



# MONTHLY MIGRATION TRENDS

## AUGUST 2009



# MIGRATION TRENDS KEY INDICATORS REPORT: AUGUST 2009

## **Purpose**

This report provides a brief summary of migration trends for the 2009/10 financial year to date. This report is for the months of July/August 2009 and 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**

- Residence approval numbers in July/August 2009 were lower than in the same period in 2008, but with the exception of that year, the approval numbers were similar to previous years.
- 82% of Skilled Migrant Category (SMC) principal migrants were approved with a skilled job or offer of employment in July/August 2009.
- South Africa and the United Kingdom (UK) are currently the largest source countries of skilled migrants to New Zealand.
- Work approval numbers in July/August 2009 were down slightly on last year. Demand remains relatively low for migrant workers through Essential Skills policy, although the decline rate has eased somewhat for onshore applicants.
- In comparison with the same period last year, international student numbers show a general trend of lower numbers from China and South Korea, and increasing numbers from India and Saudi Arabia.
- Visitor numbers from Australia continue to grow in spite of the economic slowdown, although Australian visitors usually stay for shorter periods and, on average, spend less money in New Zealand than visitors from other countries.

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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

- 6,459 people were approved residence in July/August 2009 compared with 8,043 for the same period in 2008 and 6,781 in 2007. With the exception of last year, the figure for July/August 2009 is similar to previous years. Table 1 shows the breakdown of approvals by stream for the last three July/August periods.

**Table 1: Residence approvals by stream**

Stream	July/August 2007	July/August 2008	July/August 2009
Business / Skilled	4,093	4,832	3,714
Uncapped Family Sponsored Stream	1,393	1,490	1,522
Parent Sibling Adult Child Stream	801	1,268	899
International / Humanitarian	494	453	324
<b>Total</b>	<b>6,781</b>	<b>8,043</b>	<b>6,459</b>

- The top 5 source countries were the UK (17%), China (13%), South Africa (12%), the Philippines and Fiji (8% each).
- Analysis of residence approvals by nationality shows a trend of decreasing skilled migration from the UK and China for at least the last two years (longer for the UK), increasing skilled migration from South Africa, and relatively steady numbers from India and the Philippines.
- Chinese migrants are currently the largest source country of residence approvals through the Parent Sibling Adult Child Stream, while UK migrants comprise the largest number of approvals through the Uncapped Family Sponsored Stream.

### 1.2 Skilled Migrant Category (SMC)

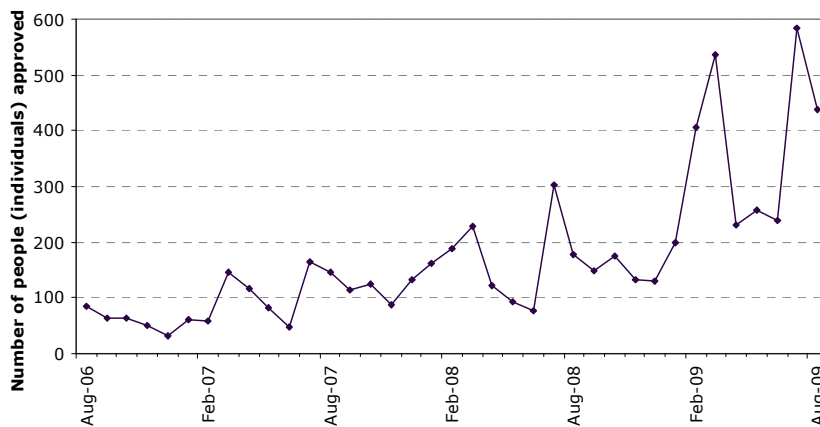
- 3,422 people were approved for residence through the SMC in July/August 2009 compared with 4,578 for the same period in 2008 and 3,778 in 2007.
- Currently, the top source countries for SMC approvals in 2009/10 to date are South Africa (20%), the UK (18%), the Philippines and China (11% each).
- 82% of SMC principal applicants had a job or offer (compared with 84% in July/August 2008) and 70% gained points for recognised work experience (compared with 62% in July/August 2008).
- Most SMC principal applicants were approved onshore (89%), of whom 85% had a job or offer. Of the 11% approved offshore, 61% had a job or offer.

## 2. Temporary migration

### 2.1 Workers

- The number of people approved to work in July/August 2009 was 23,457, which was 3% lower than in the same period last year. The main drivers of lower work approval numbers is the continuing lower demand for migrant workers through Essential Skills policy together with relatively high decline rates for these applicants (section 2.3).
- Currently, the main nationalities of temporary workers in 2009/10 to date are the UK, India, and China. The main trends currently show a decreasing number of temporary workers coming from the UK and China and a growing number from India. In the case of India, Figure 1 shows that the number of students approved a 'study to work' permit has grown rapidly over the last two years.

**Figure 1: Number of Indian students approved a 'study to work' permit by month**

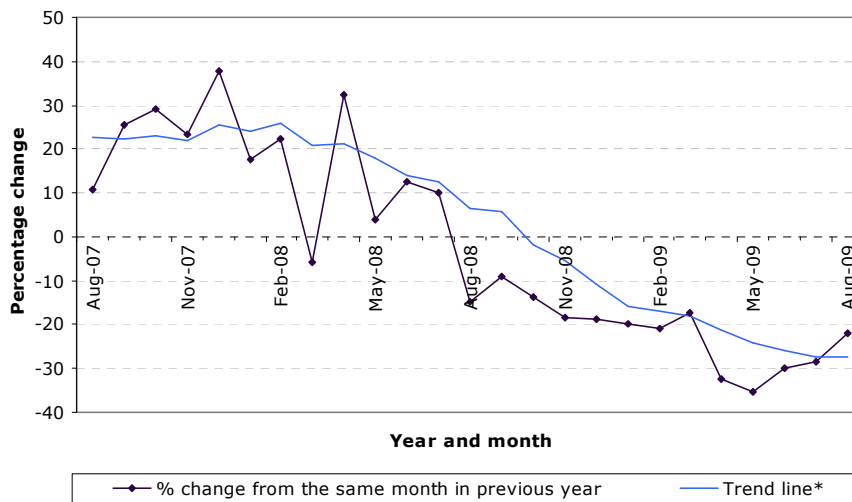


### 2.2 Essential Skills policy<sup>2</sup>

- The demand for Essential Skills workers slowed from October 2008 and the inflows of new applications is currently well down on last year. Thirty-five percent fewer applications were made in August 2009 (3,099 compared with 4,751 in August 2008).
- Lower demand for Essential Skills workers, combined with a relatively high decline rate on these applications, has seen approval numbers drop substantially. The number of people approved each month is currently tracking at around 25-30% lower than in the previous year. Approval numbers in July/August 2009 were lower for all of the main source countries (the UK, the Philippines, Fiji, India, and China).
- Figure 2 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 – for example, August 2009 compared with August 2008.

<sup>2</sup> Includes the following policies: Approved in Principle, Essential Skills, Essential Skills - Skill Level 1, General, and Specialist skills.

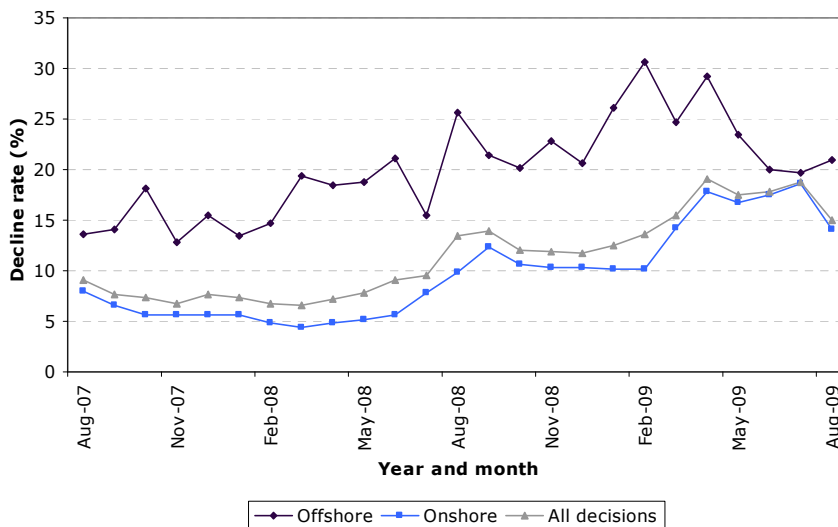
**Figure 2: Monthly percentage change in the number of Essential Skills workers approved.**



### 2.3 Essential Skills policy decisions<sup>3</sup>

- The decline rate on Essential Skills policy applications increased throughout 2008/09 and was particularly high for offshore decisions (although the bulk of decisions were made onshore). The overall rate peaked at 19% in April 2009. Figure 3 shows that onshore decline rates dropped to 14% in August 2009, while offshore decline rates remained at around 20%.

**Figure 3: Decline rate on Essential Skills applications by decision branch location.**



### 2.5 Students

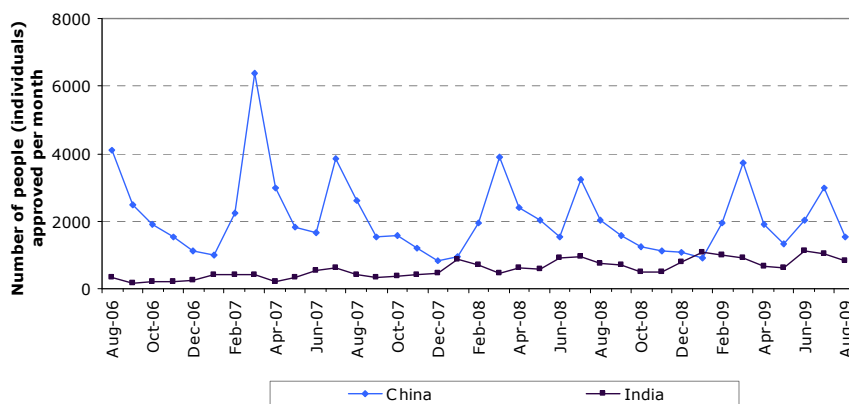
- The number of people approved to study in July/August 2009 was 15,077, down 8% compared with the same period in 2008. The number of Chinese students approved in July/August 2009 was 15% lower than in the same period last year. In comparison, the number approved from India was 11% higher.
- Figure 4 shows the number of Chinese and Indian students approved over the last three years. It also highlights the seasonal fluctuation in student approvals, with high

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

<sup>3</sup> Includes all *decisions* on the following work policy types: Approved in Principle, Essential Skills, Essential Skills - Skill Level 1, General, and Specialist skills.

volumes at the beginning of the semesters. The seasonal fluctuation is less pronounced for Indian students because fewer undertake university study – the majority enrol at private training establishments or institutes of technology.<sup>4</sup>

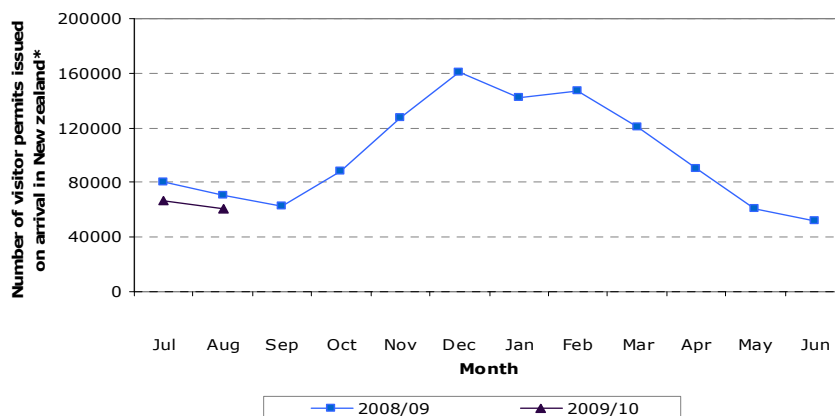
**Figure 4: Number of Chinese and Indian students approved each month.**



## 2.6 Visitors

- The number of visitor permits issued at the border was down 16% in July/August 2009 compared with July/August 2008.<sup>5</sup> This continues a downward trend in tourism from Europe and Asia.

**Figure 5: Number of visitor permits issued on arrival by month\***



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

- The number of arrivals from Australia in July 2009 was 20% higher than in the previous July.<sup>6</sup> The increasing number of arrivals from Australia is offsetting the falls in tourism from long-haul markets, although Australian visitors generate less revenue for New Zealand's tourism industry.<sup>7</sup> This is because Australian visitors spend less time in New Zealand, which means they spend less money, on average, than visitors from other countries.

<sup>4</sup> [http://www.educationcounts.govt.nz/\\_data/assets/excel\\_doc/0003/49368/Pro-base-enrol3006.xls](http://www.educationcounts.govt.nz/_data/assets/excel_doc/0003/49368/Pro-base-enrol3006.xls) (accessed 8 September 2009)

<sup>5</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>6</sup> [http://www.stats.govt.nz/browse\\_for\\_stats/population/Migration/InternationalTravelAndMigration\\_HOTPJul09.aspx](http://www.stats.govt.nz/browse_for_stats/population/Migration/InternationalTravelAndMigration_HOTPJul09.aspx) (accessed 7 September 2009)

<sup>7</sup> <http://www.tourismresearch.govt.nz/Data--Analysis/International-tourism/International-Visitors/> (accessed 8 September 2009)

