of reasons. Over the period 2001 to 2006 the New Zealand economy went through a sustained period of growth and falling unemployment. Also, changes in immigration policy in 2001 (closing some categories and introducing additional criteria and support requirements to others), and the introduction of specific settlement support services to migrants and refugees, have 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 slightly over one in five migrant beneficiaries in 2001, to just over one in three in 2006. The majority of Family Parent beneficiaries were approved for residence before the 2001 changes to family sponsorship policy.

The majority of migrants who were 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.

Those approved for residence under the Skilled/Business Stream had a lower benefit rate than the migrant beneficiary population. Unlike the overall migrant beneficiary population, the majority of migrants approved under this category were in receipt of the UB. Furthermore, the majority of this group came in through the closed 1991 and 1995 General Skills Categories. Very few Business or Skilled Migrant Category 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 2001 and 2006 there was a significant increase in those receiving the SB. The proportion in receipt of the SB rose from 2 percent in 2001 to 19 percent in 2006. This increase is in part due to a higher proportion of migrants who are eligible for statutory benefits in 2006 than 2001. Also, although the scale is different, this trend is consistent with the general benefit population where numbers in receipt of the SB grew over this time period.

The most common nationality of migrants in receipt of a benefit was from China. This should be considered in the context that China is 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.

This information match further increases the knowledge available for assessing the extent of benefit receipt among migrants. The findings show that it is likely 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 (such as the Immigration Change Programme) and the Ministry of Social Development.

## **APPENDIX A: IMMIGRATION CHANGE PROGRAMME**

An Immigration Change Programme has been put in place to ensure New Zealand has the skills and talent it needs both now and in the future. The Immigration Change Programme will allow immigration to continue to deliver in New Zealand's national interest, by maximising the benefits of immigration while maintaining security and minimising risk.

The Immigration Change Programme has three interlinked elements:

- a review of the Immigration Act 1987 and Immigration Advisors Bill
- developing an Immigration Policy Framework
- developing and implementing a New Business Model

### **Review of the Immigration Act 1987**

A comprehensive review of the Immigration Act 1987 is being undertaken to ensure that New Zealand's immigration legislation encourages the entry of the people New Zealand needs, while effectively protecting New Zealand's border.

The purpose of the review is to make fundamental changes to immigration legislation that allows the development of future focused policies and encourages economic growth. This will be achieved through immigration legislation that is clear, comprehensive and appropriate to New Zealand's needs. The objectives of the review are to:

- Ensure New Zealand's interests are protected and advanced
- Ensure compliance with international obligations
- Establish fair, firm and fast decision making processes; and
- Modernise and simplify the legislation.

As part of the review, in April 2006 the Immigration Act Review: Discussion Paper was released for public consultation. Officials held public meetings in May and June 2006 to outline the proposals, these were attended by over 650 people. The Department of Labour received 3,984 written submissions in response to the discussion paper. Submissions were received from a wide range of individuals and organisations including employer organisations, law societies, refugee and migrant groups and communities, immigration consultants, carriers, government agencies, and education providers.

Possible changes outlined in the discussion document include:

- A clear, guiding purpose statement for the Immigration Act
- Simplifying the visa/permit system
- Increasing the delegation of the Minister of Immigrations powers' to officials
- More comprehensive grounds for excluding non-citizens from entering New Zealand, and a streamlined approach to the expulsion of non-citizens
- Clarifying and simplifying systems of review and appeal of decisions
- Using classified information in decision making
- Strengthening compliance, enforcement and detention provisions, including the ability to obtain biometric information where necessary



- Strengthening obligations on third parties (such as sponsors, employers, carriers and education providers); and
- Establishing a single procedure that assesses all international obligations to protect a person, rather than considering obligations individually.

It is proposed to introduce a new immigration Bill into Parliament in the first half of 2007.

### **New Business Model**

Quality, Consistency, Control and Public Confidence are the key themes of the New Business Model. This will be achieved through the design of a new service delivery model that will consist of a comprehensive and integrated IT system to manage risk assessment, and facilitate centralised key decision-making. This will improve both the systems and service, and be designed to support legislative and policy initiatives in the Immigration Change Programme.

### **Immigration Policy Framework**

A range of work is being done to reposition policy to ensure that New Zealand's future needs are met. The Immigration Policy Framework is based on work by the Department of Labour, in consultation with other agencies, on New Zealand's future migration requirements, including who will want to come to New Zealand, and how this can be achieved. The Immigration Policy Framework is also taking into consideration how the impacts of migration can be managed.

## APPENDIX B: COMPARISON OF DISTRIBUTIONS FOR MATCHED AND UNSUCCESSFULLY MATCHED RECORDS

**Table 21: Comparison of match rates 2001 - 2006**

	2001	2002	2003	2004	2005	2006
Total MSD migrants	6,314	8,011	10,393	11,313	12,006	12,984
Total matched	5,345	6,934	9,096	10,006	10,655	11,366
Total unmatched	969	1,077	1,297	1,307	1,351	1,618
% matched successfully	84.7%	86.6%	87.5%	88.4%	88.7%	87.5%

**Table 22: Benefit type by year for unsuccessfully matched migrant beneficiaries by year**

Benefit Type	2001	2002	2003	2004	2005	2006
DPB	3%	5%	8%	10%	14%	16%
EB	79%	68%	61%	55%	50%	48%
SB	2%	5%	8%	10%	14%	16%
UB	15%	21%	23%	22%	19%	17%
Other	1%	1%	1%	2%	3%	3%
<b>Total %</b>	100%	100%	100%	100%	100%	100%
<b>Total n</b>	969	1,077	1,297	1,307	1,351	1,618

**Table 23: Benefit type by year for matched migrant beneficiaries**

Benefit Type	2001	2002	2003	2004	2005	2006
DPB	3%	4%	6%	9%	12%	14%
EB	81%	70%	62%	56%	50%	49%
SB	2%	4%	7%	11%	16%	19%
UB	14%	22%	25%	24%	21%	17%
Other	0%	0%	0%	0%	1%	1%
<b>Total %</b>	100%	100%	100%	100%	100%	100%
<b>Total n</b>	5,345	6,934	9,096	10,006	10,655	11,366

**Table 24: Top ten countries of birth by year for unsuccessfully matched migrant beneficiaries**

Country of Birth	2001	2002	2003	2004	2005	2006
Fiji	4%	6%	8%	10%	11%	12%
Samoa	10%	11%	11%	12%	12%	12%
China	9%	9%	9%	12%	13%	10%
Iraq	6%	9%	10%	9%	8%	8%
United Kingdom	4%	4%	5%	4%	5%	5%
India	12%	9%	6%	5%	5%	5%
Tonga	2%	3%	4%	5%	5%	5%
Vietnam	3%	3%	3%	4%	4%	4%
Somalia	2%	2%	2%	3%	3%	4%
Iran	3%	3%	3%	3%	3%	3%

**Table 25: Top ten countries of birth by year for matched migrant beneficiaries**

<b>Country of Birth</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
China	16%	15%	17%	18%	18%	18%
Samoa	9%	9%	8%	8%	8%	8%
India	7%	8%	7%	8%	8%	8%
Fiji	4%	4%	5%	5%	6%	6%
Iraq	7%	8%	10%	8%	7%	6%
Tonga	4%	4%	4%	4%	4%	4%
Somalia	7%	6%	5%	5%	5%	4%
South Africa	1%	2%	2%	3%	3%	4%
Afghanistan	3%	5%	4%	4%	4%	3%
Cambodia	3%	4%	4%	4%	3%	3%

## **APPENDIX C: RECENT INITIATIVES TO ASSIST MIGRANT'S SETTLEMENT**

### **New Zealand Settlement Strategy**

In 2003, the New Zealand Government agreed to a New Zealand Immigration Settlement Strategy for migrants, refugees and their families. The Strategy's six goals for migrants and refugees are that they:

- Obtain employment appropriate to their qualifications and skills;
- Are confident using English in a New Zealand setting, or can access appropriate language support to bridge the gap;
- Are able to access appropriate information and responsive services that are available to the wider community (for example housing, education, and services for children);
- Form supportive social networks and establish a sustainable community identity;
- Feel safe expressing their ethnic identity and are accepted by, and are part of, the wider host community; and
- Participate in civic, community and social activities.

For more information on the New Zealand Settlement Strategy and Auckland Regional Settlement Strategy go to [www.immigration.govt.nz](http://www.immigration.govt.nz)

### **Enhanced Employment Services for Refugees and Migrants - MSD**

In 2003, MSD introduced an initiative to enable Work and Income to implement its Auckland Metropolitan Migrant and Refugee Strategy. Key components of the initiative included:

- supporting community based migrant and refugee centres by integrating Work and Income services into these centres as they emerge
- the establishment of specialist migrant and refugee Work Track and Work Action programmes
- specific client development programmes like driver education and adult literacy courses
- the expansion of the Work Experience Pilot for Migrant Professionals
- improvements to online services for migrants and refugees including general information in key languages and a link to allow clients to download self-paced ESOL packages.
- the establishment of an Auckland based multi-lingual call centre that will allow non-English speakers to process transactions by phone; and
- a reduction in case loads for specialist case managers to provide more intensive one on one assistance for migrants and refugees.

For more information on the Enhanced Employment Services for Refugees and Migrants initiative go to [www.msd.govt.nz](http://www.msd.govt.nz)