



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HĪKINA WHAKATUTUKI

Migration Trends

2016/2017



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Executive summary

Context

This annual report is the 17th in a series that examines trends in temporary and permanent migration to and from New Zealand. The report updates trends to 2016/17 and compares recent immigration patterns with patterns identified in previous years.

Net inward migration continues to grow

New Zealand experienced a net gain of 72,300 permanent and long-term migrants in 2016/17, which was 4.7 per cent more than in 2015/16. This was the fifth consecutive year in which migration increased and the highest net gain ever recorded. This gain was because of a decline in the number of New Zealand citizens departing overseas (particularly to Australia) and an unprecedented increase in the number of non-New Zealand citizens arriving from overseas.

New student visa approval numbers fell slightly but remain high

A total of 75,578 student visa holders were present in New Zealand on 30 June 2017. This was 1 per cent less than the year before. The main contributor to this decline was a decrease of 3 per cent in the number of new student visas approved in 2016/17. This decrease was driven by a 32 per cent decline in new approvals from India (our second largest source country), which more than offset a 5 per cent rise in new approvals from China (our largest source country). Despite this decline, at 48,167, new approvals remained just over 50 per cent higher than they were in 2012/13.

Temporary worker numbers continue to grow

At 152,432, the number of temporary workers present in New Zealand on 30 June 2017 was 16 per cent higher than the year before. This growth was driven by 34 per cent growth in the number of Study to Work visa holders, 17 per cent growth in Essential Skills visa holders, 12 per cent growth in Family work visa holders and 8 per cent growth in Working Holiday Scheme visa holders. New work visa approvals grew 8 per cent in 2016/17, which was the seventh consecutive year-on-year increase.

Fewer Parent Category and Skilled Migrant Category approvals are the main drivers behind a decline in residence approvals

The number of people approved for residence in 2016/17 fell 8 per cent to 47,684 following a 21 per cent increase the year before. The decrease was driven by Parent Category approvals, which fell 63 per cent, and Skilled Migrant Category approvals, which fell 6 per cent. In October 2016, the Parent Category was closed to new applicants and the number of points required for applicants' automatic selection to the Skilled Migrant Category was increased from 140 to 160.

Over two-thirds of student visa holders and three-quarters of work visa holders left New Zealand five years after the end of their visa

Among those migrants whose last student visa ended between July 2006 and June 2012, 28 per cent had a resident visa, 3 per cent were still on a work visa and 68 per cent were not in New Zealand five years later. Among those migrants whose last work visa ended between July 2006 and June 2012,

24 per cent remained in New Zealand on a resident visa while 75 per cent were not in New Zealand five years later.

Retention rate of residents is high and has been slowly increasing

Most migrants granted residence stay on in New Zealand on a long-term basis, and this 'retention rate' has been slowly increasing. Of those people granted residence in 2001/02, 79.6 per cent were still in New Zealand after five years compared with 89.1 per cent of those granted residence in 2011/12.

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1 Recent policy changes

1.1 Overview

In 2016/17, policy changes to immigration settings were designed to better manage immigration and improve the long-term labour market contribution of temporary and permanent migration. Changes were made to the New Zealand Residence Programme, Skilled Migrant Category, Essential Skills visa, Recognised Seasonal Employer Scheme, and investor policy. In the same year, the South Island Contribution work visa and Global Impact visa pilot were introduced.

1.2 Changes to the New Zealand Residence Programme

The New Zealand Residence Programme sets the total level of residence approvals over a multi-year period. The programme's planning range was lowered for the two years between 1 July 2016 and 30 June 2018 to 85,000 to 95,000 (compared with 90,000 to 100,000 for the previous two years).

To ensure the number of approvals under the New Zealand Residence Programme fall within the planning range, two policy changes were made.

- In October 2016, the number of points required for automatic selection for applicants to the Skilled Migrant Category was increased from 140 points to 160.
- The Parent Category was closed to new applicants.

The NZRP comprises the:

- Skilled/Business Stream, which makes up 60 per cent of the New Zealand Residence Programme
- Family Stream, which makes up 32–33 per cent of the New Zealand Residence Programme
- International and Humanitarian Streams, which make up 7–8 per cent of the New Zealand Residence Programme.

1.3 Changes to the Skilled Migrant Category

In addition to the points change described in section 1.2, further changes to the Skilled Migrant Category were implemented in August 2017. The changes included:

- the introduction of remuneration thresholds as an additional means of defining skilled employment
- realignment of the points system to put more emphasis on characteristics associated with better outcomes for migrants.

The changes were announced in April 2017, so behavioural changes, such as an increase in applications, may have occurred ahead of implementation.

1.4 Changes to the Essential Skills visa

Changes to the Essential Skills visa were consulted on in April and May 2017, and were implemented in August 2017. These changes included:

- introducing remuneration thresholds¹ to assess the skill level of jobs offered to Essential Skills visa applicants to create high-, mid- and low-skill bands
- introducing a maximum duration of three years for lower-skilled Essential Skills visa holders (after which they need to spend 12 months outside New Zealand before they can be granted another lower-skilled Essential Skills visa)
- a requirement that the partners and children of lower-skilled Essential Skills visa holders meet the requirements for a visa in their own right.

These changes are intended to continue to enable employers to hire temporary migrant workers where there are genuine shortages, while ensuring clarity around lower-skilled migrants' long-term future prospects in New Zealand.

The changes were announced in July 2017, so behavioural changes, such as an increase in applications, may have occurred ahead of implementation.

1.5 Introduction of the South Island Contribution work visa

The South Island Contribution work visa was implemented in May 2017. The visa was introduced to recognise the many low-skilled temporary migrants, particularly in the South Island, who have been in New Zealand long term and have become well settled, but who have no pathway to residence. The visa is for people who hold an Essential Skills work visa and have been employed in the South Island for five years or more. This visa provides a time-limited pathway to residence for this group of migrant workers.

1.6 Increase in Recognised Seasonal Employer Scheme limit

The Recognised Seasonal Employer Scheme allows horticulture and viticulture businesses to meet seasonal labour shortages by recruiting overseas workers (largely from eligible Pacific Forum countries) when there are not enough New Zealand workers.

The cap on the number of workers under this scheme was increased by 1,000 to 10,500 recognised seasonal employer workers for the 2016/17 season.

1.7 Introduction of the Global Impact Visa pilot

The Global Impact visa came into effect in November 2016. The Global Impact policy enables government to partner with the private sector to attract and support high-impact entrepreneurs, investors and owners of start-ups who do not meet existing policy settings to establish innovative ventures in New Zealand. The visa will run as a four-year pilot and be limited to 400 visas over the duration of the pilot.

¹ In addition to the existing means of assessing skill level which is to classify the job to the Australia and New Zealand Standard Classification of Occupations.

1.8 Changes to the Investor policy

In December 2016, changes to the migrant Investor policy were made to encourage investments that provide greater economic benefits for New Zealand and rebalance investment from bonds into growth-oriented investments. The Investor policy comprises the Investor Plus and Investor 2 Categories. The changes include:

- doubling the funds Investor Category 2 migrants must invest to \$3 million
- removing the need for Investor Category 2 migrants to hold \$1 million in settlement funds
- recognising higher levels of business experience and English language skills through changes in the points system
- increasing the annual cap of approved Investor 2 migrants from 300 to 400
- rewarding investment in growth-oriented investment with incentives such as bonus points, priority processing and a financial discount.

2 Migration flows

Highlights in 2016/17

- In 2016/17, 131,400 permanent and long-term (PLT) migrants entered New Zealand and 59,000 PLT migrants departed New Zealand, resulting in a net gain of 72,300 PLT migrants. This was 4 per cent more than in 2015/16, the fifth consecutive year in which migration increased and the highest net gain ever recorded.
- A quarter of all PLT migrant arrivals were New Zealand citizens returning from living overseas, and well over half (57 per cent) of all PLT migrant departures were New Zealanders moving overseas. A recent decline in the number of New Zealanders departing overseas (particularly to Australia) is one of the main drivers behind recent record levels of net inward PLT migration.
- The other driver of the recently high net inward PLT migration is a large increase in the number of non-New Zealand citizens arriving to stay here, which has almost doubled from 56,100 in 2009/10 to 99,200 in 2016/17.
- In 2016/17, Auckland received 61 per cent of the net inflow of PLT migrants. On a per capita basis, Auckland's net inflow of migrants was almost twice that of the next highest region, Canterbury.
- Our latest forecasts are for net PLT migration to be lower in 2017/18 and to soften further in 2018/19.

2.1 Introduction

This chapter describes trends in the number of people entering or departing New Zealand based on information provided on arrival and departure cards.

2.2 People are entering and leaving New Zealand each year

The vast majority of people entering or departing from New Zealand in any given year are people making short trips (see Figure 2.1). In the year to June 2017, 3.65 million overseas visitors arrived in New Zealand intending to stay less than 12 months (56 per cent of all arrivals) and 2.75 million New Zealand residents arrived back in New Zealand from a trip that lasted less than 12 months (42 per cent of all arrivals). The remaining 2 per cent of all arrivals were permanent and long-term (PLT) arrivals – people intending to remain in New Zealand for 12 months or more.

During the same period, 3.65 million overseas visitors departed from New Zealand after a stay of less than 12 months (57 per cent of all departures) and 2.75 million New Zealanders departed New Zealand intending to remain abroad for less than 12 months (43 per cent of all departures). The remaining 1 per cent of all departures were PLT departures – people intending to remain out of New Zealand for 12 months or more.

Figure 2.1 Annual visitor and traveller arrivals and departures, 2004/05–2016/17



Note: Visitors are non–New Zealand residents taking trips of less than 12 months. Travellers are New Zealand residents taking trips of less than 12 months.

Source: StatsNZ.

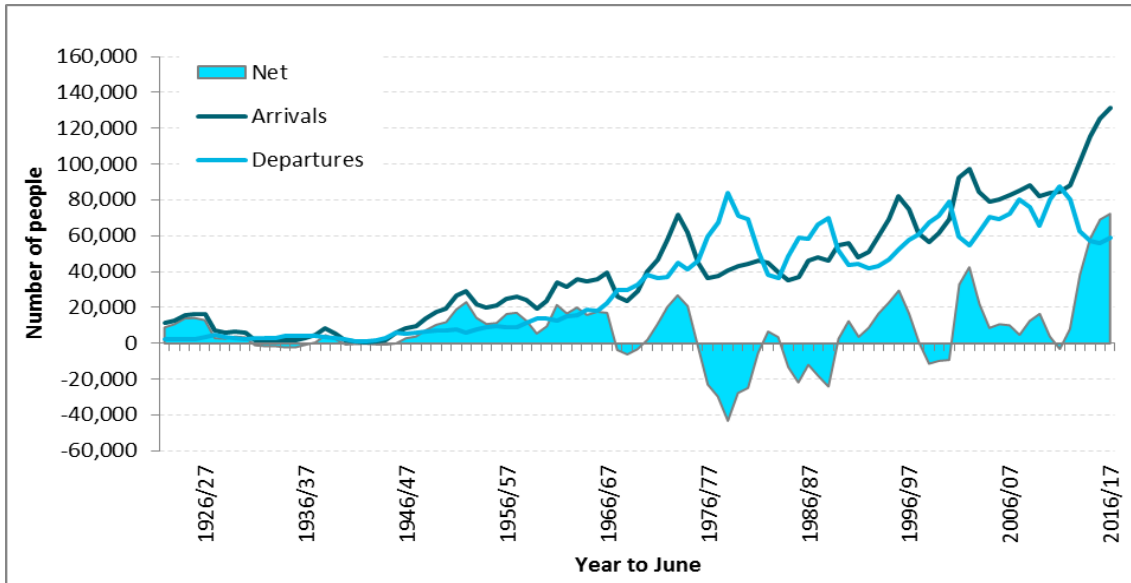
The remaining arrivals and departures are PLT migrants, and it is this flow of migrants into and out of New Zealand that can have an impact on the size and growth rate of the population (see Figure 2.2). In 2016/17, 131,400 PLT migrants entered New Zealand. These were people from overseas intending to stay for more than 12 months and include New Zealand residents returning from an overseas stay of more than 12 months. During the same period, 59,000 PLT migrants departed New Zealand. These were either people from overseas who had been in New Zealand for longer than 12 months or New Zealanders intending to remain overseas for 12 months or more.²

Figure 2.2 shows that recent PLT departures are relatively moderate compared with some of the peaks New Zealand has experienced in the past 40 years. In contrast, PLT arrivals are much higher than at any time since recording began. As a result, the net inflow of PLT migrants (PLT arrivals less PLT departures) is at unprecedented levels, reaching 72,300 in the year to June 2017, which is equivalent to 1.5 per cent of the estimated resident population in June 2017.³

² In keeping with PLT migration briefings published by StatsNZ, all the PLT numbers quoted in this chapter have been rounded to the nearest 100. Therefore, some totals and net figures do not sum.

³ Based on StatsNZ estimates of the mean resident population for the year ended 30 June 2017 of 4,746,700 people.

Figure 2.2 Annual permanent and long-term migration flows, 1921/22–2016/17



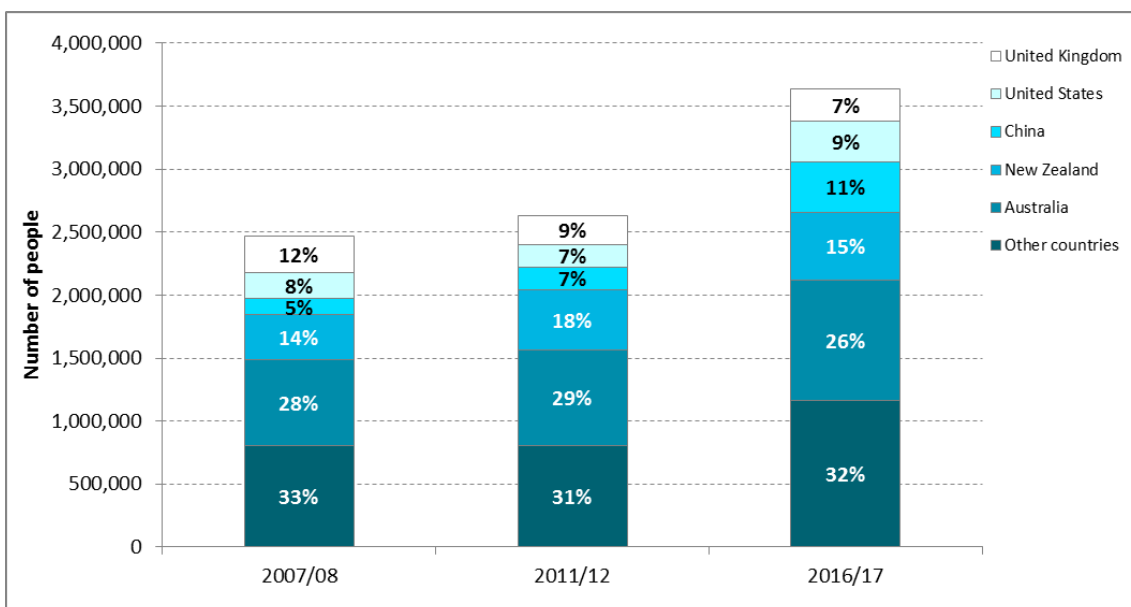
Source: StatsNZ.

2.3 Where migrants come from and where they are going

Over two-thirds (68 per cent) of all visitor arrivals in 2016/17 came from just five countries: Australia, New Zealand (living abroad but visiting New Zealand), China, the United States and the United Kingdom (see Figure 2.3).

The top five have been the same since 2007/08 when the number of visitor arrivals from China overtook Japan. Since then, visitor arrival numbers from China have more than tripled while arrivals from the United Kingdom have fallen a little. As a result, between 2007/08 and 2016/17 the proportion of visitor arrivals from China rose from 5 per cent to 11 per cent and the proportion from the United Kingdom fell from 12 per cent to 7 per cent.

Figure 2.3 Top five source countries of annual visitor arrivals, 2007/08 – 2016/17

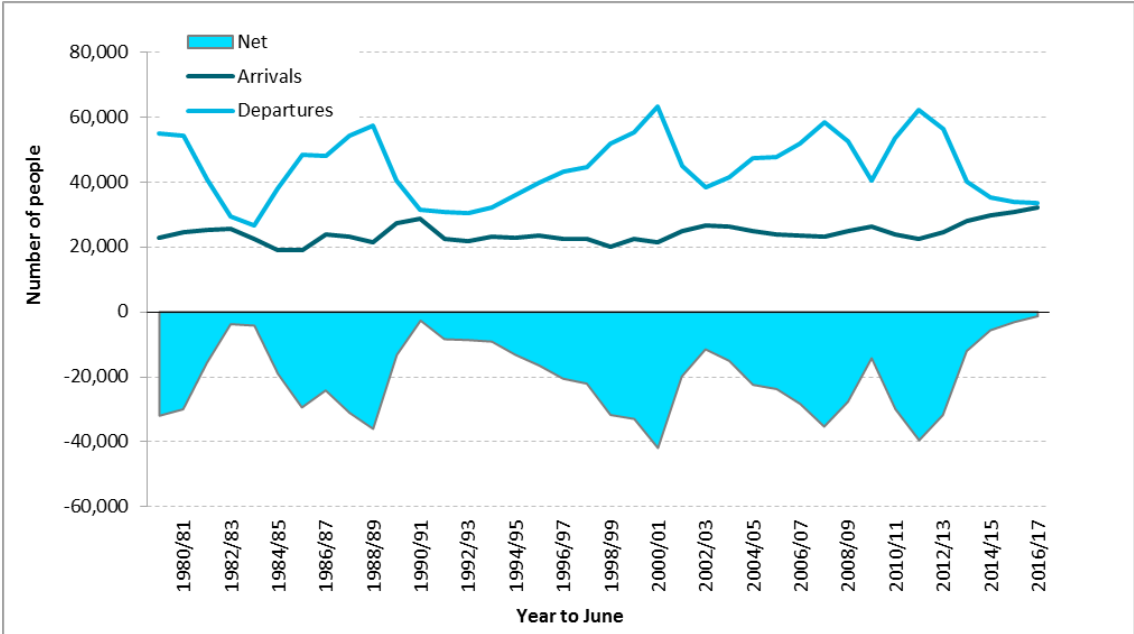


Source: StatsNZ.

New Zealanders make up a large proportion of PLT migration flows. In 2016/17, a quarter of all PLT migrant arrivals were New Zealand citizens returning from an overseas stay of 12 months or more and over half (57 per cent) of all PLT migrant departures were New Zealanders going overseas intending to stay for 12 months or more.

In the past 40 years, there has been a relatively consistent inflow of New Zealanders returning from overseas of about 24,200 per year (see Figure 2.4). Departures, meanwhile, have followed a more cyclical trend with peaks of around 60,000 per year occurring five times in the past 40 years; most recently in 2011/12. Since 2014/15, however, annual departures have been well below 40,000 per year.

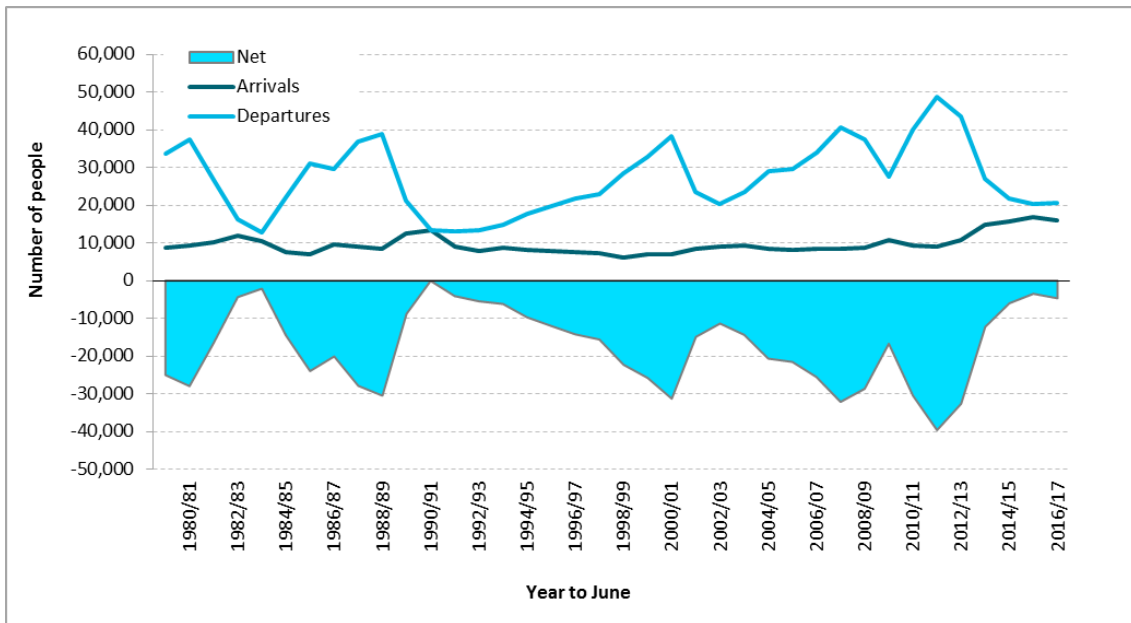
Figure 2.4 Annual permanent and long-term net migration flows of New Zealand citizens, 1979/80–2016/17



Source: StatsNZ.

This recent decline in the number of New Zealanders departing overseas is one of the most important drivers behind the record levels of net inward PLT migration shown in Figure 2.2. Underlying this, is a decline in the number of New Zealand citizens departing to Australia, which fell from 48,600 in 2011/12 to 20,600 in 2016/17 (see Figure 2.5). The number of New Zealand citizens departing to the rest of the world, while less volatile than the number departing to Australia, has been on a downward trend from a peak of 24,800 in 2000/01 to 12,900 in 2016/17.

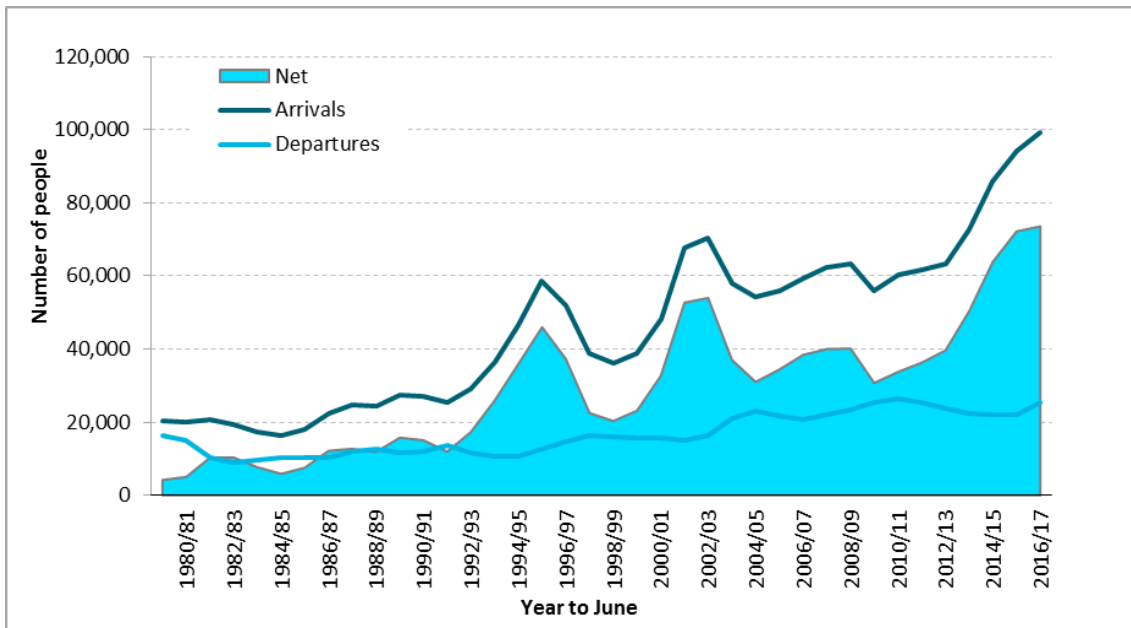
Figure 2.5 Annual permanent and long-term migration flows of New Zealand citizens to and from Australia, 1979/80–2016/17



Source: StatsNZ.

The other key driver of recent high net inward PLT migration is a large increase in the number of non-New Zealand citizens arriving to stay here for 12 months or more. This has almost doubled from 56,100 in 2009/10 to 99,200 in 2016/17 (see Figure 2.6). Departures have also risen, though much more moderately. The result is a net inward migration of non-New Zealand citizens of 73,600 in 2016/17.

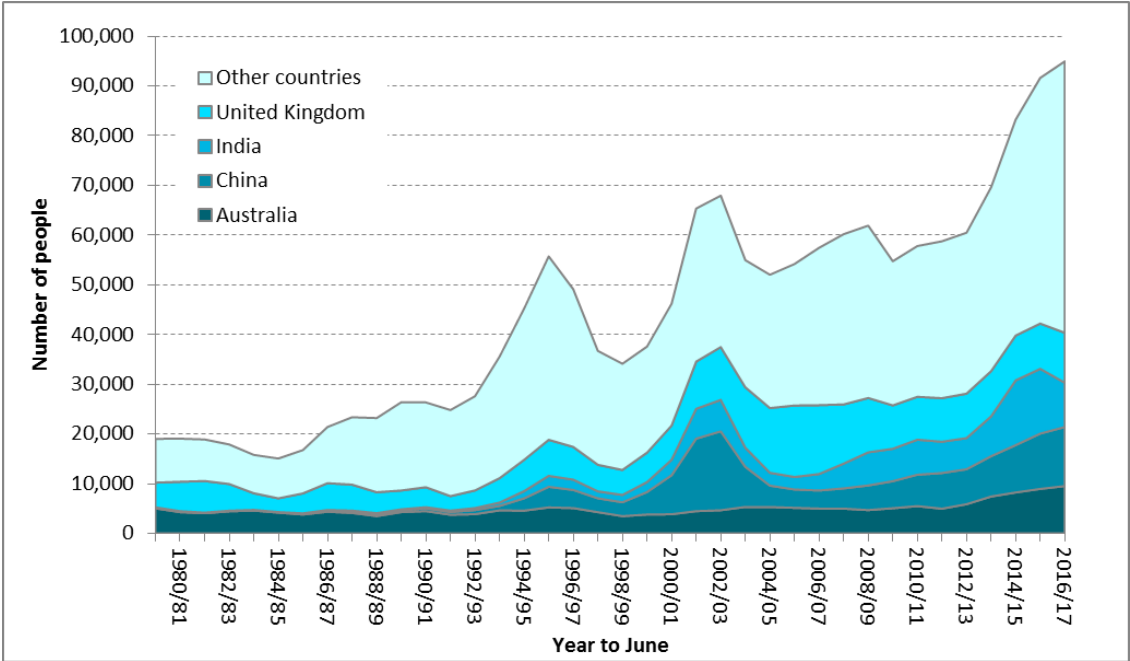
Figure 2.6 Annual permanent and long-term net migration flows of non-New Zealand citizens, 1979/80–2016/17



Source: StatsNZ.

This recent growth in arrivals has been driven mainly by growth from countries that were already large contributors of PLT migrants – China, Australia, South Africa, Philippines, France, Germany and India (see Figure 2.7). A second factor is growth from ‘Other countries’. The reason for this is twofold: growth in the number of source countries and growth in arrival numbers from these countries.

Figure 2.7 Top source countries of annual permanent and long-term net migration arrivals of non-New Zealand citizens, 1979/80–2016/17



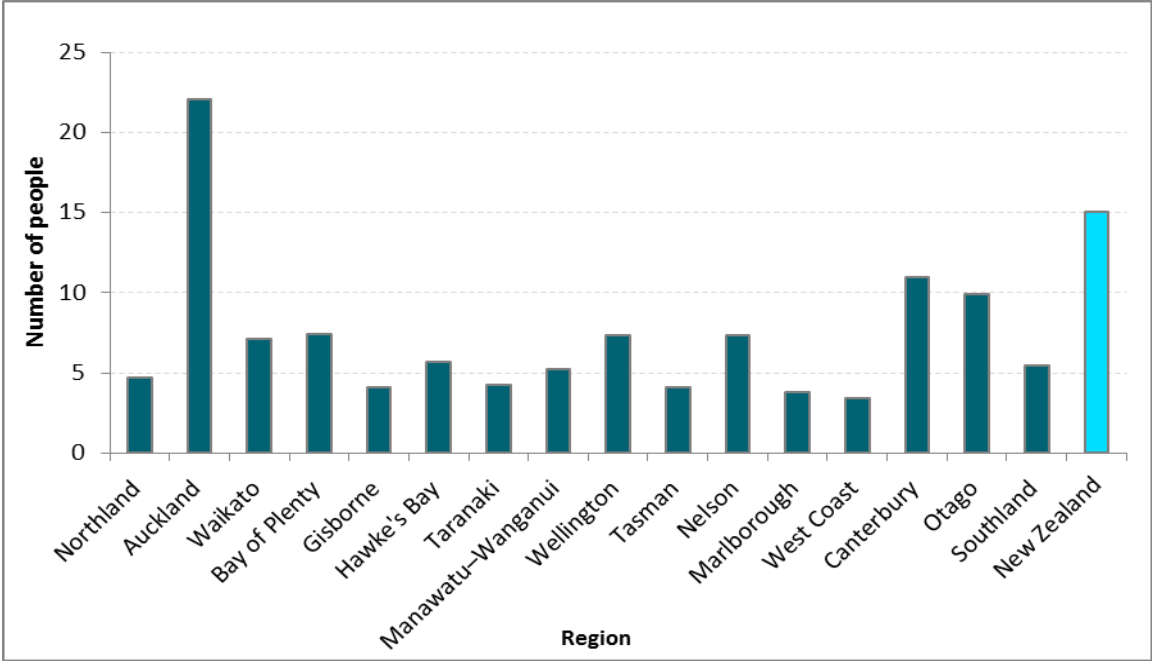
Note: Includes only permanent and long-term migrants for whom the source country was stated.

Source: StatsNZ.

The vast majority of PLT migrants arriving in and departing from New Zealand report Auckland as their destination. In 2016/17, Auckland received 61 per cent⁴ of the net inflow of PLT migrants. As New Zealand’s biggest city in population terms, this is unsurprising. But even on a per capita basis, Auckland’s net inflow of migrants in 2016/17 is almost twice that of the next highest region, Canterbury (see Figure 2.8).

⁴ Excludes PLT migrants who did not state a destination.

Figure 2.8 Net permanent and long-term migrants per 1,000 resident population by New Zealand region, 2016/17



Source: StatsNZ resident population estimates as at 30 June 2017.

This high net inflow is because, on a per capita basis, PLT migrant arrivals to Auckland are consistently significantly higher than to New Zealand’s other regions. However, departures from Auckland, while consistently high, have been on a par with those from several other regions – Wellington, Otago, Bay of Plenty and Nelson (see Figure 2.9). This may be, in part, because of migrants beginning their stay in Auckland and subsequently moving to other regions before their departure.

Figure 2.9 Permanent and long-term migrant departures per 1,000 resident population by New Zealand region, 1995/96–2016/17

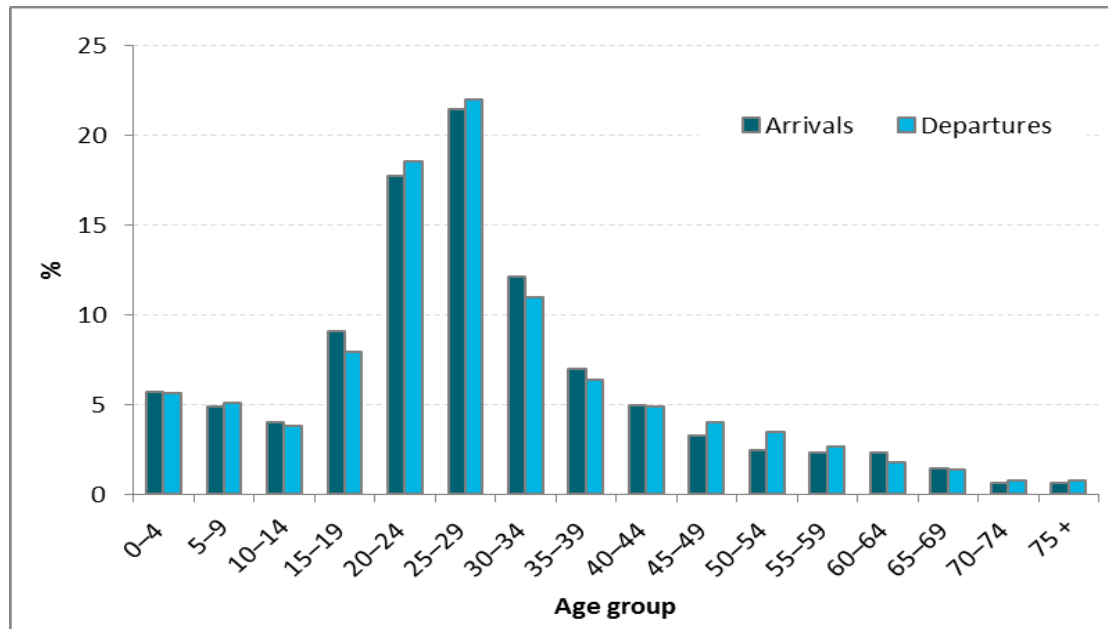


Source: StatsNZ.

2.4 Migrants' personal characteristics

In 2016/17, a slightly larger proportion of PLT migrant arrivals were male (51 per cent) while departures were split evenly between males and females. During the same period, 60 per cent of arrivals and 59 per cent of departures were aged 15–34 (see Figure 2.10).

Figure 2.10 Age of permanent and long term migrant flows, 2016/17



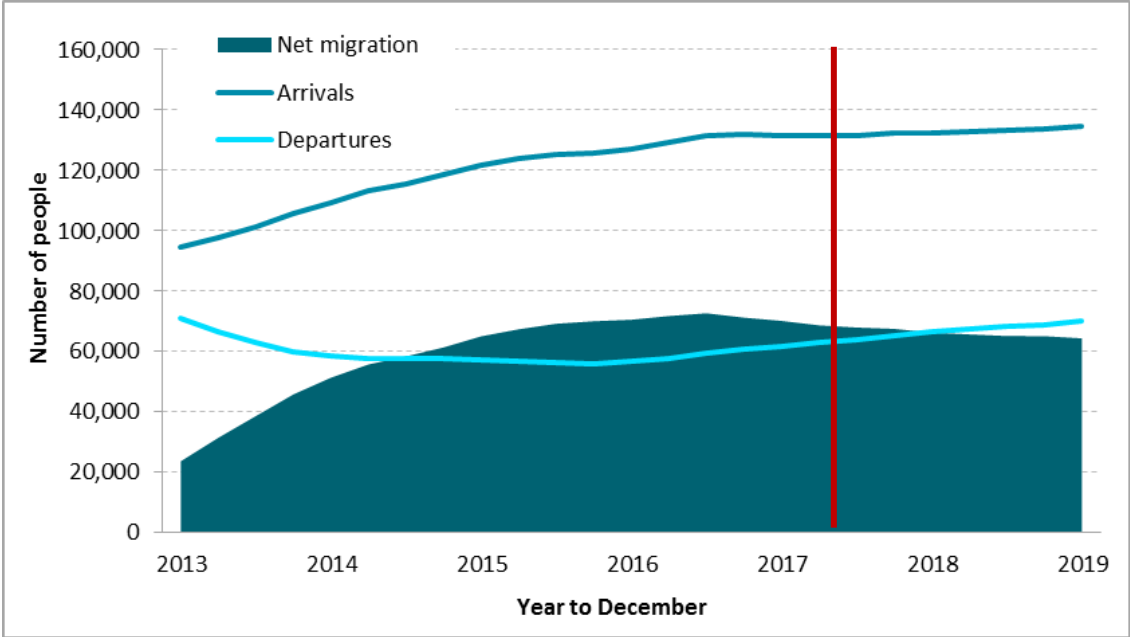
Source: StatsNZ.

2.5 Migration forecasts

Figure 2.11 shows the Ministry of Business, Innovation and Employment's latest forecasts of annual PLT arrivals, departures and net flow for the two years to 31 December 2019 and shows actual PLT migration flows from 2013. Compared with forecasts in *Migration Trends and Outlook 2015/16*,⁵ (which forecasted PLT migration out to June 2018) the latest forecasts are for net PLT migration to be higher in 2017/18. A net 67,800 PLT migrants are forecast to enter New Zealand in the year to June 2018, which is 3,400 more than forecast in last year's report. The forecast has been raised because, in the past 12 months, arrivals have been higher than forecast in last year's report and this has more than offset higher than forecast departures. In 2018/19, net PLT migration is forecast to soften further to 65,000, a fall of 4.1 per cent.

⁵ MBIE. (2016). *Migration Trends and Outlook 2015/16*. Wellington: Ministry of Business, Innovation and Employment. www.mbie.govt.nz/info-services/immigration/migration-research-and-evaluation/trends-and-outlook

Figure 2.11 Permanent and long-term migration forecasts, 2017/18–2018/19



Source: Ministry of Business, Innovation and Employment (MBIE).

3 Student visa holders

Highlights in 2016/17

- Growth in student visa holder approvals is strong: 48 per cent between 2012/13 and 2016/17. However, very little of this growth occurred in the past 12 months because growth in Chinese student approvals (our largest source country) has been mostly offset by a decline in Indian student approvals (our second largest source country).
- The decline in Indian student approvals between 2015/16 and 2016/17 is driving a decrease in the proportion of overall approvals who are full-fee paying students.
- A total of 75,578 student visa holders were present in New Zealand on 30 June 2017. This was 1 per cent fewer than the year before.
- The main contributor to this decline was a decrease of 3 per cent in the number of new student visas approved in 2016/17. This decrease was driven by a 32 per cent decline in new approvals from India (our second largest source country), which more than offset a 5 per cent rise in new approvals from China (our largest source country). Despite this decline, at 48,167, new approvals remained just over 50 per cent higher than they were in 2012/13.

3.1 Introduction

This chapter describes trends in the number of people issued with a student visa,⁶ the number of people issued with a student visa for the first time and the number of student visa holders currently in New Zealand (referred to as the 'stock'). Further data is in the appendix *Temporary visa holders*.

3.2 Students approved to study in New Zealand

Generally, foreign nationals who want to study for more than three months⁷ must apply for a student visa.⁸ The purpose of New Zealand's student visas is to contribute to New Zealand's sustainable economic development by:

- facilitating the entry of genuine students with a focus on attracting and developing students who have the skills and talent New Zealand needs; increasing global connectedness; supporting the sustainable growth of export education capability; earning foreign exchange; strengthening New Zealand education while managing risk to New Zealand and maintaining social cohesion.

⁶ Unless otherwise stated, this analysis is of individuals who at any time in 2016/17 were issued a student visa, not of the total number of visas issued. If a person was issued with more than one student visa in 2016/17, only the most recent visa is used in the analysis in this chapter.

⁷ Since July 2009, working holidaymakers approved under Working Holiday Schemes with Argentina, Austria, Canada, Chile, the Czech Republic, Germany, Japan, the Netherlands, Slovakia, Taiwan, the United Kingdom and Uruguay can undertake study in New Zealand for up to six months.

⁸ The education provider, if it is a private training establishment, must be registered by the New Zealand Qualifications Authority, and all providers must be signatories to the Ministry of Education's Code of Practice for the Pastoral Care of International Students.

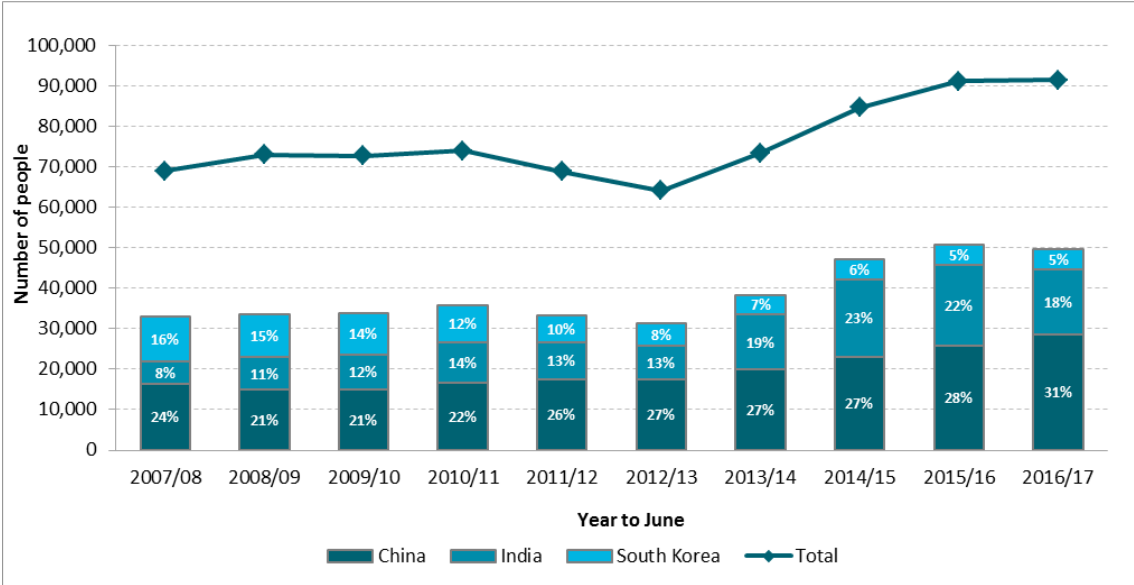
3.2.1 Student visa holder trends

Between 2015/16 and 2016/17, the total number of student visa holders approved to study in New Zealand increased only slightly from 91,261 to 91,575. This follows strong increases in the previous three years: between 2012/13 and 2016/17, approvals grew 43 per cent overall (see Figure 3.1). This growth includes students who were approved to study for the first time as well as students who have had their visa renewed. Section 3.3 focuses on student visa holders who were granted a visa for the first time.

China and India remain by far the single largest source countries of student visa holders with 31 per cent and 18 per cent, respectively, of all student approvals in 2016/17. South Korea is the next largest source country with just 5 per cent of all student approvals. This reflects global trends with Chinese students the most numerous student visa holders studying in OECD countries (600,000 enrolments in 2014) and Indian students the second largest group (186,000 enrolments in 2014).⁹

Indian student approvals in New Zealand seem to be past their recent peak. Between 2015/16 and 2016/17, the number of Indian student approvals in New Zealand fell 19 per cent following growth of 138 per cent between 2012/13 and 2015/16. This reflects a tightening in policy settings from 2015, applied particularly in the Indian student visa holder market. Meanwhile, the number of Chinese approvals continues to grow, increasing 10 per cent between 2015/16 and 2016/17.

Figure 3.1 Approved students visa holders, 2007/08-2016/17



Note: This is a count of individuals approved for a student visa rather than the number of visa applications approved. The number of approved student visa holders will be lower than the number of student visa holder enrolments reported by the Ministry of Education, because the latter includes students on visitor visas who enrol in courses of less than three months' duration.

Source: MBIE.

⁹ OECD. (2017). *International Migration Outlook 2017*. Paris: OECD.

3.2.2 Gender and age of student visa holders

In 2016/17, 47 per cent of student visa holder approvals were female. Among the top two source countries, only 28 per cent of Indian student approvals were female compared with 51 per cent of Chinese student approvals.

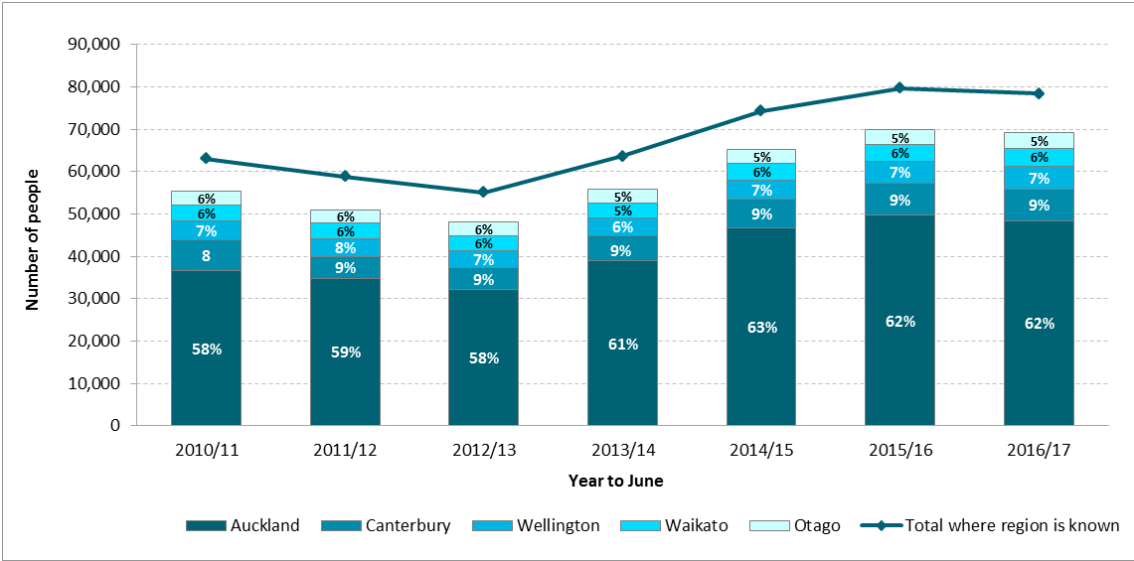
In 2016/17, the median age of all student visa holder approvals was 21. Almost half (47 per cent) were aged 20–29, 16 per cent were aged 17–19 and a quarter were aged under 17.

Chinese student approvals were slightly younger than Indian student approvals: 40 per cent of Chinese student approvals were aged under 20 compared with one-fifth (20 per cent) of Indian student approvals. As a result, the median ages of Chinese and Indian student approvals in 2016/17 were 21 and 22, respectively.

3.2.3 Region of study of student visa holders

In 2016/17, 62 per cent of student visa holder approvals who specified a region of study in their visa application¹⁰ reported that they were studying in Auckland (see Figure 3.2). Since 2012/13, almost all regions have experienced significant growth in student visa holder numbers. However, between 2015/16 and 2016/17, six regions experienced a decline, particularly Bay of Plenty (-17 per cent), Nelson–Marlborough–Tasman (-12 per cent) and Hawke’s Bay (-10 per cent). In Auckland during the same period, student visa holder numbers fell 3 per cent.

Figure 3.2 Approved student visa holders by region of study, 2010/11–2016/17



Notes: This is a count of individuals approved for a student visa rather than the number of applications. Not all students specified their region of study. Those who did not specify a region are excluded from this analysis. Source: MBIE.

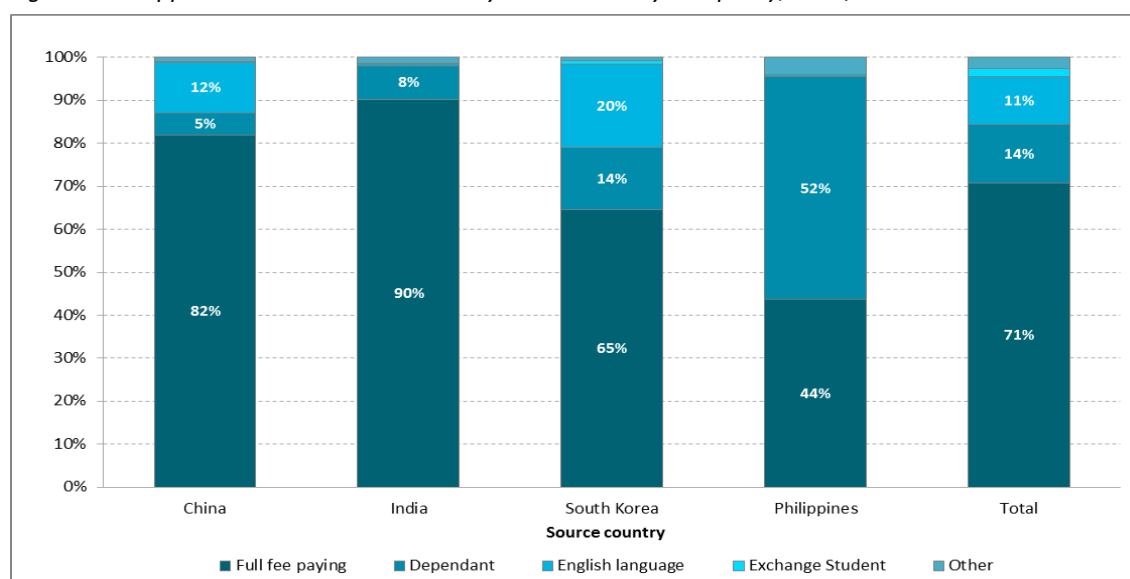
¹⁰ In 2016/17, 86 per cent of student visa holder approvals specified a region of study in their visa application.

3.2.4 Fee payment and type of institution

In 2016/17, 71 per cent of student visa approvals were full-fee paying students, 14 per cent were dependents of work visa holders and 11 per cent were enrolled in English language courses.

As Figure 3.3 shows, full-fee paying students make up 90 per cent of all Indian student visa approvals compared with 82 per cent of Chinese student visa approvals and 44 per cent of Filipino approvals. The decline in Indian student approvals between 2015/16 and 2016/17 is driving a decrease in the proportion of overall approvals who are full fee-paying students. Compared with 2015/16, in 2016/17, the proportion of student visa holder approvals who were full-fee paying in 2016/17 fell from 76 per cent to 71 per cent and the proportions who were dependents of work visa holders or doing English language courses increased.

Figure 3.3 Approved student visa holders by source country and policy, 2016/17



Note: This is a count of individuals approved for a student visa rather than the number of applications.

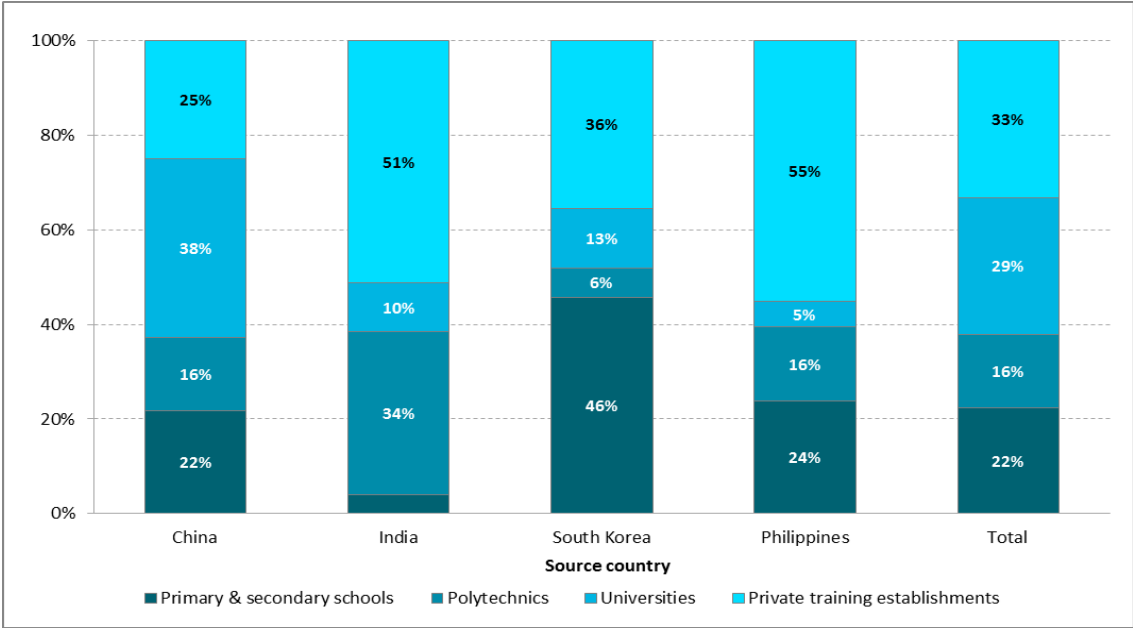
Source: MBIE.

Of the students who specified the type of educational institution they were studying at in 2016/17,¹¹ 30 per cent were studying at private training establishments (PTEs), 26 per cent were at universities, 20 per cent were at primary or secondary schools, and 14 per cent were at polytechnics.

Figure 3.4 shows the proportion of student visa holder approvals from the four main source countries and the educational institution they were studying at in 2016/17 (where the type of institution is known). The Philippines and India are notable for the large proportions of student approvals who were studying at PTEs (55 per cent and 51 per cent, respectively). A relatively large proportion of Chinese students (38 per cent) were studying at universities.

¹¹ In 2016/17, 90 per cent of all student visa holder approvals specified the type of educational institution they were studying at.

Figure 3.4 Approved student visa holders from the four main source countries by educational institution, 2016/17



Note: This is a count of individuals approved for a student visa rather than the number of applications.

Source: MBIE.

3.3 New student visa holders

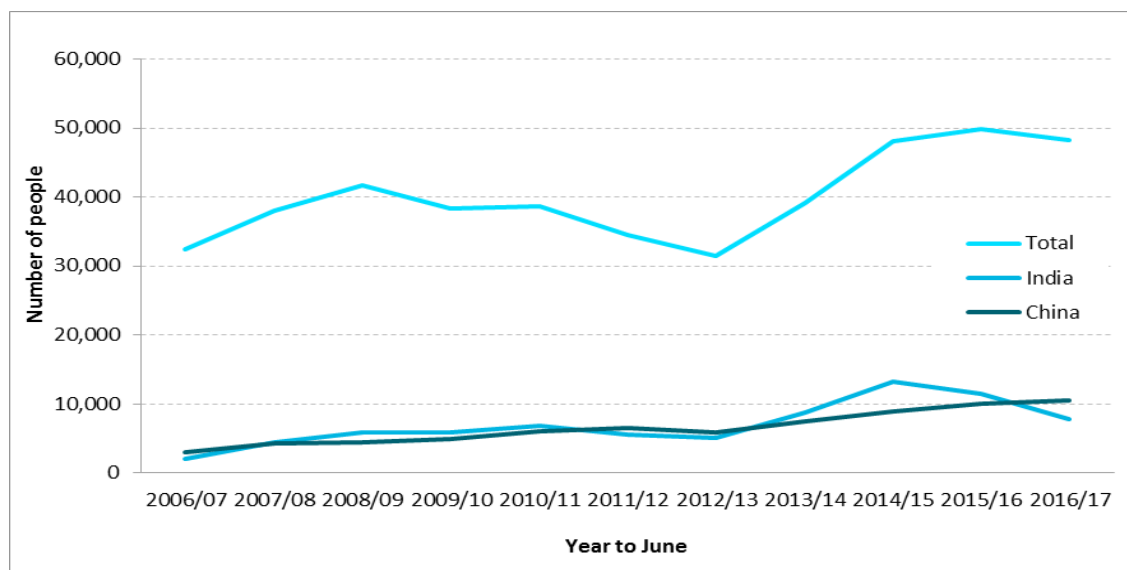
The preceding analysis looked at all student visa holders granted approval to study in 2016/17. This section looks at only those student visa holders approved to study for the first time. New student visa holder approvals made up 55 per cent of all approvals in 2016/17.

There were 48,167 new student approvals in 2016/17. This represents a slight decline (3 per cent) from 2015/16, but is above the 2012/13 level when new student approvals dipped to 31,441 (see Figure 3.5).

The two largest source countries for new student visa holder approvals in 2016/17 were China (22 per cent) and India (16 per cent). India experienced a decline of 32 per cent in new student approvals between 2015/16 and 2016/17 while new student approvals from China rose 5 per cent. As a result, in 2016/17, new student approvals from China outnumbered those from India for the first time since 2012/13.

New student approvals are more diverse than total student approvals. Together, the top two source countries (China and India) made up a smaller proportion of new student approvals (38 per cent) compared with total student approvals (49 per cent) in 2016/17. The next eight largest source countries together made up a larger proportion of new student approvals (33 per cent) compared with total student approvals (25 per cent).

Figure 3.5 New student visa holder approvals, 2006/07–2016/17



Notes: This is a count of individuals approved for a student visa rather than the number of visa applications.

The number of approved student visa holders will be lower than the number of student visa holder enrolments reported by the Ministry of Education because the latter includes students on visitor visas who enrol in courses of less than three months' duration.

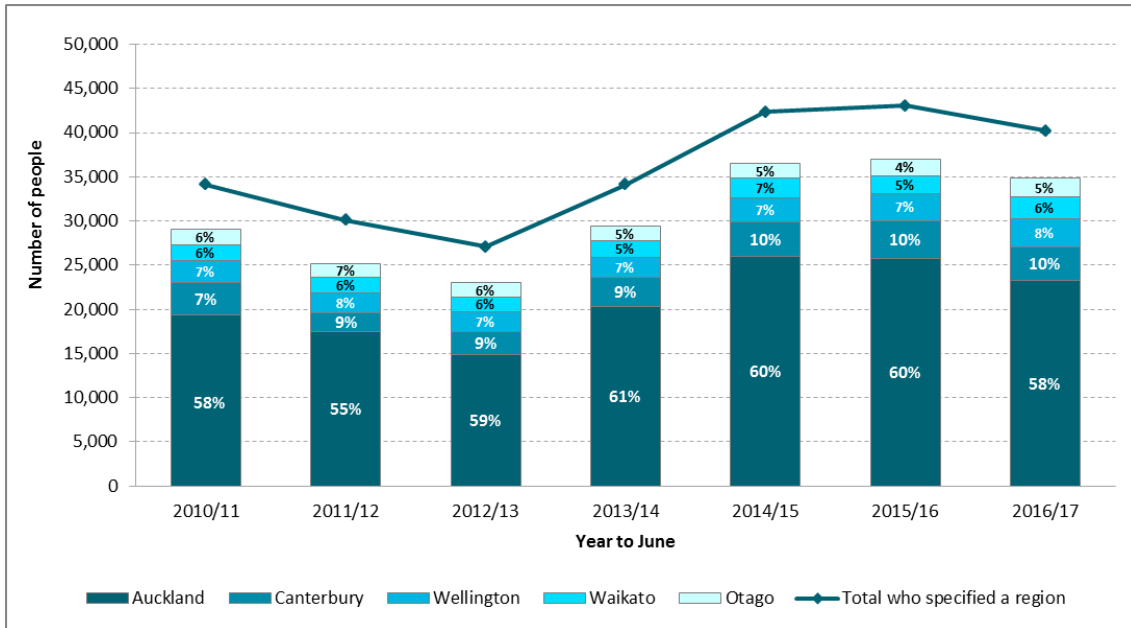
Source: MBIE.

3.3.1 Region of study for new student visa holders

Figure 3.6 shows in which regions newly approved students went to study in recent years. Auckland was by far the most popular region; 60 per cent of new student approvals who specified a region of study in their visa application¹² said they were going to study there. Among the other top regions, only Wellington experienced growth in new student visa holder approvals between 2015/16 and 2016/17 (4 per cent) with Waikato experiencing the greatest decline (15 per cent). That said, new student approvals have grown significantly in all the top regions since the beginning of the recent growth phase in 2012/13, most notably in Auckland (57 per cent) and Canterbury (51 per cent).

¹² In 2016/17, 83 per cent of new student visa holder approvals specified a region of study in their visa application.

Figure 3.6 New student approvals by region of study, 2010/11–2016/17



Notes: This is a count of individuals approved for a student visa rather than the number of applications.

Not all students specified their region of study. Those who did not specify a region are excluded from analysis.

Source: MBIE.

3.4 Stock of students

We estimate the stock of student visa holders as the number of student visa holders physically present in New Zealand at the end of the financial year. This data provides useful point-in-time information on student visa holders. It gives a more accurate picture of the population impact of New Zealand's student visa programme than data on the flow of student visa holders in and out of New Zealand. The data is seasonal; numbers fluctuate throughout the year with, for example, fewer student visa holders likely to be in New Zealand over summer. Therefore, this data should be interpreted as a snapshot rather than a maximum or minimum number present over time.

Table 3.1 shows that on 30 June 2017, 75,596 student visa holders were in New Zealand. This represents a 1 per cent decrease from 30 June 2016. Almost three-quarters (71 per cent) of student visa holders were full-fee paying on 30 June 2017; their numbers dropped 8 per cent from 30 June 2016 while the number of English Language Studies visa holders grew 41 per cent and Dependent student visa holders grew 21 per cent.

Table 3.1 Stock of student visa holders in New Zealand, as at 30 June 2016 and 30 June 2017

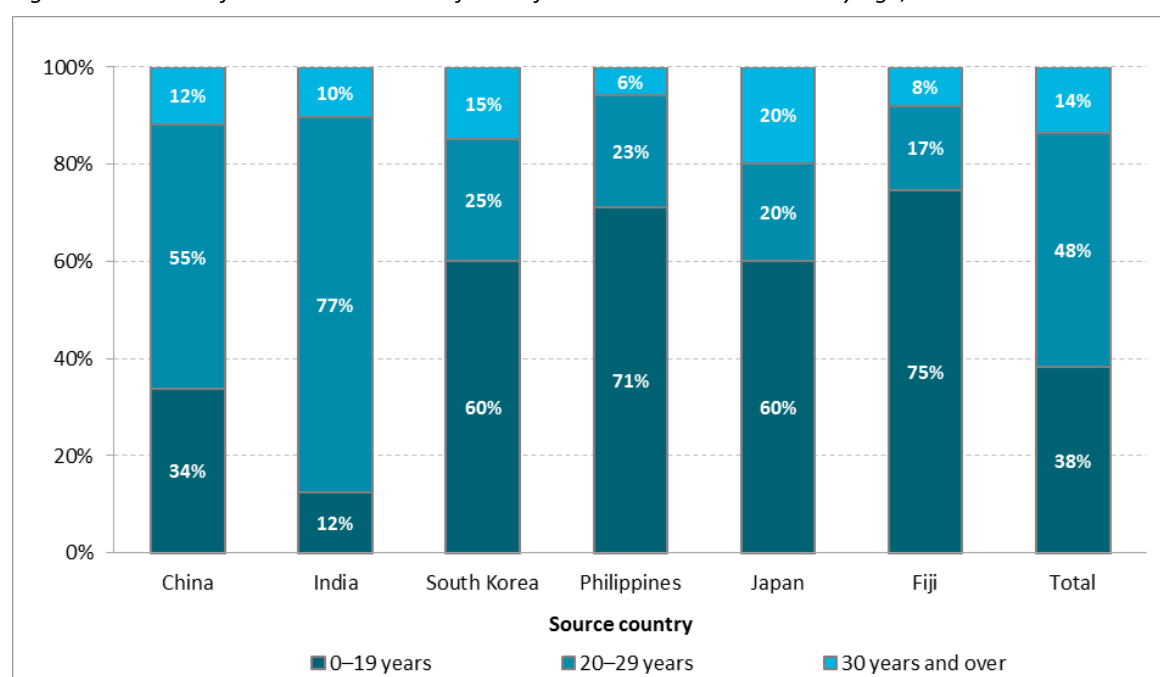
Type of student	Number		Proportion of total (%)		Percentage change in number from 30 June 2016 (%)
	At 30 June 2016	At 30 June 2017	At 30 June 2016	At 30 June 2017	
Full-fee paying	58,358	53,634	77	71	-8
Dependent	11,459	13,820	15	18	21
English language studies	4,156	5,866	5	8	41
Exchange student	841	794	1	1	-6
Section 61	275	258	0	0	-6
Other	1,137	1,224	1	2	8
Total	76,226	75,596	100	100	-1

Source: MBIE.

In terms of region of study, the biggest contributors to the 1 per cent decline in the number of student visa holders in the year to 30 June 2017 were: Auckland (-5 per cent to 36,383) and Bay of Plenty (-17 per cent to 2,280). This was offset by increases in a number of other regions, most notably Wellington (8 per cent to 4,316), Otago (8 per cent to 2,830) and Waikato (6 per cent to 3,277).

Figure 3.7 shows how the age of student visa holders present in New Zealand at 30 June 2017 varies across the six top source countries. Chinese students tend to be younger than Indian students with 34 per cent aged under 20 compared with 12 per cent. However, students from the other top source countries are younger still with 60 per cent of South Koreans, 71 per cent of Filipinos, 60 per cent of Japanese and 75 per cent of Fijian students aged under 20.

Figure 3.7 Stock of student visa holders for the four main source countries by age, at 30 June 2017



Source: MBIE.

4 Temporary workers

Highlights in 2016/17

- In 2016/17, 209,178 people were issued with work visas, an increase of 9 per cent from 2015/16. The number of people issued with work visas has grown every year since 2009/10 as the New Zealand economy and labour market recovered from the global financial crisis.
- The top four source countries were India, the United Kingdom, China and Germany, which together accounted for 44 per cent of all work visas issued in 2016/17. This proportion varies across work policies with the Philippines being among the largest source countries for Essential Skills and Family approvals.
- Almost all work policies experienced an increase in approvals in 2016/17. The largest absolute increases were under the Study to Work policy (driven by growth in the number of student visa holders seeking to remain in New Zealand after completing their studies) and the Work to Residence policy.
- More than 800 occupations were recorded for people approved under the Essential Skills policy in 2016/17. Almost two-thirds (64 per cent) were in higher-skilled occupations (skill levels 1–3 on the Australian and New Zealand Standard Classification of Occupations).
- The stock of temporary workers grew 16 per cent to 152,432 in 2016/17. This growth was driven by 34 per cent growth in the number of Study to Work visa holders, 17 per cent growth in Essential Skills visa holders, 12 per cent growth in Family work visa holders and 8 per cent growth in Working Holiday Scheme visa holders.
- New work visa approvals grew 8 per cent in 2016/17, which was the seventh consecutive year-on-year increase.

4.1 Introduction

This chapter describes the trends in the number of people issued with a work visa¹³ as well as the stock of temporary workers in New Zealand.¹⁴ Further data is in the appendix *Temporary visa holders*. Foreign nationals who do not have residence and who want to work in New Zealand require a work visa in most circumstances.¹⁵ The objective of the Work policy is to develop New Zealand's human capability base by facilitating the access of New Zealand employers and industry to global skills and knowledge while ensuring New Zealanders are not displaced from employment opportunities and improvements to wages and working conditions are not hindered.

¹³ A work visa is a visa granted with a specific end date (generally for no longer than five years) and with conditions that allow work. This does not include people granted temporary visas for the primary purpose of visiting or studying.

¹⁴ Unless otherwise stated, this analysis is of individuals who at any time in 2016/17 were issued a work visa, not of the total number of visas issued. For example, if one person was issued more than one visa in 2016/17, only the most recent visa was used in the analysis in this chapter.

¹⁵ Australian citizens and residents do not need a work visa to work in New Zealand.

The three main work policies are the:

- Essential Skills policy, which facilitates the entry of people required on a temporary basis to fill shortages where suitable New Zealand citizens or residents are not available for the work offered
- Working Holiday Schemes, which are reciprocal international agreements that allow young people (generally aged 18–30) from partner countries to holiday and work in New Zealand¹⁶
- Family policy, which allows people to apply for a New Zealand work visa, if they are in a genuine and stable relationship with a New Zealand citizen, resident, work visa holder or student.

4.2 Temporary worker trends

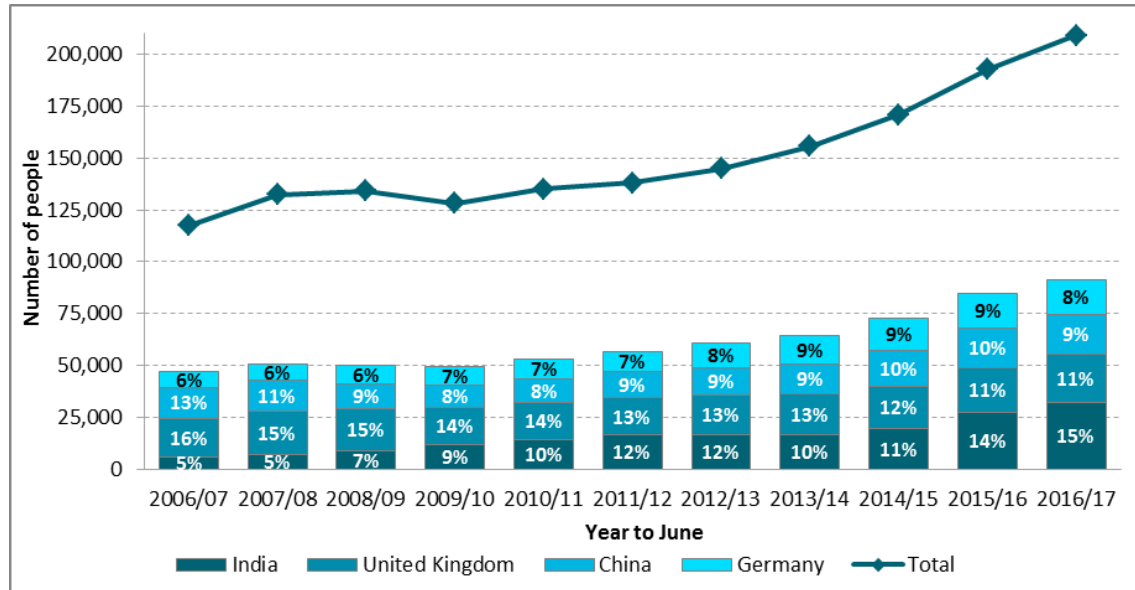
In 2016/17, 209,178 people were approved for a work visa, an increase of 9 per cent from 2015/16. The number of people approved for a work visa has grown every year since 2009/10 as the New Zealand economy and labour market has recovered from the global financial crisis.

Figure 4.1 shows the top four source countries of people approved for a work visa over the last 10 years. In 2015/16, India overtook the United Kingdom as the largest source country: 32,043 people from India were approved for a work visa in 2016/17 followed by the United Kingdom at 23,294. China and Germany were the third and fourth largest source countries with 18,997 and 17,050 people approved, respectively. People approved for a work visa from the Philippines, France and the United States also topped 10,000 in 2016/17.

Among the top source countries, between 2015/16 and 2016/17, the number of people approved for a work visa increased from India (17 per cent) and the United Kingdom. The number of people approved for a work visa from China and Germany remained virtually the same.

¹⁶ The United States and China do not have reciprocal arrangements with New Zealand.

Figure 4.1 Top four source countries of temporary workers, 2006/07–2016/17



Notes: The percentages are of all work visa holders by source country in each financial year.

This is a count of individuals approved for a work visa rather than the number of applications.

Source: MBIE.

4.2.1 Temporary workers by age and gender

Fifty-seven per cent of work visa holders in 2016/17 were aged 20–29 and 25 per cent were aged 30–39. Work visa holders are getting younger. In 2016/17 the median age was 27 compared with 29 fifteen years ago. During this time the proportion of work visa holders younger than 30 rose from 53 per cent to 64 per cent.

Of the top source countries in 2016/17, China had the highest median age at 29 while Germany had the lowest at 20. The low median age of German workers is because most temporary workers enter New Zealand through the Working Holiday Scheme. India and the United Kingdom were close to the average, both with an average age of 26.

The proportion of male temporary workers has increased steadily from 53 per cent in 2005/06 to 56 per cent in 2016/17. The proportion of male work visa holders from India high at 69 per cent. The United Kingdom is at 56 per cent. China and Germany are relatively low at 46 per cent and 47 per cent respectively.

4.3 Temporary workers by type of temporary work policy

Table 4.1 shows the number of approved temporary workers by work policy over the past five years. The three main work policies – Working Holiday Schemes, Family and Essential Skills – contributed 68 per cent of all temporary workers in 2016/17.

Almost all work policies experienced an increase in approvals in 2016/17. The largest absolute increase in the number of people approved for work visas was under the Study to Work policy, which grew by 5,824 people (26 per cent) and follows a rise of 61 per cent the year before and 16 per cent

two years ago. This increase is being driven by growth in the number of student visa holders seeking to remain in New Zealand after completing their studies.

The Work to Residence policy also experienced significant growth of 42 per cent in 2016/17, following more moderate rises in the two years prior. The top three temporary work policies experienced more moderate growth in 2016/17 compared with previous years.

Table 4.1 Approved temporary workers by work visa policies, 2012/13–2016/17

Work visa policy	2012/13	2013/14	2014/15	2015/16	2016/17	Percentage change from 2015/16 (%)
Working Holiday Schemes	48,631	54,640	61,404	65,220	70,002	7
Family	25,442	26,778	29,305	33,540	35,755	7
Essential Skills	22,406	26,497	28,548	31,766	32,976	4
Study to Work	14,882	11,841	13,688	22,098	27,922	26
Specific Purpose or Event	13,616	15,242	16,589	17,524	17,674	1
Horticulture and Viticulture Seasonal Work	9,588	10,836	11,677	13,062	14,662	12
Work to Residence	2,526	2,475	2,861	3,172	4,502	42
Other	9,745	9,301	8,706	8,635	8,253	-4
Total	144,933	155,683	170,814	192,688	209,178	9

Notes: This is a count of individuals approved for a work visa rather than the number of applications.

Related work visa policies have been grouped. Columns may not sum to the total because applicants are counted once for every work policy they have been approved under.

Source: MBIE.

4.3.1 Essential Skills policy

The Essential Skills policy is a labour market tested work policy that allows New Zealand's employers to recruit workers from overseas to meet shortages they cannot fill from within New Zealand. The labour market test requirement for this policy protects employment opportunities for New Zealand citizens and residents.¹⁷

The demand for Essential Skills workers slowed from October 2008 with the onset of the global financial crisis and its effect on the domestic economy.¹⁸ After two years of steep decreases in approvals in 2008/09 and 2009/10 and four years of consistent approval numbers (22,000–23,000 per year), the number of Essential Skills workers approved has increased every year since 2012/13, reaching 32,976 in 2016/17. This growth in Essential Skills approvals coincided with steep

¹⁷ The labour market test requires New Zealand employers to show they have made genuine efforts to attract and recruit suitable New Zealand citizens or residents to fill a position, but have been unable to find such people.

¹⁸ This analysis includes the Approved in Principle policy, Essential Skills policy, Essential Skills policy – Skill Level 1, Specialist Skills policy, and former General Work policy.

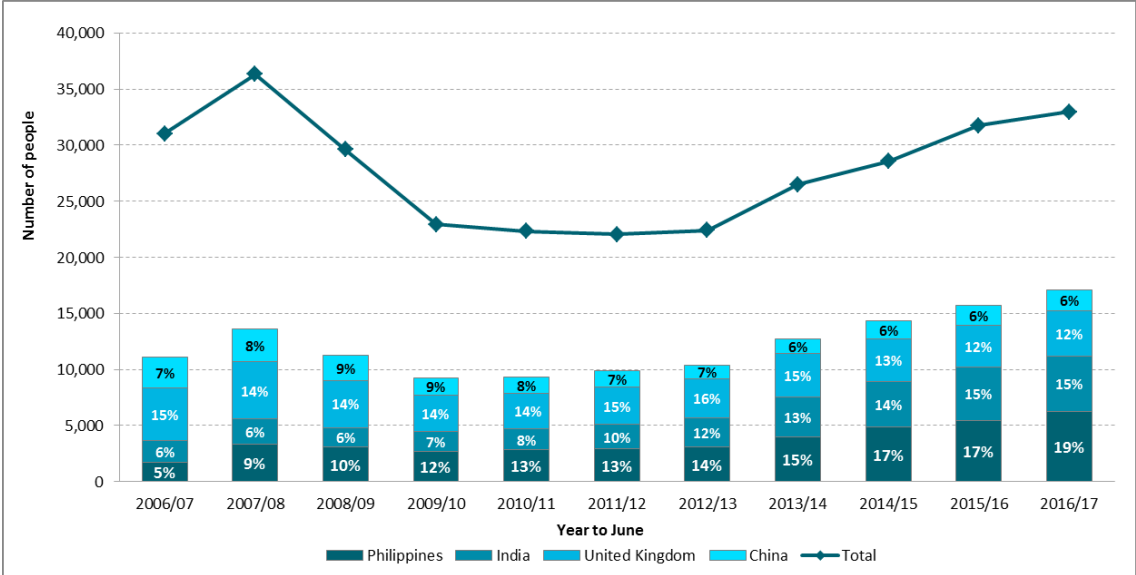
employment growth in New Zealand. In 2012/13, 2,187,800 people were employed in New Zealand. By 2016/17, the number employed had grown 15 per cent to 2,519,000.¹⁹

Source country

With 6,286 people approved in 2016/17, the Philippines was the largest source country for Essential Skills workers with 19 per cent of approvals followed by India (4,881 approvals) and the United Kingdom (4,077 approvals) (see Figure 4.2). These top three countries accounted for 46 per cent of approvals in 2016/17.

Both the Philippines and the United Kingdom experienced an increase in approvals in 2016/17, while approvals from India remained virtually the same. Since 2012/13, when the recent rise in Essential Skills approvals began, the number of Essential Skills workers from the Philippines has more than doubled, while approvals from India grew 86 per cent and approvals from the United Kingdom grew a more moderate 17 per cent.

Figure 4.2 Top four source countries of Essential Skills workers, 2006/07–2016/17



Source: MBIE.

Main occupations

More than 800 occupations were recorded for people approved under the Essential Skills policy in 2016/17. The most common occupations were chef (6.6 per cent), dairy cattle farm worker (4.9 per cent) and carpenter (4.5 per cent). Almost two-thirds (64 per cent) of Essential Skills workers were in occupations at skill levels 1–3 on the Australian and New Zealand Standard Classification of Occupations.²⁰

¹⁹ StatsNZ, Household Labour Force Survey, annual employment estimates for the year to 30 June.

²⁰ Each occupation in the Australian and New Zealand Classification of Occupations is assigned to one of five skill levels. The five skill levels are defined in terms of formal education and training, previous experience and on-the-job training. The highest skill level is one the lowest is five.

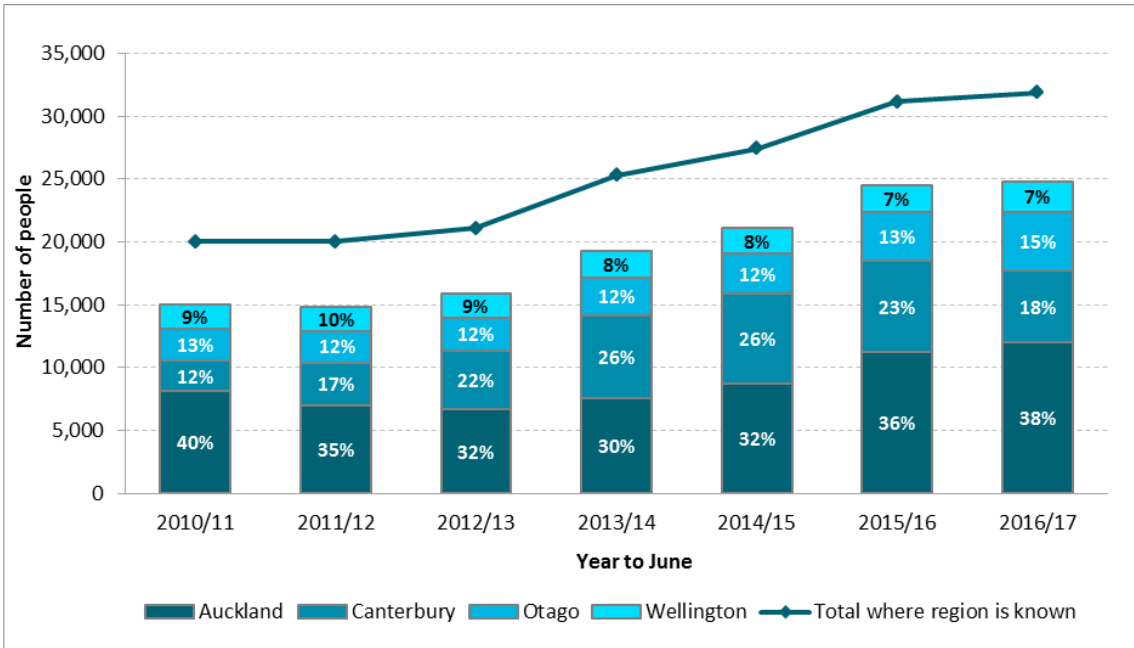
The most common occupations for Essential Skills workers from the three main source countries were carpenter (15.8 per cent) and dairy cattle farm worker (13.8 per cent) for the Philippines, retail manager (9.7 per cent), chef (8.7 per cent) and retail supervisor (8.4 per cent) for India, and resident medical officer (6 per cent) and retail supervisor (4.4 per cent) for the United Kingdom.

Region of employment and occupation

Of the 32,976 Essential Skills workers in 2016/17, 97 per cent (31,868) specified a region of employment. The main regions specified were Auckland (38 per cent), Canterbury (18 per cent), Otago (15 per cent) and Wellington (7 per cent) (see Figure 4.3).

Auckland, as the largest region in terms of Essential Skills job offers, has the biggest influence on the nationwide change in Essential Skills approvals. Between 2015/16 and 2016/17, Essential Skills approvals with job offers in Auckland grew 6 per cent, slightly more than the nationwide growth of 4 per cent. Nationwide growth was lower, primarily because Essential Skills approvals with job offers in Canterbury fell 20 per cent. This follows 1 per cent growth the year before and three years of large increases before that, which confirms that the Christchurch rebuild has passed its peak in terms of labour demand. Elsewhere, in 2016/17, growth in Essential Skills approvals was strong: Otago (19 per cent), Wellington (13 per cent) and Waikato (24 per cent).

Figure 4.3 Top four regions of employment for Essentials Skills workers, 2010/11–2016/17



Source: MBIE.

Table 4.2 shows, for 2016/17, the occupation distribution for the main regions in which Essential Skills workers settled. Overall, the occupation group Technicians and Trades Workers was the most common for Essential Skills workers (32 per cent), followed by Labourers (17 per cent) and Professionals (15 per cent). A relatively large proportion (41 per cent) of Essential Skills visa approvals with a job offer in Auckland were in the Technician and Trades Workers group.

Auckland and Wellington also had relatively large proportions of Essential Skills workers in the Professional group while Canterbury and Otago had noticeably larger proportions in the Labourers group.

Table 4.2 Occupation of approved Essential Skills workers by region, 2016/17

Major occupation group	Percentage (%)				
	Auckland	Canterbury	Otago	Wellington	Total
Technicians and Trades Workers	41	36	16	27	32
Labourers	5	25	30	10	17
Professionals	18	8	4	28	15
Managers	14	7	5	18	12
Community and Personal Service Workers	10	10	21	13	12
Machinery Operators and Drivers	5	6	5	4	5
Sales Workers	3	4	15	3	5
Clerical and Administrative Workers	5	2	4	3	3
Total*	11,965	5,766	4,657	2,363	31,868

Note: Major occupation group is coded to the 2006 Australian and New Zealand Standard Classification of Occupations.

* Excludes unspecified occupations.

Source: MBIE.

4.3.2 Working Holiday Schemes

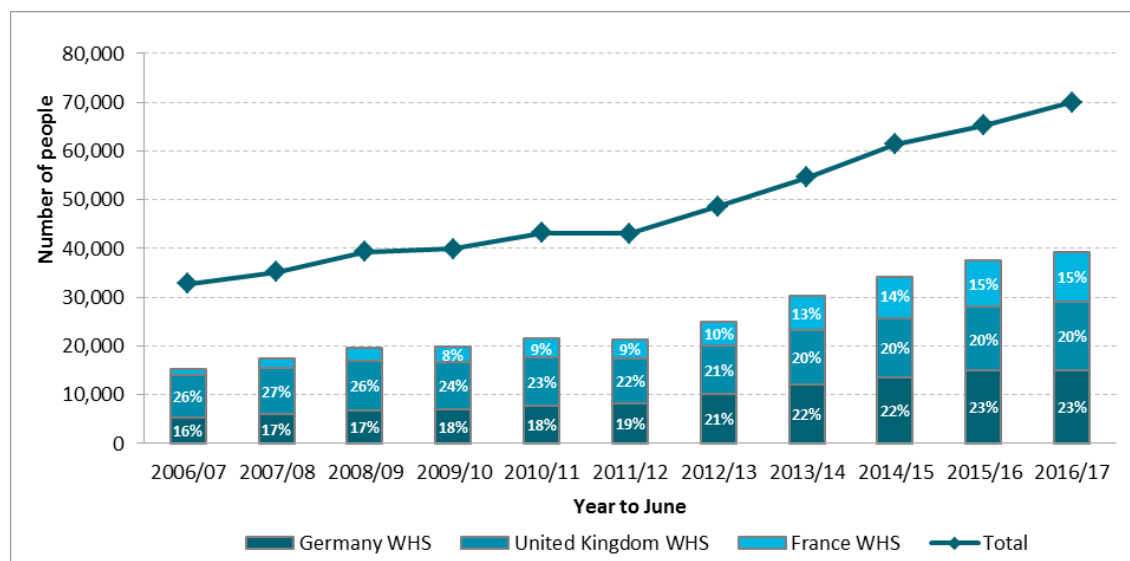
Working Holiday Schemes allow young people whose primary intention is to holiday in New Zealand to undertake employment and study during their stay in accordance with their scheme.²¹ Most Working Holiday Schemes allow people aged 18–30 to spend a maximum of 12 months in New Zealand undertaking work of a temporary nature during their visit as well as study for up to three months.²²

In 2016/17, 70,002 people were approved under 44 Working Holiday Schemes, an increase in approvals of 7 per cent since 2015/16. Working Holiday Schemes with Germany (22 per cent), the United Kingdom (20 per cent) and France (15 per cent) contributed over half (56 per cent) of all working holidaymakers in 2016/17. The number of working holidaymakers has increased steadily over the last decade (including during the global financial crisis) because the number of schemes and available places has increased (see Figure 4.4). In 2016/17, the largest absolute increases in the number of approvals were from the United States (1,225 people) and the United Kingdom (982 people).

²¹ Working Holiday Schemes generally allow young New Zealanders to work overseas under mostly reciprocal agreements. The Working Holiday Schemes with the United States and China are not reciprocal agreements.

²² Working Holiday Schemes with Argentina, Canada, Chile, the Czech Republic, Slovakia and Uruguay have an age requirement of 18–35 years. The United Kingdom and Canada Working Holiday Schemes allow a maximum stay of 23 months.

Figure 4.4 Approved working holidaymakers by main schemes, 2006/07–2016/17



Note: WHS = Working Holiday Scheme.

Source: MBIE.

While working holidaymakers overall were evenly distributed by gender in 2016/17, large differences existed within individual schemes. For example, the number of females approved under the schemes with Austria, China, Hong Kong, Singapore, Taiwan, Finland and Vietnam was more than double the number of males.

The median age of working holidaymakers varies from 19 (Germany) to 28 (Hungary). Among the other top source countries, the median age of working holidaymakers from the United Kingdom and France is 24.

4.3.3 Family policy

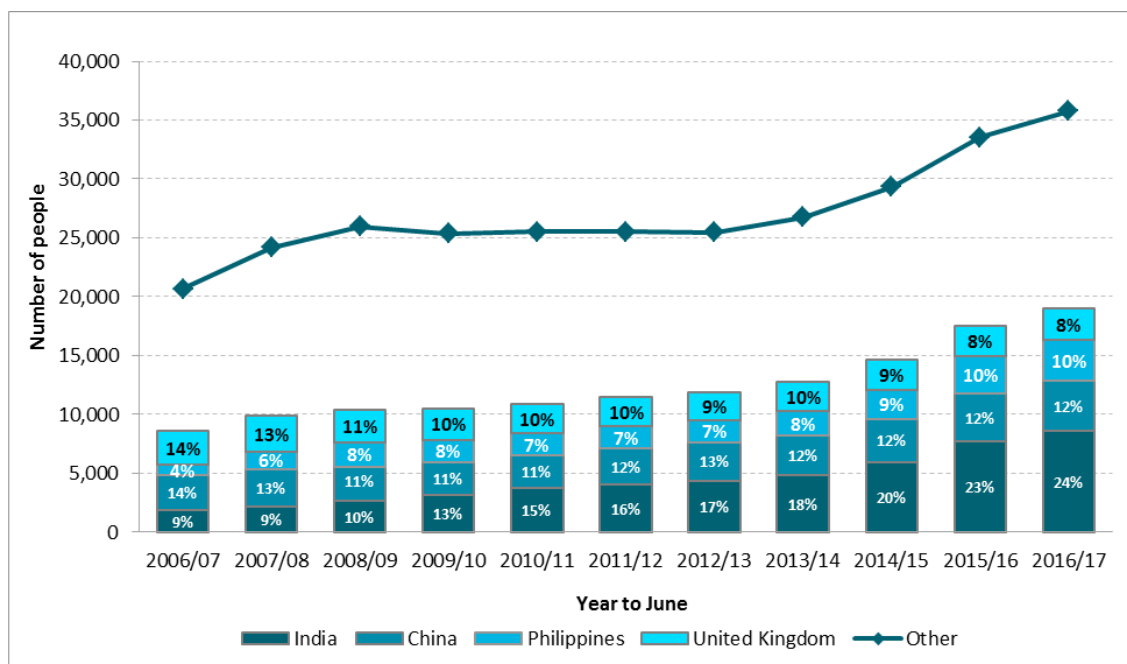
People are eligible to apply for a Family work visa if they are in a genuine and stable relationship with a New Zealand citizen, resident, work visa holder or student. For partners of New Zealand citizens or residents, the duration of the work visa issued under the Family policy is dependent on the time spent living together in the partnership. For partners of temporary work or student visa holders, the duration of the visa issued aligns with the duration of the partner's work or student visa.

Source countries

Figure 4.5 shows the number of people approved under the Family work policy in the last 10 years as well as the top four source countries. The number of people approved increased between 2006/07 and 2008/09, then remained relatively steady until 2012/13 after which it increased year on year, reaching 35,755 people in 2016/17 (a 7 per cent increase from 2015/16).

The top source countries were India (24 per cent), China (12 per cent), the Philippines (10 per cent) and the United Kingdom (8 per cent). The Philippines overtook the United Kingdom following a sharp rise in Filipino approvals in 2015/16. In 2016/17, India experienced the greatest absolute increase in approvals (844 people or 11 per cent), followed by South Africa (491 people or 35 per cent), China (295 people or 7 per cent) and the Philippines (218 people or 7 per cent).

Figure 4.5 People approved for Family work visas by main source countries, 2006/07–2016/17



Source: MBIE.

Gender and age

In 2016/17, 64 per cent of people approved under the Family work policy were female. The proportion of females rose to a peak of 70 per cent in 2006/07 before falling to 65 per cent in 2009/10. While the number of people approved has risen steeply in recent years, the gender ratio of just under two females to every one male has remained virtually the same.

The median age of people approved under the Family work policy was 30 in 2016/17. People approved from India were younger (a median age of 28) than those from China (31), the Philippines (34) and the United Kingdom (30).

4.3.4 Other work policies

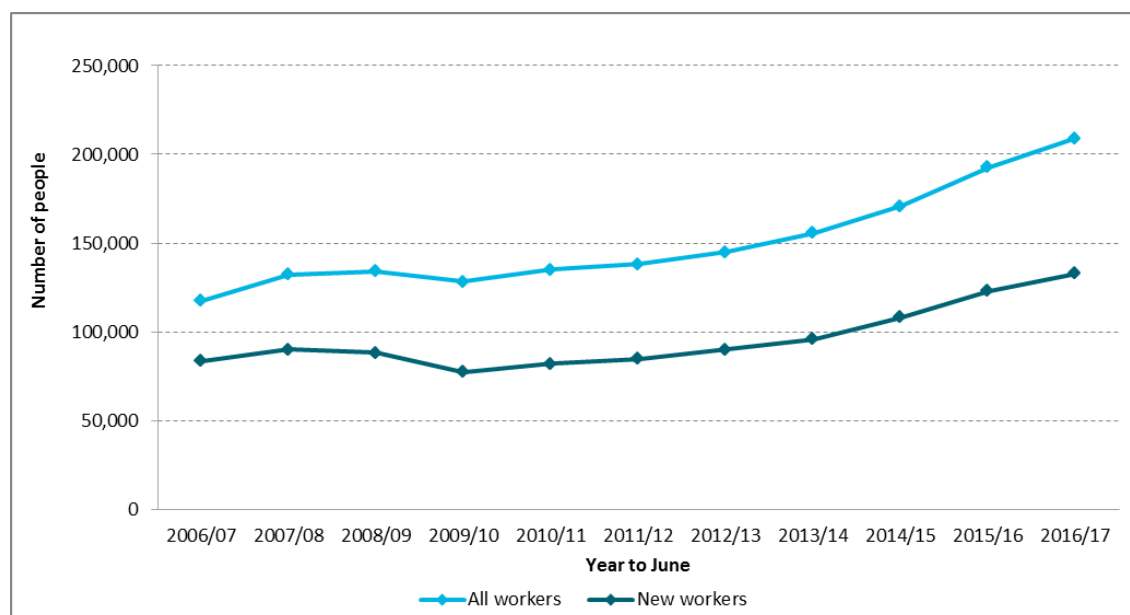
In absolute terms, approvals under the Study to Work policy grew more in 2016/17 than any other work policy. This is a consequence of recent increases in the number of student visa holders seeking to remain in New Zealand after completing their studies. Study to Work approvals grew by over one-quarter (26 per cent) or from 5,824 to 27,922 (see Table 4.1).

People approved under the Work to Residence policy grew 42 per cent in 2016/17 (1,330 people). Approvals under the Horticulture and Viticulture Seasonal Work policy grew 12 per cent in 2016/17 (1,600 people), and approvals under the Specific Purposes policy remained virtually the same.

4.4 New temporary workers

Figure 4.6 shows the number of new temporary workers approved each year over the last 10 years compared with the overall numbers of temporary workers each year. In 2016/17, 132,924 new temporary workers were approved to work in New Zealand, up 8 per cent on 2015/16 and the seventh consecutive year that the number has risen.²³ New temporary workers in 2016/17 made up 64 per cent of all temporary worker approvals, although this overall percentage is skewed upwards by Working Holiday Schemes in which 97 per cent were new approvals in 2016/17.

Figure 4.6 New temporary workers, 2006/07–2016/17



Source: MBIE.

4.5 Stock of temporary workers

The number of temporary workers physically present in New Zealand is estimated at a point in time (for example, at the end of the financial year) by identifying those people who have entered New Zealand on a temporary visa and who have neither left New Zealand nor been granted residence. This data provides useful point-in-time information on temporary migrants. It gives a more accurate picture of the population impact of New Zealand's temporary work programmes than data on the flow of temporary workers in and out of New Zealand. However, the data is seasonal; numbers fluctuate throughout the year with more temporary workers likely to be in New Zealand in summer with the arrival of working holidaymakers and seasonal workers. Therefore, this data should be interpreted as a snapshot rather than a maximum or minimum number present over time.

On 30 June 2017, 152,432 work visa holders were in New Zealand (see Table 4.3), an increase of 16 per cent from 30 June 2016. All of the main policies experienced growth during this period, particularly Study to Work, which grew 34 per cent. This growth is being driven by increases in the number of student visa holders seeking to remain in New Zealand after completing their studies.

²³ In this analysis, a worker is counted as 'new' the year in which their first work visa was approved.

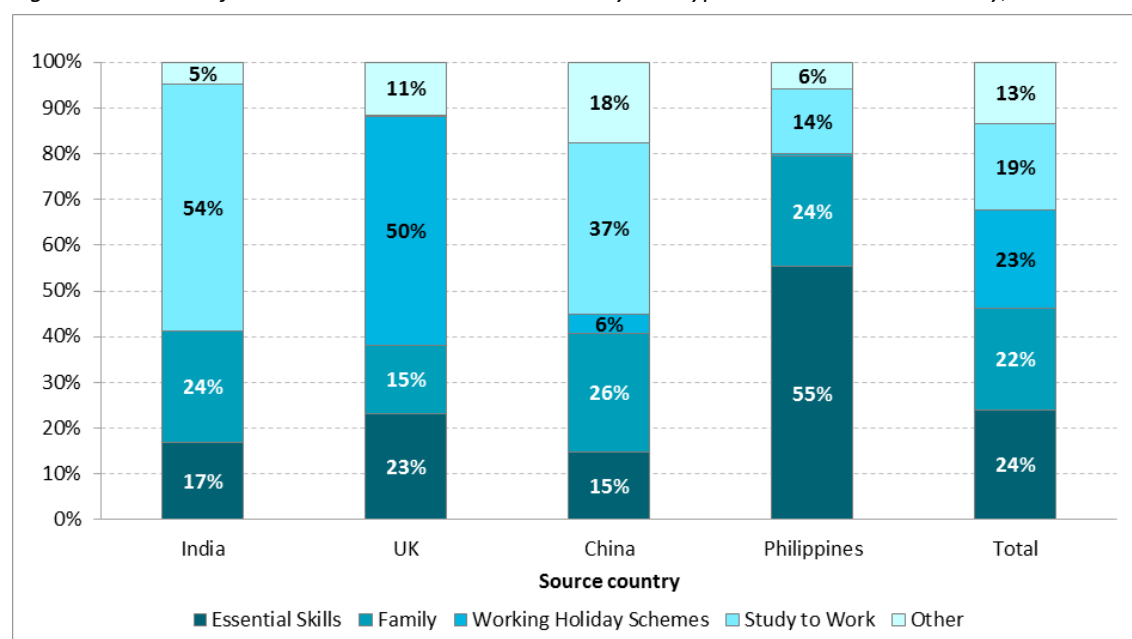
Table 4.3 Stock of work visa holders in New Zealand work visa policies, as at 30 June 2016 and 30 June 2017

Work visa policy	As at June 30 2016		As at June 30 2017		% change in number since 30 June 2016
	Number	%	Number	%	
Working Holiday Schemes	30,272	23	32,756	21	8
Family	30,147	23	33,616	22	12
Essential Skills	31,364	24	36,671	24	17
Study to work	21,475	16	28,848	19	34
Specific purposes	2,820	2	3,120	2	11
Horticulture and Viticulture seasonal work	5,531	4	6,350	4	15
Work to Residence	3,962	3	5,332	3	35
Other	5,683	4	5,739	4	1
Total	131,254	100	152,432	100	16

Source: MBIE.

As at 30 June 2017, 21 per cent of work visa holders came from India, followed by the United Kingdom (11 per cent), China (9 per cent) and the Philippines (9 per cent). Figure 4.7 presents the types of work visas that migrants from the four main source countries held at 30 June 2017. Considerable variation is evident across countries. The Study to Work visa was the most commonly held visa among Indian (54 per cent) and Chinese (37 per cent) workers. Half (50 per cent) of work visa holders from the United Kingdom were working holidaymakers. More than half (55 per cent) of work visa holders from the Philippines had an Essential Skills visa.

Figure 4.7 Stock of work visa holders in New Zealand by visa type and main source country, as at 30 June 2017



Source: MBIE.

At 36,678, the number of Essential Skills visa holders present in New Zealand on 30 June 2017 was 17 per cent higher than the year before. Essential Skills visa holders must specify a region of

employment in their application. Auckland was by far the biggest regional contributor to the increase with a 28 per cent rise to 13,238 temporary workers in the year to June 2017. Other notable contributors were: Otago (up 20 per cent, to 4,138), Waikato (up 29 per cent, to 1,950) and Wellington (up 20 per cent, to 2,365).

5 Migrant pathways and retention

Highlights in 2016/17

- Among those migrants whose last student visa ended between 2006/07 and 2011/12, 45 per cent immediately transitioned to a work visa. Five years later, only 3 per cent were still on a work visa while 28 per cent had a resident visa and 68 per cent were not in New Zealand.
- Among the same cohort, Indian students were more likely than Chinese students to transition to residence.
- Among those migrants whose last work visa ended between July 2006 and June 2012, 28 per cent immediately transitioned to a resident visa. Five years later 24 per cent remained in New Zealand on a resident visa while 75 per cent were not in New Zealand.
- Among the same cohort, migrants on Family work and Work to Residence visas are more likely than migrants on Essential Skills visas to transition to residence.
- Most migrants granted residence stay on in New Zealand on a long-term basis, and this 'retention rate' has been slowly increasing. Of those people granted residence in 2001/02, 79.6 per cent were still in New Zealand after five years compared with 89.1 per cent of those granted residence in 2011/12.

5.1 Introduction

New Zealand's immigration policies include a defined pathway from temporary policies to residence for some student visa holders and temporary workers because, having participated in New Zealand society, they are likely to settle well and contribute positively to the country.

This chapter examines the pathways that student visa holders and temporary workers subsequently take after they exit their respective visa, the pathways retrospectively taken by people who have been granted residence, and the extent to which people approved for residence remain in New Zealand in subsequent years.

The methodology used to calculate transitions in this chapter differs to that used in previous editions of *Migration Trends and Outlook*. In previous reports, many of the calculations are of the status of student visa holders or temporary workers a fixed period after the commencement of their initial (study or work) visa. In this current report, we calculate the status following the completion of their (study or work) visa. This removes variations in the amount of time that visa holders spend on their initial (study or work) visa type, thereby creating a more standardised transition calculation. Therefore, the results reported in this chapter are not comparable to those in previous reports.

5.2 Pathways for student visa holders and temporary workers

5.2.1 How the pathways are calculated

Table 5.1 shows the visa pathways taken by full-fee paying student visa holders and people on different types of work visa. The pathway calculations begin on the day following the end of a

person's initial visa and include everyone whose visa ended any time from 2006/07 to 2011/12. Some calculations are based on the whole cohort, and some calculations examine year-to-year variations.

For student visa holders who renewed their student visa once or multiple times, the pathways calculation begins on the day following the end of the last of their renewed visas. The same rule applies to temporary workers.

The analysis is of the status of student visa holders and temporary workers: whether they are not in New Zealand, in New Zealand and have a resident visa, or in New Zealand and have a work visa. A small number of records are classified as 'Other' or 'Unknown'. The 'Other' group could include, for example, people in New Zealand on visitor visas.

Status is calculated at several points: on the day following the end of a person's initial visa ('Immediately' in the tables), one year later, three years later and five years later.

The number of people classified as having exited New Zealand at any given time may be an over-estimate. Here, we are trying to capture people who have left New Zealand permanently or for a long-term stay overseas. However, the metric will also capture people who are out of New Zealand for a short stay overseas, if that is where they happen to be on the day their status is captured.

5.2.2 Full-fee paying student and temporary worker transitions

Table 5.1 shows 45 per cent of full-fee paying student visa holders transitioned to a work visa at the end of their final student visa. Five years later only 3 per cent were still on a work visa while 28 per cent had a resident visa and 68 per cent were not in New Zealand. The table also shows that 28 per cent of temporary workers transitioned to a resident visa at the end of their final work visa, and five years later 24 per cent remained in New Zealand on a resident visa while 75 per cent were not in New Zealand.

The implication is that most temporary workers who transition to residency do so immediately after the end of their work visa, whereas most student visa holders who transition to residency have done so three years after the end of their student visa. As we will see later in this chapter, for the vast majority, this intervening three years is spent on a work visa.

Table 5.1 Visa pathways for full-fee paying student visa holders and temporary workers on exiting their visa, 2006/07 to 2011/12 cohorts combined

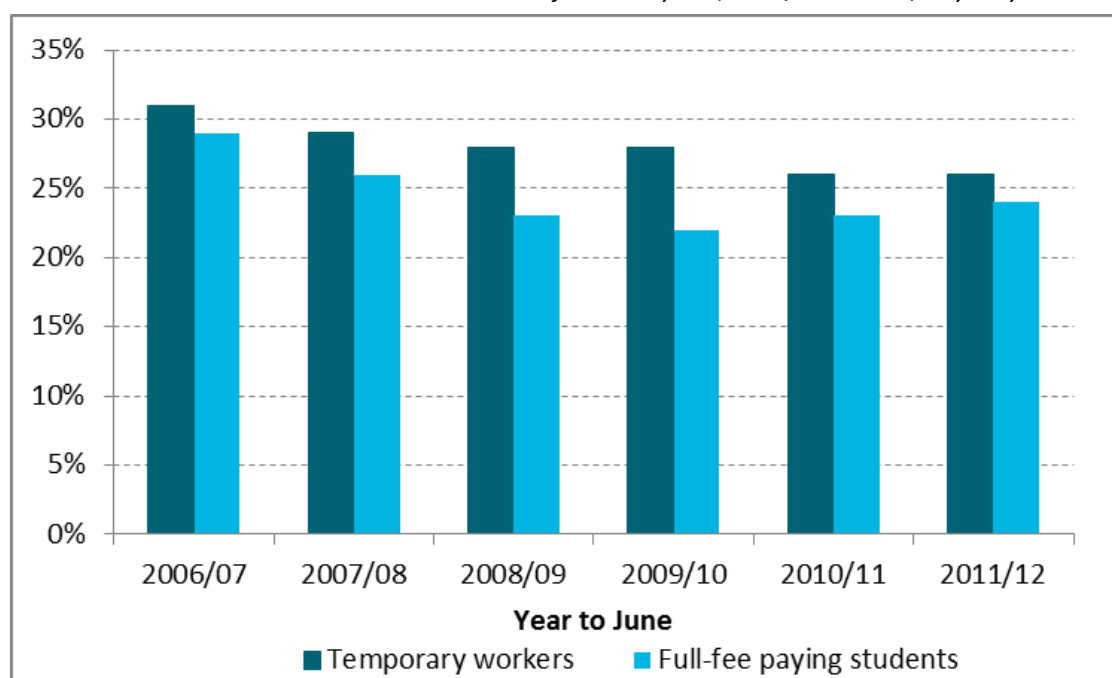
Visa	Status	Immediately (%)	1 year later (%)	3 years later (%)	5 years later (%)
Full-fee paying students	Not in New Zealand	46	58	65	68
	Resident visa	3	11	25	28
	Work visa	45	29	10	3
	Other/unknown	6	1	1	0
	Total	100	100	100	100
All temporary workers	Not in New Zealand	69	72	74	75
	Resident visa	28	27	25	24
	Student visa	1	0	0	0
	Other/unknown	2	1	0	0
	Total	100	100	100	100

Source: MBIE.

Thus far, the cohort used in the pathway calculations has included everyone whose temporary visa ended any time from 2006/07 to 2011/12. The purpose of this is to create as large a cohort as possible that reflects longer-term trends rather than year-to-year variations. This is particularly important later in this chapter when transition pathways are examined for smaller groups, such as by source country and occupation.

Figure 5.1 shows the extent of year-to-year variation in two key pathway indicators. The proportion of full-fee paying student visa holders who have transitioned to residence three years after the end of their student visa falls from a high of 29 per cent in the 2006/07 cohort to 22 per cent among the 2009/10 cohort. The proportion of temporary workers who have transitioned to residence immediately after the end of their work visa varied from a high of 31 per cent the in 2006/07 cohort to a low of 26 per cent in 2010/11 and 2011/12 cohorts.

Figure 5.1 Proportion of temporary workers who transition to residence immediately and full-fee paying (FFP) students who transition to residence after three years, 2006/07 to 2011/12 yearly cohorts



Source: MBIE.

5.2.3 Full-fee paying students by source country

Focusing again on the entire 2006/07 to 2011/12 cohort, Table 5.2 shows some variation in the pathways taken by full-fee paying student visa holders from the top two source countries. Sixty per cent of Chinese students transitioned to a work visa at the end of their final student visa compared with 77 per cent of Indian students. Five years later, 36 per cent of Chinese students had transitioned to a resident visa while 62 per cent were not in New Zealand. In comparison, 46 per cent of Indian students had transitioned to a resident visa and 44 per cent were not in New Zealand.

Table 5.2 Visa pathways for full-fee paying student visa holders on exiting their visa by source country, 2006/07 to 2011/12 cohorts combined

Visa	Status	Immediately (%)	1 year later (%)	3 years later (%)	5 years later (%)
China	Not in New Zealand	28	47	56	62
	Resident visa	4	19	36	36
	Work visa	60	32	8	2
	Visitor/unknown	9	2	1	0
	Total	100	100	100	100
India	Not in New Zealand	19	30	39	44
	Resident visa	1	10	34	46
	Work visa	77	59	26	9
	Visitor/unknown	3	1	1	1
	Total	100	100	100	100

Source: MBIE.

5.2.4 Temporary workers by visa type

Table 5.3 shows that the transition pathways for temporary workers vary according to which work visa a person was on.

Table 5.3 Visa pathways for temporary workers on exiting their visa, 2006/07 to 2011/12 cohorts combined

Visa	Status	Immediately (%)	1 year later (%)	3 years later (%)	5 years later (%)
Essential Skills	Not in New Zealand	44	49	52	54
	Resident visa	52	50	47	46
	Student visa	0	0	0	0
	Other/unknown	3	1	1	1
	Total	100	100	100	100
Family	Not in New Zealand	23	27	31	33
	Resident visa	75	72	68	66
	Student visa	1	0	0	0
	Other/unknown	2	1	1	1
	Total	100	100	100	100
Investor	Not in New Zealand	36	37	41	44
	Resident visa	58	56	54	52
	Student visa	3	3	1	0
	Other/unknown	3	4	3	3
	Total	100	100	100	100
Study to work	Not in New Zealand	38	48	56	58
	Resident visa	51	48	43	41
	Student visa	5	3	1	0
	Other/unknown	6	1	0	0
	Total	100	100	100	100
Work to Residence	Not in New Zealand	28	32	39	41
	Resident visa	71	67	61	59
	Student visa	0	0	0	0
	Other/unknown	1	0	0	0
	Total	100	100	100	100
Working Holiday Scheme	Not in New Zealand	97	98	98	99
	Resident visa	1	1	1	1
	Student visa	1	0	0	0
	Other/unknown	1	0	0	0
	Total	100	100	100	100

Source: MBIE.

The proportion transitioning to residence at the end of their final work visa was highest for people on Family (75 per cent) and Work to Residence (71 per cent) work visas. It was also relatively high for people on Essential Skills (52 per cent), Investor (58 per cent) and Study to work (51 per cent) work visas. In contrast, 97 per cent of people on Working Holiday Schemes were no longer in New Zealand immediately after the end of their visa.

5.2.5 Essential Skills workers by source country

Table 5.4 shows that visa pathways for Essential Skills workers vary by source country.

Table 5.4 Visa pathways for Essential Skills workers on exiting their visa for the top four source countries, 2006/07 to 2011/12 cohorts combined

Visa	Status	Immediately (%)	1 year later (%)	3 years later (%)	5 years later (%)
Philippines	Not in New Zealand	19	24	27	28
	Resident visa	79	76	73	72
	Student visa	0	0	0	0
	Visitor/unknown	2	0	0	0
	Total	100	100	100	100
India	Not in New Zealand	27	32	35	36
	Resident visa	72	67	64	63
	Student visa	0	0	0	0
	Visitor/unknown	1	1	1	0
	Total	100	100	100	100
United Kingdom	Not in New Zealand	49	52	55	57
	Resident visa	49	47	44	43
	Student visa	0	0	0	0
	Visitor/unknown	2	0	0	0
	Total	100	100	100	100
China	Not in New Zealand	27	36	44	47
	Resident visa	68	62	55	52
	Student visa	2	1	0	0
	Visitor/unknown	4	1	1	1
	Total	100	100	100	100
Total	Not in New Zealand	44	49	52	54
	Resident visa	52	50	47	46
	Student visa	0	0	0	0
	Visitor/unknown	3	1	1	1
	Total	100	100	100	100

Source: MBIE.

A smaller proportion of Essential Skills workers from the United Kingdom transition to a resident visa at the end of their work visa (49 per cent) compared with Essential Skills workers from the Philippines (79 per cent), India (72 per cent) and China (68 per cent).

5.2.6 Essential Skills workers by occupation

The pathways for Essential Skills workers vary according to the occupation they worked in. Table 5.5 shows the pathways for the top occupations. A large proportion of Essential Skills workers who were employed as retail managers (71 per cent) and café or restaurant managers (65 per cent) transitioned to a resident visa at the end of their work visa. A relatively large proportion of chefs (57 per cent) and carpenters (50 per cent) did the same. In contrast, only 9 per cent of dairy cattle farm workers, 8 per cent of retail supervisors and 7 per cent of aged or disabled carers transitioned to a resident visa at the end of their final work visa.

Table 5.5 Visa pathways for Essential Skills workers on exiting their visa by main occupation, 2006/07 to 2011/12 cohorts combined

Visa	Status	Immediately (%)	1 year later (%)	3 years later (%)	5 years later (%)
Chef	Not in New Zealand	43	46	48	49
	Resident visa	57	54	52	51
	Total	100	100	100	100
Dairy cattle farm worker	Not in New Zealand	91	91	91	91
	Resident visa	9	9	9	9
	Total	100	100	100	100
Carpenter	Not in New Zealand	50	51	52	53
	Resident visa	50	49	47	47
	Total	100	100	100	100
Retail supervisor	Not in New Zealand	92	92	93	93
	Resident visa	8	8	7	7
	Total	100	100	100	100
Café or restaurant manager	Not in New Zealand	35	40	44	45
	Resident visa	65	60	56	54
	Total	100	100	100	100
Retail manager	Not in New Zealand	29	34	39	41
	Resident visa	71	66	61	59
	Total	100	100	100	100
Aged or disabled carer	Not in New Zealand	93	93	93	93
	Resident visa	7	7	7	7
	Total	100	100	100	100

Source: MBIE.

5.2.7 Temporary workers by residence stream

Table 5.6 provides more detail on the residence pathways of temporary workers. For example:

- Sixty-eight per cent of people who transitioned from a Working Holiday Scheme to residence did so as Skilled Migrants and 31 per cent did so under the Family Stream
- Fifty-nine per cent of people who transitioned from a Family work visa to residence did so under the Family Stream and 35 per cent did so as Skilled Migrants
- Eighty-seven per cent of people who transitioned from an Essential Skills visa to residence and 95 per cent of people who transitioned from a Study to Work visa to residence did so as Skilled Migrants
- Thirty-nine per cent of people who transitioned from a Work to Residence visa to residence did so under the Residence from Work Stream and 59 per cent transitioned as Skilled Migrants.

These proportions were reflected across the four top source countries for temporary workers: the Philippines, India, the United Kingdom and China.

Table 5.6 Visa pathways for all temporary workers who transitioned to residence by work visa type and resident visa type, 2006/07 to 2011/12 cohorts combined

Work visa	New Zealand Residence Programme stream					Total (%)	Total (number)
	Skilled Migrant Category (%)	Residence from Work (%)	Family (%)	International/ Humanitarian (%)	Other (%)		
Working Holiday	68	1	31	0	0	100	2,628
Family	35	3	59	1	1	100	58,889
Essential Skills	87	1	6	4	1	100	40,110
Study to work	95	0	4	0	0	100	12,824
Work to Residence	59	39	1	0	0	100	6,254
Other	66	0	13	13	8	100	9181

Note: Data includes all people who had transitioned to residence by 30 June 2017.

Source: MBIE.

5.2.8 Temporary workers by source country and residence stream

Table 5.7 provides detail on the residence pathways of temporary workers from different source countries. Workers from the Philippines who transitioned to residence were more likely than workers from India, the United Kingdom and China to do so through the Skilled Migrant Category (81 per cent of Filipinos compared with 69 per cent of Indians and Chinese, and 60 per cent of people from the United Kingdom). Filipino workers who transitioned to residence were less likely than workers from other countries to do so through the Family Stream.

Table 5.7 *Visa pathways for all temporary workers who transitioned to residence by source country and residence visa type, 2006/07 to 2011/12 cohorts combined*

Work visa	New Zealand Residence Programme stream					
	Skilled Migrant Category (%)	Residence from Work (%)	Family (%)	International/ Humanitarian (%)	Other (%)	Total (%)
China	69	1	28	1	2	100
United Kingdom	60	11	26	1	2	100
India	69	0	30	0	1	100
Philippines	81	1	18	0	0	100
South Africa	83	4	11	1	1	100
Other	48	3	42	6	1	100

Note: Data includes all people who had transitioned to residence by 30 June 2017.

Source: MBIE.

5.2.9 Skilled Migrant visa pathways

Table 5.8 takes everyone approved under the Skilled Migrant Category any time from 2014/15 to 2016/17 and examines the visa pathways they took before being granted residency. The table shows that the pathways followed by principal applicants tend to differ to that of secondary applicants.

- Primary applicants are much more likely to have held a student visa (or visas) and then a work visa (or visas) before being granted residence under the Skilled Migrant Category (43 per cent of primary applicants compared with just 7 per cent of secondary applicants).
- Secondary applicants are more likely to be granted residence without having first held a temporary visa (60 per cent of secondary applicants compared with just 10 per cent of principal applicants).²⁴

Table 5.8 *Visa pathways for people approved for residence under the Skilled Migrant Category, 2014/15 to 2016/17 cohorts combined*

Pathway	Primary (%)	Secondary (%)	Total (%)
Student–worker–resident	43	7	26
Worker–resident	46	30	38
Student–resident	1	3	2
Resident	10	60	35
Total	100	100	100

Source: MBIE.

²⁴ This group includes a small number of people who held a visitor visa before being granted residence.

5.3 Migrants who take up residence

Most migrants (97.2 per cent) approved for residence from 2011/12 to 2015/16 arrived in New Zealand to take up residence or were in New Zealand when approved (see Table 5.9).²⁵ The remaining 2.8 per cent were approved for residence offshore but did not arrive. The proportion of approvals taking up residence has remained high over the past few years.

Table 5.9 People who took up residence by approval category, 2011/12–2015/16 cohorts combined

Residence approval category	Approvals	Arrivals	Arrivals (%)
Skilled/Business Stream			
Skilled*	111,223	107,632	97
Investor	2,821	2,773	98
Entrepreneur	3,101	3,019	97
Other	204	202	99
Family Stream			
Partnership	49,993	49,071	98
Parent	23,869	23,349	98
Other	10,123	9,740	96
International/Humanitarian Stream			
	17,213	16,534	96
Total	218,547	212,320	97

Note: * Includes General Skills and Residence from Work policies.

Source: MBIE.

5.4 Permanent residents remaining in New Zealand

Most migrants granted residence stay on in New Zealand on a long-term basis, and this 'retention rate' has been slowly increasing. Of those people granted residence in 2001/02, 80 per cent were still in New Zealand after five years compared with 89 per cent of those granted residence in 2011/12.

²⁵ The 2016/17 cohort is excluded from this analysis because some people in this cohort were approved offshore and have not yet had 12 months to arrive in New Zealand. Most residence applications are made onshore.

Table 5.10 Proportion of migrants still resident in New Zealand for those approved residence, 2001/02–2014/15 yearly cohorts

Financial year	Total approved	Total arrived	Arrived (%)	In NZ two years after arrival	In NZ five years after arrival
2001/02	52,849	50,918	96	90	80
2002/03	48,537	46,619	96	90	80
2003/04	39,016	37,941	97	92	82
2004/05	48,808	47,896	98	93	83
2005/06	51,234	50,426	98	93	83
2006/07	46,962	46,125	98	94	85
2007/08	46,075	45,207	98	95	85
2008/09	46,097	45,166	98	95	85
2009/10	45,719	44,712	98	95	86
2010/11	40,737	39,562	97	95	87
2011/12	40,446	39,369	97	95	89
2012/13	38,959	37,988	98	94	n/a
2013/14	44,006	42,692	97	92	n/a
2014/15	43,084	41,824	97	95	n/a

Notes: n/a = not applicable.

The 2015/16 and 2016/17 cohorts are excluded from this analysis because migrants in those cohorts have not been in New Zealand for two years.

In this analysis, migrants are in New Zealand if they are not 'long-term absent'. A long-term absent migrant is a permanent migrant who has been out of New Zealand for six months or longer.

Source: MBIE.

6 Residence approvals

Highlights in 2016/17

- The number of people approved for residence in 2016/17 fell 8 per cent to 47,684 following a 21 per cent increase the year before. The fall was driven by Parent Category approvals, which fell 63 per cent, and Skilled Migrant Category approvals, which fell 6 per cent.
- The top four source countries, China, India, the United Kingdom and the Philippines, all experienced declines in approval numbers in 2016/17.
- Onshore residence approvals accounted for 75 per cent of all approvals in 2016/17, a rise of 3 percentage points from 2015/16.

6.1 Introduction

This section describes the characteristics of people approved for residence in 2016/17 and longer-term immigration trends. Further data is in the appendix *Residents*.

6.1.1 Residence approvals by New Zealand Residence Programme stream

The New Zealand Residence Programme planning range has been set at 85,000–95,000 residence approvals over 2016/17 and 2017/18 combined (see Table 6.1). The two-year period provides some flexibility to the programme.

Table 6.1 New Zealand Residence Programme approvals 2013/14–2016/17 and planning range 2016/17–2017/18 by stream

New Zealand Residence Programme stream	2013/14	2014/15	2015/16	2016/17	New Zealand Residence Programme (2016/17 to 2017/18)	
					Planning range	
					Low	High
Skilled/Business	22,924	24,274	29,719	28,646	60 per cent	
Family	17,715	15,169	18,195	15,017	32–33 per cent	
International/Humanitarian	3,369	3,642	4,138	4,021	7–8 per cent	
Total	44,008	43,085	52,052	47,684	85,000	95,000

Note: Stream proportions may be varied for any given year in order to meet the overall planning range.

Source: MBIE.

The number of people approved for residence in 2016/17 fell 8 per cent to 47,684 (see Table 6.2) following a 21 per cent increase the year before. The decrease in residence approvals was driven by the Family Stream, which fell by 3,178 (17 per cent) and the Skilled/Business Stream, which fell by 1,073 (4 per cent). Within the Skilled/Business Stream, the number of Skilled Migrant Category approvals fell 6 per cent.

Table 6.2 Residence approvals by New Zealand Residence Programme stream, 2015/16 and 2016/17

New Zealand Residence Programme stream	Approvals		Percentage of total (%)		Percentage change from 2015/16 (%)
	2015/16	2016/17	2015/16	2016/17	
Skilled/Business	29,719	28,646	57	60	-4
Family	18,195	15,017	35	31	-17
International/Humanitarian	4,138	4,021	8	8	-3
Total	52,052	47,684	100	100	-8

Source: MBIE.

Table 6.3 shows the decline rate of residence applications over the last four years. The decline rate from all residence applications was 9 per cent in 2016/17, which is on a par with the rate in the three previous years. In 2016/17, the decline rate was highest for Skilled/Business Stream applications (13 per cent) and lowest for Family Stream applications (4 per cent). The decline rate for International/Humanitarian applications jumped from 4 per cent in 2014/15 to 9 per cent in 2015/16 and edged slightly higher to 10 per cent in 2016/17.

Table 6.3 Decline rate of residence applications, 2013/14–2016/17

New Zealand Residence Programme stream	Decline rate (%)			
	2013/14	2014/15	2015/16	2016/17
Skilled/Business	16	15	11	13
Family	5	5	5	4
International/Humanitarian	5	4	9	10
Total	10	10	8	9

Source: MBIE.

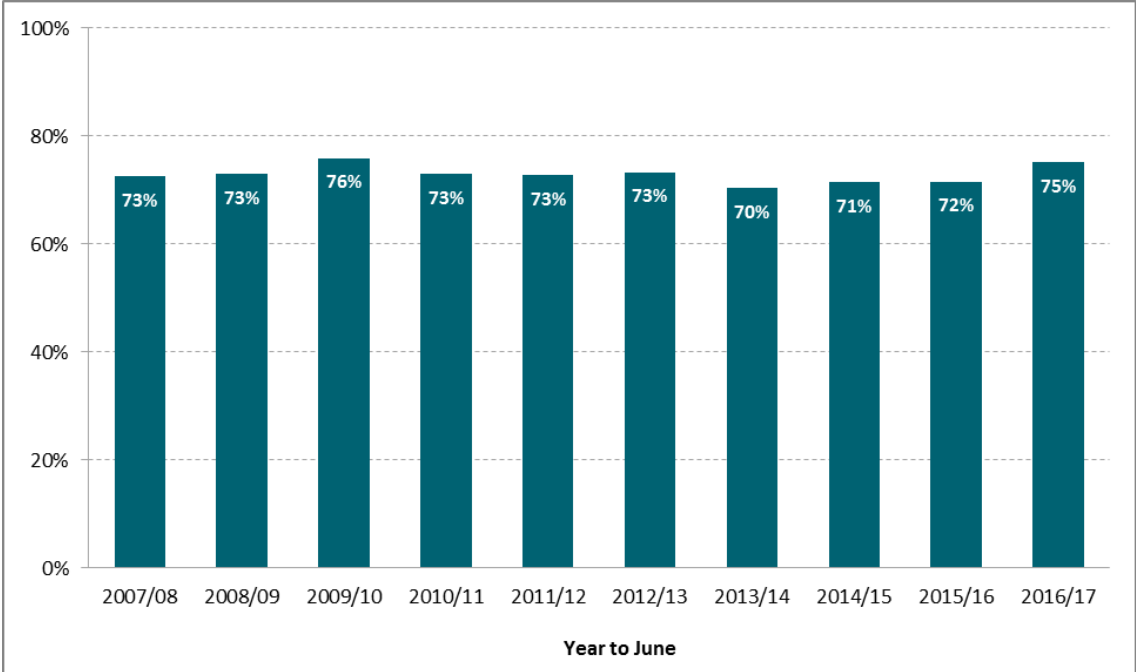
6.2 Location of residence approvals

In 2016/17, 75 per cent of residence applications were for people already in New Zealand (see Figure 6.1), an increase of 3 percentage points on 2015/16. Differences in onshore approval rates exist by stream and sub-stream:

- 86 per cent of all Skilled/Business Stream applications were approved onshore in 2016/17; the rates for Skilled Migrant Category and Entrepreneur Category applications were much higher than for Investor Category applications (87 per cent, 89 per cent and 24 per cent, respectively).
- 69 per cent of all Family Stream applications were approved onshore in 2016/17; 82 per cent for Partnership Category, but only 33 per cent for Dependent Category and 22 per cent for Parent Category
- just 32 per cent of all International/Humanitarian Stream applications were approved onshore in 2016/17.

These figures broadly reflect the pattern of onshore approvals in previous years, except that both Investor Category and International/Humanitarian Stream onshore approval rates have been on a downward trend since 2011/12.

Figure 6.1 Proportion of applications approved onshore under the New Zealand Residence Programme, 2007/08–2016/17



Source: MBIE.

6.3 Number of people per approved application

In 2016/17, 47,684 people were approved for residence from 28,301 applications, an average of 1.7 people per application. The average number of people approved per application is an indication of family size. This average has changed little since 1999/2000, but varies across New Zealand Residence Programme streams (see Table 6.4).

The average family size has implications for the New Zealand Residence Programme because it affects the number of applications needed to meet the target range of approvals. The average family size is generally larger for applications approved under the International/Humanitarian Stream than under the other streams. This is mainly because of the larger average family size for applications approved under the Samoan Quota Scheme and, in recent years, the Refugee Quota. Family size tends to be smaller under the Family Stream, because applications exclude the family member already resident in New Zealand.

Table 6.4 Average number of people per approved residence application by New Zealand Residence Programme stream, 2012/13–2016/17

New Zealand Residence Programme stream	2012/13	2013/14	2014/15	2015/16	2016/17
Skilled/Business					
Skilled Migrant Category	2.0	2.0	2.0	2.0	2.0
Residence from Work	2.2	2.3	2.3	2.2	2.2
Other Skilled/Business	3.0	3.1	3.0	2.9	2.8
Subtotal	2.0	2.0	2.0	2.0	2.1
Family					
Partnership	1.1	1.1	1.1	1.1	1.1
Parent	1.7	1.7	1.7	1.7	1.7
Other Family	1.3	1.1	1.1	1.3	1.1
Subtotal	1.3	1.3	1.2	1.3	1.2
International/Humanitarian					
Samoan Quota Scheme and Pacific Access Category	2.8	2.9	2.8	2.8	2.8
Refugee Quota	2.4	2.3	2.6	2.9	3.2
Other International/Humanitarian	1.6	1.9	2.0	2.0	1.9
Subtotal	2.2	2.3	2.4	2.5	2.6
Total	1.6	1.7	1.7	1.7	1.7

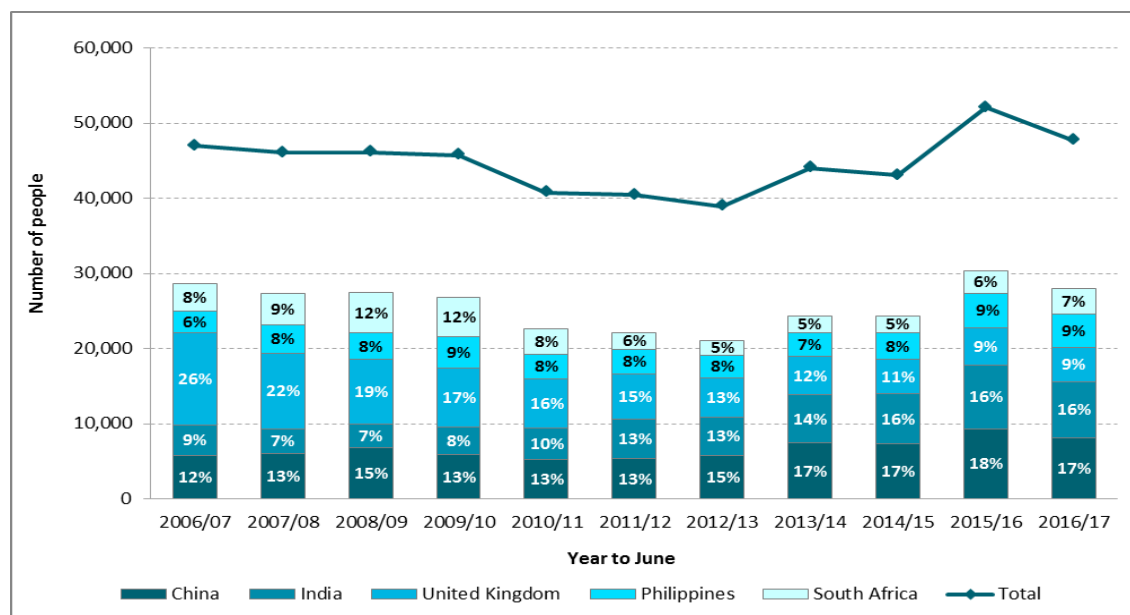
Source: MBIE.

6.4 Source country of residence approvals

Figure 6.2 compares the top source countries of residence approvals from 2006/07 to 2016/17. China has been the largest source country for the past five years, with 17 per cent of residence approvals in 2016/17. Just over half (52 per cent) the approvals came from the top four source countries: China, India, the United Kingdom and the Philippines.

The top four source countries all experienced declines in approvals between 2015/16 and 2016/17, particularly China (a 13 per cent fall) and India (a 12 per cent fall). In contrast, South Africa, the fifth largest source country, experienced a 15 per cent rise in approvals.

Figure 6.2 Top five source countries of residence approvals, 2006/07–2016/17



Source: MBIE.

6.5 Gender and age of residence approvals

6.5.1 Gender split by residence stream

In 2016/17, the gender split was about equal for all residents, although females made up a larger proportion of secondary applicants (58 per cent) and a smaller proportion of principal applicants (47 per cent). By stream, females made up a larger proportion of Family Stream approvals (60 per cent) and a smaller proportion of Skilled/Business Stream approvals (47 per cent) (see Table 6.5).

Table 6.5 Proportion of females approved by New Zealand Residence Programme stream and type of applicant, 2016/17

New Zealand Residence Programme stream	Proportion female (%)		
	Principal	Secondary	Total
Skilled/Business			
Skilled Migrant Category	32	60	46
Residence from Work	26	65	47
Other Skilled/Business	52	52	52
Subtotal	33	60	47
Family			
Partnership	65	51	63
Parent	64	46	57
Other Family	48	45	48
Subtotal	62	49	60

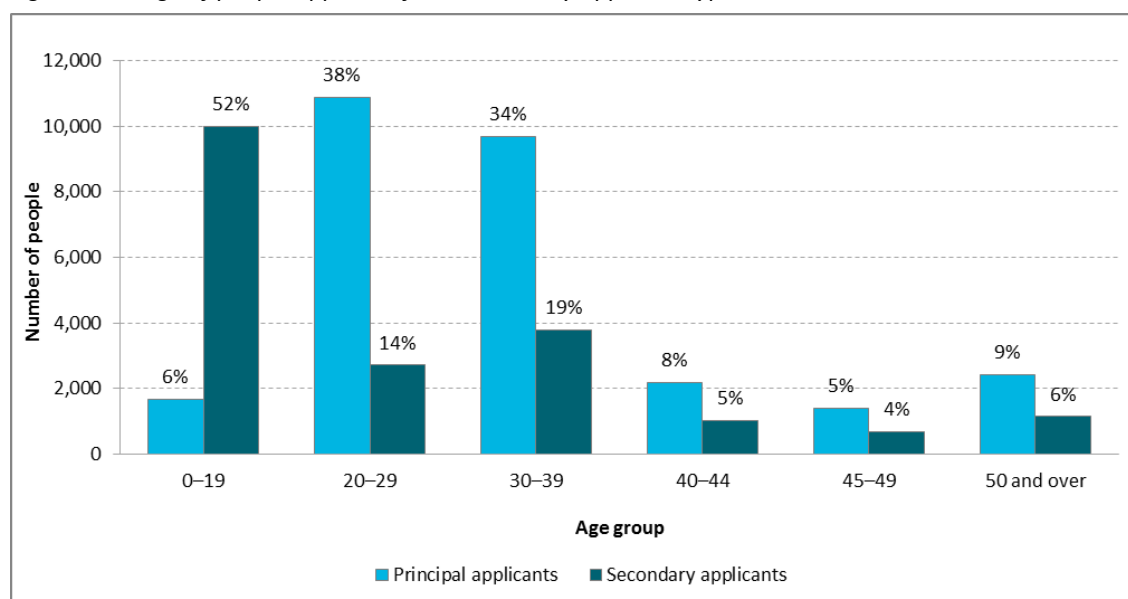
New Zealand Residence Programme stream	Proportion female (%)		
	Principal	Secondary	Total
International/Humanitarian			
Samoa Quota Scheme and Pacific Access Category	41	50	47
Refugee Quota	32	56	49
Other International/Humanitarian	49	54	52
Subtotal	42	53	49
Total	47	58	51

Source: MBIE.

6.5.2 Age by applicant type

Figure 6.3 shows the number and proportion of principal and secondary applicants by age group for all people approved for residence in 2016/17. Principal applicants tend to be older, on average, than secondary applicants, because the latter include the children of principal applicants. This is evident in the figure with 52 per cent of secondary applicants aged 19 or younger while almost three-quarters (73 per cent) of principal applicants were aged 20–39.

Figure 6.3 Age of people approved for residence by applicant type, 2016/17



Note: The percentages show the proportion of each type by age group.

Source: MBIE.

6.5.3 Age by New Zealand Residence Programme stream

The median age of people approved for residence was 29 in 2016/17. This is younger than the median age of New Zealand's usual resident population, which was 38 in 2013.²⁶ Information on

²⁶ StatsNZ. (2013). *2013 Census Quickstats about National Highlights*. Retrieved August 2016 from: www.stats.govt.nz/Census/2013-census/profile-and-summary-reports/quickstats-about-national-highlights.aspx

median age gives an indication of the composition of migrants under the respective residence streams. The median age has changed little over the last three years, but differences exist among residence streams (see Table 6.6).

Unsurprisingly, the median age of Parent Category approvals (61) was much higher than the median age of all residence approvals. The median age of Other Family Category approvals (16) was much lower, because this is the channel used by dependent children of principal applicants. International and humanitarian approvals have a lower median age than the average: 21 for Samoan Quota Scheme and Pacific Access Category approvals and 19 for Refugee Quota approvals.

The median age of Skilled Migrant Category approvals was 29 in 2016/17. Skilled Migrant Category approvals tend to be younger than approvals in other residence streams because the Skilled Migrant Category has an age limit of 55. It is also a channel by which many student visa holders apply for residence after completing their studies.

Table 6.6 Median age of migrants by New Zealand Residence Programme stream, 2013/14–2016/17

New Zealand Residence Programme stream	Median age (years)			
	2013/14	2014/15	2015/16	2016/17
Skilled/Business				
Skilled Migrant Category	29	29	28	29
Residence from Work	32	32	32	32
Other Skilled/Business	35	35	35	35
Subtotal	29	29	29	29
Family				
Partnership	29	29	29	29
Parent	60	61	61	61
Other Family	16	16	17	16
Subtotal	34	32	32	29
International/Humanitarian				
Samoan Quota Scheme and Pacific Access Category	20	21	21	21
Refugee Quota	23	19	19	19
Other International/Humanitarian	29	28	30	30
Subtotal	24	23	23	23
Total	30	29	29	29

Source: MBIE.

6.6 Family Stream approvals

The Family Stream enables New Zealand citizens and permanent residents to sponsor close family members for residence. In 2016/17, 15,017 people were approved for residence through the Family Stream, a decrease of 17 per cent from 2015/16 following an increase of 20 per cent the year before. Family Stream approvals made up 31 per cent of all New Zealand Residence Programme approvals in 2016/17.

6.6.1 Partnership Category approvals

In 2016/17, 10,914 people were approved for residence under the Partnership Category, an increase of 1 per cent from 2015/16.

With 1,883 approvals, India was the largest source country, followed by China (1,684 approvals) and the United Kingdom (1,310). Together these three countries accounted for 45 per cent of all approvals in the Partnership Category. India overtook China as the largest source country in 2014/15. The gap between the two narrowed in 2016/17 with approvals from China growing 19 per cent compared with India's 2 per cent.

6.6.2 Parent Category approvals

A total of 1,820 people were approved for residence through the Parent Category in 2016/17, a decrease of almost two-thirds (63 per cent) from 2015/16 and well down on a recent peak of just over 6,000 approvals in 2013/14. In October 2016, the Parent Category was temporarily closed to new applications while it is reviewed.

China was by far the largest source country of residence approvals through the Parent Category in 2016/17, comprising 60 per cent of approvals followed by India (11 per cent) and the United Kingdom (6 per cent). Approvals from China fell 60 per cent in 2016/17, India by over two-thirds (67 per cent) and the United Kingdom by almost three-quarters (72 per cent).

6.6.3 Dependent Child Category approvals

In 2016/17, 1,937 people were approved for residence under the Dependent Child Category, an increase of 17 per cent from 2015/16. Approvals in this category have almost doubled since 2010/11.

Samoa remains the largest source country of approvals in this category (48 per cent), followed by China (11 per cent) and the Philippines (11 per cent). All three top source countries experienced an increase in approvals in 2016/17, particularly Samoa, from which approvals grew by almost a quarter (23 per cent).

6.6.4 Sibling and Adult Child Category approvals

In 2016/17, 346 people were granted residence through the Sibling and Adult Child Category; a decrease of 57 per cent from 2015/16 and well down on a recent peak in approvals of just over 1,500 in 2008/09. The Sibling and Adult Child Category closed on 16 May 2012. Residence applications can take some years to decide, so people will continue to be approved under a closed policy category until any backlog has been addressed.

7 Skilled/Business Stream

Highlights for 2015/16

- In 2016/17, Skilled/Business Stream approvals fell 4 per cent.
- Sixty-nine per cent of approvals were from five source countries: India, the Philippines, China, South Africa and the United Kingdom. Only South Africa experienced an increase in approvals in 2016/17.
- India remains the top source country for principal applicant Skilled Migrant Category (SMC) approvals since overtaking the United Kingdom in 2011/12. Indian principal applicant SMC approvals tend to be younger than the average, and a relatively high proportion are male.
- In 2016/17, 95 per cent of SMC principal applicants were awarded points for a job or job offer in New Zealand, 59 per cent gained points for relevant work experience, and 76 per cent gained points for their qualifications. Relatively few applicants gained bonus points for employment, an offer of employment, work experience or recognised qualifications in an identified future growth area or in an area of absolute skill shortage.
- Among the top source countries, SMC principal applicant approvals from the Philippines and the United Kingdom were more likely to claim points for relevant work experience. Approvals from China and India were more likely to claim points for qualifications and for being younger than 40.
- In 2016/17, 2,353 people gained residence through the Residence from Work Category, an increase of 21 per cent from 2015/16. This is the fourth straight year-on-year rise and reflects recent rises in the number of people approved under the Work to Residence temporary work policy.

7.1 Introduction

This section describes the characteristics of people approved for residence in 2016/17 under the Skilled/Business Stream. Further data is in the appendix *Residents*.

In 2016/17, 28,646 people were approved for residence through the Skilled/Business Stream, comprising 60 per cent of all residence approvals through the New Zealand Residence Programme. Skilled/Business Stream approvals fell 4 per cent from 2015/16. Of these approvals, 24,140 were approved through the Skilled Migrant Category (SMC), a fall of 6 per cent from 2015/16; 2,353 were approved through the Residence from Work Category, a rise of 21 per cent; and 2,153 were approved through the Business Immigration policy, a rise of 7 per cent.²⁷

²⁷ This figure includes people approved through the Investor and Entrepreneur Categories as well as 141 people approved through the Employee of Businesses and the Partnership Deferral Skilled policies.

7.2 Skilled Migrant Category approvals

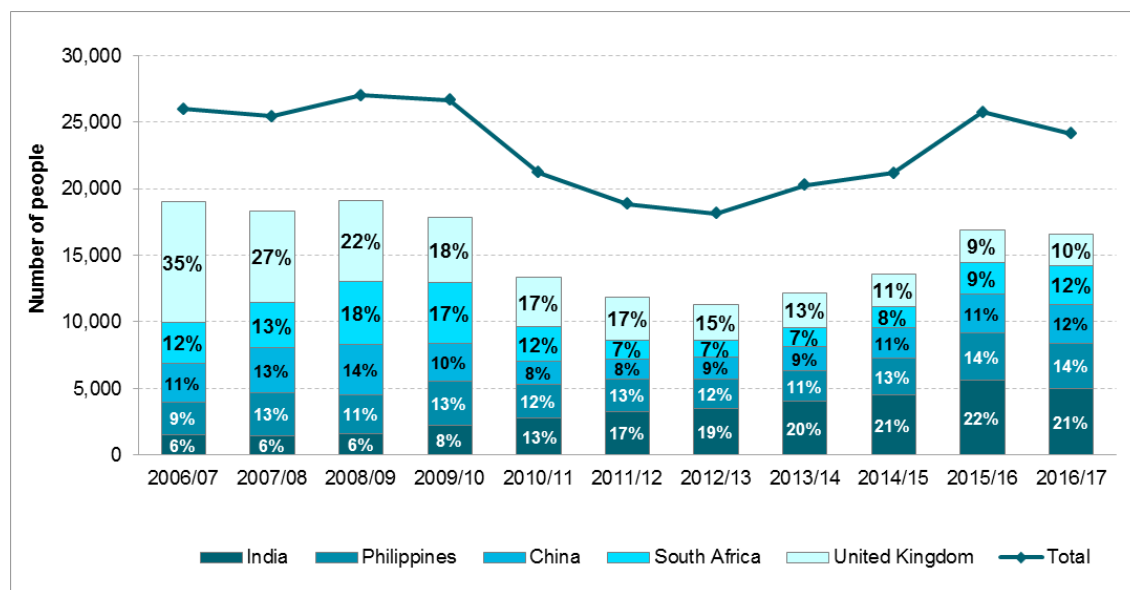
In 2016/17, 24,140 people were approved for residence under the SMC, 6 per cent fewer than in 2015/16. The SMC is the main category in the Skilled/Business Stream. The SMC is a points-based system designed to ensure people migrating to New Zealand have the skills, qualifications and work experience that New Zealand needs.

The SMC application process has two stages. First, the prospective migrant submits an expression of interest for consideration of eligibility under the SMC. If selected, the principal applicant is then invited to submit a full residence application to Immigration New Zealand.

7.2.1 Source country of Skilled Migrant Category approvals

Although people from more than 100 different source countries were approved for residence under the SMC in 2016/17, 69 per cent were from the top five source countries: India (21 per cent), the Philippines (14 per cent), China (12 per cent), South Africa (12 per cent) and the United Kingdom (10 per cent). The number of skilled migrants from India, the Philippines, China and South Africa has grown strongly in recent years, but in 2016/17 only those from South Africa grew in number (by 21 per cent). In 2016/17, skilled migrants from the United Kingdom continued to decline from a peak of almost 11,848 in 2004/05 to 2,315 in 2016/17.

Figure 7.1 Skilled Migrant Category approvals by top five source countries, 2006/07–2016/17



Source: MBIE.

7.3 Skilled Migrant Category principal and secondary applicants

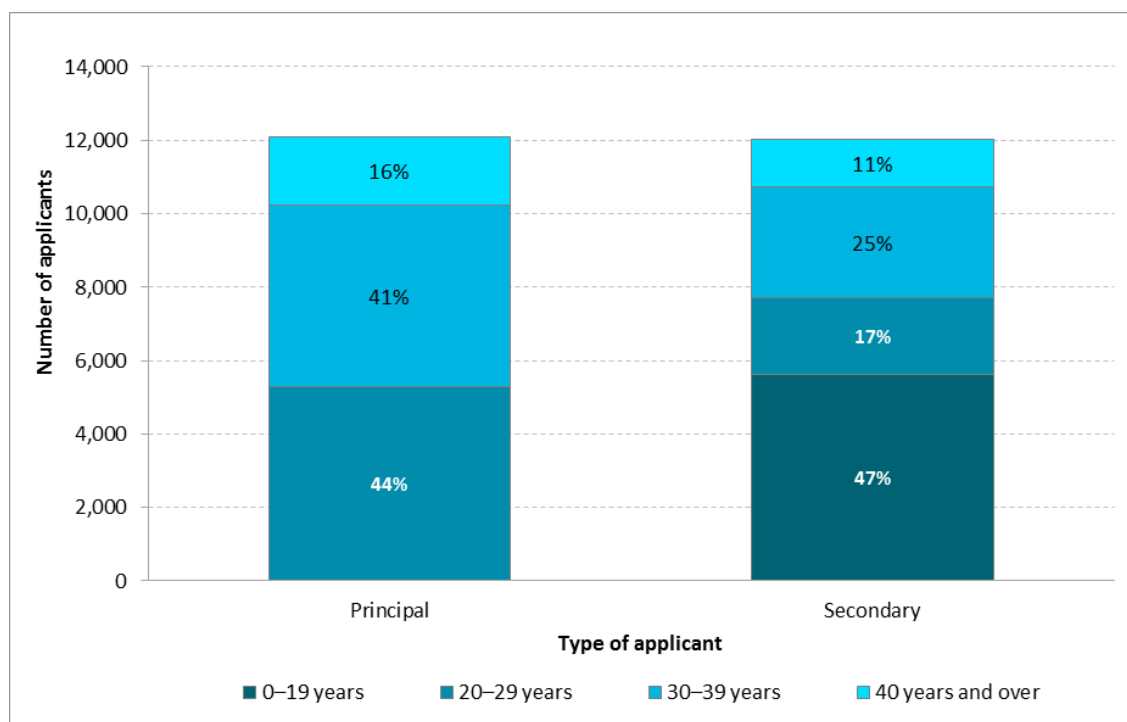
The approval of a residence application under the SMC is determined primarily on the principal applicant meeting the selection criteria by having enough points for employability and capacity building. Anyone applying as a principal applicant may have secondary applicants on their application. Of the 24,140 people approved for residence through the SMC in 2016/17, 12,106 were principal applicants (50 per cent). Therefore, an average of two people were approved per

application. Between 2015/16 and 2016/17, the number of principal applicants fell 8 per cent and secondary applicants fell 5 per cent.

7.3.1 Age and gender of Skilled Migrant Category approvals

Figure 7.2 shows the number and age of SMC principal and secondary applicants in 2016/17. The age profile of primary and secondary applicants is quite different, principally because the latter includes dependent children of the principal applicant.

Figure 7.2 Age of approved Skilled Migrant Category principal and secondary applicants, 2016/17



Source: MBIE.

In 2016/17, 47 per cent of secondary applicants were aged than 20 compared with a negligible proportion of principal applicants. In contrast, 44 per cent of principal applicants were aged 20–29 compared with 17 per cent of secondary applicants, and 41 per cent of principal applicants were aged 30–39 compared with 25 per cent of secondary applicants. Only a small proportion (3 per cent) of principal applicants were aged over 50 because the SMC has an age limit of 55.

In 2016/17, almost half (47 per cent) of approvals under the SMC were male. Among principal and secondary applications, the gender balance is different: more than two-thirds (67 per cent) of approved principal applicants were male compared with 40 per cent of approved secondary applicants.

7.3.2 Source country of Skilled Migrant Category principal applicants

Table 7.1 shows key statistics for the top source countries of SMC principal applicants in 2016/17. As with all SMC approvals, India remains the top source country since overtaking the United Kingdom in 2011/12 with a quarter (25 per cent) of all principal applicant SMC approvals in 2016/17. India has a

larger share of the SMC principal applicants compared with all SMC approvals (25 per cent compared with 21 per cent) because of its relatively small average application size (1.6 applicants).

Of the top 10 source countries, only South Africa experienced an increase in principal applicant approvals in 2016/17. The largest decrease in absolute terms was among Indian approvals, which fell by 505 (14 per cent).

The median age of all principal applicants through the SMC was 30 in 2016/17. Of the top 10 source countries, South African principal applicants had the highest median age (37), while applicants from China and India were younger than the overall median (28).

Over two-thirds of SMC principal applicants were male in 2016/17 (68 per cent), although the proportion varied among the top source countries from 52 per cent (China) to 83 per cent (Sri Lanka). India was also relatively high at 75 per cent.

Table 7.1 Top 10 source countries of Skilled Migrant Category principal applicants, 2016/17

Source country	Number	Percentage (%)	Percentage change since 2015/16 (%)	Average application size	Median age	Percentage male (%)
India	3,082	25	-14	1.6	28	75
China	1,806	15	-2	1.6	28	52
Philippines	1,483	12	-2	2.3	32	63
United Kingdom	1,215	10	-6	1.9	32	68
South Africa	928	8	20	3.1	37	76
Fiji	282	2	-21	2.6	33	79
South Korea	253	2	-12	1.9	33	59
United States	249	2	-3	2.3	34	55
Sri Lanka	242	2	-18	2.0	32	83
Ireland	176	1	-17	1.5	30	72
Total	12,106	100	-8	2.0	30	68

Source: MBIE.

7.3.3 Points claimed by Skilled Migrant Category principal applicants

Table 7.2 shows the points claimed by principal applicants in their SMC application. The table includes only applicants approved for residence under the SMC in 2016/17. Different criteria operate within each factor. For more information about the SMC, see the Immigration New Zealand website.²⁸

- In 2016/17, almost all (95 per cent) SMC principal applicants were awarded points for a job or job offer in New Zealand (87 per cent for current employment and 8 per cent for an offer of skilled employment).

²⁸ Immigration New Zealand. (2016). *About this Visa: Skilled Migrant Category resident visa*. Retrieved October 2016 from: www.immigration.govt.nz/new-zealand-visas/apply-for-a-visa/about-visa/skilled-migrant-category-resident-visa.

- Of those principal applicants with a job or job offer who also specified a region of employment, just over half (53 per cent) of these gained points for employment or an offer of employment outside Auckland.
- Fifty-nine per cent gained points in 2016/17 for relevant work experience, and 40 per cent gained bonus points for New Zealand work experience.
- Seventy-six per cent gained points for their qualifications (64 per cent had a basic qualification²⁹ and 12 per cent had a postgraduate qualification).
- Relatively few applicants gained bonus points for employment, an offer of employment, work experience or recognised qualifications in an identified future growth area or in an area of absolute skill shortage.
- Relatively few applicants gained bonus points for New Zealand qualifications.

Table 7.2 Criteria under which Skilled Migrant Category principal applicants claimed points, 2016/17

Factor	Percentage gaining points (%)
Skilled employment	
Current skilled employment in New Zealand for 12 months or longer	35
Current skilled employment in New Zealand for fewer than 12 months	52
Offer of skilled employment in New Zealand	8
Bonus points for employment or an offer of employment	
Identified future growth area	10
Area of absolute skills shortage	5
Region outside Auckland*	53
Partner employment or offer of employment	1
Relevant work experience	
2 years	15
4 years	12
6 years	10
8 years	7
10 years	15
Bonus points for New Zealand work experience	
1 year	18
2 years	11
3 years or more	11
Additional bonus points for work experience in an identified future growth area	5
Additional bonus points for work experience in an area of absolute skills shortage	9

²⁹ Includes qualifications up to level 8 on the New Zealand Qualifications Framework.

Factor	Percentage gaining points (%)
Qualifications	
Recognised basic qualification	64
Recognised postgraduate qualification	12
Bonus points for qualifications	
New Zealand bachelor's degree (minimum 2 years' study in New Zealand)	6
New Zealand postgraduate qualification (minimum 1 year's study in New Zealand)	7
New Zealand postgraduate qualification (minimum 2 years' study in New Zealand)	2
Recognised qualification in an identified future growth area	7
Recognised qualification in an area of absolute skills shortage	9
Partner qualifications	12
Close family support in New Zealand	5
Age (20–55)	
20–29	46
30–39	39
40–44	8
45–49	4
50–55	2
Total number of principal applicants	12,106

Note: * The percentage is calculated from the 11,478 Skilled Migrant Category principal applicants who were awarded points for a job or job offer and specified a region of employment.

Source: MBIE.

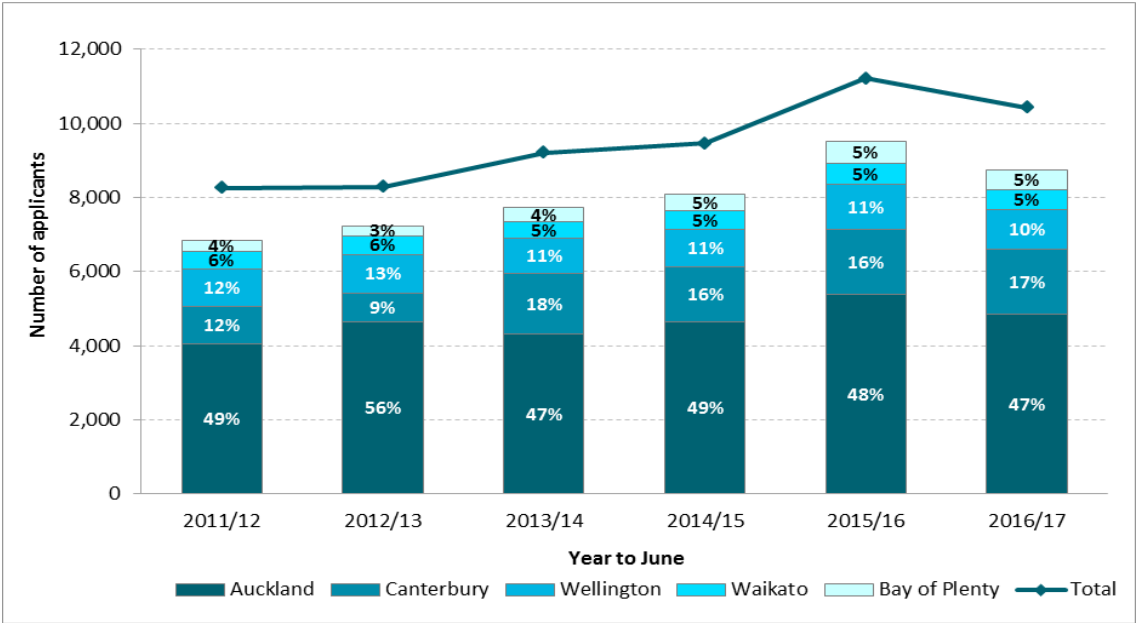
Broadly speaking, the criteria under which points are claimed by SMC principal applicants are similar year to year, but there have been some changes.

- The proportion claiming points for an offer of skilled employment in New Zealand fell from 13 per cent in 2011/12 to 8 per cent in 2016/17. During the same period, the proportion claiming points for current skilled employment in New Zealand of less than 12 months increased from 45 per cent to 52 per cent while the proportion claiming points for current skilled employment in New Zealand of 12 months or longer stayed roughly the same.
- The proportion claiming points for a recognised qualification in an area of absolute skill shortage fell from 20 per cent to 9 per cent between 2011/12 and 2016/17. There were similar decreases in the proportion claiming bonus points for employment, an offer of employment or work experience in an area of absolute skill shortage.
- The proportion claiming points for employment, an offer of employment, work experience or a recognised qualification in an identified future growth area all rose between 2011/12 and 2016/17, although the proportions remain relatively small in each case.

In 2016/17 the main regions of employment for SMC principal applicants were Auckland (47 per cent), Canterbury (17 per cent) and Wellington (10 per cent) (see Figure 7.3). The main regions of employment have remained broadly the same since 2013/14 with the proportion in Canterbury being driven by the rebuild (before 2013/14 the proportion in Canterbury was much smaller).

The biggest regional contributors to the 8 per cent decline in Skilled Migrant Category principal applicant approvals in 2016/17 were: Auckland (-9 per cent to 4,861) and Wellington (-8 per cent to 1,115).

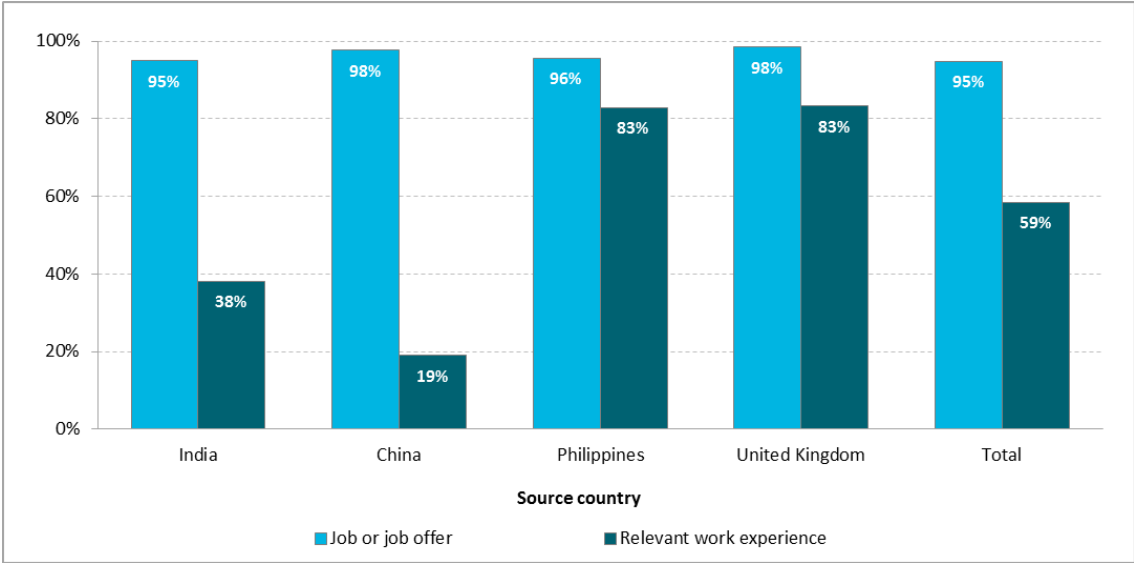
Figure 7.3 Top five regions of skilled employment for Skilled Migrant Category principal applicants, 2011/12–2016/17



Note: These principal applicants were awarded points for a job or job offer and specified a region of employment.
Source: MBIE.

Among the top four source countries for skilled principal migrants, the vast majority of approvals gained points for a job or job offer. The United Kingdom and China came in highest in 2016/17 with 98 per cent. Greater variation occurs among approvals who gained points for relevant work experience, with the Philippines and the United Kingdom relatively high at 83 per cent compared with approvals from China and India at 19 per cent and 38 per cent, respectively. Chinese and Indian approvals are more likely to claim points for qualifications and for being aged under 40.

Figure 7.4 Proportion of Skilled Migrant Category principal applicants who gained points for a job or job offer or relevant work experience by top four source countries, 2016/17



Source: MBIE.

7.3.4 Occupation of Skilled Migrant Category principal applicants

Table 7.3 shows the major occupation group of SMC principal applicants for the main regions of New Zealand. The occupational group Professionals was the most common for SMC principal applicants (40 per cent), followed by Technicians and Trades Workers (36 per cent) and Managers (17 per cent).

The overall occupation distribution generally reflects the occupation distribution in Auckland, which is unsurprising given that 40 per cent of SMC principal applicants who specified a region of employment in their application were employed there in 2016/17. The demand for Technicians and Trades Workers for the rebuild in Christchurch is evident in Canterbury (55 per cent) as is the demand for Professionals in Wellington (55 per cent).

Comparing Table 7.3 with Table 4.2 gives an insight into how the mix of occupations approved under the Essential Skills policy compares with the occupations of principal applicants approved under the SMC. What is notable is the higher proportion of Professionals among principal SMC approvals (40 per cent) compared with Essential Skills approvals (15 per cent), a characteristic reflected in Auckland, Canterbury and Wellington.

Table 7.3 Main occupation of Skilled Migrant Category principal applicants by region of employment, 2016/17

Major group occupation*	Percentage (%)				
	Auckland	Canterbury	Wellington	Waikato	Total
Professionals	42	29	55	40	40
Technicians and Trades Workers	34	55	20	31	36
Managers	16	13	17	22	17
Clerical and Administrative Workers	5	2	4	3	4
Community and Personal Service Workers	2	1	3	4	3
Total (number)	4,875	1,742	1,116	527	10,461

Notes: * Major occupation group is coded to the 2013 Australian and New Zealand Standard Classification of Occupations. Main occupation relates to the job the applicant spent the most hours doing in the past 12 months.

Source: MBIE.

7.4 Residence from Work Category

For many migrants, working temporarily in New Zealand is a step towards gaining residence and settling in New Zealand permanently. Principal applicants who are qualified in occupations that are in demand in New Zealand or who have exceptional talent in arts, sports or culture may gain a work visa that enables them to transition to residence. The associated Residence from Work Category is for applicants who are already in New Zealand on a Work to Residence visa and who want to apply for residence.

In 2016/17, 2,353 people gained residence through the Residence from Work Category, an increase of 21 per cent from 2015/16. This is the fifth straight year-on-year rise and reflects recent rises in the number of people approved under the Work to Residence work policy (see Table 4.1).

Table 7.4 shows the number of people approved residence through the Residence from Work Category by type of applicant in 2015/16 and 2016/17. Most people who gained residence through the Residence from Work Category were approved through the Talent (Accredited Employers) Work policy (70 per cent of applicants in 2016/17). A further 23 per cent were approved through the Long Term Skill Shortage List policy.

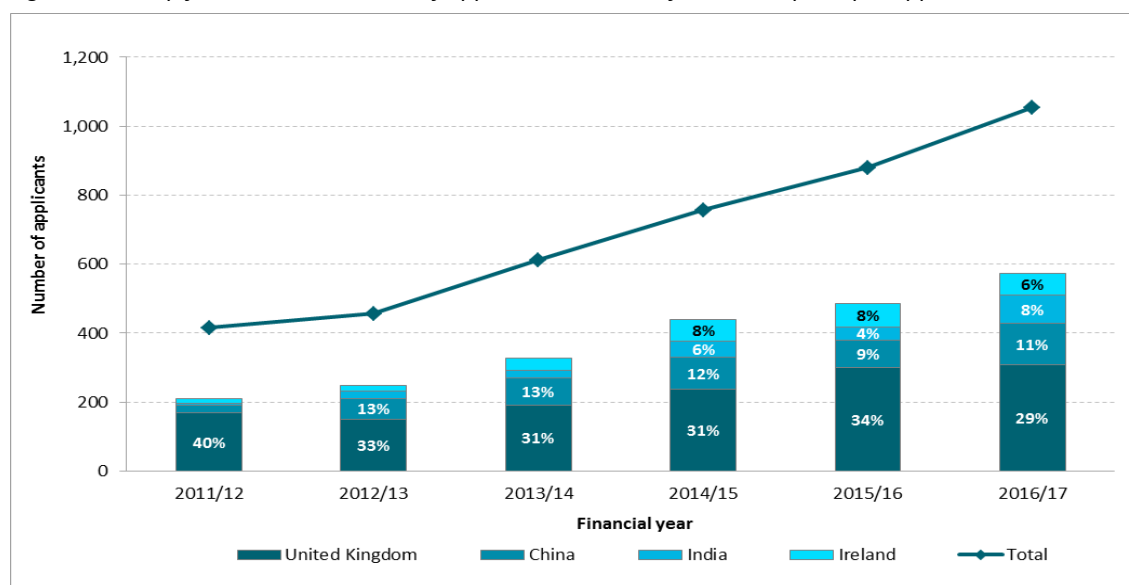
Table 7.4 Residence approvals through the Residence from Work Category, 2015/16–2016/17

Residence from Work Category	Approvals		Percentage of total (%)		Percentage change since 2015/16 (%)
	2015/16	2016/17	2015/16	2016/17	Total
Talent (Accredited Employers)	1,361	1,625	70	69	19
Long-Term Skill Shortage List	454	557	23	24	23
Religious Worker	108	138	6	6	28
Talent (Arts, Culture and Sports)	25	33	1	1	32
Total who gained residence	1,948	2,353	100	100	21

Source: MBIE.

In 2016/17, approvals through the Residence from Work Category originated from more than 60 countries. Applicants from the United Kingdom made up by far the largest share in 2016/17 (29 per cent) and contributed most to the recent growth in approvals (see Figure 7.5). Together the top four source countries, the United Kingdom, China, India and Ireland, accounted for just over half (54 per cent) the approvals in 2016/17.

Figure 7.5 Top four source countries of approved Residence from Work principal applicants, 2011/12–2016/17



Source: MBIE.

7.5 Business Immigration policy approvals

7.5.1 Entrepreneur and Investor Categories

The Business Immigration policy aims to contribute to New Zealand's economic growth by increasing New Zealand's levels of human and investment capital, encouraging enterprise and innovation, and fostering international links. The Business Immigration policy comprises the Entrepreneur policy, Employees of Relocating Businesses policy³⁰ and Migrant Investment policy.

In 2016/17, 2,153 people were approved for residence through the Business Immigration policies, up 7 per cent from 2015/16. Of these, two-thirds (66 per cent) were approved through the Entrepreneur policy and just over a quarter (28 per cent) through the Migrant Investment policy (see Table 7.5).

The Entrepreneur policy experienced a 30 per cent decline in approvals between 2015/16 and 2016/17, while Investor Plus approvals grew 41 per cent and Investor approvals grew 29 per cent.

Table 7.5 Approvals under the Business Immigration policy categories, 2015/16 and 2016/17

Residence from Work Category	Approvals		Percentage of total (%)		Percentage change since 2015/16 (%)
	2015/16	2016/17	2015/16	2016/17	Total
Entrepreneur					
Entrepreneur Residence	852	594	44	30	-30
Investor					
Investor Plus	103	145	5	7	41
Investor 2	986	1,273	51	63	29
Total who gained residence	1,941	2,012	100	100	4

Source: MBIE.

Table 7.6 shows principal applicant approvals by the top source countries in 2016/17. China is the largest source country for both Migrant Investment Category approvals and Entrepreneur Category approvals, comprising 83 per cent and 80 per cent of approvals respectively.

³⁰ Numbers in this category were too small to report, so have been excluded from the policy specific analysis. They are, however, included in the totals for the Business Immigration policies as a whole.

Table 7.6 Top source countries of Business Immigration policy principal applicant approvals, 2016/17

Source country	Entrepreneur Category			Migrant Investment Category		
	Number approved	Percentage (%)	Percentage change since 2015/16 (%)	Number approved	Percentage (%)	Percentage change since 2015/16 (%)
China	158	80	-27	372	83	42
United States	1	1	0	15	3	25
United Kingdom	8	4	-33	12	3	-14
South Korea	10	5	-64	1	0	-75
Other	21	11	-22	47	11	-10
Total	198	100	-31	447	100	30

Source: MBIE.

8 International/Humanitarian Stream

Highlights for 2016/17

- In 2016/17, 4,021 people were approved for residence through the International/Humanitarian Stream. This comprised 1,218 Refugee Quota Programme approvals, 1,121 Samoa Quota approvals, 655 Pacific Access Category approvals, 236 Convention Refugee and Protected Persons (successful asylum claimant) approvals, 302 Refugee Family Support Category approvals and 489 Other special residence policy approvals.

8.1 Introduction

This section describes the characteristics of people approved for residence in 2016/17 under the International/Humanitarian Stream. Further data is in the appendix *Residents*.

The International/Humanitarian Stream includes the Refugee policy, the Samoan Quota Scheme, the Pacific Access Category and various other policies. In 2016/17, 4,021 people were approved for residence through the International/Humanitarian Stream (see *Figure 7.6*).

Table 7.7 International/Humanitarian Stream residence approvals, 2016/17

International/Humanitarian Stream subcategories	2016/17	
	Number	%
Refugee Quota	1,218	30
General Protection	1,124	
Women at Risk	89	
Medical and Disabled	5	
Emergency	0	
Convention Refugees and Protected Persons	236	6
Refugee Family Support Category	302	8
Samoan Quota Scheme	1,121	28

International/Humanitarian Stream subcategories	2016/17	
	Number	%
Pacific Access Category	655	16
Tonga	254	
Fiji	258	
Kiribati	73	
Tuvalu	70	
Other special residence policies	489	12
Ministerial direction	308	
Section 61	149	
Victims of Domestic Violence	32	
Total	4,021	100

Note: Some people in the Pacific Access Category are approved for residence in a different year from the year in which Immigration New Zealand draws their name from the pool of registrations. This table includes people who were successful in the 2016 draw, as well as some who were successful in earlier draws.

Source: MBIE.

8.2 Refugee policy residence approvals

New Zealand provides residence to three categories of people requiring international protection: Quota Refugees, Convention Refugees and Protected Persons. The number of refugees approved for residence each year under the Refugee Quota may differ from the number who arrive in the country as it can take up to 18 months for refugees to arrive in New Zealand after approval. This chapter looks at those who were approved for residence each year, rather than those who arrived in New Zealand.

8.2.1 Refugee Quota Programme

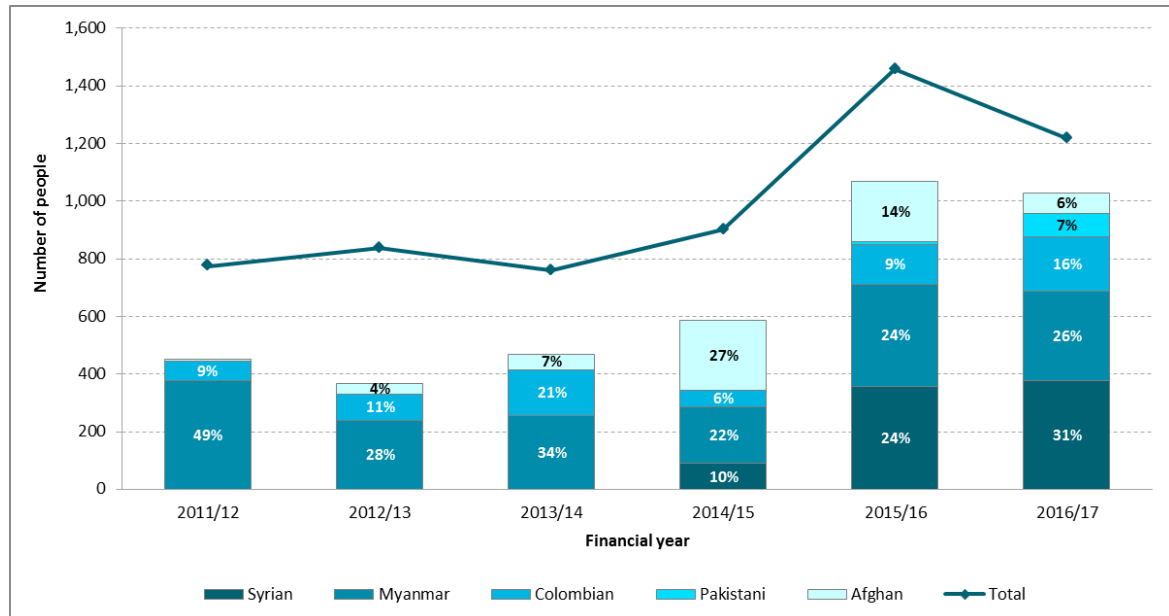
New Zealand has been accepting refugees for resettlement since before the end of World War Two, and in 1987 established a formal annual quota for the resettlement of refugees. In 2016/17, the annual quota was 750 places plus 250 places by way of a special emergency intake for Syrian refugees. In June 2016, the government announced that the Refugee Quota would permanently increase to 1,000 places annually from July 2018. The government also agreed to pilot a new community organisation refugee sponsorship category for 25 refugees in 2017/18 to complement New Zealand's refugee quota.

Refugees considered for resettlement under New Zealand's Refugee Quota Programme (except certain applicants who are nuclear or dependent family members of the principal applicant) must be recognised as a refugee under the mandate of the United Nations High Commissioner of Refugees and referred for resettlement by the High Commissioner. Quota Refugees are granted permanent resident visas on their arrival in New Zealand.

Of the 1,218 people approved for residence through the Refugee Quota Programme in 2016/17, Syrian nationals were the largest number resettled (31 per cent of approvals), followed by Myanmar

nationals (26 per cent of approvals) and Colombian nationals (16 per cent of approvals) (see Figure 7.6). Together, these three nationalities made up almost three-quarters (72 per cent) of quota refugees in 2016/17.

Figure 7.6 Refugee Quota Programme residence approvals by nationality, 2011/12–2016/17



Source: MBIE.

8.2.2 Convention Refugees and Protected Persons

As a signatory to various conventions,³¹ New Zealand considers all claims for refugee status (Convention Refugee³²) or Protected Person³³ status made in New Zealand. People recognised as Convention Refugees or Protected Persons in New Zealand are eligible to apply for residence.

Table 7.8 shows the top 10 nationalities of Convention Refugees and Protected Persons over the last five years. The figures apply only to those who have been granted residence.³⁴ In 2016/17, 236 Convention Refugees and Protected Persons were approved for residence.

Convention Refugees and Protected Persons granted residence came from 41 different countries in 2016/17. The main nationalities were Pakistani (14 per cent) and Sri Lankan (12 per cent).

³¹ The 1951 United Nations Convention Relating to the Status of Refugees and the 1967 Protocol, the 1966 International Covenant for Civil and Political Rights, and the 1984 Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment.

³² See the glossary for a definition of Convention Refugee.

³³ See the glossary for a definition of Protected Person.

³⁴ For more information about the refugee status claims process and statistics, see Immigration New Zealand. (2016). *Refugee and Protection*. Retrieved October 2016 from: www.immigration.govt.nz/about-us/what-we-do/our-strategies-and-projects/supporting-refugees-and-asylum-seekers/refugee-and-protection-unit. See also Immigration New Zealand. (2016). *Refugee Status Branch (RSB) Statistics*. Wellington: Ministry of Business, Innovation and Employment. Retrieved August 2016 from: www.immigration.govt.nz/documents/statistics/rsbrefugeeandprotectionstatpak.pdf

Table 7.8 *Convention Refugees and Protected Persons granted residence by nationality, 2012/13–2016/17*

Top 10	2012/13	2013/14	2014/15	2015/16	2016/17
Pakistani	22	33	22	32	33
Sri Lankan	15	9	20	35	28
Chinese	21	20	16	38	19
Turkish	2	8	7	5	16
Zimbabwean	3	4	0	13	16
Iranian	42	39	21	12	15
Iraqi	22	17	11	27	13
Fijian	6	9	6	6	10
Colombian	3	1	2	5	9
Syrian	8	16	5	16	7
Other	93	75	51	118	70
Total	237	231	161	307	236

Source: MBIE.

8.2.3 Samoan Quota Scheme

The Samoan Quota Scheme was established in 1970. The scheme is based on the spirit of close friendship embodied in the 1962 Treaty of Friendship between New Zealand and Samoa. The Samoan Quota Scheme allows up to 1,100 Samoan citizens, including their partners and dependent children, to be granted residence in New Zealand each year. In 2016/17, 1,121 people were approved for residence through the scheme.

8.2.4 Pacific Access Category

The Pacific Access Category was established in July 2002 for Pacific countries with which New Zealand has close cultural and historical ties. The current Pacific Access Category allows up to 250 citizens of Tonga, 250 citizens of Fiji, 75 citizens of Tuvalu, and 75 citizens of Kiribati, including their partners and dependent children, to be granted residence in New Zealand each year. In 2016/17, 655 people were approved for residence through the Pacific Access Category.

8.2.5 Refugee Family Support Category

The Refugee Family Support Category allows eligible people who were granted residence as refugees in New Zealand to sponsor family members for residence in New Zealand. Three hundred places are available annually.

In 2016/17, 302 people were approved for residence through the Refugee Family Support Category. The main nationalities were Afghan (23 per cent), Iranian (12 per cent) and Somali (11 per cent).

8.2.6 Other International/Humanitarian Stream approvals

In 2016/17, 489 people were approved for residence through other special policies in the International/Humanitarian Stream. The special policies are the Ministerial Direction, Section 61³⁵ and Victims of Domestic Violence policies. The two largest nationalities were Tongan (69 per cent of approvals) and citizens of the United Kingdom (17 per cent of approvals).

³⁵ A person in New Zealand without a valid visa may request a visa under section 61 of the Immigration Act 2009. A decision to grant a visa in these circumstances is at the decision-maker's absolute discretion.

Glossary

Accredited employer

An accredited employer is a New Zealand employer who has had an application for accreditation to employ people under the Talent (Accredited Employers) work policy approved by Immigration New Zealand.

Applicant

An applicant is a person included in a residence or temporary application and includes the principal applicant and secondary applicants (if any).

Application

An application consists of a principal applicant and, if any, secondary applicant(s), so both application inflows and approved applications are a count of principal applicants.

All people included in an application are individually assessed against the government policy criteria that apply to them. An application is decided when a decision is made to approve or decline the application.

Areas of absolute skills shortage

Areas of absolute skills shortage are occupations in which a shortage of skilled workers in New Zealand and internationally is sustained and ongoing. These occupations are listed on the Long Term Skill Shortage List (which is explained under **Essential Skills in Demand Lists**).

Australian and New Zealand Standard Classification of Occupations

The Australian and New Zealand Standard Classification of Occupations defines five skill levels based on formal education and training, previous experience and on-the-job training.

Convention Refugee *see under Refugees*

Essential Skills in Demand Lists

The Ministry of Business, Innovation and Employment manages three Essential Skills in Demand Lists.

- The **Immediate Skill Shortage List** includes occupations where skilled workers are immediately required in New Zealand. It facilitates the approval of work visa applications. If an applicant applies for a work visa based on an offer of employment in an occupation that is on this list and meets the requirements specified in the list, Immigration New Zealand will recognise that no New Zealand citizens or residents are available to take up the position. This removes the need to conduct a 'labour market test', enabling faster processing of the application.
- The **Long Term Skill Shortage List** identifies occupations where a shortage of highly skilled workers globally and throughout New Zealand is sustained and ongoing. If an applicant gains employment in one of these occupations, the applicant may be granted a work visa under the Work to Residence policy. After two years, Work to Residence visa holders are eligible to apply for residence, provided they meet standard requirements and work in an occupation on this list that has a base salary of at least NZ\$45,000.
- Canterbury has special labour market needs because of the requirement to rebuild the region following recent earthquakes. The **Canterbury Skill Shortage List** contains

occupations in critical shortage. If an applicant has skills that appear on this list, then the applicant may qualify for a work visa. If an applicant meets the requirements of the occupations listed and has a job offer in Canterbury, the applicant may be granted a work visa without a labour market test. This list also draws on the occupations on the Immediate Skill Shortage List and Long Term Skill Shortage List that are relevant to the Canterbury rebuild. If the occupation is also on the Long Term Skill Shortage List, then the applicant may also be able to apply for residence.

Canterbury Skill Shortage List *see under Essential Skills in Demand Lists*

Expression of interest

A person who is interested in applying for residence through the Skilled Migrant Category or the Parent Category must first submit an expression of interest.

Financial year

A financial year runs from 1 July in one year to 30 June in the following year. The data in this report is for 1 July 2016 to 30 June 2017 (that is, 2016/17).

Identified future growth area

Identified future growth areas are occupations where an increase in demand by employers is expected, such as biotechnology and information and communications technology.

Immediate Skill Shortage List *see under Essential Skills in Demand Lists*

International English Language Testing System

The International English Language Testing System is an internationally recognised English language assessment. The system uses a unique nine-point scoring system to measure and report test scores consistently. Candidates receive scores for each language skill (listening, reading, writing and speaking) and an overall band score on a band scale from one to nine.

Labour market test

The labour market test requires New Zealand employers to show they have made genuine efforts to attract and recruit suitable New Zealand citizens or residents to fill a position, but have been unable to find such people within New Zealand.

Limited visa

A limited visa entitles the holder to be in New Zealand for an express purpose such as to receive medical treatment, attend a wedding or conference, study as a full-fee paying student (generally only for short courses), or undertake seasonal work under the Recognised Seasonal Employer Scheme until a specified date.

Long Term Skill Shortage List *see under Essential Skills in Demand Lists*

Net migration

Net migration is the difference between the number of permanent and long-term arrivals and the number of permanent and long-term departures.

New Zealand Residence Programme

The New Zealand Residence Programme is the government-approved immigration programme that sets a target range of the number of people who may be approved for residence in a financial year or years.

Offshore applicants

Offshore applicants are determined by arrivals data. If the applicant was not in New Zealand at time of application, they are considered an offshore applicant. Previously, this was determined by the branch at which their application was lodged, so figures in this report may differ from those published previously.

Onshore applicants

Onshore applicants are determined by arrivals data. If the applicant was in New Zealand at time of application, they are considered an onshore applicant. Previously, this was determined by the branch at which their application was lodged, so figures in this report may differ from those published previously.

Permanent and long-term arrivals

Permanent and long-term arrivals are people who arrive in New Zealand intending to stay for 12 months or more (visitors, students, workers and people granted residence) plus New Zealand residents returning after an absence of 12 months or more.

Permanent and long-term departures

Permanent and long-term departures are people leaving New Zealand after a stay of 12 months or more (visitors, students and workers) plus New Zealand residents departing for an intended stay of 12 months or more.

Permanent and long-term migration

An arrival or departure is permanent and long term, if the intended length of stay or absence is 12 months or more.

Principal applicant

The principal applicant is the main person assessed against the policy criteria.

Protected Person *see under Refugees*

Quota Refugee *see under Refugees*

Refugees

Refugees are considered under three categories.

- A **Quota Refugee** is a person determined to be a refugee by the United Nations High Commissioner for Refugees before arriving in New Zealand.
- A **Convention Refugee** is an asylum seeker who has been recognised as a refugee. A refugee is someone who, because of a well-founded fear of being persecuted for the reason of race, religion, nationality, membership of a particular social group or political opinion, is outside the country of their nationality and is unable to or, because of such fear, is unwilling to avail themselves of the protection of that country.

- A **Protected Person** is a person who does not meet the criteria to be recognised as a refugee, but for whom substantial grounds exist for believing they would be in danger of being subjected to arbitrary deprivation of life, torture or cruel, inhuman or degrading treatment or punishment, if deported from New Zealand.

Secondary applicant

A secondary applicant is any person other than the principal applicant named on a residence or temporary application. They will be the partner or dependent child of the principal applicant.

Student visa *see under temporary visa*

Temporary visa

There are three main temporary visas.

- A **visitor's visa** entitles the holder to be in New Zealand while the visa is current, for any lawful purpose apart from undertaking employment or undertaking a course of study or training longer than three months. In most cases, a visitor's visa must not be granted for longer than 12 months.
- A **work visa** entitles the holder to be in New Zealand or within the exclusive economic zone of New Zealand while the visa is current in order to undertake employment. A work visa must not be granted for longer than five years.
- A **student visa** entitles the holder to be in New Zealand while the visa is current to undertake a course of study or training. A student visa must not be granted for longer than four years.

Other types of temporary visa are interim, military and special temporary visas.

A temporary visa holder may apply for a further visa of the same or another type at any time before the current visa expires.

Visa

A visa (other than a transit visa) entitles a person to travel to and/or stay in New Zealand in line with the conditions of that visa.

Visa waiver for travel

People can get a visa waiver for travel to New Zealand, if they are:

- Australian citizens and residents
- crew
- military personnel
- nationals of countries with which New Zealand has a visa waiver arrangement.

Visitor's visa *see under temporary visa*

Work visa *see under temporary visa*

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