

Migrants' Labour Market Participation

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Migrants' Labour Market Participation

Migrants bring their skills and experience to New Zealand – but how do they connect with the New Zealand labour market? What influences their labour market outcomes? What barriers do they face?

5.1 Introduction

Immigration provides essential benefits to New Zealand's economic development. Permanent migrants bring skills, resources, and international connections to develop and solidify trade opportunities. In recent years, New Zealand's growing economy has led to a high demand for labour and a low unemployment rate. In response, New Zealand's immigration policies have had a strong focus on attracting temporary and permanent migrants to address short- and long-term labour market shortages.

New migrants interact with the New Zealand economy and society in many different ways. While this chapter focuses on migrants' participation in the labour market, the importance of their contribution in terms of cultural and social benefits and international linkages is also acknowledged.

Understanding how migrants interact with the labour market is central to designing effective immigration policy. Most migrants (including those entering through family reunification policies) are likely to participate in the labour market at some time. How readily they integrate into the labour market and the skills they bring are significant factors in delivering and maximising economic benefits to New Zealand.

Positive labour market outcomes are influenced by the characteristics of individual migrants and the matching of their skills to the needs of employers and the economy. The overall size and composition of migration flows into and out of New Zealand and the 'absorptive capacity' of the labour market and wider society also affect outcomes.

Key findings

- Seventy percent of migrants were employed and 4 percent were looking for work.
- Labour market outcomes were generally more positive for migrants approved onshore than migrants approved offshore.
- Skilled principal migrants had the highest employment rate (93 percent) and were more likely than other migrant groups to be working at the same or higher skill level as they had been in their previous country.
- Seventy percent of migrants were working within three months of residence approval.
- Migrants who reported English as a language they spoke best had higher employment and labour force participation rates than migrants who did not.
- Migrants who had previous work experience in New Zealand had significantly higher employment rates (88 percent) than those who had been here but not had paid work (48 percent) or had not been here before (53 percent).
- Sixty-two percent of migrants reported no difficulty finding a job in New Zealand. Of those who had difficulties, the lack of New Zealand work experience was the most commonly cited reason.
- Seventy-nine percent of migrants were satisfied or very satisfied with their job.

Within the New Zealand Residence Programme, several categories have policy settings that work to match migrants with jobs in New Zealand.³² Skilled principal applicants are awarded points for a skilled job or job offer and bonus points if their partner has a skilled job or job offer.³³ Applicants for residence through the Family Sibling, Adult Child, and Pacific categories must have an acceptable job offer. In these categories, the intent of the job offer requirement is to ensure applicants can financially support themselves and their families, rather than to increase the skills or capacity of the workforce.

This chapter examines migrants' labour market outcomes by some of the factors likely to influence these outcomes, such as immigration approval category, previous experience in New Zealand, and English language skills. Occupation, skill equivalence, job satisfaction, and factors that helped migrants find employment are also examined, as well as the reasons some migrants could not find employment. Information on the activities of migrants who were not in the labour force is also presented.

5.2 *Labour force participation*

The LisNZ collected information on migrants' labour force activities since taking up permanent residence in New Zealand. Information was also collected about the labour force activities of migrants who had spent time in New Zealand in the two years immediately before their residence approval and migrants who had lived in another country in the two years before residence.

The three labour force measures described in this chapter are the:

- **labour force participation rate** – the proportion of the migrant population working or looking for work, excluding unspecified responses
- **employment rate** – the proportion of the migrant population employed or self-employed
- **seeking work rate** – the proportion of migrants looking for work (and currently not working) out of the total labour force (that is, out of those working or looking for work).

These measures were derived from migrants' labour force status.³⁴ Migrants were classified as employed, not employed but looking for work, or not in the labour force. (See Table 5.1.)

³² The *Immigration New Zealand Operations Manual* is available online. The current version is available from Immigration New Zealand's website <http://www.immigration.govt.nz/migrant/general/generalinformation/operationsmanual>.

³³ In this analysis, the Residence from Work policies are subsumed within the Skilled categories. Principal applicants through the Residence from Work policies must meet specific employment requirements to gain residence.

³⁴ The definitions for involvement in the labour force are aligned with, but not identical to, the concepts and definitions used in the Household Labour Force Survey. The LisNZ does not ask standard job search questions or questions about current availability to start work. Therefore, the definitions for labour force participation rates and seeking work rates used in this report differ slightly from the standard International Labour Organization definitions for labour force participation and unemployment rates.

Table 5.1: Labour force status classification of migrants

Labour force status	Labour force classification
Paid work	Employed
Unpaid work ¹	Employed
Casual work	Employed
Combination of paid and casual work	Employed
Combination of unpaid and casual work	Employed
Looking for work	Looking for work
Overseas	Not in the labour force
Other activity ²	Not in the labour force

Notes: ¹ Working without pay in a family business or farm.

² Neither working nor looking for work.

5.2.1 Labour force status by immigration approval category

Seventy percent of migrants were employed and 4 percent were looking for work (see Table 5.2). Across all immigration approval categories, Skilled principal migrants had the highest employment rate at 93 percent and most worked full time (see also section 5.2.13). Five percent of Skilled principal migrants were out of the labour force. Further analysis showed that many of these migrants were studying (42 percent), and about one in four had a spouse whose main activity was paid work.

Table 5.2: Labour force activity of migrants by immigration approval category

Immigration approval category	Labour force participation rate (%)	Employment rate (%)	Seeking-work rate (%)
Skilled principal	94.9	93.1	1.9
Skilled secondary	65.5	60.6	7.4
Business category	56.6	55.3	3.2
Family Partner	71.5	68.0	4.8
Pacific category	74.4	70.0	5.9
Other ¹	40.7	36.2	11.1
Total ²	73.7	70.4	4.4

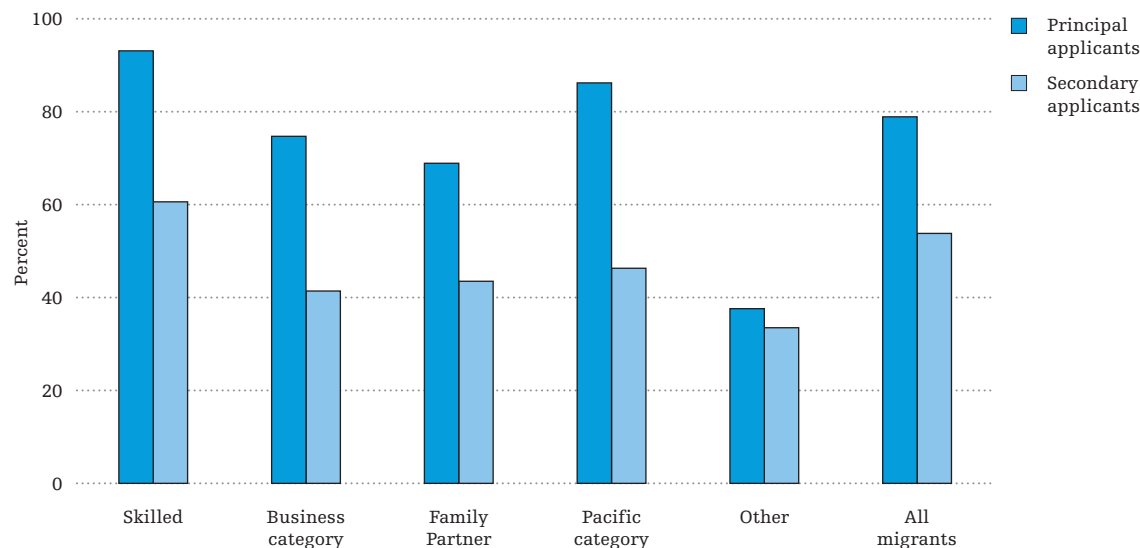
Notes: ¹ Includes Family Parent category migrants in this analysis.

² Excludes missing responses.

Principal applicants across all categories had higher participation rates than secondary applicants (81 percent compared with 59 percent) and this difference was evident across most categories. Skilled secondary applicants had significantly higher participation rates than other secondary applicants.

Principal applicants also had higher employment rates than secondary applicants (79 percent compared with 54 percent). As expected, those who gained residence through categories with employment requirements (Skilled principal and Pacific category migrants) had the highest employment rates (93 percent and 86 percent respectively). Employment outcomes were also positive for Family Partner migrants, which is a category with no employment requirements (a 68 percent employment rate). (See Figure 5.1.)

Figure 5.1: Employment rates of migrants by immigration approval category and applicant type

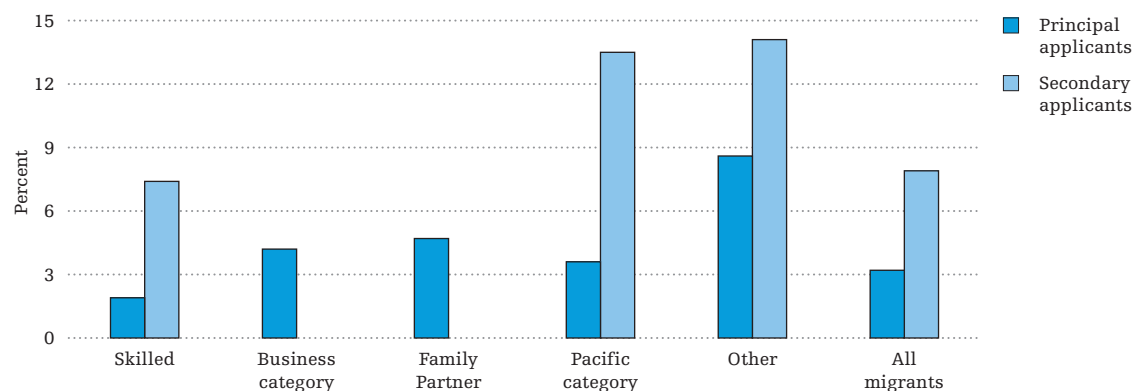


Notes: Excludes missing responses. 'Other' includes Family Parent category migrants for this analysis.

Overall, 26 percent of migrants were out of the labour force (19 percent of principal applicants and 42 percent of secondary applicants). A large proportion of these migrants were caring for dependants or studying, while others were retired or doing a range of other activities. The activities of migrants who were out of the labour force are discussed in section 5.3.6.

Four percent of migrants who were in the labour force were seeking work. The seeking work rate was less than 5 percent for principal applicants in most categories (except Other) and more than 10 percent for secondary Pacific and Other migrants (see Figure 5.2). Most Family Parent category migrants were aged 55 or over and were out of the labour force.

Figure 5.2: Seeking-work rates of migrants by immigration approval category and applicant type



Notes: Excludes missing responses. 'Other' includes Family Parent category migrants for this analysis. Rates for secondary Business and Family Partner migrants are suppressed for confidentiality reasons.

5.2.2 Labour force participation: Comparisons with New Zealand's working age population

Table 5.3 compares the LisNZ employment rates with the age- and sex-adjusted employment rates from the Household Labour Force Survey (HLFS).³⁵ The employment rates for Skilled principal migrants (93 percent) were higher than the age- and sex-adjusted employment rates for the New Zealand working age population during the financial years from June 2005 to June 2007 (83 percent).³⁶ Within the Skilled principal group, female rates were considerably higher than the adjusted HLFS rate.

Employment rates for Skilled secondary and Business migrants were lower than the adjusted HLFS rates for both males and females, although some Business migrants may have reported being out of the labour force if they were, for example, setting up their business in New Zealand.

Family Partner and Pacific category rates for females were lower than the adjusted HLFS rates for females, but the seeking rates for these two categories (6 percent and 9 percent, respectively) were not significantly different from the average for female migrants (6 percent). This suggests that these migrant women were being supported financially and not in the labour force. (See further section 5.3.6.)

English language ability may be another factor contributing to lower rates for the groups mentioned above. English language ability was relatively low for Business migrants compared with other migrants, and generally lower among female migrants than male migrants.

Table 5.3: Employment rates of migrants: LisNZ compared with adjusted Household Labour Force Survey (HLFS)

Immigration approval category	LisNZ employment rate (%)			HLFS employment rate (adjusted for age and sex) ¹ (%)		
	Male	Female	Total	Male	Female	Total
Skilled principal	94.5	90.5	93.1	89.4	71.0	83.2
Skilled secondary	66.5	58.1	60.6	80.8	71.0	74.0
Business category	62.4	49.5	55.3	79.3	67.1	73.2
Family Partner	84.8	58.2	68.0	86.6	69.4	75.7
Pacific category	81.8	54.8	70.0	84.3	68.3	77.0
Other	41.5	31.3	36.2	63.7	51.4	57.3
Total	80.0	61.4	70.4	83.8	67.9	75.6

Notes: ¹ Source: Statistics New Zealand. The HLFS employment rates have been adjusted to match the age and gender profiles of LisNZ migrants.

5.2.3 Labour force activity by location of approval

Since the late 1990s, New Zealand has had immigration policies that link temporary policies to permanent residence. Therefore, the proportion of permanent migrants who gain residence onshore has increased steadily in recent years. Nearly three-quarters (72 percent) of migrants were approved onshore.

The labour force outcomes are generally more positive for migrants approved onshore than offshore. The employment rate was higher for onshore approvals (75 percent) than offshore approvals (58 percent), except for

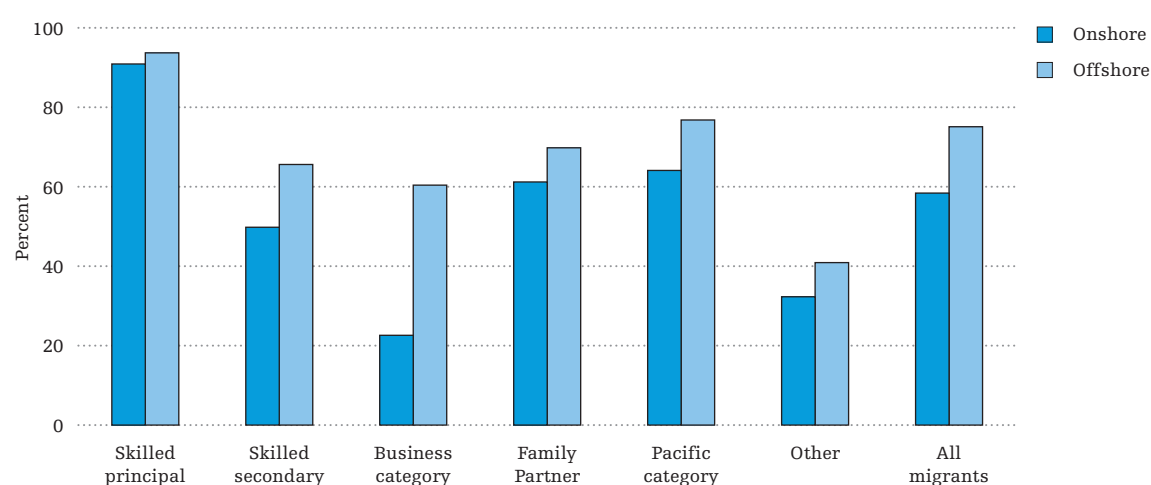
³⁵ The target population for the HLFS is the New Zealand civilian, usually resident, non-institutionalised population aged 15 years and over.

³⁶ A weighted value was calculated based on the spread of LisNZ interviews across the nine HLFS quarters from June 2005 to June 2007.

Skilled principal and Pacific category migrants (see Figure 5.3). Onshore approvals were significantly less likely to be looking for work (3 percent) than offshore approvals (9 percent).

The trend of more positive labour force outcomes for onshore approvals is most evident for Skilled secondary migrants. For Skilled principal and Pacific category migrants there were no significant differences in labour force activity between onshore and offshore approvals. This is because migrants applying through these categories usually need a job or job offer to meet the policy criteria.

Figure 5.3: Employment rates of migrants by immigration approval category and approval location



Notes: Excludes missing responses. 'Other' includes Family Parent category migrants in this analysis.

5.2.4 Labour force activity by English language ability

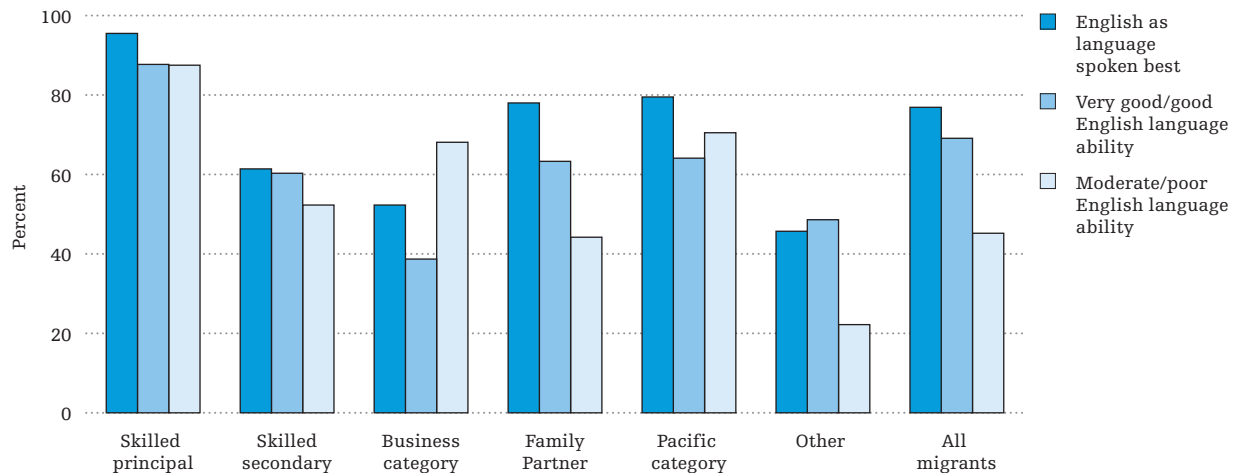
Migrants who gain residence through most policies in the Skilled/Business Stream must have a minimum standard of English language proficiency. The minimum levels are International English Language Testing System (IELTS) 6.5 for Skilled principal migrants and IELTS 5.0 for principal Business migrants.³⁷ Secondary applicants over 15 years of age must have an average IELTS score of 5.0, an English-speaking background, or pre-purchase ESOL training.

While the minimum English standards apply only to the Skilled/Business Stream, the discussion in chapter 4 shows that most migrants had a high level of English language skills. Overall, English language skills are an important factor in terms of employment outcomes for new migrants to New Zealand. (See Figure 5.4.)

Migrants who reported English as a language they spoke best had higher employment rates (77 percent) than migrants who spoke English as a second language (61 percent). This reflects the high proportion of Skilled migrants from English-speaking backgrounds. Overall, migrants with moderate or poor English language skills had the lowest employment rate (45 percent) and the highest seeking work rate (11 percent).

³⁷ In a Skilled Migrant Category application, a partner (secondary applicant) must also meet IELTS 6.5, if that person claims points for a job or qualification. The minimum IELTS score is the average across the four bands of listening, reading, writing, and speaking.

Figure 5.4: Employment rates of migrants by immigration approval category and English language ability



Notes: Excludes missing responses and where English language ability was not specified. 'Other' includes Family Parent category migrants in this analysis.

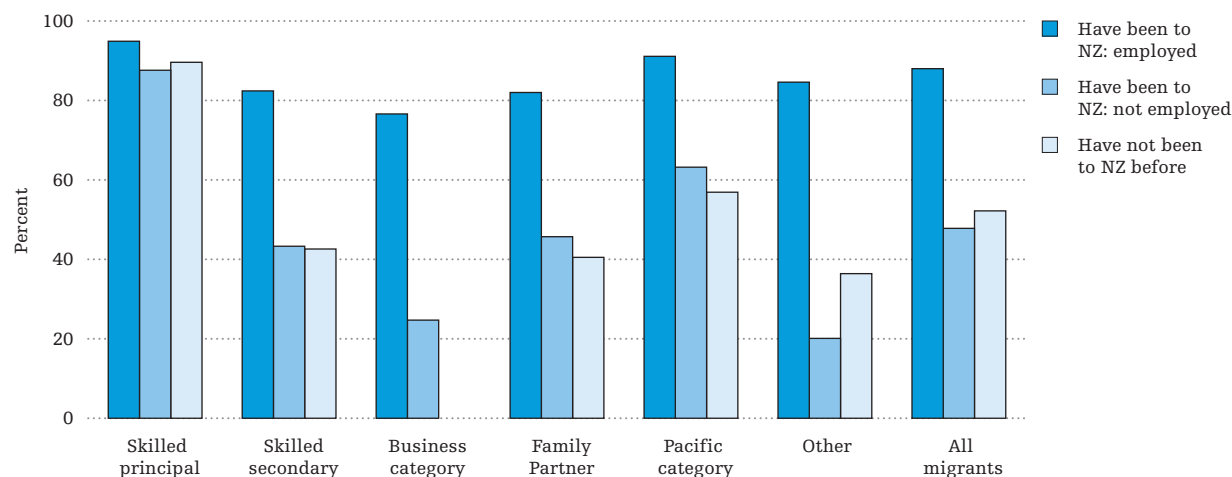
The association of English language skills with positive employment outcomes was most pronounced for Family Partner migrants, whereas English skills did not appear to have a strong bearing on the employment rates of Skilled Secondary and Pacific category migrants. In the case of migrants in the Pacific category, this lack of association between English language skills and employment rate reflects immigration policy, which requires Pacific category migrants to have a confirmed job offer prior to gaining residence approval.

Business migrants reporting moderate to poor English language skills had better employment rates than those with strong English language ability. While this finding is somewhat diminished when only principal Business migrants are considered, there is still some evidence to suggest that principal Business migrants with good/very good English language skills have a higher employment rate than those reporting English as their best language. This finding may reflect the specific business policy rather than the English language skills per se. For example, a high proportion of Entrepreneur Category migrants are from non-English-speaking countries such as China or South Korea, whereas a high proportion of Investor migrants are from English-speaking countries such as the UK or the United States.

5.2.5 Labour force activity by previous New Zealand experience

Most migrants surveyed had spent some time in New Zealand before gaining residence approval and many had worked in the country. Migrants who had previous New Zealand work experience had a significantly higher employment rate (88 percent) than those who had been to New Zealand but not worked (48 percent) or had not been to New Zealand (52 percent). This result was evident to varying degrees across all categories. (See Figure 5.5.)

Figure 5.5: Employment rates of migrants by immigration approval category and previous experience



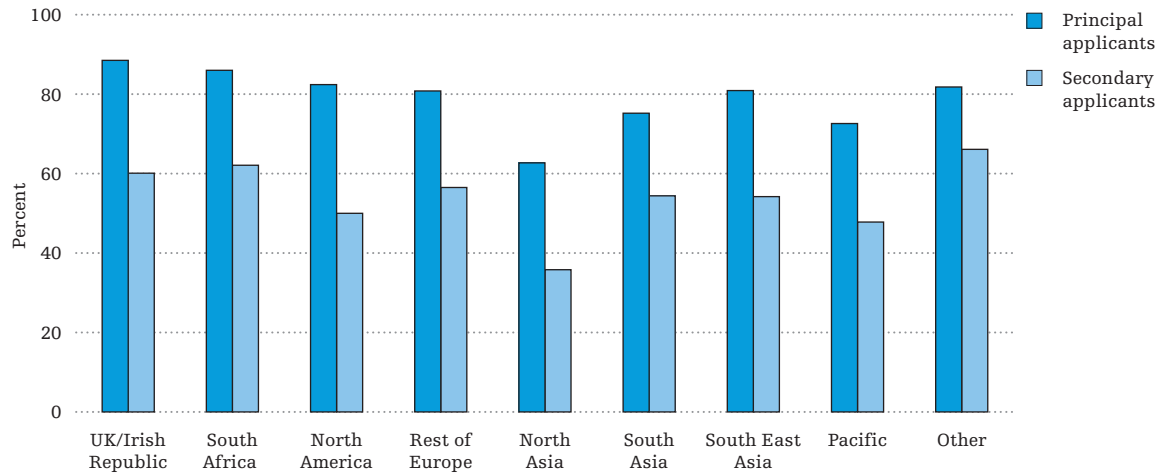
Notes: Excludes missing responses. 'Other' includes Family Parent category migrants in this analysis.

Migrants who had been to New Zealand but not worked before permanent residence and migrants who had not been to New Zealand before permanent residence had similar employment outcomes. This trend was evident across most categories. Overall, migrants who had worked in New Zealand before gaining residence were less likely to be looking for work than migrants with no previous work experience. There was no significant difference in the seeking work rates for migrants with non-work experience in New Zealand (8 percent) and those who had never been to New Zealand (13 percent). These results suggest that New Zealand work experience plays a key role in a migrant's ability to obtain employment in New Zealand.

5.2.6 Labour force activity by region of origin

Figure 5.6 shows that employment rates vary by migrants' region of origin. Migrants from North Asia and the Pacific experienced lower than average employment rates. North Asian migrants (principal applicants in particular) were less likely to be in the labour force than migrants from other regions, so had lower employment rates (54 percent). A significant proportion of North Asian migrants who were not in the labour force were studying (see section 5.3.6). Overall, North Asian migrants were no more likely to be looking for work than were migrants from other regions.

Figure 5.6: Employment rates of migrants by region of origin and applicant type



Note: Excludes missing responses.

North Asian migrants from the Skilled principal category had a lower employment rate than migrants from other regions. Although this group had a slightly lower participation rate than migrants from most regions (except North America), their seeking work rates were no higher than the average.

North Asian migrants were just as likely to have had New Zealand work experience (before residence) as other migrants, but they tended to be younger, so had less work experience overall. Over one-quarter of North Asian Skilled principal migrants were aged under 25 compared with an average 6 percent of migrants across all regions.

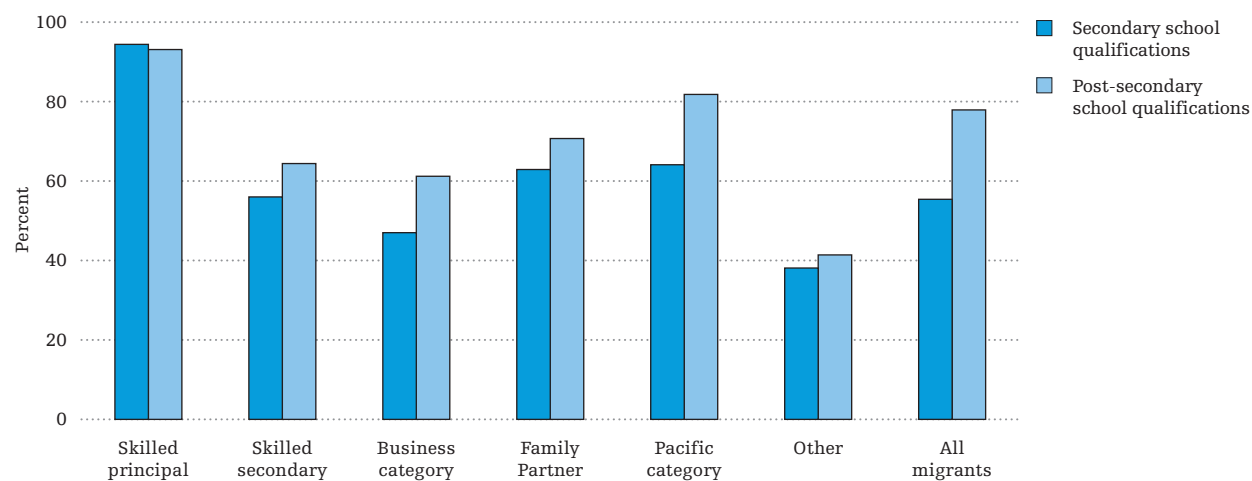
5.2.7 Labour force activity by qualification level

Sixty-seven percent of all migrants held a post-school qualification and nearly half (47 percent) held an advanced vocational qualification or university degree. Most Skilled principal migrants held some form of post-school qualification (92 percent).

The participation rate for migrants with secondary school qualifications was 59 percent compared with 81 percent for migrants with post-secondary school qualifications. The employment rates were 55 percent and 78 percent, respectively. The seeking work rates were not significantly different between the two groups.

This overall difference was not borne out across the various immigration approval categories; that is, the employment rate within each immigration approval category did not differ significantly based on a migrant's qualification level. (See Figure 5.7.)

Figure 5.7: Employment rates of migrants by qualification level and immigration approval category



Notes: Excludes missing responses. 'Other' includes Family Parent category migrants in this analysis.

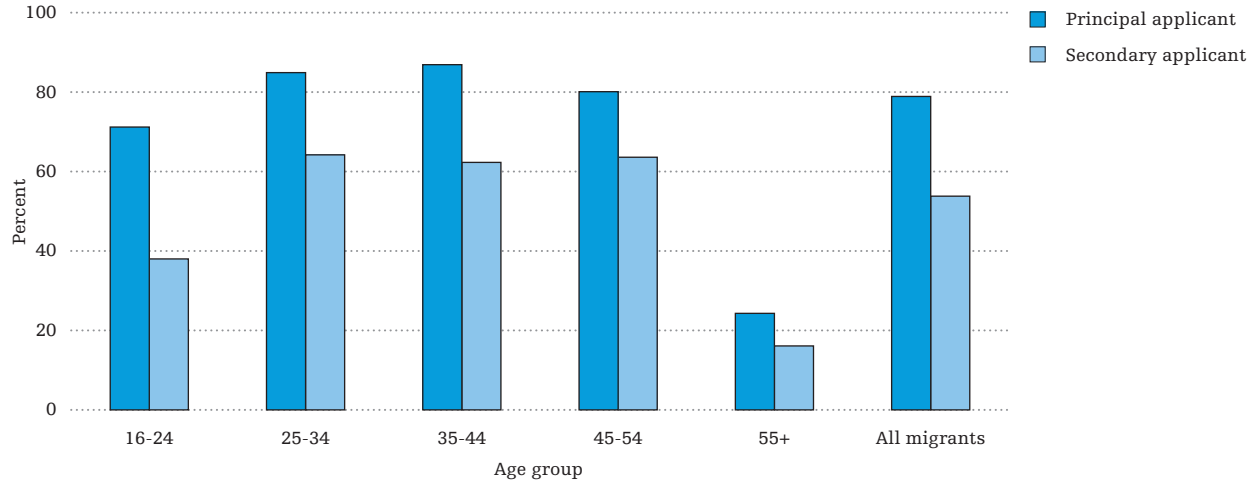
5.2.8 Labour force activity by age

Overall, employment rates were highest for migrants aged 25–54.³⁸ Within this broad range, there were no significant differences in employment rates between the age groups 25–34, 35–44, and 45–54. As expected, labour force participation was lowest for migrants aged 55 and over, although these older migrants were no more likely to be seeking work than migrants in other age groups. Over one-quarter of secondary applicants aged 55 and over (26 percent) were looking for work.

Employment rates were significantly higher for principal applicants than secondary applicants across all but one age group (the exception being those aged 55 and over). Overall, secondary applicants had higher seeking work rates (8 percent) than principal applicants (3 percent), but across the age groups this difference was evident only among those aged 25–34. (See Figure 5.8.)

³⁸ Skilled Migrant Category principal applicants are awarded points for age. Those aged 20–29 can claim the maximum points for this factor, with points for age decreasing after this. The Skilled Migrant Category has an age limit of 55 years.

Figure 5.8: Employment rates of migrants by age and applicant type



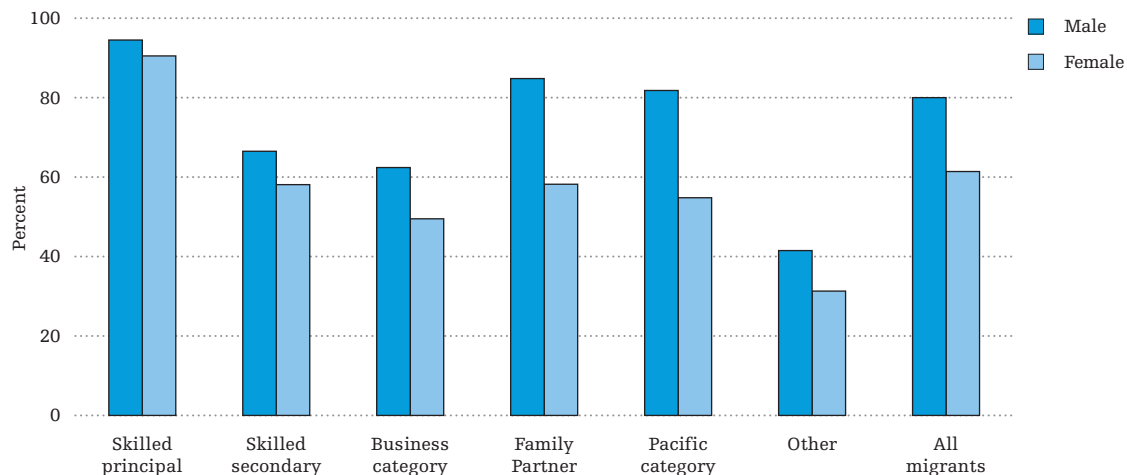
Note: Excludes missing responses.

5.2.9 Labour force activity by sex

Differences in employment rates by sex were also evident across some immigration approval categories. Male employment rates were higher than female employment rates for Family Partner, Pacific category, and Other category migrants, but were comparable for Business, Skilled principal, and Skilled secondary migrants. (See Figure 5.9.)

The male participation rate was higher than the female participation rate (83 percent compared with 65 percent), as was the overall male employment rate (80 percent compared with 61 percent). On average, the female seeking work rate (6 percent) was not significantly different from the male seeking work rate (3 percent) and this result was consistent across all immigration approval categories.

Figure 5.9: Employment rates of migrants by sex and immigration approval category



Notes: Excludes missing responses. 'Other' includes Family Parent category migrants in this analysis.

5.2.10 Labour force activity by region of settlement

Labour force outcomes across New Zealand settlement regions had minor variations, but this may reflect the characteristics of migrants rather than the region per se. Migrants in Northland and Wellington had higher participation and employment rates than migrants in Auckland, but these regions also attracted a larger proportion of Skilled principal applicants than Auckland attracted. Seeking work rates were similar for migrants in all regions.

5.2.11 Occupation in New Zealand

Thirty percent of employed migrants were working as professionals, followed by 16 percent as managers, and 15 percent as technicians and trades workers (see Figure 5.10). Most (81 percent) employed Skilled principal migrants were working in one of these three occupational groups, many of them as professionals (46 percent). Around 20 percent of Skilled secondary and Family Partner migrants were working as professionals. Business migrants were mainly employed as managers (63 percent), while Pacific category migrants were more likely to be employed as labourers (35 percent).

Figure 5.10: Occupation in New Zealand of employed migrants



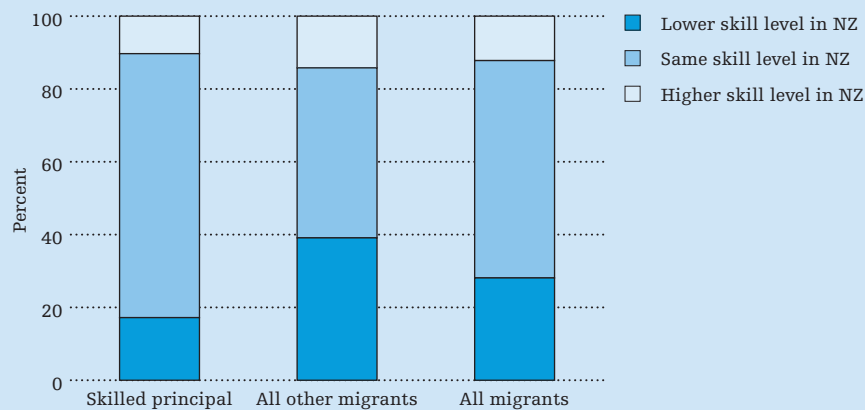
Feature box 5.1 *Migrants' skills match New Zealand jobs*

Comparing the jobs migrants did in their previous country with the jobs they do in New Zealand indicates whether migrants are working in jobs commensurate with their skills.³⁹ Using the 2006 Australian and New Zealand Standard Classification of Occupations to define the skill level of jobs, analysis showed that most Skilled principal migrants were working in New Zealand at broadly the same skill level as they were working in their previous country (see Figure 5.11).⁴⁰ This finding demonstrates the ability of New Zealand's skilled migration policies to match migrants' skills and experience to the needs of New Zealand employers.

Insights

- Compared with the work Skilled principal migrants had in their previous country:
 - 83 percent found work at a similar or higher skill level in New Zealand
 - 17 percent found work at a lower skill level in New Zealand.
- Compared with the work all other groups of migrants (except Skilled principal migrants) had in their previous country:
 - 61 percent found work at a similar or higher skill level in New Zealand
 - 39 percent found work at a lower skill level in New Zealand.

Figure 5.11: Skill equivalence between job in previous country and job in New Zealand



³⁹ Only migrants who had worked in their previous country in the two years before gaining New Zealand residence are included in this comparison. Based on these parameters, the analysis includes 53 percent of employed migrants.

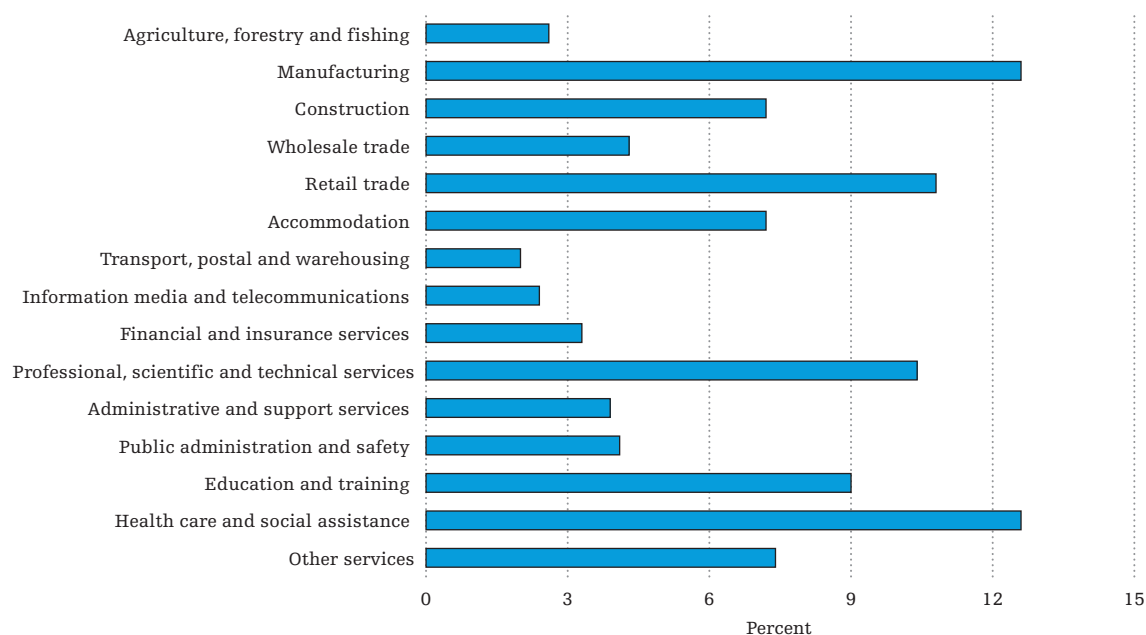
⁴⁰ *Australian and New Zealand Standard Classification of Occupations (ANZSCO)*, Australian Bureau of Statistics and Statistics New Zealand, 2006. The ANZSCO defines five skill levels based on formal education and training, previous experience, and on-the-job training.

5.2.12 Industry

Migrants worked in a variety of industries, the four main industries being manufacturing (13 percent), health care and social assistance (13 percent), retail trade (11 percent), and professional, scientific, and technical services (10 percent). (See Figure 5.12.)

Skilled migrants (both principal and secondary) were more likely to work in professional, scientific, and technical services; education and training; and health care and social services than other migrants. Business migrants were the most likely to work in the retail trade industry (29 percent), and Pacific category migrants were more likely than others to work in manufacturing (29 percent).

Figure 5.12: Industry of employed migrants



Notes: Includes respondents who were employed and reported the industry in which they worked. If a respondent had more than one current job, the industry of the one with the most hours worked has been chosen. Other services include mining; electricity, gas, water, and waste services; rental, hiring and real estate services; and arts and recreation services.

5.2.13 Employment outcomes of Skilled principal migrants

Skilled principal migrants had the highest employment rate, highest labour force participation rate, and lowest seeking work rate of all migrant groups. As is consistent with skilled migration policy, English language skills were high among this migrant group; many were highly qualified with substantial work experience and most of those employed worked in skilled jobs. Thirty-nine percent worked in a skill shortage area.⁴¹

Employment outcomes varied according to certain key characteristics.

Skilled principal migrants were the most likely to be employed. Three factors associated with positive employment outcomes for Skilled principal migrants were as follows. (See Table 5.4.)

- *Having English as a language spoken best* – 96 percent of migrants who reported English as a language they spoke best were employed, 1 percent were looking for work, and 88 percent had a skilled job; and those reporting English as a language they spoke best were more likely to work in a skill shortage area than those with moderate or poor English.
- *Having prior work experience in New Zealand* – migrants with New Zealand work experience were more likely to be employed than migrants who had experience in New Zealand that was not work related.
- *Being from specific regions* – migrants from North Asia had lower employment rates than migrants from all other regions and were less likely to work in a skill shortage area. North Asian migrants were less likely to have a skilled job than migrants from non-Asian regions.

⁴¹ This figure is derived by matching a respondent's current occupation (coded to the Australian and New Zealand Standard Classification of Occupations) to occupations on the Department of Labour's Long Term Skill Shortages List (LTSSL) that was in force as at July 2008. It is indicative only and does not assume that the respondent met all other requirements of the LTSSL with regard to their qualifications and work experience.

Table 5.4: Labour force outcomes of Skilled principal migrants by selected characteristics

Characteristics	Labour force participation rate (%)	Employment rate (%)	Seeking-work rate (%)	Proportion employed in a skilled job ¹ (%)	Proportion employed in shortage area ² (%)
Location of approval					
Onshore	95.1	93.7	1.5	86.1	37.8
Offshore	93.9	90.9	3.2	86.6	41.4
English language ability					
English is a language spoken best	96.8	95.5	1.3	88.0	39.9
Very good/good English language ability	90.5	87.7	3.1	81.5	36.0
Moderate/poor English language ability	93.8	87.5	S	78.6	21.4
Previous NZ experience					
Have been to NZ: employed	96.3	94.9	1.5	86.6	38.8
Have been to NZ: not employed	90.7	87.6	2.9	88.3	38.1
Have not been to NZ before	93.8	89.6	3.3	76.7	38.4
Highest qualification					
Secondary school qualifications	94.4	94.4	S	79.4	26.5
Post-secondary school qualifications	95.0	93.1	2.0	86.9	39.6
Region of origin					
UK/Irish Republic	97.2	95.7	1.4	89.7	37.0
South Africa	96.4	95.0	S	94.7	47.7
North America	95.1	93.4	S	94.7	33.3
Rest of Europe	95.1	95.1	S	89.7	42.3
North Asia	87.1	82.8	4.9	71.4	22.1
South Asia	96.0	93.5	2.5	75.0	41.4
South East Asia	96.4	94.6	S	86.8	52.8
Pacific	100.0	100.0	S	85.4	53.7
Other	96.2	92.3	S	89.6	50.0
Age group (years)					
16-24	87.4	87.4	S	75.0	31.6
25-34	95.2	93.5	1.7	85.2	39.0
35-44	96.3	94.3	2.4	86.9	37.3
45-54	95.5	92.9	2.0	93.0	45.5
55+	81.8	81.8	S	100.0	33.3
Sex					
Male	96.0	94.5	1.8	86.6	37.1
Female	92.6	90.5	2.3	85.2	41.4
Total	94.9	93.1	1.9	86.2	38.6

Notes: ¹ Proportion of employed people working in a skilled occupation (Australian and New Zealand Standard Classification of Occupations skill level 1, 2, or 3).

² Proportion of employed migrants whose occupational code matches an occupation on the Long Term Skill Shortage List (LTSSL). This is indicative only because migrants may not meet all the qualification and/or work experience requirements of the LTSSL.

Symbol: S = suppressed for confidentiality reasons.

5.2.14 Employment outcomes of migrants other than Skilled principal migrants

Most migrants other than Skilled principal do not need a job or job offer to gain residence approval.⁴² As expected, migrants in this broad group have lower participation rates than Skilled principal migrants, are less qualified, and are more ethnically diverse. Overall, 58 percent were employed, of whom nearly half worked in a skilled occupation (48 percent) and 12 percent worked in an area of absolute skills shortage.⁴³ The following analysis summarises the various characteristics associated with positive employment outcomes.

Eight factors associated with positive employment outcomes for migrants other than Skilled principal migrants were as follows. (See Table 5.5.)

- *Being granted residence onshore* – 64 percent were employed and 51 percent of these were working in a skilled job. Migrants approved for residence onshore were also less likely to be looking for work (4 percent) than migrants approved offshore (12 percent).
- *Being approved as principal applicants* – principal applicants were more likely to be in the labour force, so their employment rate was higher than that of secondary applicants. However, principal and secondary applicants were equally likely to work in a skilled job or a skill shortage area.
- *Having English as a language spoken best* – 64 percent were employed and 52 percent of employed migrants worked in a skilled job. Those with English as a best language were more likely to work in a skill shortage area than those with moderate or poor English.
- *Having prior work experience in New Zealand* – migrants with New Zealand work experience were more likely to be employed and less likely to be looking for work than those without New Zealand work experience.
- *Having post-secondary qualifications* – migrants with post-secondary school qualifications were more likely to be employed and have a skilled job or a job in a skill shortage area than migrants with only secondary school qualifications.
- *Being from specific regions* – migrants from North Asia had lower employment and participation rates than migrants from most other regions. Employed migrants from South Asia, South East Asia, and the Pacific were less likely to have skilled jobs than migrants from the UK/Irish Republic, South Africa, North America, North Asia, and the Rest of Europe. Migrants from the UK/Irish Republic were more likely to work in a skill shortage area than were migrants from the Asia and Pacific regions.
- *Being aged 25–54* – as expected, migrants in this age group had the highest employment rate. The proportion of employed migrants working in a skilled job increased with age. Seeking work rates were similar across all age groups.
- *Being male* – male migrants had higher employment rates and were more likely to work in a skilled job or a skill shortage area than female migrants.

⁴² Migrants through the Pacific categories also have employment requirements.

⁴³ This figure is derived by matching a respondent's current occupation (coded to the Australian and New Zealand Standard Classification of Occupations) to occupations on the Department of Labour's LTSSL that was in force as at July 2008. It is indicative only and does not assume that the respondent met all other requirements of the LTSSL with regard to their qualifications and work experience.



Most migrants are satisfied
with their jobs.

Table 5.5: Labour force outcomes of migrants other than Skilled principal migrants by selected characteristics

Characteristic	Labour force participation rate (%)	Employment rate (%)	Seeking-work rate (%)	Proportion employed in a skilled job ¹ (%)	Proportion employed in shortage area ² (%)
Location of approval					
Onshore	66.6	63.7	4.4	50.6	11.0
Offshore	53.5	47.2	12.0	40.3	13.9
Applicant type					
Principal applicant	66.7	63.2	5.1	50.1	11.4
Secondary applicant	58.5	53.8	7.9	45.5	12.3
English language ability					
English is a language spoken best	68.1	64.1	5.7	52.2	13.7
Very good/good English language ability	62.0	58.5	5.7	38.1	9.9
Moderate/poor English language ability	49.1	43.6	11.3	48.8	7.9
Previous NZ experience					
Have been to NZ: employed	84.5	82.1	3.0	51.2	10.9
Have been to NZ: not employed	41.9	37.7	10.1	49.1	12.7
Have not been to NZ before	50.6	42.0	16.9	27.9	11.6
Highest qualification					
Secondary school qualifications	56.2	52.6	6.3	34.5	7.5
Post-secondary school qualifications	68.5	64.4	6.2	55.7	15.0
Region of origin					
UK/Irish Republic	69.5	65.2	6.3	60.4	17.0
South Africa	65.4	60.3	6.8	60.2	13.9
North America	68.7	65.7	4.4	55.4	9.2
Rest of Europe	64.0	59.7	6.7	51.8	9.6
North Asia	47.5	43.0	9.0	54.3	8.0
South Asia	57.3	53.1	6.4	30.4	7.8
South East Asia	67.2	63.4	5.6	38.8	8.2
Pacific	64.0	60.4	6.0	24.6	8.5
Other	69.4	67.6	S	39.7	11.0
Age group (years)					
16–24	48.7	45.5	6.6	25.9	6.6
25–34	73.5	69.8	4.9	47.8	14.0
35–44	71.7	66.9	6.6	52.5	12.2
45–54	69.8	64.4	7.8	58.8	11.3
55–64	31.7	28.3	13.0	58.5	7.3
65+	10.5	7.9	25.0	55.6	S
Sex					
Male	70.7	66.9	5.4	55.5	15.1
Female	57.2	52.9	7.4	41.9	9.0
Total	62.5	58.4	6.5	47.9	11.7

Notes: ¹ Proportion of employed people working in a skilled occupation (Australia and New Zealand Standard Classification of Occupations skill level 1, 2, or 3).

² Proportion of employed migrants whose occupational code matches an occupation on the Long Term Skill Shortage List (LTSSL). This is indicative only because migrants may not meet all the qualification and/or work experience requirements of the LTSSL.

Symbol: S = suppressed for confidentiality reasons.

5.2.15 Labour force activity by full-time and part-time employment status

Of those migrants who were working, most were working full-time.⁴⁴ Skilled principal migrants were more likely to work full time than other groups. Eleven percent of migrants worked part time (30 hours or less), of whom a quarter were looking for full-time work. Skilled secondary, Business, and Family Partner migrants had relatively high rates of part-time work, and most were not looking for full-time work. The proportion of Pacific category migrants working part time was low (4 percent), but over half (2.5 percent) were looking for full-time work. (See Table 5.6.)

Table 5.6: Labour force activity of migrants by full-time and part-time employment status and immigration approval category

Labour force activity and employment status	Immigration approval category (%)							Total (%)
	Skilled principal	Skilled secondary	Business category	Family Partner	Family Parent	Pacific category	Other	
Full-time	88.5	40.1	41.1	54.6	8.3	65.0	54.2	59.6
Part-time	4.6	20.4	14.2	13.2	3.5	4.4	9.4	10.8
<i>Part-time but looking for full-time work¹</i>	1.4	4.4	S	4.4	S	2.5	4.2	2.8
<i>Part-time but not looking for full-time work¹</i>	3.3	16.2	13.2	8.7	2.6	2.5	5.2	8.0
Looking for work	1.8	4.8	1.8	3.4	4.3	4.4	4.7	3.3
Other activity	5.0	34.6	42.9	28.6	84.3	25.6	32.1	26.3
Not specified	S	S	S	S	S	S	S	0.1
Total %	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total weighted	12,490	8,460	2,190	7,020	2,300	1,600	2,120	36,160

Notes: Excludes missing responses.

¹ Expressed as a proportion of all migrants.

Symbol: S = suppressed for confidentiality reasons.

5.3 Getting work in New Zealand

5.3.1 How the first job was obtained

All migrants who had worked for an employer in New Zealand in the 30 months before the interview were asked how they got their first job in New Zealand. Looking at job advertisements was the most common way for migrants to find their first job (32 percent). (See Table 5.7.)

Securing a job through friends or relatives was most common for Business (52 percent), Pacific (47 percent), and Other (49 percent) category migrants. Looking through job advertisements was the most common way for Skilled migrants (both principal and secondary) to find their first job in New Zealand. One-quarter of Skilled principal migrants contacted an employer directly, and 7 percent had been approached by a prospective employer.

⁴⁴ Full-time work was defined as working for more than 30 hours per week.

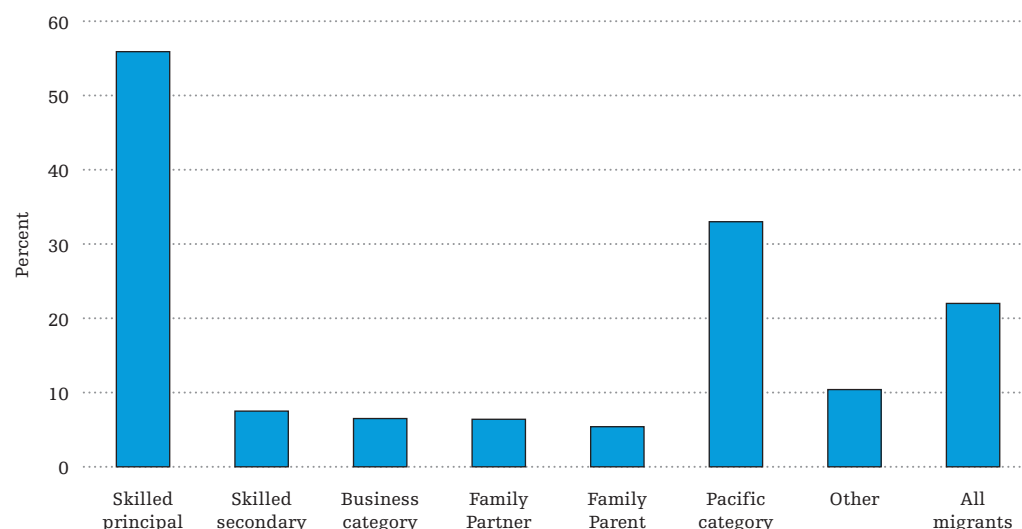
Table 5.7: How migrants found first job in New Zealand by immigration approval category

How respondent got their first job	Immigration approval category (%)							Total (%)
	Skilled principal	Skilled secondary	Business category	Family Partner	Family Parent	Pacific category	Other	
Looked at job advertisements	33.6	38.7	11.9	32.0	46.7	10.1	21.3	32.4
Through friends or relatives	13.5	25.2	52.4	32.4	40.0	47.1	49.3	24.1
Contacted an employer	24.5	18.9	14.3	17.2	6.7	13.4	14.7	20.5
Through a private employment agency	13.6	8.7	11.9	11.9	S	12.6	8.1	11.7
Was asked to apply for a position or head hunted	6.5	4.0	S	2.8	S	3.4	3.7	4.8
Transferred to NZ by my employer	2.6	0.7	S	S	S	6.7	S	1.7
Other	5.7	3.8	9.5	3.2	S	6.7	1.5	4.7
Total %	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total weighted	11,890	5,510	420	5,060	300	1,190	1,360	25,720

Notes: Includes migrants who had worked in New Zealand in the last 30 months. Excludes don't know responses and response refusals.
Symbol: S = suppressed for confidentiality reasons.

Respondents who were approved for residence offshore and who had worked in New Zealand within the first six months of residence were asked whether they had arranged a job before their arrival in New Zealand. More than one in five migrants approved offshore (22 percent) had arranged a job in New Zealand. Skilled principal and Pacific category migrants were more likely to have arranged a job in New Zealand than migrants approved through other categories (see Figure 5.13). Most migrants who were approved offshore had looked for employment after having arrived in the country.

Figure 5.13: Offshore-approved migrants with a prearranged job by immigration approval category



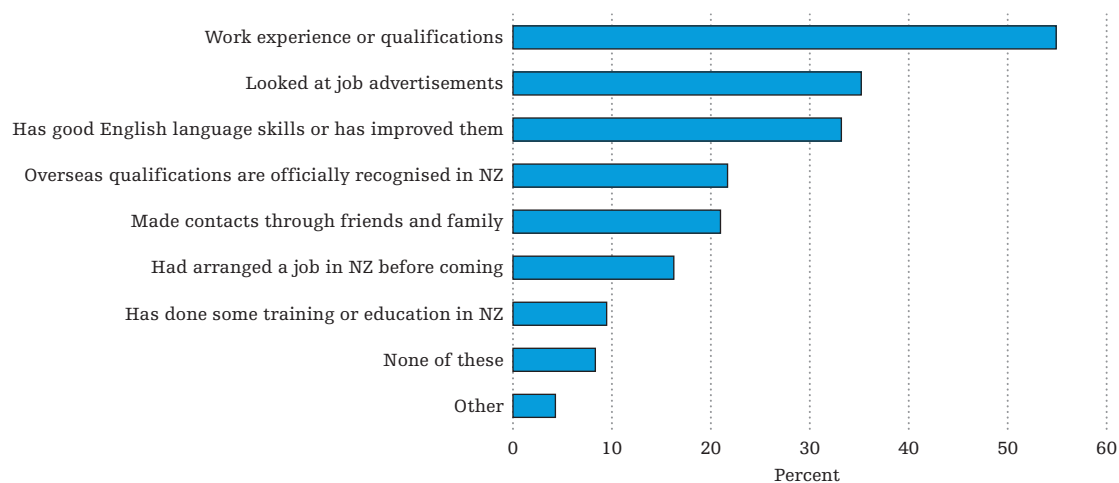
Note: Includes offshore approvals who had worked in New Zealand.

5.3.2 Main factors that helped migrants find work

Migrants who had worked in New Zealand in the six months before the interview were asked about the main factors that helped them find work. Overall, the main factor was their work experience or qualifications (55 percent) (see Figure 5.14). Skilled migrants (both principal and secondary) were more likely to give this reason than migrants approved through other categories. Two other important factors that helped migrants were looking at job advertisements (35 percent) and having good English language skills (33 percent).

The importance of these 'help factors' varied by immigration approval category. Skilled principals were more likely than others to report that the training or education they had done in New Zealand helped them find work. Skilled principal and Pacific category migrants were more likely than others to report having a pre-arranged job before coming to New Zealand to be a significant source of help, while Pacific and Other category migrants were more likely than others to report their contacts through friends and family to be a significant source of help in finding work.

Figure 5.14: Main factors that helped migrants find work



Notes: Includes migrants who started a new job since residence approval or first arrival in New Zealand. Migrants could give multiple responses, so percentages may not add to 100.

Feature box 5.2 *Difficulties migrants face getting work in New Zealand*

While most migrants reported no difficulties finding work in New Zealand (62 percent), some common problems persist for migrants entering the labour market. (See Figure 5.15.)

Insights

- The most common barrier to finding work migrants faced was their lack of New Zealand work experience (22 percent), which was:
 - more prevalent in Auckland than in Wellington or Canterbury
 - less of a problem for Skilled principal migrants than for other migrants.
- Other barriers related to skills or experience, such as New Zealand employers not accepting migrants' skills and experience gained outside New Zealand and difficulties with English language (7 percent each).
- Seven percent of migrants felt over-qualified for the jobs available and 5 percent felt under-qualified.
- Some migrants felt discrimination was a main barrier to employment, with
 - 7 percent feeling discriminated against for being a migrant
 - 2 percent feeling discriminated against because of their age, gender, or religion.
- Skilled principal and Pacific category migrants were less likely than other migrants to report difficulties finding work in New Zealand.

Figure 5.15: Difficulties finding work



Notes: Includes migrants who started a new job since residence approval or first arrival in New Zealand. Migrants could give multiple responses, so percentages may not add to 100.

5.3.3 Time before first employment

Almost 70 percent of migrants were working in New Zealand less than three months after residence approval. A further 5 percent took three to six months to find their first job and 25 percent had not worked in New Zealand since gaining residence. Many migrants were already working in New Zealand at the time they were granted residence (50 percent), particularly Skilled principal migrants (72 percent). (See Table 5.8.)

Table 5.8: Time before first employment in New Zealand by immigration approval category

Time before first employment	Immigration approval category (%)							Total (%)
	Skilled principal	Skilled secondary	Business category	Family Partner	Family Parent	Pacific category	Other	
No time	72.2	35.7	52.1	54.3	1.7	24.7	29.1	49.8
1–30 days	16.1	9.1	3.2	7.0	4.8	29.6	17.8	11.9
31–90 days	6.3	11.5	1.8	8.1	2.2	9.3	10.8	7.7
3–6 months	2.3	10.4	3.2	4.1	2.6	9.3	7.0	5.2
7–12 months ¹	S	S	S	0.3	S	S	S	0.1
No employment	2.6	33.1	38.4	25.8	88.3	26.5	34.3	24.8
Not specified	0.3	0.5	1.4	0.6	S	S	S	0.5
Total %	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total weighted	12,490	8,470	2,190	7,020	2,300	1,620	2,130	36,210

Notes: Excludes missing responses.

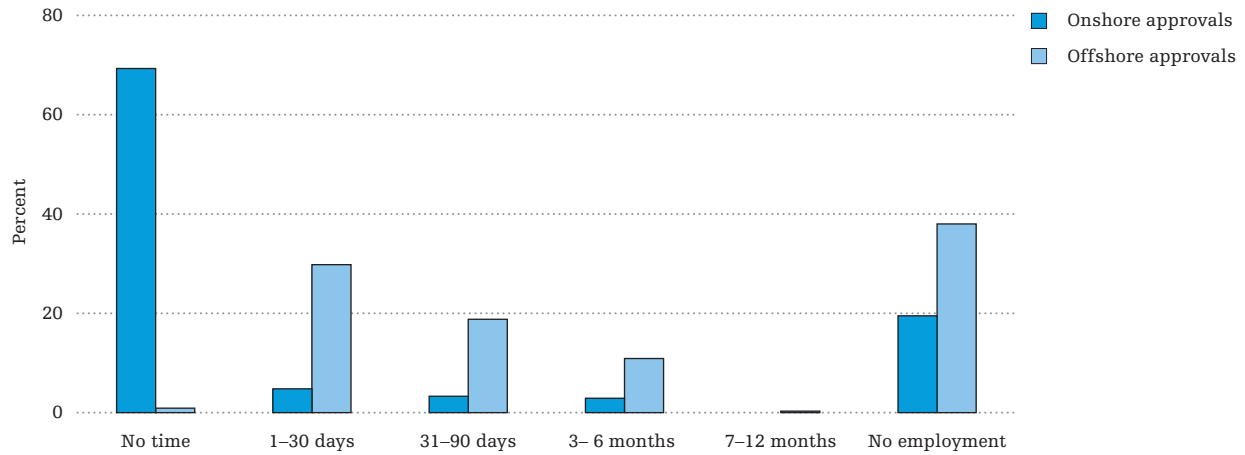
¹ Migrants were interviewed at around six months, so some values may appear in the 7–12-month interval.

Symbol: S = suppressed for confidentiality reasons.

Migrants approved offshore took longer to find employment than those approved onshore and were less likely to have been employed within six months of residence approval (see Figure 5.16). Fifty percent of migrants approved offshore were working within three months of arrival. For onshore approvals, 69 percent were working at the time residence was granted and 77 percent were working within three months of approval.

One in four migrants (25 percent) had not worked in New Zealand since gaining residence – 38 percent of offshore approvals compared with 20 percent of onshore approvals. Three percent of Skilled principal migrants had not been employed, which could occur when a person had a job offer but had not yet taken up employment or their work arrangements had changed. Section 5.3.6 discusses the activities of migrants who were out of the labour force.

Figure 5.16: Time to first employment by approval location



5.3.4 Total number of jobs since residence approval

Looking just at those migrants who had worked in their first six months of residence, most (83 percent) had worked in only one job and this proportion was similar across all categories. Sixteen percent of migrants had held two jobs since residence approval and less than 2 percent had held three or more jobs. (See Table 5.9.)

Table 5.9: Number of jobs migrants held in New Zealand since residence approval by immigration approval category

Number of jobs	Immigration approval category (%)							Total (%)
	Skilled principal	Skilled secondary	Business category	Family Partner	Family Parent	Pacific category	Other	
1	81.2	83.0	89.3	84.1	89.3	80.8	81.7	82.6
2	17.0	15.2	10.7	14.0	10.7	15.8	16.9	15.6
3 or more	1.9	1.8	S	1.9	S	3.3	1.4	1.8
Total %	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total weighted	12,150	5,650	1,310	5,220	280	1,200	1,420	27,230

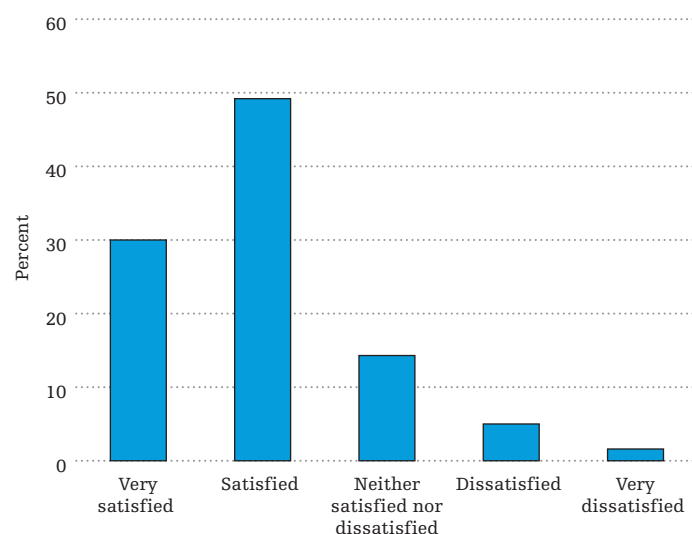
Note: Excludes missing responses and those respondents who had not worked in New Zealand since gaining residence.

Symbol: S = suppressed for confidentiality reasons.

5.3.5 Satisfaction with main job

Most migrants (79 percent) who were employed were satisfied or very satisfied with their main job in New Zealand (see Figure 5.17). This level of satisfaction was relatively consistent across immigration approval categories.

Figure 5.17: Migrants' satisfaction with main job



Note: Excludes missing responses.

5.3.6 Activities of migrants who were out of the labour force

Twenty-six percent of migrants were out of the labour force, and these migrants were asked about the activities they were doing at that time.⁴⁵ The most common activities reported were caring for dependants (33 percent) or studying (29 percent). Studying could include study towards a formal qualification, English language training, or training to improve employment prospects. (See further section 7.3.)

Fourteen percent of migrants out of the labour force were retired, most of whom were approved through the Family Parent category. Table 5.10 shows the main activities of migrants who were out of the labour force (neither working nor looking for work) by immigration category.

⁴⁵ If migrants reported more than one activity, they were asked to state the *main* activity (the one they spend the most time doing). Migrants who specified more than one main activity were recorded as doing multiple activities.

Table 5.10: Main non-labour market activities of migrants by immigration approval category

Main activity	Immigration approval category (%)							Total (%)
	Skilled principal	Skilled secondary	Business category	Family Partner	Family Parent	Pacific category	Other	
Studying	41.7	28.2	60.6	25.1	9.3	26.2	53.6	29.4
At home caring for dependants	11.7	45.2	18.1	40.2	22.7	45.2	18.8	33.0
Retired or at home without dependants	S	2.7	7.4	8.0	49.0	S	7.2	13.8
On holiday or visiting friends or relatives	13.3	3.7	S	5.0	1.0	S	2.9	3.7
Getting set up in NZ	13.3	9.2	8.5	7.0	6.7	9.5	8.7	8.3
Other	18.3	6.5	S	13.6	4.6	4.8	8.7	8.2
Multiple activities	S	4.1	S	2.0	6.2	9.5	S	3.6
Total %	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total weighted	600	2,940	940	1,990	1,940	420	690	9,510

Notes: Excludes responses identified as not specified. Other activities included doing voluntary work, suffering ill health, trying to get qualifications recognised, and other activities. Multiple activities include respondents who specified more than one main activity.

Symbol: S = suppressed for confidentiality reasons.

Of the 5 percent of Skilled principal migrants who were out of the labour force, a relatively high proportion (42 percent) were studying. A high proportion of Business migrants were out of the labour force (43 percent). Most of this group consisted of secondary applicants (79 percent), most of whom were studying (73 percent). Skilled secondary, Pacific category, and Family Partner migrants were most likely to have been at home looking after dependants if they were out of the labour force.

Overall, males who were out of the labour force were more likely to be studying than females (40 percent compared with 25 percent), while female migrants who were out of the labour force were more likely to be caring for dependants than were male migrants (44 percent compared with 10 percent). Males were more likely than females to be retired or at home without dependants (21 percent compared with 11 percent).

A relatively high percentage of North Asian migrants (not in the labour force) were studying (46 percent); a higher percentage than migrants from most other regions (except South East Asia and Rest of Europe). Migrants from the UK/Irish Republic were more likely to be at home caring for dependants (42 percent) than North Asian migrants (27 percent). (See Table 5.11.)

Table 5.11: Main non-labour market activities of migrants by region of origin

Languages spoken well	Region of origin (%)									Total (%)
	UK/Irish Republic	South Africa	North America	Rest of Europe	North Asia	South Asia	South East Asia	Pacific	Other	
Studying	10.7	28.8	14.7	31.5	45.7	19.3	38.3	29.7	47.1	29.4
At home caring for dependants	41.9	33.3	38.2	38.9	26.6	30.7	34.0	31.0	29.4	33.0
Retired or at home without dependants	14.4	22.7	11.8	5.6	9.7	22.7	12.8	16.6	8.8	13.8
On holiday or visiting friends or relatives	4.2	S	S	5.6	3.7	3.4	S	4.1	S	3.7
Getting set up in NZ	14.9	9.1	17.6	13.0	3.4	5.7	4.3	6.2	S	8.3
Other	7.4	4.5	14.7	S	8.6	13.6	6.4	8.3	8.8	8.2
Multiple activities	7.4	S	S	S	1.9	3.4	S	3.4	S	3.6
Total %	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total weighted	2,150	660	340	540	2,670	880	470	1,450	340	9,510

Notes: Excludes responses identified as not specified. Other activities included doing voluntary work, suffering ill health, trying to get qualifications recognised and other activities. Multiple activities include respondents who specified more than one main activity.

Symbol: S = suppressed for confidentiality reasons.

