

Department of Labour
TE TARI MAHI



**FROM WORK TO RESIDENCE:
AN EVALUATION OF WORK POLICIES
THAT PROVIDE A PATHWAY TO PERMANENT
RESIDENCE IN NEW ZEALAND.**

AUGUST 2006

Paul Merwood
Research Analyst
Department of Labour

Disclaimer: The Department of Labour has made every effort to ensure that the information contained in this report is reliable, but makes no guarantee of its accuracy or completeness and does not accept any liability for any errors. The Department may change the contents of this report at any time without notice.

© **Crown copyright 2006**

This material is Crown copyright unless otherwise stated and may be reproduced free of charge without requiring specific permission. This is subject to it being reproduced accurately and not being used in a derogatory manner or in a misleading context. The source and copyright status should be acknowledged. The permission to reproduce Crown copyright protected material does not extend to any material in this report that is identified as being the copyright of a third party.

Department of Labour
PO Box 3705
Wellington
New Zealand

www.dol.govt.nz

For Immigration Research visit
www.immigration.govt.nz/research

ISBN 0-478-28060-2

Contents

Executive summary	1
1 Introduction	4
1.1 Background	4
1.2 Work to residence policies.....	4
1.3 Residence policy for Talent and LTSSL Occupation work policy	6
1.4 Research objectives	6
1.5 Research methodology	6
1.6 Limitations of the data.....	7
1.7 Data analysis	8
1.8 Structure of the report	8
2 Accredited employers and the migrants they employ	9
2.1 Introduction.....	9
2.2 Talent Visa (Accredited Employers) policy	9
2.3 Number of accreditations	9
2.4 Rate of accreditation renewal	10
2.5 Processing times for employer accreditations	11
2.6 Regional distribution of accredited employers	12
2.7 Industry of accredited employers	12
2.8 Size of accredited employers' business.....	13
2.9 Years in business.....	14
2.10 Number of migrants employed by accredited employers	15
2.11 Number of migrants employed through the Talent (Accredited Employers) policy	16
2.12 Salary threshold for Talent (Accredited Employers) work permit policy.....	19
2.13 Key stakeholders' perceptions of the salary threshold	22
2.14 Characteristics of employers declined accreditation.....	23
2.15 Online survey of accredited employers	27
2.16 Strengths and limitations of Talent Visa policy	29
2.17 Summary	33
3 Working to residence: Talent and LTSSL work permit trends	34
3.1 Introduction.....	34
3.2 Talent Visa and LTSSL Occupation work permit policy	34
3.3 Approval numbers	34
3.4 Timeliness	36
3.5 Nationality of approvals	36
3.6 Occupation	37
3.7 Region of employment.....	40
3.8 Age and gender of approvals	41
3.9 Summary	44
4 Talented migrants: Transitions to permanent residence	45
4.1 Introduction.....	45
4.2 Residence policy for Talent Visa and LTSSL work permit holders	45
4.3 Number of people approved for residence	45
4.4 Proportion of work permit holders converting to residence	45
4.5 Nationality of people approved for residence.....	46

4.6	Age and gender of people approved for residence.....	47
4.7	Occupation of people approved for residence	48
4.8	Residence approval category	49
4.9	Time taken to transition to residence.....	51
4.10	Work permit holders not taking up residence after 24 months	52
4.11	Work permit holders leaving New Zealand without applying for residence	53
4.12	Long term absent residence approvals	54
4.13	Transition to residence for work permit holders approved onshore versus offshore	54
4.14	Summary	56
5	Conclusions.....	57
Appendix A	Questionnaire for the online survey of accredited employers	59
Appendix B	Nationality of people approved through the Talent Visa and LTSSL Occupation work permit policies	62
Appendix C	Nationality of people approved for residence by work permit held prior to residence.....	65

Tables and figures

Figure 2.1	Number of accreditations and renewals per month between April 2002 and October 2005	10
Table 2.1	Rate of accreditation renewal between April 2002 and October 2005	11
Figure 2.2	Cumulative proportion of approved decisions by processing time ..	11
Table 2.2	Region of accredited employers	12
Table 2.3	Accredited employers by industry	13
Table 2.4	Number of accredited employers by size	14
Table 2.5	Number of years in business for accredited employers	14
Table 2.6	Accredited employers by size of business and years in business ..	15
Table 2.7	Employee composition by employer size for employers accredited between April 2002 and October 2005.....	15
Table 2.8	Employee composition by employer size for employers who held a current accreditation as at October 2005.....	16
Table 2.9	Number of work permit holders by size of accredited employer ...	17
Table 2.10	Number of Talent (Accredited Employers) work permit holders employed by accredited employers	17
Table 2.11	Nationality of Talent (Accredited Employers) work permit holders by employer size	18
Table 2.12	Nationality of Talent (Accredited Employers) work permit holders by their employers' years in business	19
Table 2.13	Salary ranges for work permit holders through the Talent (Accredited Employers) policy	20
Table 2.14	Salary ranges by occupational group for people issued a work permit through the Talent (Accredited Employers) policy.....	20
Figure 2.3	Median salary paid by survey respondents	21
Table 2.15	Average hourly earnings from wages/salaries by occupational group between 2002-2005 for the year ended June	22
Table 2.16	Number of declined accreditation applications by employer size ..	24
Table 2.17	Number of declined accreditation applications by years in business	25
Table 2.18	Number of declined accreditation applications by industry	26
Table 2.19	Industry of respondents	27
Figure 2.4	Ability to recruit skilled New Zealanders and migrants	28
Table 2.20	Average length of time currently-employed migrants have worked for the employer	29
Table 2.21	Average length of time migrants worked for the employer before leaving.....	29
Figure 2.5	Usefulness of Talent Visa policy in enabling accredited employers to recruit migrants	30
Figure 3.1	Number of people approved through Talent Visa and LTSSL Occupation policies between June 2002 and October 2005	35
Table 3.1	Approval rates for applications through the Talent Visa and LTSSL Occupation policies.....	36
Table 3.2	Onshore-offshore split by policy category.....	36
Figure 3.2	Nationalities of Talent Visa and LTSSL Occupation permit holders between April 2002 and October 2005.....	37

Table 3.3	Occupational groups of people approved through Talent Visa and LTSSL Occupation policies	38
Table 3.4	Examples of the most common occupations of people approved through the Talent (Accredited Employers) policy	39
Table 3.5	Examples of the most common occupations of people approved through the LTSSL Occupation policy.....	40
Table 3.6	Region of employment of people approved through the Talent Visa and LTSSL Occupation policies between April 2002 and October 2005.....	41
Figure 3.3	Age of people approved through the Talent Visa and LTSSL Occupation policies between April 2002 and October 2005.....	42
Table 3.7	Ratio of men to women approved for Talent Visa and LTSSL Occupation work permits	43
Table 4.1	Number of people converting to residence by Talent Visa and LTSSL Occupation work permit category	46
Table 4.2	Nationality of work permit holders who gained permanent residence	47
Table 4.3	Age of work permit holders who gained permanent residence	47
Table 4.4	Occupational group of work permit holders who gained permanent residence	49
Table 4.5	Residence categories through which Talent Visa and LTSSL Occupation work permit holders gained residence approval	50
Table 4.6	Residence approval categories for work permit holders approved before or after meeting the 24-month qualifying period.....	51
Figure 4.1	Months taken for work permit holders to transition to residence ..	52
Figure 4.2	Number of months spent in New Zealand after work permit approval (or arrival) before departing long term	53
Table 4.7	Number of work permit holders leaving New Zealand by nationality	54
Table 4.8	Work permit approval location by residence approval category....	55
Table 4.9	Residence approval category by approval location	55

Executive summary

In April 2002, the Department of Labour (DoL) introduced three new temporary work permit policies that were designed to provide a direct pathway from skilled temporary worker to permanent resident. The three policies included the Talent Visa (Accredited Employers), Talent Visa (Arts, Culture and Sports), and the Long Term Skill Shortage List (LTSSL) Occupation work permit.¹ These 'work to residence' policies were designed to help New Zealand employers recruit and retain highly skilled and talented migrants.

The purpose of this research was to describe the trends in Talent Visa and LTSSL Occupation applications since the policies came into effect, the characteristics of accredited employers and the migrants they employ, and the strengths and limitations of Talent (Accredited Employers) policy as experienced by key stakeholders.

The research involved a quantitative analysis of the Department of Labour's Immigration database, an online survey of accredited employers, and qualitative interviews undertaken with immigration advisers and immigration officers at the Business Migration Branch in Wellington.

Key findings: Accredited employers and the migrants they employ

The Talent (Accredited Employers) policy allows accredited employers to recruit highly talented workers from overseas to supplement their own New Zealand workforce. Between April 2002 and October 2005, 565 employers were accredited and approximately 61 percent have maintained their accreditation status over time.

Accredited employers represented a broad range of industries, they tended to be larger than the average New Zealand business, well established, and many were based in Auckland (61 percent). The largest accredited employers employed the majority of work permit holders approved through the Talent (Accredited Employers) policy. Small employers (fewer than 20 employees) accounted for 21 percent of accreditations but employed only 6 percent of Talent (Accredited Employers) work permit holders. Overall, most accredited employers employed fewer than six Talent (Accredited Employers) work permit holders.

A combination of administrative data and survey data showed that the salaries paid to Talent (Accredited Employers) work permit holders tended to be well in excess of the policy threshold of \$45,000 per annum. However, there were significant differences between occupational groups. On average, the salaries paid to work permit holders in Service and Sales, Agriculture and Fishery, Trades, and Plant and Machine Operators tended to be nearer the \$45,000 threshold than other occupational groups.

In general, accredited employers had found that being accredited brought with it a number of advantages, not least of which they found that being accredited expedited the recruitment of overseas workers. Furthermore, being able to offer migrants a

¹ The LTSSL Occupation work permit was originally known as the Priority Occupations List work permit.

job through a policy that would lead to permanent residence was seen as an attractive incentive for potential migrants.

However, some employers felt that the Talent (Accredited Employers) policy was undermined by the Skilled Migrant Category (SMC), which came into effect after the Talent Visa was introduced. Some employers felt their ability to retain work permit holders was lessened by the ease of which many of the migrants they employed could gain permanent residence through the SMC, or 'category jump', instead of following the work to residence route intended by the Talent (Accredited Employers) policy.

Key findings: Talent Visa and LTSSL work permit holders

Between April 2002 and October 2005, 4,064 people were approved through the three work to residence policies. Sixty-one percent (2,487 people) were approved through the Talent (Accredited Employers) policy, 35 percent (1,427 people) through the LTSSL Occupation policy, and the remaining 4 percent (150 people) through the Talent (Arts, Culture and Sports) policy.

Overall, Talent Visa and LTSSL Occupation work permit approval rates was high, particularly for Talent (Accredited Employers) applications (98 percent approval rate). Applications were processed very quickly compared to work permits issued through General work permit policy. On average, Talent (Accredited Employers) and LTSSL Occupation work permits were processed in 12 days. The processing times for General work permits over the same analysis period averaged 51 days.

Talent Visa and LTSSL Occupation work permits were issued to migrants from a broad range of nationalities, although the top five nationalities accounted for 73 percent of approvals. The UK was the largest source country for each of the three permit types, accounting for 48 percent of the combined total. Fifty-three percent of migrants employed through the Talent (Accredited Employers) policy were from the UK, as were 42 percent of LTSSL Occupation work permit holders. The other main source countries for the work to residence policies included South Africa, Canada, and the USA.

Work permit holders were employed in a broad range of occupations, although 80 percent overall worked in occupations classified as Legislators, Administrators and Managers, Professionals, or Technicians and Associate Professionals. A further 8 percent were classified as Trades Workers. The high concentration in these occupational groups indicates the degree to which these policies are enabling the recruitment of skilled or talented migrants.

Talent Visa and LTSSL Occupation work permit holders were employed in regions throughout New Zealand. Those employed through the LTSSL Occupation policy had the greatest spread, with only 38 percent recording employment in Auckland. Sixty-three percent of Talent (Accredited Employers) work permit holders were employed in Auckland, reflecting the large proportion of accredited employers based there. The majority of those employed through the Talent (Arts, Culture and Sports) policy worked in New Zealand's three main population centres.

Key findings: Transitions to permanent residence

Three residence policies complement the Talent Visa and LTSSL Occupation work permit policies. Talent Visa and LTSSL Occupation work permit holders may be granted residence through the associated residence policies after holding their work permit for 24 months. However, the work to residence policies do not preclude migrants from applying for permanent residence through other residence policies, or 'category jumping'.

Twenty-nine percent of Talent Visa and LTSSL Occupation work permit holders gained permanent residence between April 2002 and October 2005. The majority of these people were approved through residence categories other than the intended residence from work routes, but nearly all were approved through skilled categories. Of those who gained permanent residence, 18 percent were approved through the associated residence from work policies and 78 percent were approved through other skilled categories, most notably the SMC. Most of the remaining four percent were approved through Partnership policy.

Of the three work to residence policies, those who held a LTSSL Occupation work permit were most likely to gain residence within 24 months of being issued their work permit. They were also more likely to gain residence through the SMC. LTSSL Occupation work permit holders are highly skilled, with qualifications and work experience that enables them to work in occupations on the LTSSL. These skilled workers are able to meet the policy requirements of the SMC, so it is not unexpected that many endeavour to obtain permanent residence through this policy route.²

Not all migrants issued a work to residence permit remain in New Zealand. This research shows that a small proportion (eight percent) of Talent Visa and LTSSL Occupation work permit holders left New Zealand without applying for residence and were absent for six months or more at the time of analysis. Of the eight percent, almost two-thirds left New Zealand within six months of gaining their work permit. Of the three policies, Talent (Accredited Employers) work permit holders were the most likely to stay in New Zealand, and many gained residence through the intended policy route.

² A person who has a job or offer of employment in an occupation on the Long Term Skill Shortage List not only meets the SMC requirements for skilled employment but also attracts bonus points by virtue of having skilled employment in an area of absolute skills shortage.

1 Introduction

1.1 Background

Anyone who wishes to work in New Zealand (except New Zealand or Australian citizens or residents) must have a work permit. Work permit policy allows people to enter New Zealand for a variety of work-related purposes. Some policies allow employers to recruit temporary workers from overseas to meet particular or seasonal skill needs that cannot be met from within New Zealand. Other policies allow family members, such as work permit holders' partners, to participate in the labour market. Work permits are also issued to young people (aged 18-30 years) participating in working holiday schemes that New Zealand has established with a number of countries.

In 2001, the Department of Labour (DoL) undertook a review of temporary work policy. A key outcome from this review was Cabinet's agreement to an overarching work policy objective, which was to complement residence policy by contributing to developing New Zealand's capacity base.³

The review of temporary work policy proposed the introduction of a Talent Visa, in essence a temporary work policy that would facilitate the transition from skilled worker to resident. Talent Visa policy would position work policy as 'opportunity driven', enabling employers to select talented, skilled migrants most likely to benefit New Zealand without having to first establish that a vacancy exists.⁴ The link to permanent residence was intended to help New Zealand retain these highly skilled and talented migrants.

1.2 Work to residence policies

In April 2002, three new work to residence policies came into effect. These included the Talent (Accredited Employers), Talent (Arts, Culture and Sports), and the Priority Occupations List (now known as the Long Term Skill Shortage List Occupation policy, or LTSSL).⁵ Applicants through these three work permit categories are issued a multiple entry work visa or permit allowing a stay in New Zealand of 30 months, and become eligible for permanent residence after two years if they meet the requirements of the associated residence policy.

1.2.1 Talent (Accredited Employers)

The Talent (Accredited Employers) policy allows accredited employers to recruit highly talented workers from overseas more easily. Its purpose is to allow accredited employers to supplement their own New Zealand workforce through the recruitment of non-New Zealand workers whose talents are required by the employer. Accredited employers must have direct responsibility for the migrants they employ and their work output.

³ CAB M (01) 19/6, (2001): *Review of Immigration Temporary Work Policy: Talent Visa Policy*.

⁴ Department of Labour, (2001). *Review of Immigration Work Policy*.

⁵ The Talent and LTSSL policies now comprise three of the five work to residence options that provide a pathway to gaining residence in New Zealand. The other two options include the Long Term Business Visa and the work to residence component of the Skilled Migrant Category.

Employer accreditation is administered by the business relationship advisers in the Business Migration Branch. To become accredited, an employer must meet certain criteria, which include being in a sound financial position and having a high standard of human resource policies and processes, good workplace practices, a commitment to training New Zealanders, and a record of compliance with immigration and employment legislation.

Employers are granted accreditation for 12 months, after which time they must make an application for renewal annually. To qualify for a work permit through the Talent (Accredited Employers) policy, an applicant must have an offer of employment with an accredited employer. The job offer must be for at least two years, be full-time, and have a minimum base salary of \$45,000. Applicants must be no older than 55 and must meet health and character requirements.

1.2.2 Talent (Arts, Culture and Sports)

The Talent (Arts, Culture and Sports) policy enables major New Zealand cultural and sporting organisations to sponsor talented individuals who have an exceptional record of achievement and are still active in their chosen field. Organisations need to give reasons that the applicant's presence in New Zealand would enhance the qualities of New Zealand's accomplishments by their participation in a given field of art, sport, or culture.

Applicants through the Talent (Arts, Culture and Sports) work policy must have exceptional talent in a declared field of art, culture, or sport.⁶ Sponsoring organisations are required to undertake an initial two-year commitment of support, accommodation and, if required, repatriation. Applicants must be no older than 55 and meet health and character requirements.

1.2.3 LTSSL Occupation work policy

Under LTSSL Occupation policy, applicants must have an offer of employment in an occupation that is included on the Long Term Skill Shortage List, and must meet the specifications for the occupation.⁷ The job offer must be for at least two years, be full-time, and applicants must be suitably qualified by training and/or experience to undertake the offer of employment (including any specific requirements set out on the Long Term Skill Shortage List). There is no specific age limit or salary threshold for people applying through LTSSL Occupation work permit policy.⁸

⁶ Applicants are considered to have an exceptional talent in a declared field of art, culture, or sport where the applicant:

- has an international reputation and record of excellence in that declared field, and
- is still prominent in that declared field, and
- their presence in New Zealand will enhance the quality of New Zealand's accomplishments and participation in the declared field.

⁷ The Long Term Skill Shortage List is a list in which the Department of Labour, in consultation with Industry New Zealand, relevant industry groups and unions, has identified an absolute (sustained and ongoing) shortage of skilled workers. The list is reviewed bi-annually.

⁸ There is an age limit and minimum salary requirement at the time an applicant applies for permanent residence through the LTSSL Occupation residence category.

1.3 Residence policy for Talent and LTSSL Occupation work policy

Three residence policies complement the Talent Visa and LTSSL Occupation work permit policies. Talent Visa and LTSSL Occupation work permit holders may be granted residence through the associated residence policies after holding their work permit for 24 months. Applicants must have met the employment conditions of their work permit for the 24-month period.

Talent (Accredited Employers) and LTSSL Occupation residence applicants must have full-time employment with a minimum base salary (calculated on the basis of a 40-hour week) of \$45,000.⁹ Applicants through the LTSSL Occupation residence policy must be no older than 55.¹⁰ A policy change in April 2004 determined that people applying for residence through the Talent Visa and LTSSL Occupation residence categories must be in New Zealand at the time they lodge their application.

1.4 Research objectives

The overall objective of this research is to describe the characteristics of accredited employers and the migrants they employ, the accreditation process, and trends in Talent Visa and LTSSL Occupation applications since the policies came into effect. The research will also identify the strengths and limitations of Talent (Accredited Employers) policy as experienced by key stakeholders.

The specific objectives of the research are to identify the trends that have emerged since the Talent Visa and LTSSL Occupation work policies came into effect in April 2002, and in particular:

- to describe the type of employers that are being accredited and the employer accreditation process
- to describe the type of migrants who are being recruited by accredited employers and trends in Talent Visa and LTSSL Occupation applications
- to determine whether Talent Visa and LTSSL Occupation work policies are attracting highly talented workers
- to describe the strengths and limitations of the Talent Visa and LTSSL Occupation policies, for example, to determine whether \$45,000 is an appropriate remuneration level, and whether employer accreditation is preferable to labour market testing.

1.5 Research methodology

The research involved a quantitative analysis of the Department of Labour's Immigration database, and an analysis of the feedback sought from key stakeholders. All Department of Labour administrative data on work and residence applications was extracted in November 2005 for the period April 2002 to October 2005.

Key stakeholders in the operation of the work to residence policies included accredited employers, immigration advisers (private sector), and immigration staff

⁹ No salary threshold exists for Talent (Arts, Culture and Sports) applicants, although the applicant (or their partner or children) must not have applied for or been granted welfare assistance at any time since the grant of their work permit.

¹⁰ The age limit of 55 years applies at the work permit stage for Talent Visas and at the residence approval stage of the LTSSL residence policy.

(Department of Labour). An online survey was conducted with accredited employers, and qualitative interviews were undertaken with immigration advisers and immigration officers at the Business Migration Branch in Wellington.

The online survey of accredited employers was conducted in May 2006 to seek employers' feedback on their experiences with accreditation and Talent Visa policy. A copy of the questionnaire is provided in Appendix A. Email addresses were obtained from the Business Migration Branch for 163 accredited employers. The first email was sent on 3 May 2006 via the online services of Survey Monkey (www.SurveyMonkey.com). This first email outlined the research objectives, project team, and respondents' confidentiality. Twenty-eight emails were undelivered because either the address was incorrect or the recipient's server rejected the email. Participants were given two weeks to respond, with two reminders sent during that period to those who had not yet responded. In total, the first email was delivered to 135 of the 163 email addresses. Responses were received from 71 employers out of the 135, giving a 53 percent response rate.

Four qualitative interviews were undertaken with immigration advisers who had worked closely with the work to residence policies (one was conducted via telephone, the remaining three were face to face). In all cases, the immigration advisers had an in-depth knowledge of the employer accreditation component of the Talent Visa, and this was the focus of the interviews.

A further three interviews (face to face) were conducted with immigration officers in the Business Migration Branch. Again, all three staff members had in-depth knowledge of the operation of the Talent Visa (Accredited Employers) policy.

1.6 Limitations of the data

There are a number of limitations of the data that should be given consideration. In section 2.10, the number of non-New Zealand employees is an imputed variable that was derived from other information provided by employers on the application form for accreditation. The number of non-New Zealand employees was derived by subtracting the number of New Zealand employees from the total number of employees in the company. The accuracy of the imputed data relies upon the accuracy of the data it is derived from.

Other variables in the analysis were also derived, such as the age of work permit holders. Age was calculated using the work permit holder's date of birth and the date the work permit application was approved, giving an age as at approval date.

In a number of analyses, the administrative data used was incomplete. For example, region data was not recorded for all accredited employers. Furthermore, 13 percent of work permit holders issued a Talent (Accredited Employers) work permit could not be matched to an accredited employer because employer contact details were not recorded against the work permit application.

In the online survey of accredited employers, the sample of employers was limited to those for whom there was a valid email address at the time the survey was carried out. This amounted to 163 employers (of whom 71 responded) out of approximately

400 who held a current accreditation in April 2006 when the survey was run. The findings from the survey, therefore, may not fully represent the experiences of all employers who have been accredited since the policy came into effect.

1.7 Data analysis

Data analysis was carried out with a number of software applications, including Microsoft Access, Microsoft Excel, and SAS. Percentages in this report are rounded to the nearest whole number and, for this reason, may not always add to 100 percent.

1.8 Structure of the report

- Chapter 1 includes an introduction and describes the methods used to collect and analyse data
- Chapter 2 describes the characteristics of accredited employers and the migrants they employ. It also details the findings from an online survey of accredited employers, as well as interviews with immigration advisers and immigration staff
- Chapter 3 introduces the three work to residence categories and describes the characteristics of people approved through each of the policies
- Chapter 4 describes the characteristics of Talent Visa and LTSSL Occupation work permit holders who have gained permanent residence in New Zealand
- Chapter 5 contains conclusions and appendices.

2 Accredited employers and the migrants they employ

2.1 Introduction

This chapter describes the accreditation process for employers wishing to employ migrants through the Talent (Accredited Employers) policy. It describes the number and characteristics of employers who have been accredited under the policy, and the characteristics of the migrants they have employed. This chapter combines the Department of Labour's administrative data with information obtained via the online survey of accredited employers and the qualitative interviews with immigration advisers and immigration staff.

2.2 Talent (Accredited Employers) policy

The Talent (Accredited Employers) Work Policy came into effect in April 2002. Its purpose is to allow accredited employers to supplement their own New Zealand workforce in their core area of business activity through:

- the recruitment of workers who are not New Zealand citizens or residents whose talents are required by the employer and
- the accredited employer having direct responsibility for those employees and their work output.

Accredited employers may offer employment to non-New Zealand citizens or residents without having to establish that there are no New Zealanders suitably qualified and experienced, or readily able to be trained, to do the work.

Accreditation is administered by business relationship advisers in the Business Migration Branch. Accreditation is granted where the business relationship adviser is satisfied that an employer:

- is in sound financial position, and
- has human resource policies and processes which are of a high standard, and
- has a demonstrable commitment to training and employing New Zealanders, and
- has good workplace practices, including a history of compliance with all immigration and employment laws.

Approved employers are granted accreditation for a period of 12 months, after which employers make an application for renewal annually. The Department of Labour can rescind an employer's accreditation where it considers that an accredited employer's conduct has created an unacceptable risk to the integrity of New Zealand's immigration or employment laws or policies. At the time of writing, no accredited employers have had their accreditation rescinded.

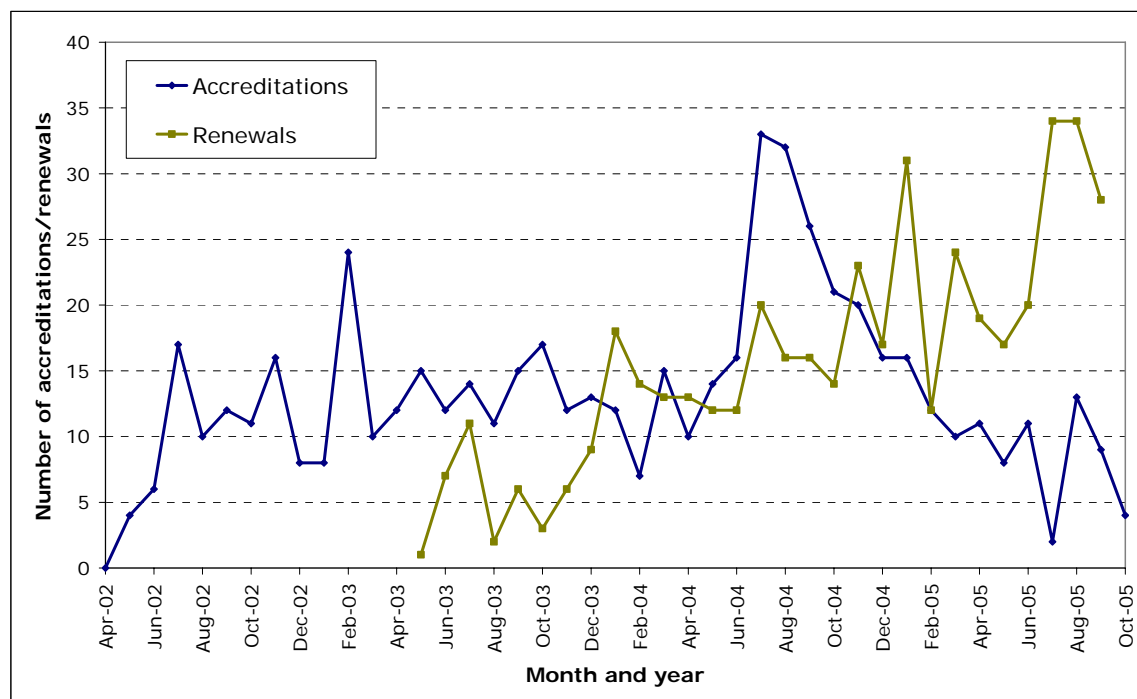
2.3 Number of accreditations

Between April 2002 and October 2005, the Business Migration Branch approved 565 employers for accreditation out of 625 applications. Accreditation numbers were steady over the first two years of the policy, with an average of 12 new accreditations per month. Figure 2.1 shows that accreditations peaked in July 2004 following an increase in application numbers towards the end of the 2004/05

financial year, but the number of new accreditations has decreased since then. At the end of October 2005, 395 employers held a current accreditation.¹¹

Accreditation renewals have increased steadily since June 2003. At the end of the analysis period, 452 accreditation renewals had been approved (out of 466 applications for renewal). Since November 2004, accreditation renewals have outnumbered new accreditations.

Figure 2.1 Number of accreditations and renewals per month between April 2002 and October 2005



2.4 Rate of accreditation renewal

Employers must renew their accreditation annually. Of the employers accredited to date (565), 433 had been accredited for at least 12 months as at 31 October 2005 and were therefore eligible for renewal. Of all employers eligible for renewal since April 2002, 309 (71 percent) had renewed their accreditation at least once.

Table 2.1 below shows that the rate of renewal diminishes over time. Of the 60 employers accredited between April 2002 and October 2002 (3-4 years ago), 85 percent renewed their accreditation. By the end of the analysis period, 62 percent held a current accreditation. Over time, approximately 61 percent of accredited employers have maintained their accreditation status.

¹¹ A current accreditation was determined as an employer whose accreditation date was less than 12 months old as at 31 October 2005, or whose accreditation had expired prior to 31 October 2005 and an application for accreditation renewal had been lodged as at 31 October 2005.

Table 2.1 Rate of accreditation renewal between April 2002 and October 2005

Years since first accreditation	Total accreditations	Number renewed at least once		Accredited as at October 2005	
		n	%	n	%
3-4 years	60	51	85%	37	62%
2-3 years	162	130	80%	98	60%
1-2 years	211	128	61%	128	61%
< 1 year	132	3 ¹	2%	132	100%
Total	565	312		395	

¹ Three employers had their accreditation renewed within 12 months of their first accreditation

2.5 Processing times for employer accreditations

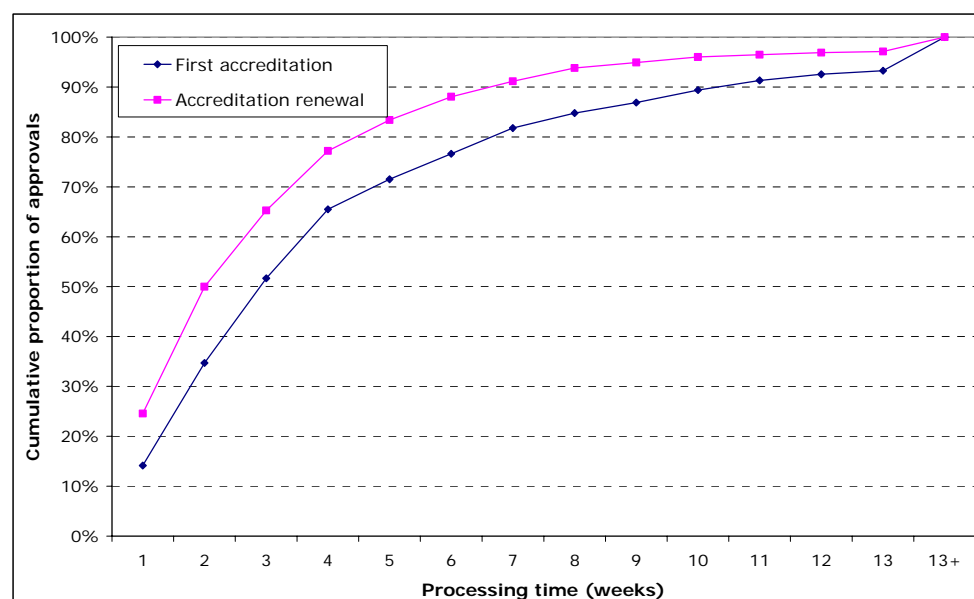
The Business Migration Branch aims to process 90 percent of employer accreditation and renewal applications within 3 months, and 99 percent within 6 months. Since the policy came into effect, the Business Migration Branch has met or exceeded the three month target of 90 percent, with 92 percent of applications processed within 3 months.

Processing times were considerably shorter for approved applications (compared to declined applications), with a median of 21 days for all approved applications. In general, renewals were processed quickly, with 96 percent processed within 3 months, and a median processing time of 15 days for approved renewals.

Ninety-nine percent of approved accreditations and renewals were processed within 6 months. Processing times were longer for declined applications, with 58 percent processed within 3 months and 84 percent processed within 6 months.

Figure 2.2 shows the cumulative proportion of approved accreditations and renewals by the number of weeks between application lodgment and application decision.

Figure 2.2 Cumulative proportion of approved decisions by processing time (in weeks)



2.6 Regional distribution of accredited employers

Between April 2002 and October 2005, 61 percent of all accredited employers were located in the Auckland region, with a further 11 percent in Wellington and 8 percent in Canterbury. Overall, there was a disproportionate number of accredited employers in the main population centre (Auckland) compared to New Zealand businesses overall.

Chapter 3, which describes the region of employment of people approved for work permits through the work to residence policies, shows that people approved through the Talent (Accredited Employers) policy were also more heavily concentrated in the Auckland region (63 percent).

Table 2.2 Region of accredited employers¹

Region	Accreditations from April 02 – October 05 ²		Accredited as at October 05 ³		NZ Business demographics (February 2005) ⁴	
	n	%	n	%	n	%
Auckland	298	61%	205	60%	122,450	36%
Wellington	54	11%	43	13%	38,302	11%
Canterbury	37	8%	29	9%	41,556	12%
Waikato	23	5%	15	4%	30,664	9%
Otago	17	4%	11	3%	16,150	5%
Bay of Plenty	10	2%	6	2%	21,658	6%
Taranaki	10	2%	7	2%	7,731	2%
Hawkes Bay	9	2%	5	1%	11,504	3%
Manawatu- Wanganui	7	1%	5	1%	15,768	5%
Nelson	7	1%	3	1%	4,526	1%
Northland	7	1%	5	1%	11,768	3%
Southland	3	1%	3	1%	7,266	2%
Marlborough	2	0%	2	1%	4,256	1%
Gisborne	1	0%	1	0%	3,046	1%
Tasman	0	0%	0	0%	3,828	1%
West Coast	0	0%	0	0%	2,367	1%
Total	485	100%	340	100%	342,840	100%

¹ Source of business demographics: Statistics New Zealand – *Business Demographic Statistics: Feb 2005*.

² Region data was not available for 80 businesses (16 percent).

³ Region data was not available for 55 businesses (16 percent).

⁴ Region data was not available for 138 businesses (less than 1 percent).

2.7 Industry of accredited employers

Applicants for employer accreditation state their industry on the application form, choosing from a list of 22 industry groups.¹² Employers in the Manufacturing industry represented the highest proportion of accredited employers (17% of accreditations overall and 17% of those accredited as at October 2005). Employers in the Engineering and Science (13%) and Retail (10%) industries make up the next

¹² The industry groups on the application form do not align with the 17 industry groups used in the Australian and New Zealand Standard Industrial Classification (1996). For this reason, many applicants used the Other category to state their industry.

largest groups of accredited employers as at October 2005. Employers in the Information Technology sector and Central Government were also relatively common.

Employers in the Construction industry, Transport, Mining, and Property and Business services, were captured under the Other category on the accreditation application form. Employers in the Construction industry made up 27 percent of those in the Other category, representing 4 percent of employers holding a current accreditation as at October 2005.

Table 2.3 Accredited employers by industry

Industry ¹	Accreditations from April 02 – October 05		Accredited as at October 05	
	n	%	n	%
Accounting/Finance	29	5%	16	4%
Administration & Customer Service	2	0%	2	1%
Advertising, Media, PR	9	2%	4	1%
Agriculture, Forestry, Fishing	23	4%	14	4%
Arts/Cultural/Entertainers	5	1%	3	1%
Education & Training	20	4%	15	4%
Engineering & Science	63	11%	51	13%
Film/Video	2	0%	1	0%
Government (Central)	22	4%	21	5%
Government (Local)	16	3%	16	4%
Healthcare	23	4%	17	4%
Human Resources	11	2%	4	1%
Information Technology	28	5%	20	5%
Legal	3	1%	2	1%
Manufacturing	98	17%	69	17%
Restaurant/Catering	12	2%	5	1%
Retail	51	9%	38	10%
Sales & Marketing	19	3%	8	2%
Sports	4	1%	3	1%
Telecommunications	8	1%	7	2%
Tourism & Accommodation	16	3%	9	2%
Water, Gas, Electricity	12	2%	10	3%
Other	89	16%	60	15%
Total	565	100%	395	100%

¹ Industry classification is self-reported on the application form for employer accreditation.

2.8 Size of accredited employers' business

The majority of New Zealand's employers are small or medium-sized enterprises, with 95 percent employing fewer than 20 people.¹³ Conversely, accredited employers have tended to be large, with almost half (47 percent) of all employers accredited between April 2002 and October 2005 employing 100 or more people, and 79 percent employing 20 or more people. Of the 395 accredited employers as at

¹³ Statistics New Zealand: *Business Demographic Statistics: February 2005*

October 2005, 56 percent had 100 or more employees and 85 percent employed 20 or more people.

Relatively few small and medium-sized employers have been accredited to date. Twenty-one percent of employers accredited between April 2002 and October 2005 employed fewer than 20 employees, and 5 percent employed fewer than 6 employees. As at October 2005, 14 percent of accredited employers employed fewer than 20 employees.

Table 2.4 Number of accredited employers by size

Employer size	NZ Business Demographics ¹		Accreditations from April 02 – October 05		Accredited as at October 05	
	n	%	n	%	n	%
0	211,171	63%	0	0%	0	0%
1-5	78,149	23%	29	5%	13	3%
6-9	17,821	5%	31	5%	17	4%
10-19	14,858	4%	60	11%	29	7%
20-49	8,152	2%	99	18%	64	16%
50-99	2,329	1%	81	14%	52	13%
100+	1,860	1%	265	47%	220	56%
Total	334,340	100%	565	100%	395	100%

¹ Statistics New Zealand: *Business Demographic Statistics: February 2005*.

2.9 Years in business

Table 2.5 shows the number of years accredited employers have been in business. The majority of employers (72 percent) who gained accreditation between April 2002 and October 2005 had been in business for 10 years or more. For those who held a current accreditation as at 31 October 2005, 77 percent had been in business for at least 10 years. Since the policy came into effect, very few 'new' businesses (in business for less than two years) have been accredited, and of those who have applied for accreditation (20 employers), only half gained accreditation.

Table 2.5 Number of years in business for accredited employers

Number of years in business	Accreditations from April 02 – October 05		Accredited as at October 05	
	n	%	n	%
Under 1 Year	3	1%	0	0%
1 year but less than 2 years	7	1%	3	1%
2-4 years	56	10%	32	8%
5-9 years	94	17%	56	14%
10-19 years	151	27%	107	27%
20-29 years	65	12%	48	12%
30-49 years	78	14%	58	15%
50 or more years	111	20%	91	23%
Total	565	100%	395	100%

Table 2.6 shows the relationship between employer size and the number of years in business. In general, the table shows that for accredited employers, the larger the business, the longer the employer has been in business. Only 24 percent (7 out of

29) of accredited employers with 1-5 employees had been in business for 10 years or more. For the largest employers (100 or more employees), 84 percent (223 out of 265) had been in business for 10 years or more.

Table 2.6 Accredited employers by size of business and years in business

Years in business	Employer size (number of employees)						Total
	1-5	6-9	10-19	20-49	50-99	100+	
<1	0	0	1	2	0	0	3
1-2	3	0	1	0	0	3	7
2-4	7	8	10	10	5	16	56
5-9	12	10	13	22	14	23	94
10-19	5	8	20	34	23	61	151
20-29	2	2	9	16	12	24	65
30-49	0	3	6	6	19	44	78
50+	0	0	0	9	8	94	111
Total	29	31	60	99	81	265	565

2.10 Number of migrants employed by accredited employers

Employers are required to state their total number of employees and the number of employees who are New Zealand citizens or residents on the application form for accreditation. In this analysis, the number of non-New Zealand employees was derived by subtracting the number of New Zealand citizens or residents from the total number of employees given on the application form.

Tables 2.7 and 2.8 below provide a breakdown of employee composition by employer size, and the proportion of employees who are non-New Zealand citizens or residents. In general, the workforces of the smaller employers comprised a greater proportion of employees who were non-New Zealand citizens or residents, although these employers accounted for a very small proportion of the total number of employees.

Table 2.7 Employee composition by employer size for employers accredited between April 2002 and October 2005¹

Employer size	Number of employers	Number of employees		% of non-NZ employees
		Non-NZ employees	Total employees	
1-5	29	18	114	16%
6-9	31	36	231	16%
10-19	60	102	821	12%
20-49	99	282	3,135	9%
50-99	81	409	5,841	7%
100+	265	49,444	349,066	14%
Total	565	50,291	359,208	14%

¹ The non-New Zealand employees data in this table is derived from figures given by the employer on the accreditation application form. Employers are asked to state the total number of employees and the total number of New Zealand citizen or resident employees. The non-New Zealand data is derived from these two figures.

Table 2.8 Employee composition by employer size for employers who held a current accreditation as at October 2005 ¹

Employer size	Number of employers	Number of employees		% of non-NZ employees
		Non-NZ employees	Total employees	
1-5	13	13	49	27%
6-9	17	20	130	15%
10-19	29	57	397	14%
20-49	64	202	2,041	10%
50-99	52	260	3,765	7%
100+	220	48,697	312,045	16%
Total	395	49,249	318,427	15%

¹ The non-New Zealand employees data in this table is derived from figures given by the employer on the accreditation application form. Employers are asked to state the total number of employees and the total number of New Zealand citizen or resident employees. The non-New Zealand data is derived from these two figures.

For those employers whose accreditation was current as at October 2005, non-New Zealand citizens or residents made up 15 percent of their combined workforce. Two large, multi-national companies accounted for a large proportion of the non-New Zealand citizen or resident component in this analysis. When these two companies were removed from the data, the overall proportion of employees who were non-NZ citizens or residents decreased to 10 percent for those employers with a current accreditation at October 2005.

2.11 Number of migrants employed through the Talent (Accredited Employers) policy

Most people (87 percent) approved a work permit through the Talent (Accredited Employers) policy had an employer contact recorded against their permit. These employer contacts were matched to accredited employers to determine the number of work permit holders employed by accredited employers.

Table 2.9 shows that most work permit holders were employed by large employers – those with 20 or more employees. Between April 2002 and October 2005, accredited employers with 20 or more employees (79 percent of accredited employers) have employed the majority of Talent (Accredited Employers) work permit holders (94 percent). Employers with 20 or more employees and whose accreditation was current at 31 October 2005 (85 percent of employers) employed 96 percent of work permit holders.

Between April 2002 and October 2005, small and medium-sized employers (fewer than 20 employees) accounted for 21 percent of all accreditations, but have employed just 6 percent of all people approved for the Talent (Accredited Employers) work permit.

Table 2.9 Number of work permit holders by size of accredited employer¹

Employer size	Number of work permit holders employed			
	Accreditations from April 02 – October 05		Accredited as at October 05	
	n	%	n	%
1-5	28	1%	14	1%
6-9	44	2%	25	1%
10-19	68	3%	34	2%
20-49	218	10%	163	9%
50-99	145	7%	96	5%
100+	1,663	77%	1,532	82%
Total	2,166	100%	1,864	100%

¹ Data was not available for 13% of Talent (Accredited Employers) work permit holders.

Table 2.10 shows that of all employers accredited since April 2002, most (83 percent) employed fewer than six work permit holders, with 32 percent employing one work permit holder and 23 percent not employing any work permit holders. Only 22 accredited employers (4 percent) had employed 20 or more work permit holders.

The median number of work permit holders employed by accredited employers was one, and the overall average was four. The highest number of work permit holders employed by an accredited employer was 96.

Table 2.10 Number of Talent (Accredited Employers) work permit holders employed by accredited employers¹

Number of work permit holders employed by accredited employers	Accreditations from April 02 – October 05		Accredited as at October 05	
	n	%	n	%
0	129	23%	91	23%
1-5	338	60%	215	54%
6-9	43	8%	39	10%
10-19	33	6%	29	7%
20-49	18	3%	17	4%
50-99	4	1%	4	1%
100+	0	0%	0	0%
Total	565	100%	395	100%

¹ Data was not available for 13% of Talent (Accredited Employers) work permit holders.

Table 2.11 shows that a higher proportion of South Korean and Chinese work permit holders were employed by small and medium-sized employers compared to the other main nationalities. Similarly, a smaller proportion of South Korean and Chinese work permit holders (11 percent and 30 percent respectively) were employed by accredited employers with 100 or more employees. In both cases, however, the actual number of work permit holders from South Korea and China was very small.

Table 2.11 Nationality of Talent (Accredited Employers) work permit holders by employer size¹

Nationality	Employer size						Total work permits
	1-5	6-9	10-19	20-49	50-99	100+	
	Row percent						
UK	1	1	2	8	5	84	1,266
South Africa	2	2	4	10	10	72	141
USA	0	1	4	5	9	81	106
Canada	0	8	3	0	10	80	40
Germany	3	0	3	6	14	74	35
India	0	2	7	9	6	76	54
Philippines	0	0	4	35	4	57	49
Fiji	2	4	2	7	4	80	45
South Korea	9	25	14	16	25	11	44
Ireland	0	0	0	4	4	91	46
China	5	14	14	30	7	30	43
France	0	0	8	16	8	68	25
Others	3	3	6	17	7	65	272
Total row %	1	2	3	10	7	77	100
Total	28	44	68	218	145	1,663	2,166

¹ Data was not available for 13% of Talent (Accredited Employers) work permit holders.

In general, most work permit holders were employed by established employers. Table 2.12 shows that accredited employers with 10 or more years in business employed 84 percent of Talent (Accredited Employers) work permit holders. Work permit holders from the main nationalities followed this general trend, with the exception of work permit holders from South Korea and China. Forty-seven percent of Chinese work permit holders were employed by employers with less than 10 years in business, as were 41 percent of South Korean work permit holders.

Similarly, a smaller proportion of South Korean and Chinese work permit holders (2 percent and 16 percent respectively) were employed by accredited employers with 50 or more years in business. Again, in both cases the actual number of work permit holders from these two nationalities was very small.

Table 2.12 Nationality of Talent (Accredited Employers) work permit holders by their employers' years in business¹

Nationality	Years in Business of Accredited Employer								Total
	<1	1-2	2-4	5-9	10-19	20-29	30-49	50+	
	Row percent								
UK	0	0	6	7	23	8	14	41	1,266
South Africa	0	0	4	14	21	9	16	37	141
USA	0	0	8	8	17	8	15	44	106
Canada	0	0	13	3	35	3	25	23	40
Germany	0	3	3	6	37	17	11	23	35
India	0	0	11	7	33	9	15	24	54
Philippines	0	0	4	10	37	2	4	43	49
Fiji	0	0	2	7	11	2	38	40	45
South Korea	0	0	18	23	52	5	0	2	44
Ireland	0	0	11	7	30	4	7	41	46
China	0	0	28	19	28	5	5	16	43
France	4	0	8	12	40	4	8	24	25
Others	1	1	8	13	28	4	9	35	272
Total row %	0	0	7	9	25	7	14	38	100
Total	3	7	158	191	544	154	294	815	2,166

¹ Data was not available for 13% of Talent (Accredited Employers) work permit holders.

2.12 Salary threshold for Talent (Accredited Employers) work permit policy

To qualify for a work permit through the Talent (Accredited Employers) policy, an applicant must have an offer of employment with a minimum base salary of \$45,000. Two sources of data were used to estimate the current salary ranges paid to people approved a work permit through the Talent (Accredited Employers) policy – the Department of Labour's administrative data and data from an online survey of accredited employers.

Administrative data provided the most information on salaries, albeit limited to a subset of work permit holders. Salary information was recorded for 72 percent of work permits approved through the Talent (Accredited Employers) policy. For many work permit approvals, salary details were recorded in a format that was unusable for this analysis, for example, recorded as an hourly rate rather than as an annual base salary calculated on a 40-hour week.

Table 2.13 shows the ranges of salaries paid to people approved a work permit through the Talent (Accredited Employers) policy. Forty-three percent of work permit holders' salaries were recorded as being between \$45,000 and \$54,999. Over half (57 percent) were recorded as earning in excess of \$55,000, and 26 percent were recorded as earning in excess of \$75,000.

Table 2.13 Salary ranges for work permit holders through the Talent (Accredited Employers) policy

Salary range	Number of Talent (Accredited Employers) work permit holders	
	n	%
<\$45,000 ¹	5	0%
\$45,000 - \$54,999	779	43%
\$55,000 - \$64,999	299	17%
\$65,000 - \$74,999	252	14%
\$75,000 - \$84,999	181	10%
\$85,000+	280	16%
Total	1,796	100%

¹ Salary ranges below \$45,000 may indicate data entry error or cases where a work permit has been approved for a job offer below the minimum salary threshold.

The breakdown by occupation of work permit holders in Table 2.14 shows large differences in the salary ranges across occupations. For work permit holders classified as Legislators, Administrators and Managers, 67 percent recorded salaries in excess of \$55,000, and 57 percent recorded salaries in excess of \$65,000. For those classified as Professionals, the trend of earning higher salaries is similar, with a high proportion (70 percent) earning in excess of \$55,000. For workers in Service and Sales, Agriculture and Fishery, Trades, and Plant and Machine Operators, a much greater proportion of salaries were recorded near the \$45,000 threshold.

Table 2.14 Salary ranges by occupational group for people issued a work permit through the Talent (Accredited Employers) policy

Occupational group	Salary range (\$000s)						Total
	<\$45	\$45 and <\$55	\$55 and <\$65	\$65 and <\$75	\$75 and <\$85	\$85+	
	Row %						n
Legislators, Administrators and Managers	0	33	10	15	10	32	360
Professionals	1	29	24	18	13	15	774
Technicians and Associate Professionals	0	49	15	12	11	13	278
Clerks	0	70	11	5	8	5	37
Service and Sales Workers	0	85	8	3	5	0	39
Agriculture and Fishery Workers	0	93	7	0	0	0	15
Trades Workers	0	72	17	5	3	3	76
Plant and Machine Operators/Assemblers	0	92	6	3	0	0	107
Elementary Occupations ¹	0	65	19	13	4	0	54
Not Recorded	0	68	7	13	2	11	56
Total	0	43	17	14	10	16	1,796

¹ Includes elementary occupations, occupations not listed in the New Zealand Standard Classification of Occupations (NZSCO) codes, and those not able to be coded.

Data from the online survey of accredited employers indicated that reported salaries were well in excess of the \$45,000 threshold.¹⁴ Of the 59 employers (out of 71) who responded to the question on salaries, over 70 percent stated that the median salary paid to work permit holders was \$55,000 or more per annum, and 19 percent said they paid \$75,000 or more. Figure 2.3 shows the median salary range employers in the survey paid to work permit holders they employed through the Talent (Accredited Employers) policy.

Figure 2.3 Median salary paid by survey respondents (n=59)

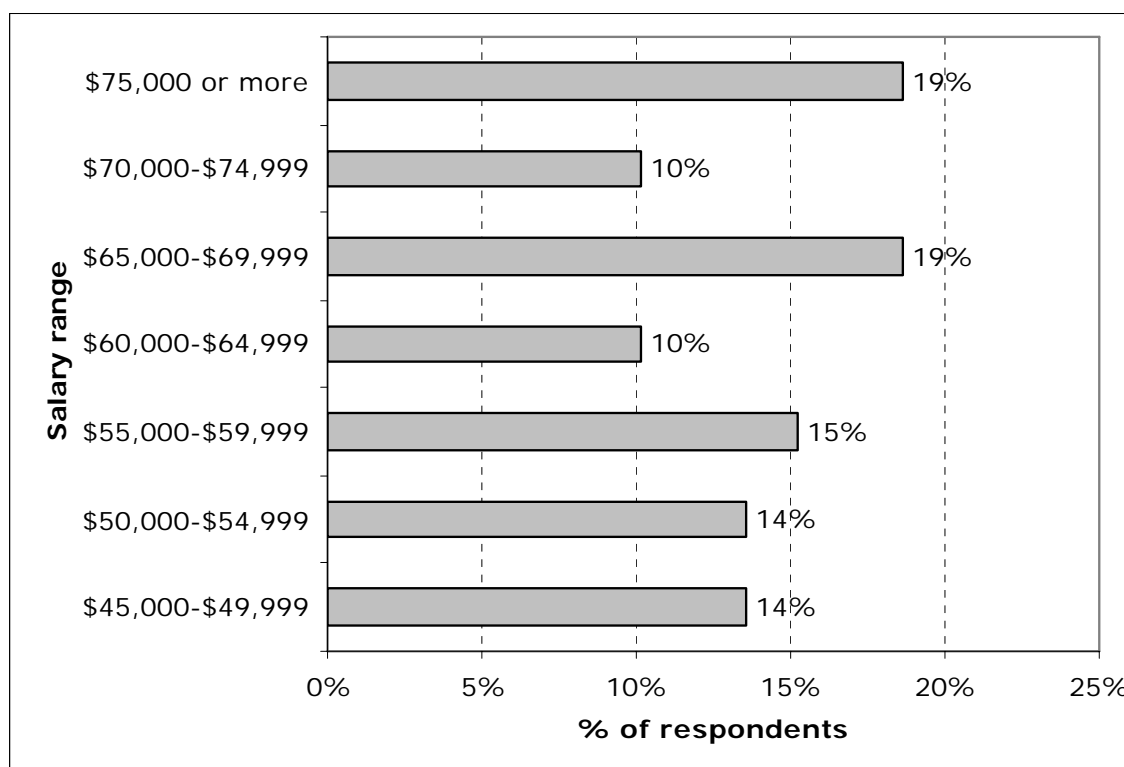


Table 2.15 uses data from Statistics New Zealand (*New Zealand Income Survey*) to provide a breakdown of average hourly earnings from wages and salaries across the main occupational groups. This data highlights the earnings gap between occupational groups, as well as the rates of increase in earnings over time for these groups. The occupational group with the highest average hourly earnings (Legislators, Administrators and Managers) also saw the greatest increase in average hourly earnings between 2002 and 2005.

Based on a 40-hour week, the average hourly earnings required to meet the \$45,000 threshold is \$21.63. Table 2.15 indicates that in 2005, only three occupational groups had average hourly earnings that would meet this threshold. These included Legislators, Administrators and Managers; Professionals; and Technicians and Associate Professionals.

¹⁴ 92 percent of respondents to this online survey represented companies with 100 or more employees, which may skew the salary data. Small and medium-sized employers were not well represented in the response data.

Based on a 40-hour week, the average salary range for the three highest earning occupational groups in 2005 was between \$45,490 and \$59,650 per annum. Since the Talent Visa and LTSSL Occupation policies came into effect, the average hourly earnings for these same three groups increased between 15.4 percent and 24.7 percent.

Between April 2002 and October 2005, 78 percent of work permits issued under the Talent (Accredited Employers) policy were issued to people with occupations in the three highest earning occupational groups (see Chapter 3, section 3.6).

Table 2.15 Average hourly earnings from wages/salaries by occupational group between 2002-2005 for the year ended June¹

Occupational group	Year to June				% increase over four years
	2002	2003	2004	2005	
Legislators, Administrators and Managers	\$22.99	\$26.73	\$27.41	\$28.68	24.7%
Professionals	\$21.92	\$23.69	\$24.70	\$25.29	15.4%
Technicians and Associate Professionals	\$18.66	\$19.91	\$20.61	\$21.87	17.2%
Clerks	\$15.80	\$17.05	\$17.33	\$17.38	10.0%
Service and Sales Workers	\$11.87	\$12.17	\$12.76	\$13.23	11.5%
Agriculture and Fishery Workers	\$13.00	\$14.01	\$14.17	\$16.12	24.0%
Trades Workers	\$16.14	\$16.80	\$16.91	\$18.53	14.8%
Plant and Machine Operators/Assemblers	\$14.53	\$15.10	\$15.48	\$16.61	14.3%
Elementary Occupations ²	\$12.11	\$12.59	\$12.93	\$12.74	5.2%
Total	\$16.70	\$17.86	\$18.25	\$19.30	15.6%

¹ Source: Statistics New Zealand: *New Zealand Income Survey*.

² Includes elementary occupations, occupations not listed in the NZSCO codes, and those not able to be coded.

2.13 Key stakeholders' perceptions of the salary threshold

Qualitative interviews with immigration advisers and immigration officers (Department of Labour), and responses from the online survey of accredited employers, highlighted two main issues with the \$45,000 threshold for job offers through the Talent (Accredited Employers) policy. The first issue relates to the threshold itself, the second to the way it is calculated.

2.13.1 Perceptions of the salary level

Some survey respondents (accredited employers) indicated that the salary threshold was too high, and harder to meet for people working in certain occupations. These employers felt that the threshold limited their ability to employ people whose skills were in shortage, because the employer could not afford to pay \$45,000.

This applied particularly to people working in trades compared to those working as senior managers, for example. Table 2.15 above corroborates this view, because the average hourly wage in 2005 for Trades Workers fell below the \$45,000 threshold (based on a 40-hour week, the annual salary at \$18.53 per hour is \$38,500). However, since the Talent Visa policy came into effect, only 5 percent of Talent (Accredited Employers) work permits have been issued to people classified as Trades Workers (see Chapter 3, section 3.6).

Other stakeholders felt the threshold was too low, and that \$45,000 no longer reflected the realities of the labour market:

“For many employers [the threshold] is not a problem because they pay in excess of the threshold anyway. I think this is a premium product and should have a higher threshold.” [Immigration adviser]

Other stakeholders felt that the tight labour market had increased salaries, and that \$45,000 was no longer high enough to restrict the policy to highly talented people:

“I think the threshold is quite low for this day and age. \$45,000 isn’t much higher than the average wage in New Zealand. I think it should be increased to about \$60,000, because this salary would indicate that the employee is of significant value to the employer.” [Immigration officer]

2.13.2 Perceptions of the salary calculation

Some stakeholders had found that the way the salary threshold is calculated had prevented them from employing the people they needed. Some employers who responded to the survey stated that many of their employees earned in excess of \$45,000, but only when overtime was included. For these employers, the base salary they paid would not meet the \$45,000 threshold.

Immigration advisers stated that many people employed in trades regularly work overtime, and that they had clients who could not meet the salary threshold because the policy precludes taking into account earnings over and above the base salary. Others felt that calculating the salary threshold on a base salary alone diminished the recruiting potential of employers:

“As an incentive for migrants to come here, it can be important for an employer to include other benefits like getting immigration organised, getting the person moved over here. For that not to be included as part of the \$45,000 is crazy. It’s subjective, and these are exactly the kind of incentives that are going to get those people over here. If it’s not counted then it won’t be offered, so those people will stay at home and nobody wins.” [Immigration adviser]

2.14 Characteristics of employers declined accreditation

The number of employers declined accreditation has been very low since the policy came into effect. One of the main reasons for this low rate of decline is because of the role of the business relationship advisers in the Business Migration Branch. Since the policy came into effect, advisers have actively ‘sold’ accreditation as an option to employers they thought would benefit from the policy. Conversely, employers who

have sought accreditation have at times been advised of alternative policy options. To this extent, many employers who were unlikely to meet accreditation policy criteria have been dissuaded from applying for accreditation in favour of using alternative immigration policies.

Sixty applications for accreditation were declined between April 2002 and October 2005. This equates to 9.6 percent of the 625 applications. A further 14 applications for renewal, out of 466 applications, were declined. Processing times were considerably longer for declines than for approvals, with a median time of 11 weeks for declined applications, compared to three weeks for approved applications.

Table 2.16 below shows that decline rates were highest for the smallest employers. Of the 56 (out of 60) declined applications with employer size recorded, 70 percent were made by employers with fewer than 20 employees. Between April 2002 and October 2005, 40 percent of applications for accreditation from small employers (employing 1-5 people) were declined.

Table 2.16 Number of declined accreditation applications by employer size

Employer size	Total applications	Number of declines	% of declines	Decline rate¹
0	1	1	2	100%
1-5	48	19	34	40%
6-9	38	7	13	18%
10-19	72	12	21	17%
20-49	112	13	23	12%
50-99	85	4	7	5%
100+	265	0	0	0%
Total	621	56²	100	9%

¹ Decline rate is calculated as the number of declines divided by the total number of applications for accreditation.

² Employer size was not recorded for 4 out of 60 declined employers.

Table 2.17 shows that decline rates were highest for employers with less than two years in business. Of the 60 declined employers (of whom 57 recorded their number of years in business), 79 percent had been in business for less than 10 years. Between April 2002 and October 2005, 50 percent of applications for accreditation from employers with less than two years in business were declined (10 out of 20 applications). Of these 10 declines, 8 employed fewer than 20 people.

Table 2.17 Number of declined accreditation applications by years in business¹

Number of years in business	Total applications	Number of declines	% of declines	Decline rate²
Under 1 Year	9	6	11	67%
>1 but <2 years	11	4	7	36%
2-4 years	78	22	39	28%
5-9 years	107	13	23	12%
10-19 years	160	9	16	6%
20-29 years	65	0	0	0%
30-49 years	80	2	4	3%
50 or more years	112	1	2	1%
Total	622	57	100	9%

¹ Years in Business was not recorded in three instances.

² Decline rate is calculated as the number of declines divided by the total number of applications for accreditation.

Employers in the Restaurant/Catering industry were the most likely to be declined accreditation. Of the 26 applications for accreditation between April 2002 and October 2005 from employers in the Restaurant/Catering industry, 14 (54 percent) were declined. This equates to 25 percent of all declines between April 2002 and October 2005. Twenty-three percent of applications from employers in the Agriculture, Forestry and Fishing industry were declined (7 out of 30). Of the larger industry groups, decline rates were lowest for employers in Manufacturing, and Engineering and Science. Table 2.18 shows the number of declined applications by industry.

Table 2.18 Number of declined accreditation applications by industry¹

Industry of employer	Total applications	Number declined	% of declines	Decline rate ²
Accounting/Finance	30	1	2%	3%
Administration and Customer Service	3	1	2%	33%
Advertising, Media, PR	10	1	2%	10%
Agriculture, Forestry, Fishing	30	7	12%	23%
Arts/Cultural/Entertainers	5	0	0%	0%
Education and Training	21	1	2%	5%
Engineering and Science	63	0	0%	0%
Film/Video	2	0	0%	0%
Government (Central)	22	0	0%	0%
Government (Local)	16	0	0%	0%
Healthcare	23	0	0%	0%
Human Resources	13	2	4%	15%
Information Technology	30	2	4%	7%
Legal	3	0	0%	0%
Manufacturing	101	3	5%	3%
Restaurant/Catering	26	14	25%	54%
Retail	56	5	9%	9%
Sales and Marketing	23	4	7%	17%
Sports	5	1	2%	20%
Telecommunications	8	0	0%	0%
Tourism and Accommodation	18	2	4%	11%
Water, Gas, Electricity	14	2	4%	14%
Other	100	11	19%	11%
Total	622	57	100%	9%

¹ Industry was not recorded in three instances.

² Decline rate is calculated as the number of declined applications divided by the total number of applications.

2.15 Online survey of accredited employers

An online survey of accredited employers was conducted in May 2006 to seek employers' feedback on their experiences with accreditation and Talent Visa policy. The survey was sent to 135 employers, of whom 71 responded (53 percent response rate). Details of the survey administration are provided in section 1.5, and a copy of the questionnaire is provided in Appendix A.

2.15.1 Characteristics of respondents

Of the 71 employers who responded to the survey, three-quarters had been accredited for at least one year, and 29 percent (21 employers) had been accredited for more than two years. Large companies were over-represented in the survey responses, with 92 percent of employers representing companies employing 100 or more people. However, a number of employers (12 out of 71) did not report their business size in the questionnaire. A limitation of the results, therefore, is that small and medium-sized employers (fewer than 20 employees) are not well represented in the survey response data presented here.

Most respondents (81 percent) had employed between one and 19 migrants through the Talent Visa policy. This proportion was relatively similar to that of all accredited employers to date. Since the Talent Visa policy came into effect, 74 percent of all accredited employers employed between one and 19 migrants. Within the respondent population (71 employers), 42 percent had employed 1-5 migrants, 17 percent had employed 6-9 migrants, and 22 percent had employed 10-19 migrants.

Table 2.19 provides a breakdown of the industries of accredited employers who responded to the survey, where industry was recorded (59 out of 71 responses). Most industries were represented in the respondent data. Employers in the property and business sector, particularly in engineering related services, were well represented (29 percent of respondents).

Table 2.19 Industry of respondents (n=59)

Industry	n	%
Agriculture, Forestry and Fishing	1	2%
Communication Services	1	2%
Construction	7	12%
Cultural and Recreational Services	2	3%
Education	4	7%
Electricity, Gas and Water Supply	4	7%
Finance and Insurance	2	3%
Government Administration and Defence	7	12%
Manufacturing	7	12%
Mining and Quarrying	1	2%
Property and Business Services	17	29%
Retail Trade	1	2%
Transport and Storage	2	3%
Wholesale Trade	3	5%
Total	59	100%

2.15.2 Reasons for gaining accreditation

When asked their main reasons for gaining accreditation, many employers stated that their need to recruit talented people from offshore was because they had difficulties finding the staff they needed in New Zealand. Others said that the people they needed came from a small, global pool of talented individuals, such as scientists.

In the qualitative interviews, immigration advisers and immigration officers both felt that for many employers, the desire to gain accreditation started with an immediate need to employ a talented person from offshore. However, a small number of employers indicated that their decision to become accredited was in anticipation of continued skill shortages in New Zealand:

“Rapid growth in our skill demands and a lack of New Zealand qualified applicants made us realise that we would need to predominantly go offshore in the future.”
[Employer]

A third of survey respondents (24 out of 65) stated that being accredited meant faster and easier recruitment of talented migrants from overseas. One employer stated that getting accredited was:

“A professional approach to staff recruitment [by] availing ourselves of a professional and speedy service.” [Employer]

2.15.3 Ability to recruit and retain staff

Employers were asked to rate their ability to recruit skilled New Zealanders and skilled migrants (non-New Zealand residents either already in New Zealand or offshore) in recent years. Forty-five percent of respondents rated their ability to employ skilled New Zealanders as good or very good, while 76 percent rated their ability to recruit migrants as good or very good. Twenty-seven percent rated their ability to recruit New Zealanders as poor, while 3 percent rated their ability to employ migrants as poor.

Figure 2.4 Ability to recruit skilled New Zealanders and migrants



In general, immigration advisers and immigration officers believed that the two-year requirement of the work to residence policy was beneficial to employers, because it meant that the employer potentially retains the employee for the duration of their work permit. None of the key stakeholders interviewed thought the two-year requirement was too long. However, some felt that the Skilled Migrant Category (SMC) had undermined the Talent Visa policy by enabling work permit holders to gain permanent residence through the SMC within two years. This was perceived to lessen the employers' ability to retain an employee, because there is no compulsion for a migrant employee to remain with the accredited employer after residence has been granted.

Accredited employers were asked to estimate the length of time migrants they employed had remained in their employ. Of those employers with current employees on Talent Visa work permits, 80 percent reported that the migrants had been working for them for one year or more.

Table 2.20 Average length of time currently-employed migrants have worked for the employer

Average length of time	n	%
Less than 1 year	11	18%
Between 1 and 2 years	29	48%
More than 2 years	19	32%
None of the migrants I employed still work here	1	2%
Total	60	100%

For employers who had employed people through the Talent Visa policy but those people had now left their business, 24 percent reported that the migrants they employed had left within one year, and 29 percent reported that the migrant employees had remained with their business for at least one year. Almost half (47 percent) reported that the migrants they employed were still working for them.

Table 2.21 Average length of time migrants worked for the employer before leaving

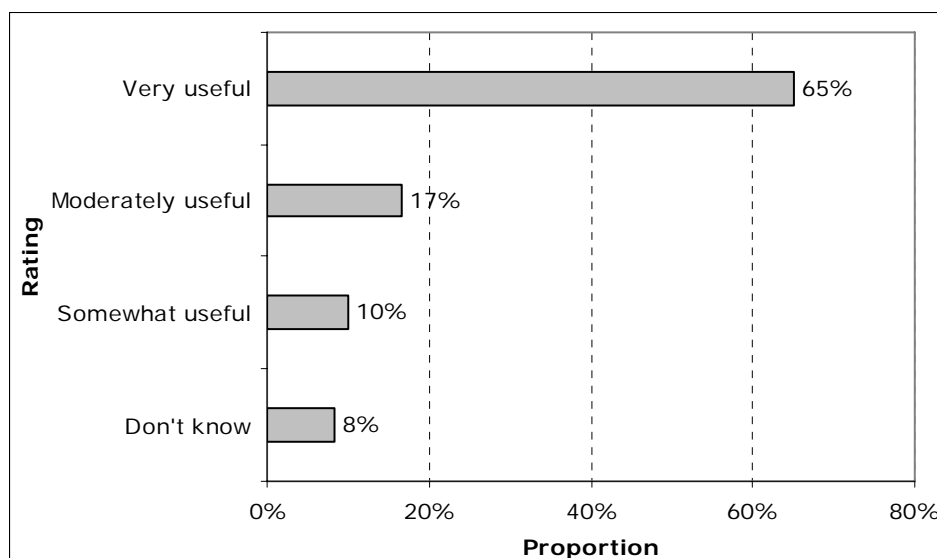
Average length of time	n	%
Less than 1 year	14	24%
Between 1 and 2 years	11	19%
More than 2 years	6	10%
None of the migrants I employed have left	28	47%
Total	59	100%

2.16 Strengths and limitations of Talent Visa policy

In both the interviews and online survey, immigration advisers, immigration officers, and accredited employers were asked to describe the strengths and limitations of Talent Visa policy for accredited employers. This section describes the feedback from these key stakeholders.

Most employers had found the Talent Visa policy very useful in enabling them to recruit migrants. Figure 2.5 shows that 82 percent of survey respondents had found the policy moderately or very useful.

Figure 2.5 Usefulness of Talent Visa policy in enabling accredited employers to recruit migrants (n=60)



2.16.1 Expediency

An analysis of responses from the interviews showed that many stakeholders valued the speed that work permits could be processed, the ease of the process, and how these factors amounted to an efficient, streamlined recruitment process. When asked about the advantages of being accredited, over half of the employers described the speed of processing and the certainty this gave applicants as being advantageous:

"We can move quickly to secure the people we want – it is also attractive to the recruits that we are able to assist with their immigration process." [Employer]

"[The policy] enables employers to employ good quality people quickly. It is quick for practitioners, meaning less cost because no labour market test is required and the process is easier." [Immigration officer]

2.16.2 Customer service

The high degree of customer service received from the Department of Labour's business relationship advisers also came through strongly in employers' responses to the online survey. Having a nominated point of contact in the Business Migration Branch was important for some employers:

"Ability to get instant advice about difficult immigration issues has been invaluable and cannot be stressed enough. We value the ability to contact nominated immigration staff and sort out matters immediately." [Employer]

In November 2005, the Business Migration Branch conducted an online customer satisfaction survey of accredited employers with responses from 152 employers.

Overall, this survey reported high levels of satisfaction with the service employers received from the business relationship advisers.¹⁵

Conversely, a number of employers criticised immigration staff on their lack of understanding of Talent Visa policy, particularly in relation to the prioritisation of work permit applications. However, this criticism was confined to employers who had dealt with branches other than the Business Migration Branch:

“Some NZ Immigration personnel in overseas offices are not fully aware of the Talent Visa policy and tell our applicants that their application will be processed in six to eight weeks!” [Employer]

“[The service is quicker with Talent Visa applications], but our experience has revealed that sometimes the overseas NZIS office and Wellington are not always on the same song sheet.” [Employer]

The interviews with immigration advisers also highlighted disparities in the way the policy has been administered:

“Inconsistencies in branches, officers don’t know the intent of the policy or how to administer it. It should be centralised, for example, by the Business Migration Branch. They are more in tune and have good business sense.” [Immigration adviser]

2.16.3 Recruitment ability

Many employers felt that being accredited had enabled them to recruit the people they needed, and some felt that without the Talent Visa policy they would have had difficulty finding staff. Employers also felt that the path to residence gave migrants more certainty and this amounted to a better recruiting ability of employers:

“Without the accreditation and the ability to use the Talent Visa policy, we would not have been able to fill a significant number of critical positions in our business, and this would have a detrimental effect on the ability of our business to be able to meet customer needs.” [Employer]

“Recruitment firms breathe a sigh of relief when we tell them we are an NZIS-accredited employer...we would have found it very difficult to staff our development business without the Talent Visa policy.” [Employer]

The interviews with immigration advisers also reinforced that the path to residence provided security to migrants, and this was a good selling point for employers:

“Employers can offer guarantees – work and residence, it’s uncomplicated and fast. The alternatives are complicated.” [Immigration adviser]

¹⁵ Department of Labour, 2005: *Business Relationship Advisers Survey Report*.

“Migrants can come to New Zealand with the security of knowing they can get residence after two years... It is a good marketing tool for employers to be able to offer a position that can lead to residence.” [Immigration adviser]

2.16.4 Limitations of the policy

Overall, the interviews with key stakeholders and the survey of employers identified relatively few shortcomings in the policy. Many employers who responded to the online survey stated that they had found no disadvantages with the Talent Visa policy. Of those who had experienced shortcomings in the policy, some were related to the salary threshold and the way it is calculated. These comments are described above in section 2.13.

Some employers felt that as good as the policy is, some migrants still preferred to gain residence before coming to New Zealand, rather than uprooting their family and coming to New Zealand on a work permit. Other employers described the frustration of their employees at having to provide health and character documentation once to gain a work permit and again to apply for residence.

Other stakeholders felt that the salary threshold in the Talent Visa policy created a disparity between Talent Visa policy and the SMC. One immigration adviser observed that there were skilled people who could gain residence through the SMC who would not qualify for a work permit under Talent Visa policy:

“If you look at the SMC, a lot of people are getting residence with a lot less than \$45,000. For example, a hotel manager fits the SMC but their starting salary is \$13-15 an hour. It’s strange that these people are getting residence when people can’t even get a work permit through Talent Visa policy if they earn under \$45,000.” [Immigration adviser]

Some stakeholders felt that the SMC had undermined Talent Visa policy, because many people who could qualify through Talent Visa policy could also qualify for residence through the SMC. It was felt that this undermines the employer’s ability to retain a person after they had employed them, because the migrant could apply for residence without waiting for two years:

“Employers may wonder why they pay all that money for accreditation when the migrant can get residence through the SMC anyway.” [Immigration adviser]

One stakeholder believed that Talent Visa policy would benefit from having an English language requirement that could be waived on particular grounds:

“The risk is that people may target this policy as a way to circumvent other immigration policies where English language is a requirement.” [Immigration officer]

2.17 Summary

- Between April 2002 and October 2005, 565 employers were accredited and a further 60 were declined. The number of new accreditations grew steadily over the first two years of the policy but has declined since July 2004.
- Approximately 61 percent of accredited employers have maintained their accreditation status over time.
- A high proportion of accredited employers are based in the Auckland region (61 percent), with a further 11 percent in Wellington and 8 percent in Canterbury.
- The main industry groups of accredited employers included Manufacturing (17 percent), Engineering and Science (11 percent), and Retail (9 percent).
- Accredited employers tended to be larger than the average New Zealand business. Forty-seven percent of accredited employers employed 100 or more people. Twenty-one percent employed fewer than 20 people.
- Accredited employers tended to be well established. Seventy-two percent had been in business for 10 years or more, and very few 'new' businesses have been accredited.
- Most work permit holders approved through the Talent (Accredited Employers) policy (94 percent) worked for large accredited employers.
- Small employers accounted for 21 percent of accreditations but employed only 6 percent of Talent (Accredited Employers) work permit holders.
- Most accredited employers had employed fewer than six Talent (Accredited Employers) work permit holders, and the overall average was four.
- Administrative data showed that a high proportion of Talent (Accredited Employers) work permit holders had salaries in excess of \$55,000 per annum.
- Accredited employers had high rates of satisfaction with the Talent (Accredited Employers) policy. They were able to recruit migrants quickly and easily through the policy, and were able to offer migrants the security of permanent residence.
- The main shortcomings of the Talent (Accredited Employers) policy identified by key stakeholders were aspects of the salary threshold and the way work permit holders could 'category jump', which potentially undermined an employers' ability to retain staff employed through the policy.

3 Working to residence: Talent and LTSSL work permit trends

3.1 Introduction

This chapter describes the trends in the number of people issued a work permit through the Talent (Accredited Employers), Talent (Arts, Culture and Sports), and Long Term Skill Shortage List Occupation (LTSSL) policies between April 2002 and October 2005. It also describes the characteristics of migrants approved to work in New Zealand under these three categories.

3.2 Talent Visa and LTSSL Occupation work permit policy

To qualify for a work permit through the Talent (Accredited Employers) policy, an applicant must have an offer of employment with an accredited employer. The job offer must be for at least two years, be full-time, and have a minimum base salary of \$45,000. Applicants must be no older than 55 and meet health and character requirements.

Applicants through the Talent (Arts, Culture and Sports) policy must have exceptional talent in a declared field of art, culture, or sport.¹⁶ Applicants must be sponsored by a New Zealand organisation of national repute. Sponsoring organisations are required to undertake an initial two-year commitment of support, accommodation and, if required, repatriation. Applicants must be no older than 55 and meet health and character requirements.

Under LTSSL Occupation policy, applicants must have an offer of employment in an occupation that is included on the Long Term Skill Shortage List, and must meet the specifications for the occupation.¹⁷ The job offer must be for at least two years, be full-time, and applicants must be suitably qualified by training and/or experience to undertake the offer of employment (including any specific requirements set out on the Long Term Skill Shortage List). There is no specific age limit for applicants through LTSSL Occupation work permit policy, although applicants must be no older than 55 to apply for permanent residence through LTSSL Occupation residence policy.

3.3 Approval numbers

Between April 2002 and October 2005, 4,064 people were approved through the Talent Visa and LTSSL Occupation policies. Of the total, 2,487 were approved through the Talent (Accredited Employers) policy, 1,427 through the LTSSL Occupation policy, and the remaining 150 were approved through the Talent (Arts, Culture and Sports) policy.

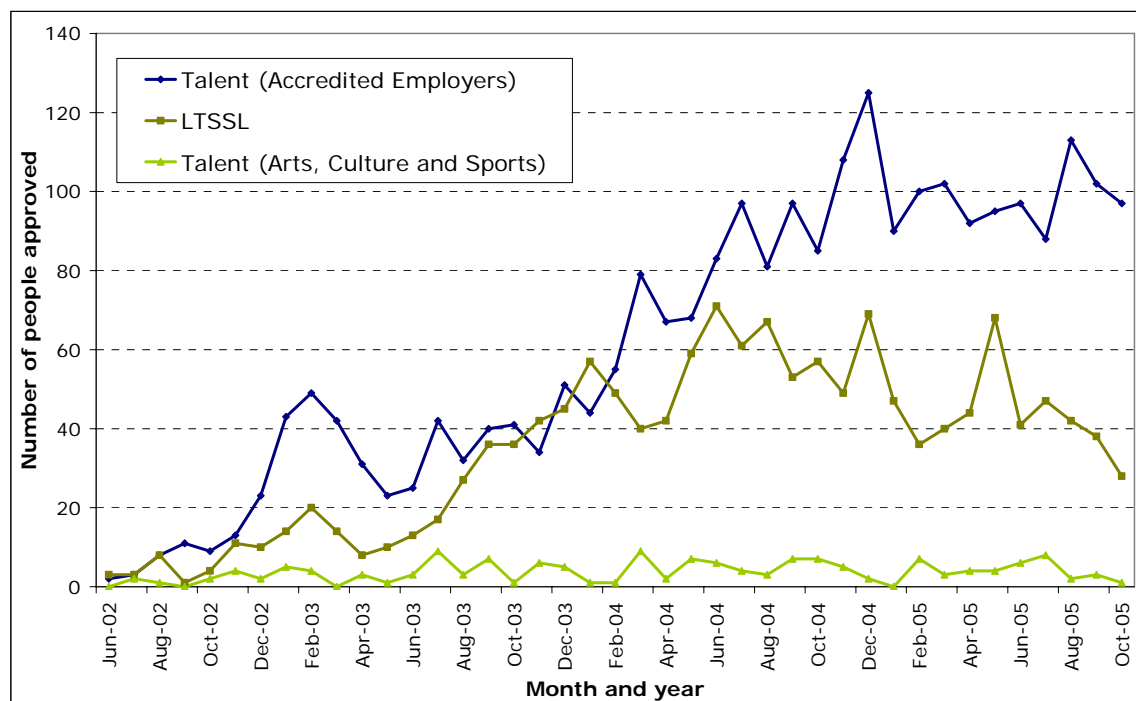
¹⁶ Applicants are considered to have an exceptional talent in a declared field of art, culture, or sport where the applicant:

- has an international reputation and record of excellence in that declared field, and
- is still prominent in that declared field, and
- their presence in New Zealand will enhance the quality of New Zealand's accomplishments and participation in the declared field.

¹⁷ The Long Term Skill Shortage List is a list in which the Department of Labour, in consultation with Industry New Zealand, relevant industry groups and unions, has identified an absolute (sustained and ongoing) shortage of skilled workers. The list is reviewed bi-annually.

The number of people approved through the Talent (Accredited Employers) and LTSSL Occupation policies increased steadily in the two years after they came into effect in April 2002. Since July 2004, approvals through the Talent (Accredited Employers) policy averaged approximately 98 per month. Over the same period, LTSSL Occupation approvals numbered around 50 per month. Approvals through the Talent (Arts, Culture and Sports) policy have remained steady, but low, since the policy came into effect, with an average of 4 people approved per month.

Figure 3.1 Number of people approved through Talent Visa and LTSSL Occupation policies between June 2002 and October 2005



3.3.1 Rate of approval

Overall, approval rates through the Talent Visa and LTSSL Occupation policies have been high, with an average of 97 percent since the policy came into effect. The approval rate for applicants through the General work policy during the same period was 91 percent.¹⁸ Of the three work to residence policies, the Talent (Accredited Employers) had the highest rate of approval at 98 percent. Table 3.1 shows the approval rates for the three policies since April 2002.

¹⁸ The General work permit is the most common type of work permit issued to non-New Zealanders. To qualify for a General work permit, applicants must usually have an offer of employment in an occupation listed on the Immediate Skill Shortage List (ISSL), a list that is maintained by the Department of Labour. The ISSL is a list of occupations in shortage in one or more of the main regions in New Zealand. The General work permit may also be issued in a number of other specific circumstances, such as when a labour market test has shown that no New Zealanders are available to do the work.

Table 3.1 Approval rates for applications through the Talent Visa and LTSSL Occupation policies

Work permit criteria	Approved		Declined		Total
	n	%	n	%	
Talent (Accredited Employers)	2,487	98%	56	2%	2,543
LTSSL Occupation	1,427	96%	55	4%	1,482
Talent (Arts, Culture and Sports)	150	85%	27	15%	177
Total	4,064	97%	138	3%	4,202

3.3.2 Onshore versus offshore approval

Almost two-thirds (64 percent) of Talent Visa and LTSSL Occupation applications were processed offshore. Of the three policies, LTSSL Occupation applications were the most likely to have been approved offshore (76 percent), and Talent (Arts, Culture and Sports) were the least likely (25 percent). Table 3.2 shows the proportional split of onshore and offshore approvals by policy category.

Table 3.2 Onshore-offshore split by policy category

Work permit criteria	Onshore		Offshore		Total
	n	%	n	%	
Talent (Accredited Employers)	989	40%	1,498	60%	2,487
LTSSL Occupation	344	24%	1,083	76%	1,427
Talent (Arts, Culture and Sports)	112	75%	38	25%	150
Total	1,445	36%	2,619	64%	4,064

Overall, there was very little difference in approval rates for onshore versus offshore approval, with 98 percent of offshore applications approved and 95 percent of onshore applications approved. The greatest difference occurred with LTSSL Occupation applications, where 98 percent of offshore applications were approved and 92 percent of onshore applications were approved.

3.4 Timeliness

Compared to the time taken to process General work permits, processing times for applications through the Talent Visa and LTSSL Occupation policies were substantially quicker. Between April 2002 and October 2005, the average number of days taken to process a General work permit was 51 days.¹⁹ Over the same period, the average number of days taken to process a Talent Visa and LTSSL Occupation application was just 12 days. LTSSL Occupation applications had the shortest processing time with an average of 12 days. For Talent (Accredited Employers) applications, the average was 13 days, while Talent (Arts, Culture and Sports) applications took longer (32 days on average).

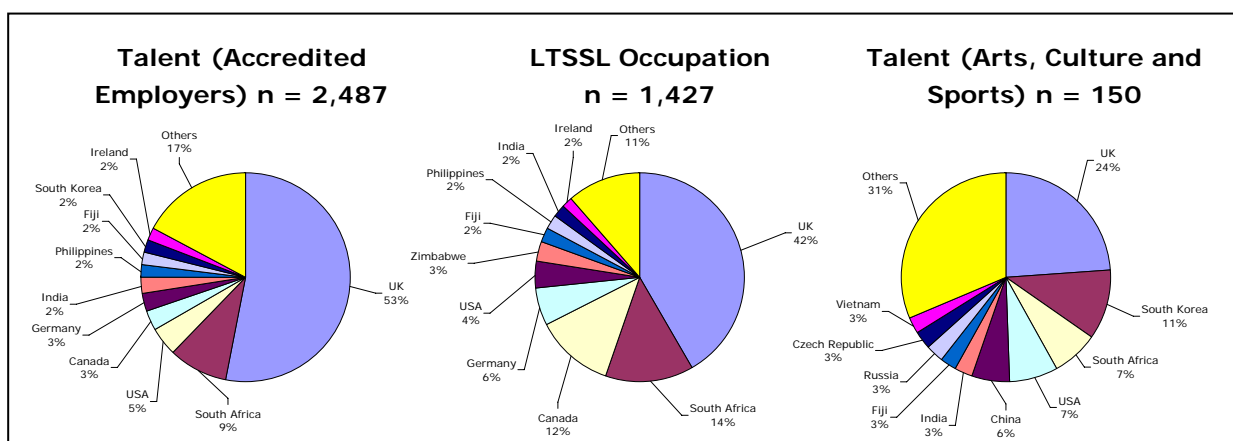
3.5 Nationality of approvals

The diversity of applicants across all three permit types was broad, with combined approvals from over 85 nationalities. However, the five largest source countries accounted for almost three-quarters of all approvals (73 percent). Applicants from the UK accounted for 48 percent of people approved overall. UK applicants made up

¹⁹ Based on the weighted average of processing times for General work permit applications.

over half (53 percent) of Talent (Accredited Employers) approvals, 42 percent of LTSSL Occupation approvals, and 24 percent of Talent (Arts, Culture and Sports) approvals. South Africa was the second largest source country overall, with 11 percent of approvals. The other main source countries included Canada, the USA, Germany, and India. Figure 3.2 shows the nationalities of people approved work permits under the Talent Visa and LTSSL Occupation policies. A full list of approvals by nationality is provided in Appendix B.

Figure 3.2 Nationalities of Talent Visa and LTSSL Occupation permit holders between April 2002 and October 2005.



3.6 Occupation

The New Zealand Standard Classification of Occupations (NZSCO) was used to classify the occupations recorded for people approved through the Talent Visa and LTSSL Occupation policies. Using the NZSCO, occupations are coded to a hierarchical classification with 5 levels, with each level representing a greater level of specificity. In the following analysis, the occupational group (NZSCO level 1) and the occupation description (NZSCO level 5) was recorded for 75 percent of Talent Visa and LTSSL Occupation approvals.

Table 3.3 shows the proportion of Talent Visa and LTSSL Occupation work permit approvals in each of the nine occupational groups. Overall, 48 percent recorded occupations classified as Professional, and in particular, recorded occupations in the education, health, and construction sectors. Fifteen percent of approvals were Legislators, Administrators and Managers, most (93 percent) of whom were approved through the Talent (Accredited Employers) policy.

Sixty-eight percent of LTSSL Occupation approvals were classified as having Professional occupations, reflecting the high proportion of professional occupations listed on the Long Term Skill Shortage List. Forty-two percent of Talent (Accredited Employers) approvals had occupations classified as Professionals.

Eighty-one percent of Talent (Arts, Culture and Sports) approvals were classified as Technicians and Associate Professionals, the majority of whom were sports people. Fifteen percent of LTSSL Occupation approvals were classified as Trades Workers, compared to 5 percent of Talent (Accredited Employers) approvals.

Table 3.3 Occupational groups of people approved through Talent Visa and LTSSL Occupation policies

Occupational group	Work permit criteria						Total	
	Talent (Accredited Employers)		LTSSL Occupation ¹		Talent (Arts, Culture and Sports)			
	n	%	n	%	n	%	n	%
Legislators, Administrators and Managers	419	21%	28	3%	4	4%	451	15%
Professionals	837	42%	630	68%	3	3%	1470	48%
Technicians and Associate Professionals	311	15%	116	12%	91	81%	518	17%
Clerks	39	2%	5	1%	1	1%	45	1%
Service and Sales Workers	108	5%	4	0%		0%	112	4%
Agriculture and Fishery Workers	18	1%	4	0%	1	1%	23	1%
Trades Workers	98	5%	136	15%		0%	234	8%
Plant and Machine Operators/Assemblers	112	6%	7	1%	1	1%	120	4%
Elementary Occupations ²	73	4%	3	0%	11	10%	87	3%
Total approvals³	2,015	100%	933	100%	112	100%	3,060	100%

¹ A small number of people approved through the LTSSL Occupation policy had their permit issued for an occupation on the Immediate Skill Shortage List as opposed to the Long Term Skill Shortage List (for example, ski instructors).

² Includes elementary occupations, occupations not listed in the NZSCO codes, and those not able to be coded.

³ Occupations were not recorded for 25 percent of Talent Visa and LTSSL Occupation applications.

Tables 3.4 and 3.5 provide examples of the most common occupations in each of the major occupation groups for people approved a work permit through the Talent (Accredited Employers) and LTSSL Occupation policies.

Table 3.4 Examples of the most common occupations of people approved through the Talent (Accredited Employers) policy

Occupational group	Examples of occupations
Legislators, Administrators, Managers	<ul style="list-style-type: none"> • Managers (General/Project/Construction) • Sales and/or Marketing Manager • Branch/Area Manager • Production Manager • Retail Manager
Professionals	<ul style="list-style-type: none"> • University Lecturer • Engineer (Civil/Structural/Electrical/ Mechanical) • Optometrist • Accountant • IT Consultant
Technicians and Associate Professionals	<ul style="list-style-type: none"> • Quantity Surveyor • Engineering Technician • Graphic Designer/CAD Draughtsperson • Industrial Laboratory Technician
Clerks	<ul style="list-style-type: none"> • Researcher • Legal Secretary • Personal Assistant • Bank Officer • Gaming Table Supervisor
Service and Sales Workers	<ul style="list-style-type: none"> • Police Officer • Chef/Head Chef • Sales Consultant • Naval Officer
Agriculture and Fishery Workers	<ul style="list-style-type: none"> • Arborist • Dairy/Poultry Farm Manager • Vineyard Supervisor • Landscape Contractor
Trades Workers	<ul style="list-style-type: none"> • Electrician • Construction Foreman • Mechanic (Diesel, Motor) • Fitter Welder
Plant and Machine Operators and Assemblers	<ul style="list-style-type: none"> • Line Mechanic • Aluminium Joiner • Crane Operator • Earthmoving Machine Operator • Mine Worker
Elementary Occupations	<ul style="list-style-type: none"> • Building Construction Labourer • Technician • Boat and Ship Cargo Loader

Table 3.5 Examples of the most common occupations of people approved through the LTSSL Occupation policy

Occupational group	Examples of occupations
Legislators, Administrators, Managers	<ul style="list-style-type: none"> • IT Manager • Project Manager • General Manager • Software Project Manager - IT
Professionals	<ul style="list-style-type: none"> • Nurse • Secondary Teacher • University Lecturer • General Practitioner • Anaesthetist • Midwife
Technicians and Associate Professionals	<ul style="list-style-type: none"> • Occupational Therapist • Anaesthetics Technician • Medical Laboratory Technician
Service and Sales Workers	<ul style="list-style-type: none"> • Chef
Trades Workers	<ul style="list-style-type: none"> • Electrician • Mechanic (Diesel, Motor) • Fitter and Turner • Plumber • Fitter Welder

The most common occupations of people approved through the Talent (Arts, Culture and Sports) policy were sports coaches or trainers, professional sportspersons, and musicians.

3.7 Region of employment

The majority of people approved a work permit through the Talent Visa and LTSSL Occupation policies were concentrated in the main population centres. Of those whose region of employment was recorded (80 percent overall), over half (55 percent) had an offer of employment in the Auckland region, followed by Wellington (12 percent), and Canterbury (9 percent).

Table 3.6 shows that people approved through the Talent (Accredited Employers) policy were more heavily concentrated in Auckland (63 percent) compared to those approved through the LTSSL Occupation policy (38 percent) or the Talent (Arts, Culture and Sports) policy (56 percent). Since the work to residence policies came into effect, 61 percent of accredited employers have been located in Auckland (see Chapter 2, section 2.6).

There was a much greater regional spread of people approved through the LTSSL Occupation policy than through the Talent Visa policies. The concentration in Auckland was considerably less, with a greater spread into regions such as Otago, Manawatu, Hawkes Bay, Northland, and Wanganui.

Table 3.6 Region of employment of people approved through the Talent Visa and LTSSL Occupation policies between April 2002 and October 2005.

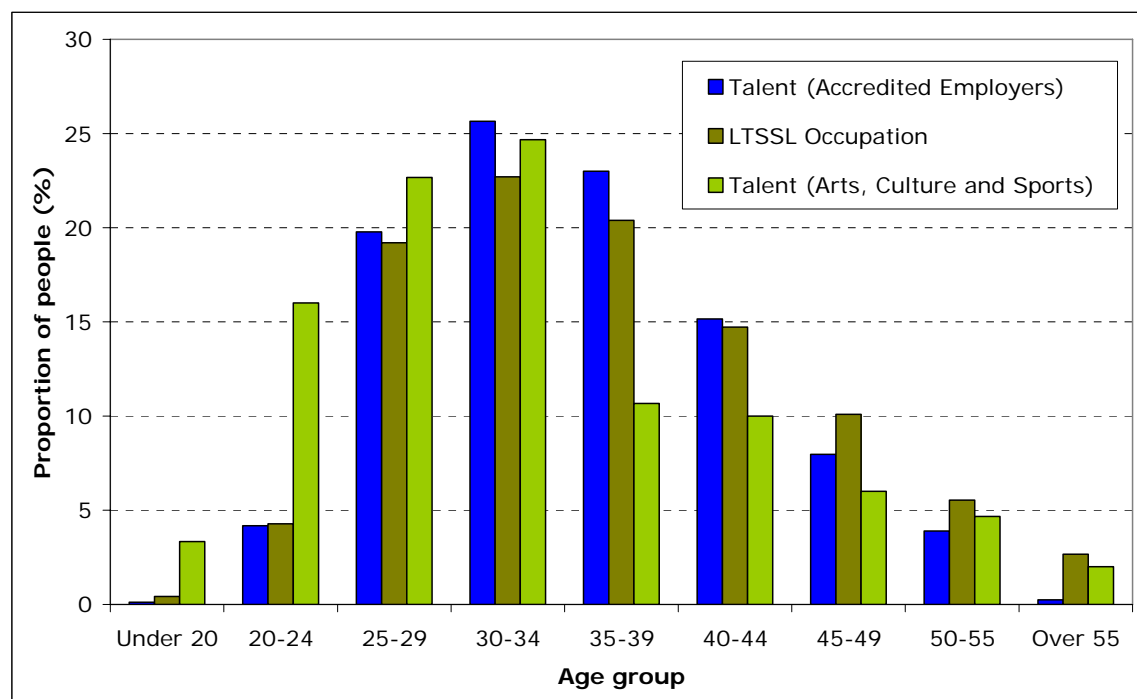
Region	Talent (Accredited Employers)	LTSSL Occupation	Talent (Arts, Culture and Sports)	Total	
	%	%	%	n	%
Auckland	63%	38%	56%	1,790	55%
Wellington	11%	13%	13%	378	12%
Canterbury	8%	10%	9%	291	9%
Waikato	4%	5%	5%	142	4%
Otago	2%	5%	2%	93	3%
Bay of Plenty	2%	3%	1%	81	2%
Hawkes Bay	1%	4%	3%	80	2%
Northland	1%	4%	1%	69	2%
Manawatu	1%	5%	0%	63	2%
Taranaki	2%	1%	0%	60	2%
Southland	1%	2%	4%	38	1%
Nelson	1%	2%	2%	37	1%
Wanganui	0%	2%	1%	26	1%
Other	2%	7%	4%	117	4%
Total	100%	100%	100%	3,265	100%
Total people	2,082	1,065	118		

3.8 Age and gender of approvals

Applicants through the Talent (Accredited Employers) and Talent (Arts, Culture and Sports) policies must be aged 55 years or under at the time they apply. There is no age limit for applicants through the LTSSL Occupation work policy, although the age limit (55 or under) applies if the work permit holder applies for residence through the LTSSL Occupation residence policy.

Overall, two-thirds of people approved through the Talent Visa and LTSSL Occupation policies were aged between 25 and 40, with a mean age of 35. The age profiles of approvals through the Talent (Accredited Employers) and LTSSL Occupation policies were very similar, with the greatest concentration between the ages of 30 and 34. A greater proportion of younger people were approved through the Talent (Arts, Culture and Sports) policy (19 percent under 25 years) compared to people approved through the other two policies (4 percent each under 25 years).

Figure 3.3 Age of people approved through the Talent Visa and LTSSL Occupation policies between April 2002 and October 2005¹



¹ With the exception of the LTSSL Occupation policy, applicants must be age 55 years or under at the time they apply. The small number of people aged over 55 were either granted a ministerial exception to policy (the age requirement was waived) or were 55 or under at the time of application, but over 55 at the time of approval.

Men accounted for almost three-quarters (74 percent) of people approved through the Talent Visa and LTSSL Occupation policies. Table 3.7 shows that the overall ratio was 279 men to 100 women, and men outnumbered women almost 4 to 1 in the age range 35 to 45 years. There were also gender differences between the individual policies. A much greater proportion of women were approved through the LTSSL Occupation policy (39 percent), compared to the Talent (Accredited Employers) and Talent (Arts, Culture and Sports) policies (19 percent and 22 percent respectively).

Table 3.7 Ratio of men to women approved for Talent Visa and LTSSL Occupation work permits¹

Age group	Talent (Accredited Employers)		LTSSL Occupation		Talent (Arts, Culture and Sports)		Total	
	n	M/F	n	M/F	n	M/F	n	M/F
Under 20	3	-	6	-	5	-	14	6.00
20-24	104	2.06	61	0.97	24	3.00	189	1.66
25-29	492	2.39	274	1.32	34	3.86	800	1.96
30-34	638	3.43	324	1.47	37	5.17	999	2.56
35-39	572	6.94	291	1.62	16	2.20	879	3.68
40-44	377	7.98	210	2.00	15	4.00	602	4.23
45-49	198	7.25	144	1.15	9	-	351	2.77
50-55	97	5.47	79	2.04	7	-	183	3.16
Over 55	6	-	38	4.43	3	-	47	4.88
Total	2,487	4.21	1,427	1.54	150	3.55	4,064	2.79

¹ Ratios were not computed for cells containing less than 10 records.

3.9 Summary

- Between April 2002 and October 2005, 2,487 people were approved through the Talent (Accredited Employers) policy, 1,427 through the LTSSL Occupation policy, and 150 through the Talent (Arts, Culture and Sports) policy.
- Work permit approval rates were high overall (97 percent of applicants approved), particularly for Talent (Accredited Employers) work permit applications (98 percent approval rate).
- Processing times for Talent (Accredited Employers) and LTSSL Occupation work permits averaged 12 days. Processing times for General work permits averaged 51 days.
- Work permits were issued to migrants from a broad range of nationalities. The UK was the largest source country for each of the three permit types, accounting for 48 percent of the combined total. The other main source countries included South Africa, Canada, and the USA.
- Work permit holders were employed in a broad range of occupations, particularly those approved through the Talent (Accredited Employers) policy. However, 80 percent overall worked in occupations classified in the top three occupational groups.
- Talent Visa and LTSSL Occupation work permit holders were employed throughout New Zealand, particularly LTSSL Occupation work permit holders. Talent Visa work permit holders were more heavily concentrated in Auckland.
- Men accounted for 74 percent of work permit approvals through the Talent Visa and LTSSL Occupation policies.

4 Talented migrants: Transitions to permanent residence

4.1 Introduction

This chapter describes the characteristics of Talent Visa and LTSSL Occupation work permit holders who have gained permanent residence in New Zealand. The work to residence policies provide a pathway to residence for work permit holders, and the intended route to residence is via the Talent and LTSSL residence categories described below. However, highly skilled and talented migrants working in New Zealand have others options available to them to gain permanent residence. One such option is to apply for residence through the Skilled Migrant Category (SMC). The work to residence policies do not preclude work permit holders applying for residence through other policies, or 'category jumping' as it is referred to in this report.

4.2 Residence policy for Talent Visa and LTSSL work permit holders

Three residence policies complement the Talent Visa and LTSSL Occupation work permit policies. Talent Visa and LTSSL Occupation work permit holders may be granted residence through the associated residence policies after holding their work permit for 24 months. Applicants must have met the employment conditions of their work permit for the 24-month period. Talent (Accredited Employers) and LTSSL Occupation applicants must have full-time employment with a minimum base salary (calculated on the basis of a 40-hour week) of \$45,000.²⁰ A policy change in April 2004 determined that people applying for residence through the Talent Visa and LTSSL Occupation residence categories must be in New Zealand at the time they lodge their application.

4.3 Number of people approved for residence

Between April 2002 and October 2005, 4,064 people were issued a work permit through the Talent Visa and LTSSL Occupation policies. As at 31 October 2005, 1,184 work permit holders (29 percent) had gained permanent residence.

4.4 Proportion of work permit holders converting to residence

Many Talent and LTSSL Occupation work permit holders gained residence prior to holding their work permit for 24 months or more, and through categories other than the intended residence from work route.

Table 4.1 shows that 83 percent of those approved for residence as at 31 October 2005 had held their work permit for less than 24 months before gaining residence. Between April 2002 and October 2005, almost one in four people (24 percent) who were issued a work permit through the Talent Visa and LTSSL Occupation policies gained residence less than 24 months after their work permit was issued.

People issued a work permit through the LTSSL Occupation work policy were more likely than Talent Visa work permit holders to gain residence prior to the 24 months eligibility threshold. Thirty-one percent of LTSSL Occupation permit holders (445

²⁰ No salary threshold exists for Talent (Arts, Culture and Sports) applicants, although the applicant (or their partner or children) must not have applied for or been granted welfare assistance at any time since the grant of their work permit.

people) had been approved for residence as at 31 October 2005. Of these, 94 percent were approved for residence less than 24 months after the work permit was issued. Of the people issued a work permit through the LTSSL Occupation policy since April 2002, 29 percent had gained residence in under 24 months.

Table 4.1 Number of people converting to residence by Talent Visa and LTSSL Occupation work permit category

Work permit criteria	Total work permits	Total residence approvals	% gained residence	Time taken to transition (months)	n	% of residence approvals	% of work permits
Talent (Accredited Employers)	2487	695	28%	<24	541	78%	22%
				24+	154	22%	6%
LTSSL Occupation	1427	445	31%	<24	417	94%	29%
				24+	28	6%	2%
Talent (Arts, Culture and Sports)	150	44	29%	<24	28	64%	19%
				24+	16	36%	11%
Total	4,064	1,184	29%	<24	986	83%	24%
				24+	198	17%	5%

4.5 Nationality of people approved for residence

Table 4.2 provides a breakdown by nationality of the rate of transition to residence for work permit holders. Work permit holders from the largest source countries had similar patterns of transition to residence, with between 19 and 43 percent of work permit holders gaining residence. Only 8 percent of Canadian work permit holders had converted to residence. Further analysis showed that of the 253 Canadians issued a work permit, a high proportion (22 percent) had left New Zealand and had been out of the country for six months or more at the end of the analysis period.

South Koreans also had a relatively low rate of transition to residence (19 percent). Of the 13 South Koreans who had converted to residence, a greater than average proportion did so after holding their work permit for 24 months, indicating a low rate of 'category jumping'. Of the larger source countries, work permit holders from India had the highest rate of transition to residence (43 percent). Of the 40 Indian work permit holders who converted to residence, the majority (93 percent) were granted residence within 24 months of being issued their work permit.

Table 4.2 Nationality of work permit holders who gained permanent residence¹

Nationality	Time taken to transition (months)				Total residence approvals	Total work permits	% gained residence
	<24 months		24 months+				
	n	Row %	n	Row %	n	n	%
UK	492	82%	111	18%	603	1,947	31%
South Africa	146	86%	24	14%	170	435	39%
Canada	17	85%	3	15%	20	253	8%
USA	41	93%	3	7%	44	181	24%
Germany	29	74%	10	26%	39	154	25%
India	37	93%	3	8%	40	92	43%
Fiji	25	93%	2	7%	27	85	32%
Philippines	22	85%	4	15%	26	81	32%
Ireland	16	84%	3	16%	19	75	25%
Zimbabwe	25	83%	5	17%	30	72	42%
South Korea	9	69%	4	31%	13	70	19%
China	18	72%	7	28%	25	60	42%
Others	109	85%	19	15%	128	559	23%
Total	986	83%	198	17%	1,184	4,064	29%

¹ Percentages are rounded and therefore not all row totals add to 100 percent.

4.6 Age and gender of people approved for residence

Table 4.3 provides a breakdown by age group of the rate of transition to residence for work permit holders. In general, older work permit holders had a higher rate of transition to residence than those in the younger age ranges (excluding under 20 year olds and over 55 year olds, where the numbers were small). Those aged 35 years or more had a higher than average rate of transition to residence (between 30 and 37 percent) compared to those under 35 (between 16 to 29 percent). Older work permit holders were also more likely to gain residence within 24 months of being issued their work permit.

Table 4.3 Age of work permit holders who gained permanent residence¹

Age	Time taken to transition (months)				Total residence approvals	Total work permits	% gained residence
	<24 months		24 months+				
	n	Row %	n	Row %	n	n	%
Under 20	4	80%	1	20%	5	14	36%
20-24	21	70%	9	30%	30	189	16%
25-29	168	85%	29	15%	197	800	25%
30-34	233	80%	58	20%	291	999	29%
35-39	212	80%	53	20%	265	879	30%
40-44	196	88%	28	13%	224	602	37%
45-49	95	85%	17	15%	112	351	32%
50-55	54	95%	3	5%	57	183	31%
Over 55	3	100%	0	0%	3	47	6%
Total	986	83%	198	17%	1,184	4,064	29%

¹ Some age groups contain a very low number of approvals.

There were no differences in the transition rates for men and women issued work permits through the Talent Visa and LTSSL Occupation policies (29 percent of male and female work permit holders converted to residence). However, a slightly higher proportion of women who converted to residence (88 percent) did so within 24 months of being issued their work permit, compared to men (82 percent).

4.7 Occupation of people approved for residence

Table 4.4 provides a breakdown by occupational group of the rate of transition to residence for work permit holders. There was little variation in the rates of transition to residence for work permit holders in the largest three occupational groups (29 to 32 percent of work permit holders gained residence). However, of the largest three occupational groups, work permit holders classified as Professional had a greater tendency to convert to residence within 24 months of being issued their work permit.

Amongst the smaller occupational groups, Service and Sales Workers had the highest rate of transition to residence (58 percent), and were the most likely to gain residence after holding their work permit for 24 months or more. Plant and Machinery Operators were the least likely to convert to residence. Of those who gained residence, 89 percent did so within 24 months of being issued their work permit.

Table 4.4 Occupational group of work permit holders who gained permanent residence¹

Nationality	Time taken to transition (mths)				Total residence approvals	Total work permits	% gained residence
	<24 months		24 months+				
	n	Row %	n	Row %	n	n	%
Legislators, Administrators and Managers	117	82%	25	18%	142	451	31%
Professionals	394	93%	29	7%	423	1,470	29%
Technicians and Associate Professionals	137	84%	27	16%	164	518	32%
Clerks	9	69%	4	31%	13	45	29%
Service and Sales Workers	13	20%	52	80%	65	112	58%
Agriculture and Fishery Workers	2	67%	1	33%	3	23	13%
Trades Workers	64	90%	7	10%	71	234	30%
Plant and Machine Operators and Assemblers	8	89%	1	11%	9	120	8%
Elementary Occupations ²	20	65%	11	35%	31	87	36%
Total	764	83%	157	17%	921	3,060	30%

¹ Occupations were not recorded for 25 percent of Talent Visa and LTSSL work permit applications.

² Includes elementary occupations, occupations not listed in the NZSCO codes, and those not able to be coded.

4.8 Residence approval category

Table 4.5 shows the residence categories through which Talent Visa and LTSSL Occupation work permit holders have gained permanent residence. The majority of Talent Visa and LTSSL Occupation work permit holders approved for residence to date (839 out of 1,184, or 71 percent) have been approved through the SMC. A further 18 percent were approved through the Talent Visa and LTSSL Occupation residence categories, while the remainder were approved through the General Skills Category (7 percent), Partnership policy (2 percent), or other residence categories.²¹

²¹ The GSC came into effect in 1995 and closed in July 2003. Applications received prior to the closure were accepted for processing, so applicants continued to be approved after July 2003.

Overall, 96 percent of Talent Visa and LTSSL Occupation work permit holders approved for residence have been approved through skilled categories. Of the 445 LTSSL Occupation work permit holders approved for residence, 84 percent were approved through the SMC and 4 percent were approved through the LTSSL Occupation residence category.

Table 4.5 Residence categories through which Talent Visa and LTSSL Occupation work permit holders gained residence approval

Residence approval category	Work permit category						Total	
	Talent (Accredited Employers)		LTSSL		Talent (Arts, Culture and Sports)			
	n	%	n	%	n	%	n	%
Skilled Migrant	451	65%	376	84%	12	27%	839	71%
Talent (Accredited Employers)	181	26%	0	0%	0	0%	182	15%
1995 General Skills Partnership	39	6%	44	10%	0	0%	83	7%
LTSSL Occupation	14	2%	6	1%	4	9%	24	2%
Talent – Sports	0	0%	16	4%	0	0%	16	1%
Talent – Arts and Culture	0	0%	0	0%	13	30%	13	1%
Ministerial direction	0	0%	0	0%	9	20%	9	1%
Others	5	1%	1	0%	2	5%	8	1%
Total	695	100	445	100	44	100	1,184	100

Table 4.6 shows the residence approval categories through which work permit holders were approved and whether the transition to residence was before or after the work permit holder met the 24-month eligibility criteria. In total, 986 out of 1,184 people (83 percent) approved for residence did so less than 24 months after work permit approval. Of the 986, 83 percent were approved through the SMC, and 12 percent were approved through other residence categories, mostly General Skills Category (GSC) or Partnership policy.

The transition to residence through the Talent Visa and LTSSL Occupation residence categories tends to be greater for those approved the work permit through the Talent (Accredited Employers) and Talent (Arts, Culture and Sports) policies. Of the Talent (Accredited Employers) and Talent (Arts, Culture and Sports) work permit holders who held their permit for 24 months or more before gaining residence, most gained residence through the associated Talent Visa or LTSSL Occupation residence category.

Of those approved for residence after holding their work permit for 24 months or more (198 out of 1,184), 86 percent were approved through the residence from work categories, 11 percent were approved through the SMC, and 3 percent were approved through other residence categories.

Of the 154 Talent (Accredited Employers) work permit holders approved for residence after holding their work permit for 24 months or more, 95 percent were approved through the Talent (Accredited Employers) residence category. Thirteen of

the 16 Talent (Arts, Culture and Sports) work permit holders approved for residence after holding their work permit for 24 months or more were approved through the Talent (Arts, Culture and Sports) residence categories.

Table 4.6 Residence approval categories for work permit holders approved before or after meeting the 24-month qualifying period²²

Work permit category	Months to residence	Residence approval category							
		Residence from Work		Skilled Migrant		Other		Total	
		n	%	n	%	n	%	n	%
Talent (Accredited Employers)	<24	34	6%	445	82%	62	11%	541	78%
	24+	147	95%	6	4%	1	1%	154	22%
	Total	181	26%	451	65%	63	9%	695	100%
LTSSL Occupation	<24	5	1%	363	87%	49	12%	417	94%
	24+	11	39%	13	46%	4	14%	28	6%
	Total	16	4%	376	84%	53	12%	445	100%
Talent (Arts, Culture and Sports)	<24	10	36%	10	36%	8	29%	28	64%
	24+	13	81%	2	13%	1	6%	16	36%
	Total	23	52%	12	27%	9	20%	44	100%
Total	<24	49	5%	818	83%	119	12%	986	83%
	24+	171	86%	21	11%	6	3%	198	17%
	Total	220	19%	839	71%	125	11%	1,184	100%

4.9 Time taken to transition to residence

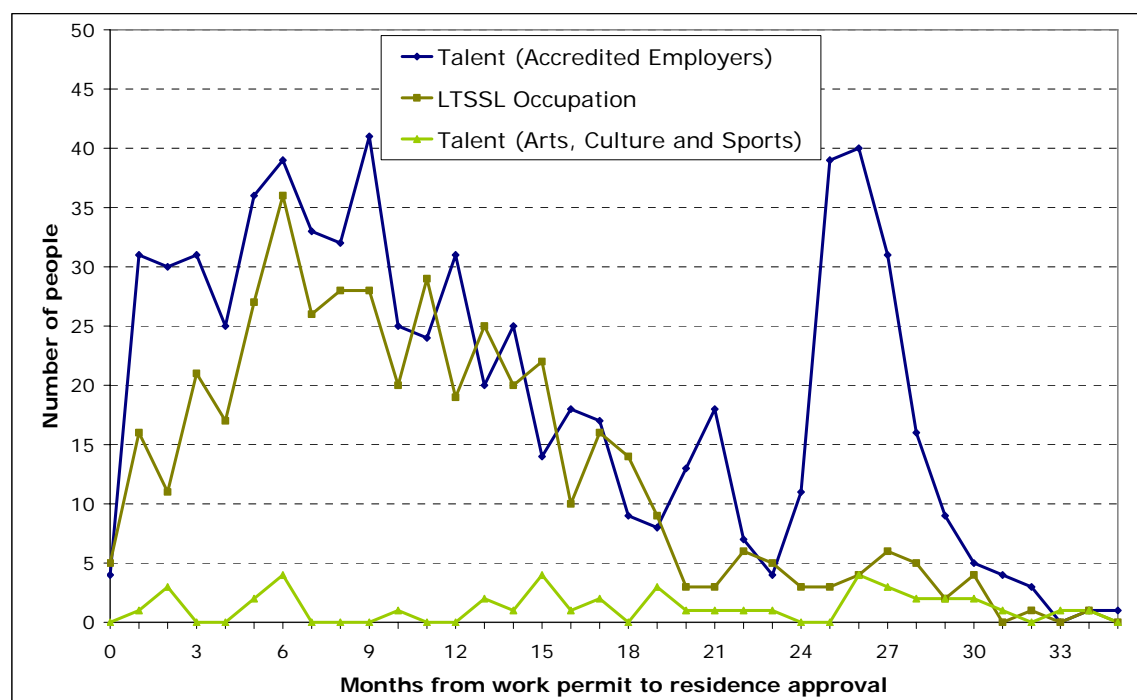
Twenty-nine percent of people issued a Talent Visa or LTSSL Occupation work permit between April 2002 and October 2005 had been approved for residence by October 2005. The majority of these people gained residence within 24 months of being issued their work permit. Of the 1,184 people approved for residence to date, the average time taken from work permit approval to residence approval was 13 months. On average, LTSSL Occupation work permit holders who gained residence did so in less time than the Talent Visa work permit holders.

Of the 445 LTSSL Occupation work permit holders approved for residence to date, the average time taken to make the transition was 11 months. The comparable figure for Talent (Accredited Employers) work permit holders approved for residence was 13 months, and for Talent (Arts, Culture and Sports) the average was 18 months.

²² A small number of people were approved for residence through the Talent and LTSSL residence categories prior to meeting the 24-month qualifying period. In most of these cases, the applicant had originally been issued a different work permit type, such as a General work permit. The Talent or LTSSL Occupation work permit was then issued later, and the time spent working in New Zealand up until then was accepted for the purposes of meeting the 24-month qualifying period.

Figure 4.1 shows the number of months taken from work permit approval to residence approval for Talent Visa and LTSSL Occupation work permit holders who had been approved for residence as at 31 October 2005. There is a stronger tendency for LTSSL Occupation work permit holders to transition to residence prior to reaching the 24-month qualifying period. Sixty-five percent of those approved for residence made the transition within 12 months. For Talent (Accredited Employers) work permit holders, there is a greater tendency to reach the 24-month qualifying period before gaining residence approval.

Figure 4.1 Months taken for work permit holders to transition to residence (n=1,184)



4.10 Work permit holders not taking up residence after 24 months

The following analysis looks at those people issued a work permit through the Talent Visa and LTSSL Occupation policies who had not gained residence at the end of the analysis period.

Of the 4,064 people issued a work permit through the Talent Visa and LTSSL Occupation policies to date, 719 people (18 percent) had been issued their work permit at least 24 months prior to 31 October 2005. Of these, 419 (58 percent) had made the transition to residence while the remaining 300 had not. Three main reasons accounted for why these people had not been approved for residence: they had applied for residence but a decision had not been made at the time of analysis; they had left New Zealand permanently; or they had changed to another temporary permit type, for example, a General work permit.

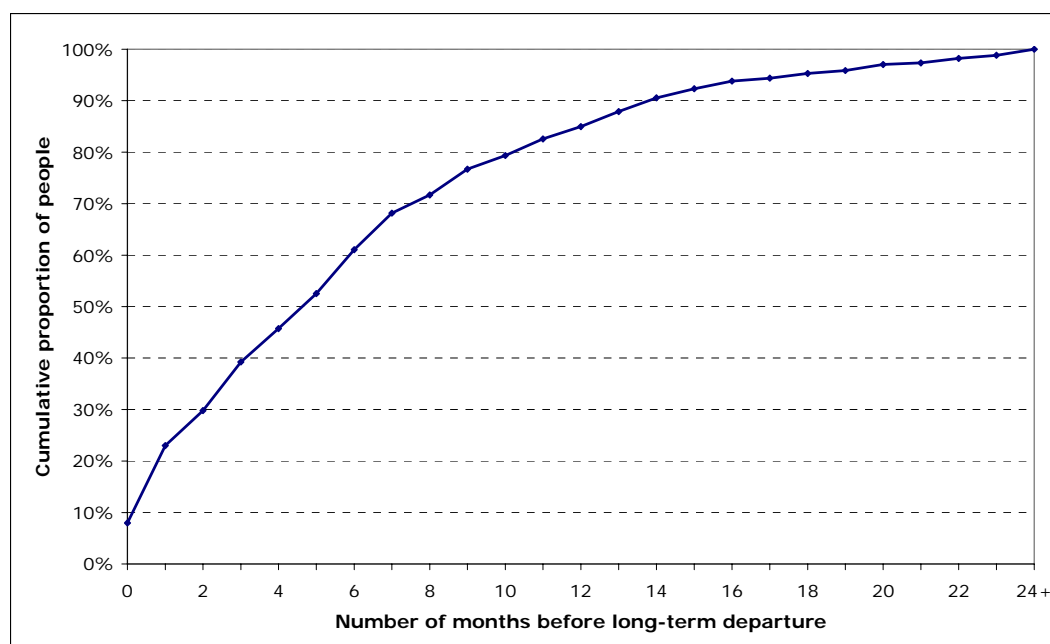
As at 31 October 2005, 27 out of 300 (9 percent) had residence applications pending, and a further 82 (27 percent) had time remaining on their 30-month work permit. Of the remaining 191 people, most (88 percent) were absent from New Zealand, and the majority had been absent for six months or more.

4.11 Work permit holders leaving New Zealand without applying for residence

Research has shown that some migrants are highly mobile, spending large amounts of time out of New Zealand, while others leave New Zealand permanently within a few years of being granted residence.²³ This analysis looks at the time spent in New Zealand after the initial Talent Visa or LTSSL Occupation work permit was issued (or the date of arrival in New Zealand for those issued a work visa offshore). As at 31 October 2005, 8 percent of all people issued a work permit through the Talent Visa and LTSSL Occupation work policies (339 out of 4,064) had left New Zealand and been absent for six months or more.

Figure 4.2 shows the number of months spent in New Zealand after approval or arrival before leaving the country long term. Sixty-one percent of those who had been absent from New Zealand for six months or more had left the country within six months of being approved for the work permit (or within six months of arrival if approved offshore). Of the 339 people who had left New Zealand long term, 23 percent had left within two months of their work permit approval/arrival, and 83 percent had left within 12 months.

Figure 4.2 Number of months spent in New Zealand after work permit approval (or arrival) before departing long term (n=339)



4.11.1 Work permit category of people leaving New Zealand without applying for residence

People issued a work permit through the Talent (Arts, Culture and Sports) policy were more likely to leave New Zealand long term and not apply for residence than were those approved through the Talent (Accredited Employers) and LTSSL Occupation policies. Of the 150 people issued a work permit through the Talent

²³ Shorland, P., (2006): *People on the Move: A study of migrant movement patterns to and from New Zealand*.

(Arts, Culture and Sports) policy, 23 people (15 percent) left New Zealand before applying for residence and had been absent for six months or more as at 31 October.

Twelve percent of people issued a work permit through the LTSSL Occupation policy (175 out of 1,427) had left New Zealand before applying for residence and were long-term absent as at 31 October 2005. People issued work permits through the Talent (Accredited Employers) policy were the least likely to leave New Zealand long term without applying for residence. Of the 2,487 people issued a work permit through the Talent (Accredited Employers) policy, 141 people (6 percent) had left the country long term and had not applied for residence.

4.11.2 Nationality of work permit holders leaving New Zealand without applying for residence

Of the top source countries, rates of absence were highest for Canadians, with 22 percent of work permit holders leaving New Zealand long term and not applying for residence. Lower rates of absence were recorded for work permit holders from Fiji, the Philippines, and Zimbabwe. Table 4.7 provides a breakdown of work permit holders by nationality who left New Zealand long term without applying for residence.

Table 4.7 Number of work permit holders leaving New Zealand by nationality

Nationality	Number of work permits issued	Number of people who left NZ	% absent
UK	1,947	132	7%
South Africa	435	38	9%
Canada	253	55	22%
USA	181	14	8%
Germany	154	11	7%
India	92	7	8%
Fiji	85	0	0%
Philippines	81	2	2%
Ireland	75	7	9%
Zimbabwe	72	2	3%
South Korea	70	8	11%
China	60	5	8%
Others	559	58	10%
Total	4,064	339	8%

4.12 Long-term absent residence approvals

At the end of the analysis period, only 12 people approved for residence had been absent from New Zealand for six months or more. Of these, six had been approved for residence through the SMC, and six had been approved through the GSC.

4.13 Transition to residence for work permit holders approved onshore versus offshore

There is some evidence to suggest that Talent Visa and LTSSL Occupation applicants who applied for their work permit offshore were more likely to 'category jump' than those who applied for the work permit onshore. Permanent residence brings greater certainty to migrants and their families. Anecdotal evidence from the survey of

accredited employers suggested that for some migrants, particularly those coming to New Zealand for the first time, there was a strong desire to gain permanent residence rather than live in New Zealand on a temporary permit. Table 4.8 shows that 61 percent of Talent Visa and LTSSL Occupation work permit holders who gained residence through the SMC were originally granted their work permit offshore.

For those approved for residence through the Talent Visa and LTSSL Occupation residence categories (220 people in total), only 40 percent had originally been approved their work permit offshore.

Table 4.8 Work permit approval location by residence approval category

Residence approval category	Work permit approval location				Total
	Onshore		Offshore		
	n	%	n	%	
Skilled Migrant	324	39%	515	61%	839
Talent (Accredited Employers)	101	55%	81	45%	182
1995 General Skills	53	64%	30	36%	83
Partnership	19	79%	5	21%	24
LTSSL Occupation	9	56%	7	44%	16
Talent – Sports	12	92%	1	8%	13
Talent – Arts and Culture	9	100%		0%	9
Ministerial direction	6	75%	2	25%	8
Others	9	90%	1	10%	10
Total	542	46%	642	54%	1,184

Table 4.9 shows the residence approval location for all Talent Visa and LTSSL Occupation work permit holders approved for residence. Ninety percent of Talent Visa and LTSSL Occupation work permit holders approved for residence had their residence applications processed onshore. This result is as expected, given that most Talent Visa and LTSSL Occupation work permit holders would have been living and working in New Zealand at the time they applied for residence. Furthermore, since April 2004, Talent Visa and LTSSL Occupation work permit holders applying for residence through the Talent Visa and LTSSL residence categories were required to be in New Zealand at the time they lodge their application.

Table 4.9 Residence approval category by approval location

Residence approval category	Residence approval location				Total
	Onshore		Offshore		
	n	%	n	%	
Skilled Migrant	750	89%	89	11%	839
Talent (Accredited Employers)	182	100%	0	0%	182
1995 General Skills	61	73%	22	27%	83
Partnership	23	96%	1	4%	24
LTSSL Occupation	16	100%	0	0%	16
Talent – Sports	13	100%	0	0%	13
Talent – Arts and Culture	9	100%	0	0%	9
Ministerial direction	8	100%	0	0%	8
Others	8	80%	2	20%	10
Total	1,070	90%	114	10%	1,184

4.14 Summary

- Between April 2002 and October 2005, 29 percent of Talent Visa and LTSSL Occupation work permit holders gained permanent residence.
- The majority of people approved for residence did so within 24 months of holding their work permit, and through categories other than the residence from work categories.
- The majority of people approved for residence had applied through the Skilled Migrant Category. LTSSL Occupation work permit holders were more likely to 'category jump' than Talent Visa work permit holders.
- Eight percent of Talent Visa and LTSSL Occupation work permit holders left New Zealand without applying for residence. Of these, almost two-thirds left within six months of gaining their work permit.
- Talent (Accredited Employers) work permit holders were more likely to remain in New Zealand and apply for permanent residence, and less likely to 'category jump' than LTSSL Occupation work permit holders.

5 Conclusions

The purpose of this research was to describe the trends in Talent Visa and LTSSL Occupation applications since the policies came into effect, the characteristics of accredited employers and the migrants they employ, and the strengths and limitations of Talent (Accredited Employers) policy. This report provides a timely evaluation of three work to residence policies that facilitate the transition from skilled worker to permanent resident.

This research shows that the employer accreditation scheme and the associated Talent (Accredited Employers) work permit policy has worked well to enable accredited employers to recruit skilled and talented people from offshore to fill skill shortages. Accredited employers who responded to the online survey reported high rates of retention of the migrants they employed. An analysis of residence transition patterns showed that, compared to other work to residence work permit holders, Talent (Accredited Employers) work permit holders tended to remain on their work permit for longer before applying for residence.

The Talent (Accredited Employers) policy's salary threshold was seen by some stakeholders as a barrier to employing migrants, but this was shown to be occupation-specific. The majority of migrants employed through the Talent (Accredited Employers) policy had highly skilled occupations, and many earned well in excess of the salary threshold of \$45,000 per annum. The salary threshold was a greater barrier for employers recruiting in particular occupation groups, such as Trades Workers, although these groups made up a relatively small proportion of work permit holders.

Applicants for a work permit through the Talent Visa and LTSSL Occupation policies are not required to meet a minimum standard of English. Similarly, there is no minimum standard of English for principal applicants who apply for residence through the Talent Visa and LTSSL residence categories. However, there was no evidence in this research to suggest that these policies had created an incentive for non-English speaking migrants to circumvent the English language requirements of other skilled residence policies. The four largest source countries for Talent Visa and LTSSL Occupation work permits were all English-speaking nations, and together accounted for 69 percent of approvals.

An analysis of the rates of transition to permanent residence for Talent Visa and LTSSL Occupation work permit holders showed that many work permit holders gained residence within 24 months of being issued their work permit – less time than intended by the work to residence policies. However, the majority of those who gained residence did so through a skilled residence category, even if it was not the route intended by work to residence policy.

There was a strong tendency for LTSSL Occupation work permit holders to gain residence through the SMC, often well within two years of being granted a work permit. LTSSL Occupation work permit holders are highly skilled, with the qualifications and work experience that are in high demand in New Zealand. To some extent, SMC policy competes with LTSSL residence policy because both policies aim to attract the same highly skilled migrants. SMC policy not only recognises the

skills, qualifications, and experience of people with occupations on the LTSSL, but offers bonus points for these attributes. Therefore, SMC policy can often provide a quicker route to residence for LTSSL Occupation work permit holders than would otherwise be the case through the LTSSL residence policy.

New Zealand's skilled immigration policies aim to attract qualified and skilled migrants who will contribute to New Zealand's economic transformation. This report will be used to inform the development of these policies to ensure that they continue to select migrants with the skills and talent to live and work successfully in New Zealand. The report will also help ensure that the policies remain responsive to New Zealand's needs in the future.

Appendix A Questionnaire for the online survey of accredited employers

1. When did you first become an accredited employer?

- 2002
- 2003
- 2004
- 2005
- 2006

2. What were your main reasons for gaining accreditation?

3. How would you rate your ability to recruit skilled New Zealanders in recent years?

- Very good
- Good
- Neither good nor poor
- Poor
- Very poor
- Don't know

4. How would you rate your ability to recruit skilled migrants (non-NZ residents either already in NZ or offshore)?

- Very good
- Good
- Neither good nor poor
- Poor
- Very poor
- Don't know

5. Please explain your reasons

6. How useful has the Talent Visa policy been in enabling you to recruit migrants?

- Very useful
- Moderately useful
- Somewhat useful
- Not useful
- Don't know

7. Please explain your reasons

8. How would you rate the Business Relationship Advisers (from Immigration NZ) in managing your immigration needs?

- Very good
- Good
- Neither good nor poor
- Poor
- Very poor
- Don't know

9. Approximately how many migrants have you employed through the Talent Visa policy?

- 0
- 1-5
- 6-9
- 10-19
- 20-49
- 50-99
- 100+

10. What is the median salary range paid to skilled non-NZ resident employees you have recruited under the Talent Visa policy?

- \$45,000-\$49,999
- \$50,000-\$54,999
- \$55,000-\$59,999
- \$60,000-\$64,999
- \$65,000-\$69,999
- \$70,000-\$74,999
- \$75,000 or more

11. Thinking about the migrant(s) currently working for you, what is the average length of time they have worked for you?

- Less than 1 year
- Between 1 and 2 years
- More than 2 years
- None of the migrants I employed through Talent Visa policy are currently working here

12. Thinking about the migrant(s) you employed through Talent Visa policy who no longer work for you, what was the average length of time they worked for you?

- Less than 1 year
- Between 1 and 2 years
- More than 2 years
- None of the migrants I employed through Talent Visa policy have left

What other comments do you have about the advantages and disadvantages of employing migrants through Talent Visa policy?

13. Advantages

14. Disadvantages

15. How many people in total do you employ?

- 0
- 1-5
- 6-9
- 10-19
- 20-49
- 50-99
- 100+

16. What industry is your business in?

- Agriculture, forestry and fishing
- Mining and quarrying
- Manufacturing
- Electricity, gas and water supply
- Construction
- Wholesale trade
- Retail trade
- Accommodation, cafes and restaurants
- Transport and storage
- Communication services
- Finance and insurance
- Property and business services
- Education
- Health and community services
- Cultural and recreational services
- Other (please specify)

17. In which region is your company based?

- Northland
- Auckland
- Waikato
- Bay of Plenty
- Gisborne
- Hawkes Bay
- Taranaki
- Manawatu-Wanganui
- Wellington
- Tasman
- Nelson
- Marlborough
- West Coast
- Canterbury
- Otago
- Southland
- Other (please specify)

Appendix B Nationality of people approved through the Talent Visa and LTSSL Occupation work permit policies between April 2002 and October 2005

Nationality	Talent (Accredited Employers)	LTSSL Occupation	Talent (Arts, Culture and Sports)	Total
Albania	1	0	0	1
Argentina	7	2	1	10
Austria	6	9	0	15
Bangladesh	6	3	0	9
Belarus	0	1	2	3
Belgium	8	8	0	16
Brazil	8	1	3	12
British Indian Ocean Territory	1	0	0	1
Bulgaria	4	2	1	7
Cambodia	1	0	0	1
Cameroon	0	1	0	1
Canada	74	177	2	253
Chile	7	3	0	10
China	43	8	9	60
Colombia	3	2	1	6
Croatia	0	0	1	1
Cuba	0	1	0	1
Cyprus	1	0	0	1
Czech Republic	2	0	4	6
Denmark	8	9	2	19
Egypt	2	0	0	2
Estonia	1	0	0	1
Fiji	50	31	4	85
Finland	1	2	0	3
France	40	9	3	52
Germany	69	83	2	154
Ghana	1	1	0	2
Greece	0	1	0	1
Hong Kong	6	1	0	7
Hungary	2	0	2	4
Iceland	0	1	0	1
India	60	28	4	92
Indonesia	19	2	0	21
Iran	3	0	0	3
Iraq	1	1	0	2
Ireland	46	27	2	75
Israel	5	1	1	7
Italy	9	5	0	14
Japan	13	2	3	18
Kenya	1	2	1	4

Nationality	Talent (Accredited Employers)	LTSSL Occupation	Talent (Arts, Culture and Sports)	Total
Latvia	1	0	0	1
Lebanon	1	0	0	1
Macedonia	1	0	2	3
Malaysia	17	4	0	21
Malta	26	0	0	26
Mexico	3	0	1	4
Myanmar	2	0	0	2
Namibia	1	0	0	1
Nepal	2	0	0	2
Netherlands	30	14	2	46
Nigeria	0	5	0	5
Norway	1	1	1	3
Pakistan	1	1	1	3
Papua New Guinea	0	1	0	1
Peru	4	1	0	5
Philippines	51	30	0	81
Poland	7	2	0	9
Portugal	3	0	0	3
Romania	5	2	0	7
Russia	9	4	4	17
Samoa	1	0	3	4
Seychelles	0	1	0	1
Singapore	13	5	0	18
Slovakia	1	1	0	2
Slovenia	1	1	0	2
Solomon Islands	1	0	3	4
South Africa	229	195	11	435
South Korea	47	7	16	70
Spain	7	3	0	10
Sri Lanka	15	4	1	20
Sweden	11	2	1	14
Switzerland	9	11	0	20
Syria	1	0	0	1
Taiwan	0	2	1	3
Thailand	3	1	0	4
Tonga	1	1	1	3
Turkey	6	0	0	6
Uganda	2	0	0	2
UK	1,318	593	36	1,947
Ukraine	1	0	1	2
Uruguay	2	1	0	3
USA	114	56	11	181
Uzbekistan	1	0	0	1
Venezuela	1	1	0	2
Vietnam	2	0	4	6

Nationality	Talent (Accredited Employers)	LTSSL Occupation	Talent (Arts, Culture and Sports)	Total
Yugoslavia	0	4	0	4
Zambia	1	3	1	5
Zimbabwe	25	46	1	72
Total	2,487	1,427	150	4,064

Appendix C Nationality of people approved for residence between April 2002 and October 2005 by work permit held prior to residence

Nationality	Work permit held prior to residence			Total
	Talent (Accredited Employers)	LTSSL Occupation	Talent (Arts, Culture and Sports)	
Argentina	3	0	0	3
Austria	1	0	0	1
Bangladesh	1	1	0	2
Belgium	2	3	0	5
Brazil	3	0	0	3
Bulgaria	1	2	1	4
Canada	9	11	0	20
Chile	2	0	0	2
China	17	5	3	25
Colombia	1	0	0	1
Cuba	0	1	0	1
Denmark	0	1	0	1
Fiji	13	12	2	27
France	5	1	1	7
Germany	22	15	2	39
Hungary	0	0	1	1
India	19	21	0	40
Indonesia	7	1	0	8
Ireland	8	11	1	20
Israel	4	0	0	4
Italy	4	2	0	6
Japan	3	1	1	5
Kenya	0	0	1	1
Macedonia	1	0	2	3
Malaysia	5	2	0	7
Nepal	1	0	0	1
Netherlands	1	4	1	6
Nigeria	0	4	0	4
Norway	0	0	1	1
Pakistan	0	1	0	1
Peru	1	0	0	1
Philippines	16	11	0	27
Portugal	1	0	0	1
Romania	1	2	0	3
Russia	5	1	1	7
Samoa	0	0	1	1
Seychelles	0	1	0	1
Singapore	7	3	0	10
South Africa	91	72	5	168
South Korea	7	2	4	13
Spain	1	0	0	1
Sri Lanka	1	1	1	3
Sweden	3	1	1	5

Nationality	Work permit held prior to residence			Total
	Talent (Accredited Employers)	LTSSL Occupation	Talent (Arts, Culture and Sports)	
Switzerland	5	2	0	7
Taiwan	0	1	0	1
Tonga	0	1	1	2
Turkey	2	0	0	2
UK	387	205	10	602
Ukraine	0	0	1	1
Uruguay	0	1	0	1
USA	24	20	1	45
Yugoslavia	0	1	0	1
Zambia	0	2	0	2
Zimbabwe	10	19	1	30
Total	695	445	44	1,184