



# MONTHLY MIGRATION TRENDS

## DECEMBER 2009



# MIGRATION TRENDS KEY INDICATORS REPORT: DECEMBER 2009

## **Purpose**

This report provides a brief summary of migration trends for the first half of the 2009/10 financial year (July-December 2009). The report focuses on three key areas: the New Zealand Residence Programme, permanent skilled migration, and temporary entry. All immigration data is sourced from the Department of Labour and, unless otherwise stated, is reported as a count of individual people rather than the number of applications.<sup>1</sup>

## **Summary of key points**

- The number of people approved residence in the financial year to date was 19,631, compared with 22,209 for the same period in 2008 and 21,400 in 2007.
- 80% of Skilled Migrant Category (SMC) principal migrants were approved with a skilled job or offer and 87% were approved onshore.
- The UK was the largest source country of migrants approved through the Skilled/Business and Uncapped Family Sponsored Streams, while China was the largest source country of approvals through the Parent Sibling Adult Child Stream.
- Work approval numbers in the financial year to date were down 3% on last year. The number of applications through the labour market tested Essential Skills Policy is well down on last year but the decline rate has eased in recent months.
- The lower number of essential skills workers has been largely offset by more working holidaymakers (in part through new schemes), as well as a growing number of approvals through the study to work and family-related work policies (all not labour market tested).
- International student approvals in the financial year to date were up 3% on last year. The number of Chinese students approved was lower than last year, but there has been steady growth in the number from India, Japan, and Saudi Arabia.
- International visitor arrivals to New Zealand over the last 3 months had been tracking above last year's levels. The number of visitor permits issued in December 2009 was up 3% on December 2008.

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<sup>1</sup> *The reporting method used in this report is consistent with the annual Migration Trends and Outlook report. The purpose of reporting counts of individuals is to show the number of people who enter New Zealand rather than the number of permits they were granted. In practice, counting individual people typically gives lower numbers for temporary workers and students than when reporting the number of applications decided, as some individuals make more than one application in a reporting period. The Department of Labour also reports counts of temporary work and student applications, which are higher than the number of individuals reported here (see the statistics at [www.immigration.govt.nz/statistics](http://www.immigration.govt.nz/statistics)). Permanent residence statistics are uniform across the Department of Labour.*

## 1. New Zealand Residence Programme (NZRP)

The NZRP planning level is 45,000 - 50,000 permanent residence approvals for the 2009/10 financial year. This range is unchanged from 2008/09.

### 1.1 Residence approvals

- 19,631 people were approved residence in the financial year to date compared with 22,209 for the same period in 2008 and 21,400 in 2007. With the exception of the Uncapped Family Sponsored Stream, approval numbers in the year to date were lower than at the same point in the last two years.
- The lower number of Skilled/Business approvals partly reflects the higher decline rate on Skilled Migrant Category applications in the year to date, as well as fewer decisions made overall compared with the same time last year. Table 1 shows the breakdown of approvals by stream for the last three July-December periods.

**Table 1: Residence approvals by stream**

Stream	Jul-Dec 2007	Jul-Dec 2008	Jul-Dec 2009	% change from previous year
Business / Skilled	12,647	13,741	11,936	-13.1
Uncapped Family Sponsored Stream	4,308	4,038	4,318	6.9
Parent Sibling Adult Child Stream	2,507	2,952	2,308	-21.8
International / Humanitarian	1,938	1,478	1,069	-27.7
<b>Total</b>	<b>21,400</b>	<b>22,209</b>	<b>19,631</b>	<b>-11.6</b>

- The top 6 source countries in the 2009/10 year to date were the UK (17%), China (14%), South Africa (12%), the Philippines (9%), Fiji and India (8% each).
- Analysis of residence approvals by nationality shows a trend of decreasing migration from the UK in recent years, particularly skilled migration. Skilled/Business migration from China has fallen but remains steady through family sponsored categories.
- China is currently the largest source country of residence approvals through the Parent Sibling Adult Child Stream, while the UK is the largest source country of approvals through the Skilled/Business and Uncapped Family Sponsored Streams.

### 1.2 Skilled Migrant Category (SMC)

- 10,982 people were approved for residence through the SMC in the financial year to date compared with 13,017 for the same period in 2008 and 11,645 in 2007.
- The top source countries for SMC approvals in 2009/10 to date were South Africa (19%), the UK (18%), China and the Philippines (12% each). The numbers from the UK and China were down more than 30% on the same point last year, while the numbers from South Africa and the Philippines were 8% and 11% lower.
- 80% of SMC principal applicants had a job or job offer (compared with 83% for the same period in 2008). Most were approved onshore (87%), of whom 84% had a job or job offer. Of the 12% approved offshore, 54% had a job or job offer.
- The decline rate on SMC applications was 14% in the financial year to date compared with 11% for the same period last year, which has increased the average processing time on applications. The offshore decline rate was 35% in the year to date compared with 19% this time last year.

## 2. Temporary migration

### 2.1 *Workers*

- The number of people approved for a work permit in the financial year to date was 68,800 – 3% lower than in the same period last year. The lower demand for migrant workers through the labour market tested Essential Skills Policy continues to drive the lower numbers overall. The decline rate continues to ease on Essential Skills applications.
- In the year to date there was an increase in the number of people approved through working holiday schemes (up 13%), the 'study to work'<sup>2</sup> (up 18%) and family-related (up 1%) work policies (all not labour market tested), which have largely offset the lower number approved through Essential Skills Policy (down 29%).
- The main source countries of temporary workers in 2009/10 to date were the UK, China, and India. Current trends show the number of temporary workers from the UK and China has decreased, which is in line with the lower number of Essential Skills Policy approvals for these countries, as well as fewer Chinese students flowing through to the 'study to work' permit.
- The number of workers from India has grown, most notably in the number approved a 'study to work' permit, which has more than doubled in the year to date. This reflects the upward trend in recent years in the number of Indian international students.

### 2.2 *Essential Skills Policy*<sup>3</sup>

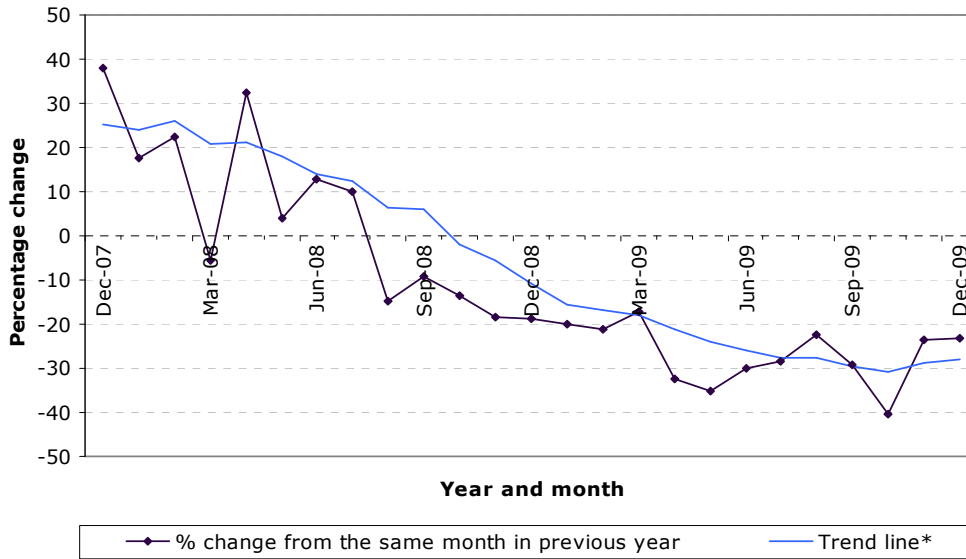
- The number of Essential Skills applications began to slow from October 2008 and numbers are currently well down on last year. Data for the year to date shows that 34% fewer applications (around 9,800) were accepted for processing compared with the same period last year.
- The lower number of Essential Skills applications, combined with a relatively high decline rate on these applications, has seen approval numbers drop substantially. The average number of people approved each month is currently tracking at around 28% lower than the same month in the previous year. Approval numbers were lower for all of the main source countries (the UK, the Philippines, Fiji, China, and India).
- Figure 1 shows the trend in the number of people approved through Essential Skills Policy over the last two years. It tracks the percentage change between any given month in one year with the same month in the previous year.

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<sup>2</sup> Includes the Graduate Job Search and Practical Experience Post Study policies.

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

**Figure 1: Percentage change in the number of Essential Skills workers approved<sup>†</sup>.**

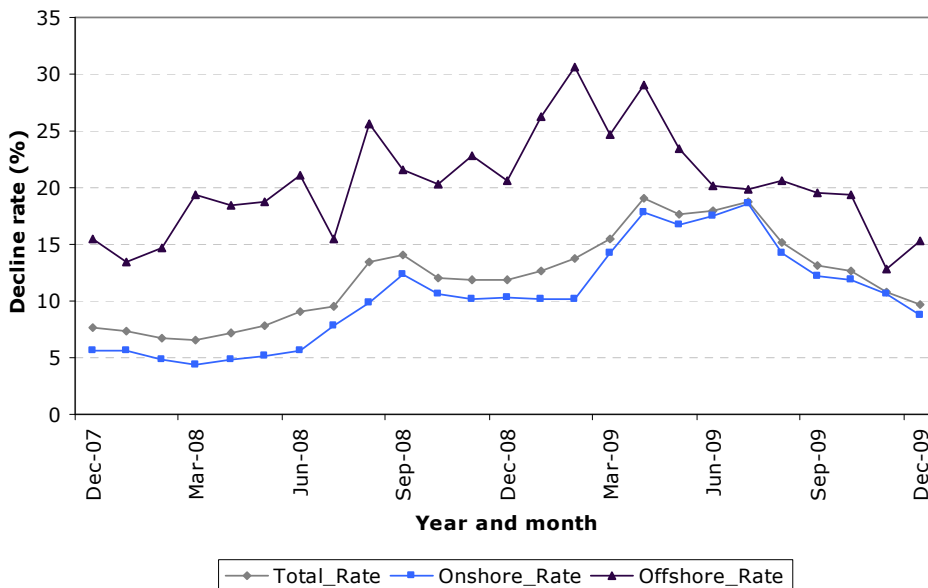


<sup>†</sup>The percentage change from the *same month* in the previous year.

\*The trend line is the rolling average percentage change over the last six months.

- The decline rate on Essential Skills Policy decisions<sup>4</sup> was relatively high throughout 2008/09 but has fallen in recent months for both onshore and offshore decisions. While the overall decline rate is still relatively high, it has fallen to its lowest point since July 2008.

**Figure 2: Decline rate on Essential Skills applications by decision branch location.**



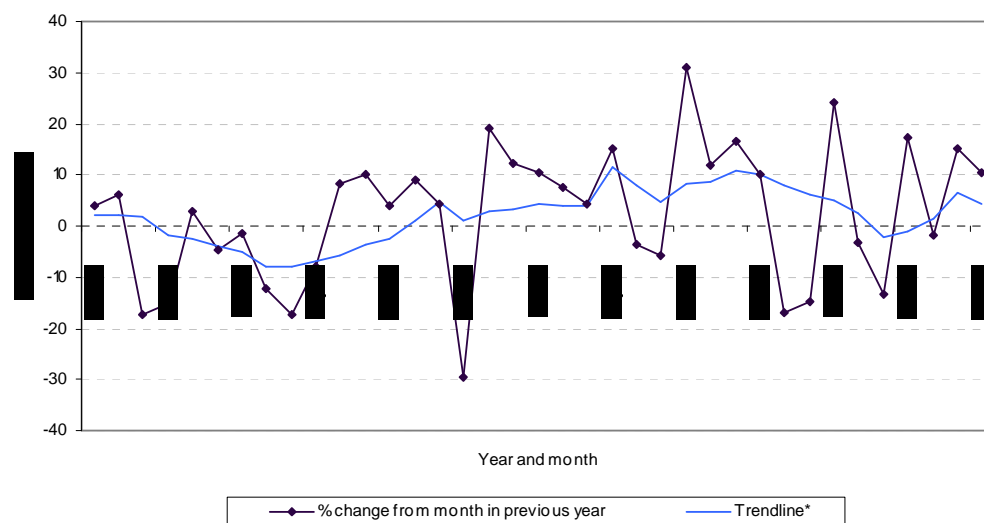
### 2.3 Students

- 36,958 people were approved student permits in the financial year to date. This number is 3% higher than in the same period in 2008. The number of Chinese students approved was 2% lower than in the same period last year, but there has been a steady increase in the number approved from India (up 12%), Japan (up 6%) and Saudi Arabia (up 35%).

<sup>4</sup> Includes all *decisions* on the following work policy types: Essential Skills, Essential Skills - Skill Level 1, Approved in Principle, General, and Specialist skills.

- Figure 3 shows the trend in the number of international students approved over the last three years. It tracks the percentage change between any given month in one year with the same month in the previous.

**Figure 3: Percentage change in the number of students approved<sup>†</sup>.**



<sup>†</sup>The percentage change from the *same month* in the previous year.

\*The trend line is the rolling average percentage change over the last six months.

## 2.4 Visitors

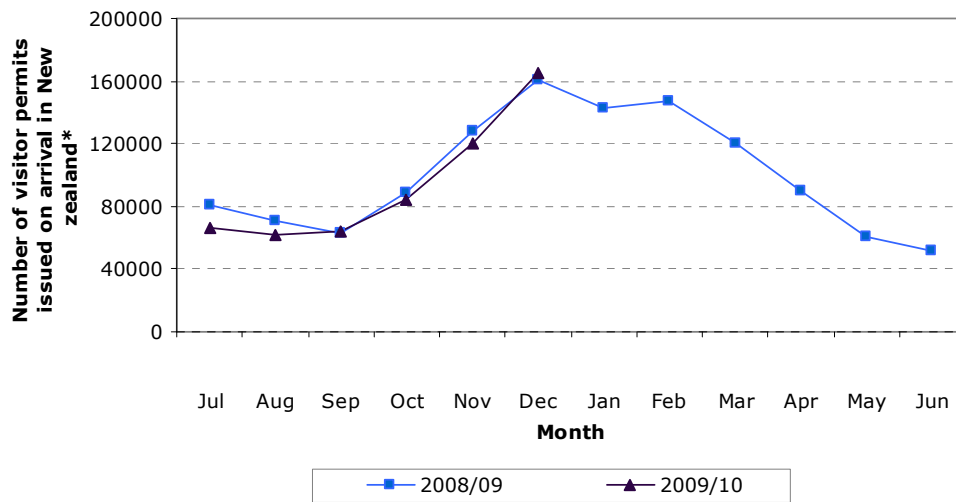
- The Ministry of Tourism reported that international visitor arrivals to New Zealand over the last 3 months had been tracking above last year's levels. The Ministry also reported that the sector headed into the peak summer season in reasonably good position, perhaps a much better position than would have been anticipated a few months ago. <sup>5</sup>
- December is New Zealand's peak month for international arrivals. In the financial year to date 562,000 visitor arrivals were recorded at the border compared with 592,000 for the same period in the previous year, indicating a decrease of 5%.<sup>6</sup> The number of visitor arrivals in December 2009 was 165,000 compared to 161,000 in December 2008 - an increase of 3%. <sup>7</sup>

<sup>5</sup> <http://www.tourismresearch.govt.nz/Data--Analysis/Key-Statistics/Tourism-Leading-Indicators-Monitor/> (accessed 8 Jan 2010).

<sup>6</sup> This includes all visa-free and visa-required travellers issued a visitor permit on arrival in New Zealand. It excludes Australian citizens and any other nationals exempt from holding a permit.

<sup>7</sup> Ibid.

**Figure 4: Number of visitor permits issued on arrival by month\***



\*Excludes Australian citizens and any other nationals exempt from holding a permit

