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TE TARI MAHI



MIGRATION TRENDS

2006/07



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Table of commonly used acronyms

Acronym	Full Name
AMS	Application Management System
EOI	Expression of interest
ESOL	English for Speakers of Other Languages
GSC	General Skills Category
IELTS	International English Language Testing System
ISSL	Immediate Skill Shortage List
ITA	Invitation to apply
LTSSL	Long Term Skill Shortage List
LTBV	Long Term Business Visa
MIS	Management Information System
NZRP	New Zealand Residence Programme
PAC	Pacific Access Category
RSE	Recognised Seasonal Employer
SMC	Skilled Migrant Category
WHS	Working Holiday Scheme

EXECUTIVE SUMMARY

Introduction

This report is the seventh in a series produced annually to provide information about trends in temporary and permanent migration to New Zealand. This report provides data for the 2006/07 financial year, with a special feature on major immigration policy changes from 1986 to the present.

Immigration brings a wide range of benefits to New Zealand – economic, social, cultural – as well as contributing to humanitarian and international relations objectives. Immigration supports economic growth through the introduction of skills and innovation, boosts export industries such as tourism and education, and generates revenue from taxation and other sources. Immigration also supports families through reunification, and strengthens New Zealand's international relations by supporting development and trade, and upholding international humanitarian obligations and commitments.

New Zealand's skilled immigration policies have a strong focus on meeting New Zealand's skills shortages, and this focus is predominantly on acute skills needs. However, there is increasing demand for immigration policies to assist with recruiting labour across a broader skill spectrum, as New Zealand continues to experience sustained economic growth and low unemployment.

Immigration change programme

In 2006/07, the Department of Labour continued its programme of work to bring about significant changes to New Zealand's immigration system. This programme is underpinned by three specific elements: legislative reform, a review of key aspects of New Zealand's immigration policy, and business changes within the Department. Over the past year, there have been important developments within each of these elements.

The Immigration Advisers Licensing Act was introduced in May 2007, requiring the mandatory licensing of all immigration advisers. A new Immigration Bill was introduced into Parliament in August 2007. This Bill is a fundamental review of the Immigration Act 1987 and proposes a simplified visa system, more flexible powers to enforce immigration law, and the ability to collect and use biometric information.

The Immigration Policy Framework, completed in late 2006, has provided the conceptual foundation for ongoing policy development across a range of areas including skilled, business, family, and temporary migration.

Migration flows

Over 1.5 million people came to New Zealand as a temporary visitor, student, or worker in 2006/07. In addition, over 720,000 Australian citizens travelled to New Zealand. Almost 47,000 people were granted permanent residence through the New Zealand Residence Programme (NZRP).

Over time, the flow of people into and out of New Zealand has resulted in periods of net permanent and long term (PLT) inflows and periods of net PLT outflows. New Zealand citizens play a crucial role in our migration patterns, with increasing numbers taking part in the opportunities offered by other economies. The departure of New Zealanders, particularly to Australia, is one of the main drivers of New Zealand's migration patterns.

Temporary migration

New Zealand's growing economy has increased demand for labour across a broad skill spectrum. A high labour participation rate, together with low unemployment, has meant the supply of labour has not matched the growth in demand. In response, the number of people immigrating as temporary workers to fill shortages has increased substantially in recent years.

Over 115,400 people were issued a work permit in 2006/07, an increase of 16 percent from 2005/06. This includes a variety of work permits such as working holidaymakers. Over 67,100 students from more than 150 nationalities were granted a permit to study in 2006/07, down 3 percent on 2005/06. Chinese student numbers have continued to decrease but have been offset by increases in eight of the ten main source countries.

Migrant transitions

An increasing number of migrants visit, study, or work in New Zealand prior to gaining permanent residence. Eighty-nine percent of principal applicants and 70 percent of secondary applicants approved for residence in 2006/07 had previously held a temporary visitor, student, or work permit. Ninety-two percent of Skilled/Business Stream migrants had previously held a temporary permit.

Approximately 30 percent of work permit holders gain permanent residence within five years of being issued their first work permit. The equivalent figure for international students is approximately 20 percent after five years, increasing to around 25 percent after seven years or more.

Permanent residence approvals

In 2006/07, 46,964 people were granted permanent residence in New Zealand – 60 percent through the Skilled/Business Stream, 31 percent through the Family Sponsored Stream, and 9 percent through the International/Humanitarian Stream. Migrant family sizes have decreased in recent years – the average was 1.9 people in 2006/07.

The largest source countries in 2006/07 were the UK (26 percent), China (12 percent) and India (9 percent). Over the last five years, migration from the UK and China has been predominantly through the Skilled/Business Stream. For India, there is a growing trend towards family sponsored migration.

Skilled/Business Stream

The Skilled Migrant Category (SMC) is the main residence category in the Skilled/Business Stream and the largest in the NZRP, with 25,885 people (55 percent of the NZRP) approved through this category in 2006/07. Eighty-five percent of SMC principal applicants had a skilled job or offer, up from 75 percent in 2005/06. A growing proportion had qualifications in skill shortage areas, and over half claimed bonus points for employment outside the Auckland region.

The UK was the largest source country of skilled migrants (35 percent), followed by South Africa (12 percent) and China (11 percent). The Philippines is a growing source country of skilled migrants – 9 percent of SMC approvals in 2006/07. The growing number of foreign graduates gaining residence as skilled migrants has impacted on the age distribution of skilled migrants. This is particularly so for Chinese migrants – 91 percent of Chinese SMC principal applicants were 20–29 years old in 2006/07.

Business category approval numbers have decreased steadily since reaching a peak of over 4,500 in 2001/02. In 2006/07, 1,263 people were approved for residence through Business

categories, including 129 through the Investor Category and 1,128 through the Entrepreneur Category. The new Active Investor Migrant policy came into effect in November 2007.

Family Sponsored Stream

Demand for residence through the Family Sponsored Stream remains high, and a number of initiatives have been developed to manage demand. From July 2007, there have been specific quotas on the number of places available to parents, adult children and siblings (formerly, there was an overall limit on places in this stream). Other provisions for family sponsored migrants were introduced in November 2007, including a new visitor's visa for parents and grandparents and changes to sponsorship requirements.

There were 14,705 people approved through this stream in 2006/07. Partnership approvals were the largest category, followed by Parent and Sibling approvals. The UK and China were the largest source countries of family sponsored migrants (17 percent each), followed by India (16 percent). The number of approvals from India and China has increased in recent years as the number of Parent Category approvals from these source countries has grown.

International/Humanitarian Stream

The Pacific categories (Samoan Quota and Pacific Access Category) accounted for over half of the 4,119 people approved through the International/Humanitarian Stream. In 2006/07, 1,106 people were approved through the Samoan Quota, and 1,199 people were approved through the Pacific Access Category (PAC). Ten percent of Samoan Quota approvals were granted through the Residual Places policy, as were 42 percent of approvals through the PAC.

In 2006/07, 748 people were approved for residence through the Refugee Quota, and a further 191 successful refugee status claimants (asylum seekers) were granted residence. The number of people seeking asylum in New Zealand has decreased significantly over the last decade.

Migrant movement patterns

Research has shown that some migrants are highly mobile, and for some permanent residents, settlement in New Zealand is not permanent. An analysis of migrants' movement patterns showed that 16 percent of people approved for residence between 1998 and 2005 had been out of New Zealand for at least six months as at December 2006, and that the rate of absence for each cohort of migrants increases over time. Twenty-five percent of people approved in 1998 had left New Zealand long term as at December 2006.

SPECIAL FEATURE: TIMELINE OF POLICY CHANGE

This section features a timeline of immigration policy changes. The starting point is 1986, a year that heralded a significant departure from the policies of previous decades, and a move towards selecting migrants on the basis of personal merit rather than national or ethnic origin. In 1986, the Labour Government undertook a comprehensive review of immigration policy. This review, known as the Burke Report, established broad policy objectives and principles that resulted in major changes to immigration policy.¹

The review provided for the management of immigration on the basis of four categories of potential migrants – occupational, business, family and humanitarian. These categories could be placed loosely into three broad immigration streams – economic, social and humanitarian. The following table details the major policy and legislative changes between 1986 and the present.

Date	Category	Policy	Summary of changes
1986	Skilled	Occupational Priority List	The Occupational Priority List is introduced to encourage entry of people with skills to fill labour market gaps. Principal applicants must be no older than 45, and family members must meet health and character requirements. National surveys are undertaken to assess areas of skills shortage.
	Business	Business Immigration Programme	The Business Immigration Programme is developed to encourage migrants with business ideas, business experience and investment capital. Business migrants must have capital of at least \$150,000.
	Family	Family Reunion	<ul style="list-style-type: none"> The 'centre of gravity' approach is adopted to determine eligibility for family reunion. Residence is granted to the spouse or partner of a New Zealand citizen or resident, while dependent children, parents and siblings were eligible to be reunited in some circumstances. New Zealand residents can sponsor a close relative who has a 'worthwhile skill', a job offer and English language skills. Relatives who do not meet the usual criteria can be considered on humanitarian grounds.
	Humanitarian	Refugees	The 1986 review endorses New Zealand's commitment to the resettlement of refugees in New Zealand.
Nov-87	Legislation	Immigration Act 1987	The 1987 Immigration Act replaces the Immigration Act 1964.
Nov-91	Legislation	Immigration Amendment Act 1991	This Act establishes two independent appeal bodies – the Residence Appeal Authority, which reviews residence application decisions, and the Removal Review Authority, which considers appeals against removal orders.
Nov-91	Skilled	1991 General Category	The General Category marks the introduction of a human capital model of skilled migration. This policy replaces the Occupational

¹ In August 1986, the then Minister of Immigration, Hon. Kerry Burke, tabled in Parliament the Burke Report (also known as the *White Paper*), which was a comprehensive review of immigration policy.

Date	Category	Policy	Summary of changes
			Priority List and introduces a points-based system. Applicants are granted points for employability, age and settlement factors. All applicants must meet health and character requirements, and principal applicants require a minimum standard of English language. Applicants are ranked in a pool and selected monthly to meet an annual migration target.
Nov-91	Business	1991 Business Investor Category	This category is developed to attract business migrants who will increase the level of human capital and contribute to New Zealand's economic growth. Applicants are required to invest in New Zealand for a minimum of two years. The minimum capital required is \$750,000 for passive investment, \$625,000 for active investment in the Auckland or Wellington area, and \$500,000 for active investment outside Auckland or Wellington. All applicants (principal and secondary) aged over 17 must meet a minimum level of English language ability, equivalent to the General Category requirements.
Nov-91	Family	Family Category	This category allows New Zealand citizens or residents to sponsor the following people: a spouse, a de facto partner, parents, dependent children, single adult children and siblings.
Nov-91	Humanitarian	1991 Humanitarian Category	Applicants can be granted residence if they, or a New Zealand party, is suffering serious physical or emotional harm. Applicants must be supported by a close relative who is a New Zealand citizen or resident. Applicants must show that their situation can only be resolved by being granted residence in New Zealand.
Nov-91	Irregular migration	Well Settled policy	This transitional policy applied to people who were overstayers as at 18 November 1991 and who did not have a removal order or deportation order in force. Such persons could apply, once only, for residence under relaxed policy criteria.
Oct-95	Skilled	1995 General Skills Category	<p>The 1995 General Skills Category (GSC) replaces the 1991 General Category. The pool selection mechanism is replaced by an auto-fail system. A pass mark is set and made public each month. Applications falling below the pass mark are declined automatically. The major changes from the 1991 policy include:</p> <ul style="list-style-type: none"> • minimum IELTS level 5 for principal applicants and secondary applicants over 15 (secondary applicants could pay a \$20,000 bond if requirements were not met) • flatter points structure for qualifications, more points for job offers and greater emphasis on job verification, points awarded for a partner's qualifications, points for New Zealand work experience • where applicable, statutory registration is required to gain points for a qualification.
Oct-95	Business	1995 Business Investor Category	<p>This policy replaces the 1991 Business Investor Category. The primary focus is on active investment and an applicant's personal attributes. The major changes from the 1991 policy include:</p> <ul style="list-style-type: none"> • minimum IELTS level 5 for principal applicants and secondary applicants over 15 (secondary applicants could pay a \$20,000

Date	Category	Policy	Summary of changes
			<p>bond if requirements were not met)</p> <ul style="list-style-type: none"> • more points are awarded for direct investment funds than for accumulated funds • an age limit of 64 is introduced.
May-98	Legislation	Immigration (Migrant Levy) Amendment Act 1998	This amendment introduces a settlement fee and migrant levy for new migrants granted permanent residence.
Apr-99	Legislation	Immigration Amendment Act 1999	This amendment creates a statutory framework for determining refugee status under the Refugee Convention. Limited Purpose Permits are introduced.
Mar-99	Skilled	1995 General Skills Category	The English language bond for secondary applicants is abolished. Secondary applicants can now pre-purchase ESOL training. International students gain recognition of their New Zealand qualifications through the GSC.
Mar-99	Business	Investor Category	The Investor Category replaces the 1995 Business Investor Category. Applicants must meet a pass mark that is assessed by a points-based system for age, business experience and investment funds. Applicants require a minimum of \$1 million to invest in New Zealand and must keep their investment in New Zealand for at least two years, after which permanent residence is confirmed. The age limit is 84 years. Principal applicants require a minimum English language standard of level 4 IELTS.
Mar-99	Business	Employees of Relocating Businesses	This category is for employees of a business relocating to New Zealand. Employees of a relocating business who do not qualify for residence under any other residence category may be granted residence on a case by case basis. There is a two-year employment period before the residence permit is endorsed.
Mar-99	Temporary	Long Term Business Visa	The Long Term Business Visa (LTBV) is a temporary work visa issued for up to three years and renewable for a further three years. Applicants must have a satisfactory business proposal, investment capital and sufficient funds for the maintenance of themselves and any secondary applicants. LTBV holders can apply for residence through the Entrepreneur Category after being self-employed for two years.
Mar-99	Business	Entrepreneur Category	This policy is for entrepreneur migrants who establish a business in New Zealand. Applicants are first issued the Long Term Business Visa (LTBV) for three years. LTBV holders can apply for residence through the Entrepreneur Category after being self-employed for two years. Principal applicants require a minimum English language standard of level 4 IELTS.
Mar-99	Temporary	Student	Students from visa-free countries can apply for their permit in New Zealand where previously they had to apply offshore. Students are now able to work up to 15 hours per week during term time.

Date	Category	Policy	Summary of changes
Jun-99	Legislation	Immigration Amendment Act (No 2) 1999	This amendment hastens the implementation of provisions established by the Immigration Amendment Act 1999.
Mar-00	Temporary	Job Search Visa	Principal GSC applicants within 5 points of the pass mark can apply for the Job Search Visa (JSV), which is a six-month open work permit.
Jun-00	Temporary	Working Holiday Schemes (WHS)	WHS quota is increased from 10,000 to 20,000 places per annum.
Oct-00	Irregular migration	Transitional	Well-settled overstayers can apply for a two-year work permit and then apply to transition to residence.
Oct-01	All permanent residence categories	New Zealand Immigration Programme (NZIP)	<p>The NZIP includes three separate residence streams based on skill and family connections. Each stream is allocated a proportion of places in the overall programme:</p> <ul style="list-style-type: none"> • Skilled/Business Stream – 60% of the NZIP. • Family Sponsored Stream – 30% of the NZIP. • International/Humanitarian Stream – 10% of the NZIP. <p>Under the NZIP, a numeric target of permanent residence approvals is set annually.</p>
Oct-01	Family	Family Category	<p>A range of policy changes come into effect for family sponsorship:</p> <ul style="list-style-type: none"> • Newly arrived residents are unable to sponsor parents or siblings to New Zealand for their first three years of residence. • Definition of dependent children is broadened to include children under 25. • Parents are deemed to include grandparents and legal guardians where parents are deceased. • Married siblings/adult children and their children can be sponsored when the principal applicant has a job offer.
Oct-01	Family	Family Quota	The Family Quota is established for parents, siblings and adult children of New Zealanders who do not meet normal family policy. The number of places is set at 250 for each of the 2001/02 and 2002/03 financial years.
Oct-01	Family	Domestic Violence	This policy enables ex-partners of New Zealanders to apply for residence when their relationship has ended because of domestic violence and they cannot return home for cultural or social reasons.
Oct-01	Family	Humanitarian	Category closed.
Feb-02	Skilled	1995 General Skills Category	Differential points are allocated for relevant and non-relevant job offers. Applicants score 5 points if the job offer is relevant to their qualification and experience, 2 points if the offer is not relevant.

Date	Category	Policy	Summary of changes
Apr-02	Temporary	Work to Residence	<p>Three new Work to Residence policies come into effect:</p> <ul style="list-style-type: none"> • Priority Occupation List work permits are issued to people who will fill a position deemed to be in absolute shortage. • The Talent Visa (Accredited Employer) requires an applicant to have an offer of employment with an accredited employer and a minimum base salary of \$45,000. • Talent Visa (Arts, Culture and Sports) is issued to applicants with an exceptional talent in a declared field of art, culture or sport and are sponsored by a New Zealand organisation of national repute in the declared field. <p>Work permit holders can apply for residence through an associated residence policy after two years.</p>
Jul-02	International/ Humanitarian	Refugee Family Sponsored	This category is for family members of New Zealand residents (who are themselves former refugees) who are unable to gain entry through any other category. 300 places are made available for the 2002/03 financial year.
Jul-02	International/ Humanitarian	Pacific Access Category	The Pacific Access Category (PAC) allows an annual quota of 375 residence places for citizens of Tonga (250 places), Tuvalu (75) and Kiribati (50). The PAC operates on a ballot system.
Nov-02	Skilled	1995 General Skills Category	English language requirements increase from IELTS 5 to IELTS 6.5.
Nov-02	Business	Investor Category	Tighter operational policy requirements are introduced regarding the source of investment funds. The minimum English language requirements are increased from IELTS 4 to IELTS 5.
Nov-02	Business	Entrepreneur Category	The minimum English language requirements are increased from IELTS 4 to IELTS 5.
Nov-02	Temporary	Job Search Visa (JSV)	The JSV is now offered to a GSC applicant only if their qualifications are relevant to an occupation on the Occupational Shortage List.
Nov-02	Temporary	Long Term Business Visa (LTBV)	The LTBV is now issued for 9 months, not three years. After 9 months, applicants can apply for the balance of three years.
Apr-03	International/ Humanitarian	Pacific Access Category	Fiji is included in the PAC quota (250 places). Places for Kiribati increase from 50 to 75.
Apr-03	Temporary	Working Holiday Schemes (WHS)	WHS quota increases from 20,000 to 25,000 places per annum.
Jul-03	Legislation	Immigration Amendment Act 2003	This Act introduces provisions to accommodate the mechanisms needed for the Skilled Migrant Category, namely the expression of interest and invitation to apply mechanisms. This Act also allows the Secretary of Labour to determine the order and manner of deciding applications.
Jul-03	Skilled	1995 General Skills	GSC applications are prioritised on the basis of contribution and

Date	Category	Policy	Summary of changes
		Category (GSC)	settlement potential. Some applications are lapsed to help manage the level of applications on hand and to ensure that the outcomes of the Skilled Migrant Category can take effect more quickly. The GSC is closed.
Jul-03	Skilled	Interim General Skills Category	Interim GSC replaces the GSC. Applicants through the Interim GSC are required to have a relevant job offer in New Zealand.
Jul-03	Temporary	Job Search Visa	Category closed.
Sep-03	Legislation	Immigration Amendment Act (No 2) 2003	The Amendment introduces a compendium of changes. The Residence Appeal Authority is renamed the Residence Review Board.
Sep-03	Family	Partnership	Married and de facto couples are now treated on the same basis when applying for residence through the Family Category. Under Partnership policy, a couple must have been living in a genuine and stable relationship for 12 months or more at the time they lodge their application for residence.
Sep-03	Temporary	Guardian Visa	A person may be issued a visitor's permit for the purpose of living with, and caring for, a foreign fee-paying student in New Zealand.
Nov-03	Skilled	Interim General Skills Category	Category closed.
Nov-03	Temporary	Working Holiday Schemes (WHS)	WHS quota increases from 25,000 to 31,000 places per annum.
Dec-03	Skilled	Skilled Migrant Category	The Skilled Migrant Category (SMC) shifts immigration policy from the passive acceptance of residence applications to the active selection of skilled migrants. Points are awarded for a skilled job or offer, work experience, qualifications and age. Bonus points are granted in certain circumstances and recognise partners' employment and experience, New Zealand qualifications and employment outside of Auckland. Applicants must obtain at least 100 points to submit an expression of interest (EOI) into a pool. Applicants meeting a selection point are selected from the pool and may be invited to apply for residence through the SMC.
Dec-03	Temporary	Work to Residence	SMC applicants may be issued a work permit for up to two years to establish themselves in ongoing employment. They may be eligible for residence through the SMC if they have held a skilled job for three months or more in that two-year period.
Apr-04	Skilled	Residence from Work	People lodging an application for residence under the Talent Visa and Priority Occupations List policies must do so in New Zealand.
Apr-04	Temporary	Student health requirements	Tuberculosis (TB) screening becomes mandatory for students with TB risk factors who want to stay for 6 months or more.
Sep-04	All permanent residence categories	New Zealand Immigration Programme	The Department of Labour issues a general instruction to prioritise SMC applications and approved refugee applicants over other residence applications in the NZIP. Partners and dependent children

Date	Category	Policy	Summary of changes
			get priority in the Family Sponsored Stream.
Sep-04	International/ Humanitarian	Samoa Quota and Pacific Access Category	<p>Changes are made to increase the take-up of places and maintain positive settlement outcomes for Pacific migrants, including:</p> <ul style="list-style-type: none"> • minimum income requirement is lowered for applicants with dependent children, and a partner's job offer can contribute to meeting the minimum income • either the principal applicant or their partner can satisfy the requirement of a genuine, permanent job offer • successful registrants given 6 months to apply for residence • successful registrants lawfully in New Zealand can apply for residence • Residual Places policy is introduced.
Nov-04	All categories	Health requirements	TB screening extended to include all persons with TB risk factors who intend to stay in New Zealand for 6 months or more, except for working holidaymakers.
Dec-04	Skilled	Skilled Migrant Category	<p>A range of policy changes come into effect for skilled migrants:</p> <ul style="list-style-type: none"> • More points allocated to qualifications, work experience and employment, in areas of absolute skills shortage. • Recognition of a broader range of trade qualifications. • Additional points for having close family in New Zealand.
Apr-05	Temporary	Working Holiday Schemes	TB screening policy extended to include working holidaymakers who intend to stay in New Zealand for 6 months or more.
Apr-05	Temporary	Work to Residence	The Priority Occupation List Work policy is renamed the Long Term Skill Shortage List Occupation policy.
Jul-05	Business	Investor Category	<p>Replaces the 1999 Investor Category. Applicants must submit an expression of interest, after which they may be invited to apply for residence. The minimum amount of investment is NZ\$2 million, and these funds are held by the New Zealand Government for five years. Applicants may withdraw up to NZ\$1 million after two years to invest in a business that will benefit New Zealand. Applicants must be no older than 54 years and have at least five years' business experience. Conditions apply for 5 years post residence.</p>
Jul-05	International/ Humanitarian	Special Zimbabwe Residence policy	Zimbabwe nationals who arrived in New Zealand on or before 23 September 2004 and who do not meet the requirements for approval under any other category can apply for residence. Principal applicants must meet health, character and criteria specific to this policy.
Jul-05	Temporary	Working Holiday Schemes (WHS)	<p>WHS quota increases from 31,000 to 36,000 places in 2005/06 and 40,000 in 2006/07. Other changes include:</p> <ul style="list-style-type: none"> • 10,000 additional places divided between Belgium, Canada, Denmark, Finland, France, Ireland, Italy, Norway and the USA

Date	Category	Policy	Summary of changes
			<ul style="list-style-type: none"> • cap removed for UK, Germany, Sweden and the Netherlands • work restrictions eased for some schemes, allowing working holidaymakers from Belgium, the Netherlands, Sweden and the USA to work for up to 12 months with one employer • UK working holidaymakers can now stay for up to two years • online processing available for most schemes.
Jul-05	Temporary	Work post study	<p>A range of policy changes aim to make New Zealand a more competitive destination for international students:</p> <ul style="list-style-type: none"> • A six-month Graduate Job Search Permit is introduced for foreign graduates who complete a course that would gain points under the SMC. • A two-year work permit is available to eligible students with a job or offer relevant to their course or qualification. • Work rights are increased for eligible students and extended to more students. • Partners of post graduate students or those studying in an area of absolute skill shortage can apply for an open work permit for the duration of study.
Aug-05	All categories	Health requirements	<p>A new medical and chest x-ray certificate is introduced and includes: additional compulsory blood tests for applicants aged 15 years to include HIV, Hepatitis B, full blood count, serum creatinine and liver function; assessment for critical developmental delay, particularly in children; and assessment for impaired cognitive performance, with compulsory screening for applicants over 69.</p>
Nov-05	All categories	Health requirements	<p>The definition of an Acceptable Standard of Health is now based on significant costs and demand thresholds for publicly funded health and special education services. In addition, all people entering New Zealand for longer than 12 months (changed from 24 months) are now required to complete a medical certificate using the Medical and Chest X-ray Certificate introduced in August 2005.</p>
Dec-05	Skilled	Skilled Migrant Category	<p>Principal applicants who score 140 points or more in their EOI are now selected from the pool automatically. Applicants who score between 100 and 140 points and have a skilled job or offer are ranked and selected in sufficient numbers to meet the required places for the Skilled/Business Stream at the time of that selection. Additional EOIs may be selected from the pool on the basis of criteria set by the Minister of Immigration.</p>
Dec-05	Temporary	Work to Residence	<p>The currency of the SMC Work to Residence permit is decreased from two years to six months.</p>
Dec-05	Temporary	Seasonal work permit (2006 pilot)	<p>The seasonal work permit allows employers in the horticulture and viticulture industries to employ foreign workers to plant, maintain, harvest and pack crops in the horticulture and viticulture industries, in regions where the Ministry of Social Development has identified an absolute labour shortage. The initial number of places available</p>

Date	Category	Policy	Summary of changes
			through this policy is 4,000.
Jan-06	Temporary	Student	Fees for international PhD students are reduced to the domestic level, and their dependent children attend school at domestic fees.
May-06	Temporary	Student	Dependent children of New Zealand citizens or residents applying for citizenship or residence are now granted domestic student status.
Jul-06	All permanent residence categories	New Zealand Residence Programme	The New Zealand Immigration Programme is renamed the New Zealand Residence Programme (NZRP).
Aug-06	Family	Sibling, Adult Child	An age limit of 55 years comes into effect.
Aug-06	International/ Humanitarian	Special Zimbabwe Residence policy	Applications made after 30 August 2006 are exempted from the requirement to be of an acceptable standard of health. The closing date for applications under this policy is 28 February 2007.
Oct-06	Temporary	Crew of foreign chartered fishing vessels	<p>New standards are introduced to improve the conditions for foreign crew working on foreign fishing vessels in New Zealand, including:</p> <ul style="list-style-type: none"> • a new code of practice that strengthens requirements for minimum working and living conditions • strengthened accountability on the New Zealand charter partner • a new minimum remuneration requirement, increasing over the next three years • the ability of the government to undertake onboard inspections.
Dec-06	All categories	Immigration Change Programme	New Immigration Policy Framework and policy objectives introduced.
Apr-07	International/ Humanitarian	Pacific Access Category	Fijian citizens are suspended from registering in the PAC ballot following the December 2006 coup.
Apr-07	Temporary	Recognised Seasonal Employer (RSE)	The RSE policy is implemented to help meet the labour requirements of the New Zealand horticulture and viticulture industry and supports development goals for the Pacific. Once an employer has been approved under the RSE policy, they can recruit workers from offshore with priority given to Pacific Island Forum nations (except Fiji). Kiribati, Samoa, Tonga, Tuvalu and Vanuatu are supported to be 'kick start' countries.
May-07	Legislation	Immigration Advisers Licensing Act 2007	This Act requires the mandatory licensing of all immigration advisers. There is a 2-3 year implementation timeframe for onshore and offshore immigration advisers to be licensed.
Jul-07	Skilled	Skilled Migrant Category (SMC)	<p>Several changes are made to the SMC, including:</p> <ul style="list-style-type: none"> • an amendment to the allocation of points for employment, qualifications and experience in an identified future growth area • an amendment to the allocation of bonus points for study in New Zealand and for partners' skilled employment and qualifications

Date	Category	Policy	Summary of changes
			<ul style="list-style-type: none"> the introduction of a more transparent definition of skilled employment based on the new Australia New Zealand Standard Classification of Occupations (ANZSCO).²
Jul-07	Business	Investor Category	The 2005 Investor Category is closed to new expressions of interest. A new Active Investor Migrant Category is announced to be implemented in November 2007.
Jul-07	Family	All Family categories	The cap on the number of places available in the NZRP for partners and dependent children of New Zealand residents or citizens is removed. These categories are approved through a new, separate stream to the Family Sponsored Stream. Limits will still be imposed on the number of parents, siblings and adult children of New Zealand sponsors, with a separate cap for each of these categories.
Jul-07	Family	Family Quota	Category closed.
Jul-07	International/ Humanitarian	Refugee Family Support Category	The Refugee Family Quota is renamed the Refugee Family Support Category. In July 2007, a two-tier registration system is established. Sponsors who meet tier one criteria have first access to available places and are queued. If places are not filled by those in tier one, registrations will be called for from those who meet tier two criteria, and will be balloted to fill the remaining places. There are 300 places available each year.
Jul-07	Temporary	Work to Residence	The duration of the SMC Work to Residence permit is extended from six to nine months.
Jul-07	Temporary	Work to Residence	The minimum salary threshold for the Talent Visa (Accredited Employers) increases from \$45,000 per annum to \$50,000.
Aug-07	Legislation	Immigration Bill	A new Immigration Bill is introduced into Parliament. New legislation, to replace the Immigration Act 1987, proposes a simplified visa system, more flexible powers to enforce immigration law and the ability to collect and use biometric information.
Nov-07	Temporary	Student	The duration of the Graduate Job Search permit increases from 6 to 12 months. The Post Study Practical Experience permit increases from 2 to 3 years for graduates who require 3 years' work experience in New Zealand to qualify for membership or registration with professional bodies.
Nov-07	Business	Active Investor Migrant Category	<p>The new Investor policy is segmented into three sub-categories on the basis of the migrant's potential contribution and the assessed level of risk, as follows:</p> <ul style="list-style-type: none"> Global Investors – highest priority category for high value investors investing \$20 million (including at least \$5 million in active investment). Professional Investors – a second priority category for migrants investing \$10 million (including at least \$2 million actively).

² The ANZSCO definition will be implemented in February 2008.

Date	Category	Policy	Summary of changes
			<ul style="list-style-type: none"> General (Active) Investors – a category for those investing a minimum of \$2.5 million. Applicants are selected through a points system.
Nov-07	Family	Family Category	<p>A number of changes are introduced, including:</p> <ul style="list-style-type: none"> a new visitor's visa for parents and grandparents visiting family in New Zealand – the holder can make multiple visits of up to 6 months each, for a maximum stay of 18 months over 3 years strengthened character requirements for sponsoring a partner a minimum income requirement for those sponsoring parents (excludes refugee sponsors and those over 65 years old).

Sources:

1. *The New Zealand Immigration Service: New Zealand Immigration Policy and Trends*, a paper submitted to The Population Conference, Wellington 13-14 November 1997.
2. The New Zealand Immigration Service (2002): *The Evaluation of the 1999 Business Immigration Policy*. Wellington.
3. Department of Statistics (1988): "New Zealand's Immigration Policy", in the *New Zealand Official Yearbook 1988-89*. Wellington.
4. The New Zealand Immigration Service: *Trends in Residence Approvals* Vols.1-3. Wellington.
5. Department of Labour: *Migration Trends* Vols. 2003/04–2005/06. Wellington.
6. *Immigration New Zealand Operations Manual*. Current policy is available at:
<http://www.immigration.govt.nz/migrant/general/generalinformation/operationsmanual>

1 INTRODUCTION AND BACKGROUND

1.1 Report structure

This report is the seventh in a series produced annually to provide background information about trends in temporary and permanent migration. The report is prepared for two audiences:

- Policymakers concerned with migration flows and their impact.
- The wider public and those with an interest in immigration policy and outcomes.

Immigration trends in this format have been monitored since July 2000. These reports now constitute a time series that enables comparisons of recent immigration patterns with those identified in previous years.

The report is presented as follows:

- Chapter 1 is an introduction to New Zealand's immigration policies.
- Chapter 2 describes migration flows into and out of New Zealand.
- Chapter 3 describes the characteristics of people granted student and work permits.
- Chapter 4 summarises permanent residence approval trends.
- Chapters 5 to 7 detail residence approvals through the three residence streams.
- Chapter 8 discusses the movement patterns of permanent migrants.
- Chapter 9 summarises the data and provides conclusions.
- Appendices A to O contain information on immigration policies, as well as supplementary tables and analyses.

1.2 Introduction

Immigration provides significant benefit to New Zealand's economic development. The temporary and permanent entry of citizens from other countries helps to attract global talent to address skill shortages, and brings capital, expertise and international connections to build New Zealand's workforce.

Internationally, the nature of migration is changing. Migrants are increasingly mobile, and New Zealand has seen substantial growth in the numbers of temporary entrants coming to visit, study and work. New Zealand faces strong competition for skilled people in a global labour market and is one of many countries with active immigration policies. New Zealand citizens also play a crucial role in our migration patterns, with increasing numbers taking part in the opportunities offered by other economies.

In 2006/07, there has been a strong focus on meeting New Zealand's labour shortages. This focus is predominantly on New Zealand's acute skills needs. However, there is increasing demand for immigration to help alleviate New Zealand's labour shortages across a broad skill spectrum. For example, the high demand for seasonal labour in the horticulture and viticulture sectors saw the introduction of the Recognised Seasonal Employer policy in April 2007.³

³ The Recognised Seasonal Employer (RSE) policy is designed to help meet the labour requirements of the New Zealand horticulture and viticulture industries. The RSE policy prioritises the employment of New Zealanders first, and then allows for the recruitment of Pacific Island Forum nationals, and finally recruitment from elsewhere in the world.

1.3 Immigration Change Programme

In 2006, the Department of Labour began a programme of work that will bring about significant changes to New Zealand's immigration system. The Immigration Change Programme is being implemented to ensure immigration continues to maximise the benefits of immigration for New Zealand while maintaining security and minimising risk.

The Immigration Change Programme is underpinned by three specific elements: legislative reform, a review of key aspects of New Zealand's immigration policy, and business changes within the Department of Labour. Over the past year, there have been some critical developments in all three of these elements.

1.3.1 Immigration Act Review

A comprehensive review of the Immigration Act 1987 is being undertaken to ensure that New Zealand's immigration legislation facilitates the entry of the people New Zealand needs, while protecting New Zealand's border effectively. The objectives of the review are to:

- ensure New Zealand's interests are protected and advanced
- ensure compliance with international obligations
- establish fair, firm and fast decision-making processes
- modernise and simplify the legislation.

During 2006, the Department of Labour conducted extensive public consultation to inform the review. A new Immigration Bill was introduced into Parliament in August 2007. Once the Bill has been reported back to Parliament, it must go through a second and third reading. Following the passing of the new Act on its third reading, 12 months will pass before the Act comes into force.

1.3.2 Immigration Policy Framework

A range of work is being done to ensure that immigration policy continues to meet New Zealand's needs. The Immigration Policy Framework is based on research into New Zealand's future migration requirements, who will want to come to New Zealand, how this can be influenced and how the impacts of migration can be managed. Since its completion in late 2006, the Immigration Policy Framework has provided the conceptual foundation for ongoing policy development.

1.3.3 Immigration Business Transformation

A new model for the delivery of immigration services is needed to maximise the potential arising from the new immigration legislation and policy development. In November 2006, the Department of Labour was directed to develop the business case for a new business model for immigration services. This includes the provision of:

- a single, global immigration information and communications technology system that provides a single view of all interactions with an individual and the capacity to store and use biometric data
- greater investment in entry prevention and identity management
- increased resource to improve fraud detection, prosecution and removal
- a better business configuration, through a move to greater centralisation of decision-making in New Zealand.

1.4 Temporary entry policy

The objectives of New Zealand's temporary entry policy are to facilitate the entry of genuine visitors, students and temporary workers, while managing the associated risks, and to contribute to building strong international links, attracting foreign exchange earnings and addressing skills shortages. Work to Residence policies are temporary policies that provide a pathway to permanent residence in New Zealand. There are currently five Work to Residence policies, each with a corresponding permanent residence category. Appendix B provides a breakdown of temporary entry policies.

1.5 Permanent residence policy

People who wish to migrate permanently to New Zealand must apply through one of the three residence streams of the New Zealand Residence Programme (NZRP).⁴ The streams are: Skilled/Business, Family Sponsored and International/Humanitarian. Each stream has a number of categories and a separate approval limit. Table 1.1 details the approval limits for 2006/07.

Table 1.1 New Zealand Residence Programme 2006/07

Stream	Min	Max	% of NZRP
Skilled/Business	28,200	31,000	60
Family Sponsored	14,100	15,000	30
International/Humanitarian	4,700	6,000	10
Total	47,000	52,000	100

1.5.1 Skilled/Business Stream

The Skilled/Business Stream includes the Skilled Migrant Category, the Residence from Work categories and the Business categories. The main category in this stream is the Skilled Migrant Category (SMC), a points-based policy that allows people to gain permanent residence in New Zealand if they have the skills, qualifications and experience to contribute to New Zealand economically and socially.

A person who is interested in applying for residence through the SMC must first submit an expression of interest (EOI). Points are awarded for skilled employment, work experience, qualifications and age. In addition, applicants can claim bonus points for other factors, including having work experience or qualifications in an area of absolute skill shortage, employment outside of Auckland, or having a New Zealand qualification. An EOI is entered into a pool if the applicant meets prerequisites for health, character and English language proficiency, and has a point score of 100 or more.

The Business categories include Investor, Entrepreneur and Employees of Relocating Businesses categories. In November 2007, the 2005 Investor Category was replaced by the Active Investor Migrant policy. Under the new policy, investor migrants must actively contribute to New Zealand businesses, directly or indirectly. The new policy is segmented into three sub-categories on the basis of the migrant's potential contribution and the assessed level of risk. The Entrepreneur Category is for business migrants who can demonstrate they have successfully set up and operated a business in New Zealand. Chapter 5 discusses the separate policies within the Skilled/Business Stream.

⁴ Since July 2007, partners and dependent children have been approved through a new, uncapped stream. Parents, siblings and adult children continue to be approved through the Family Sponsored Stream.

1.5.2 Family Sponsored Stream

This stream includes spouses and partners, dependent children, parents, adult siblings and adult children of New Zealand residents and citizens. The Family Sponsored Stream allows New Zealand citizens and residents to sponsor family members to live in New Zealand under some circumstances. Under Partnership policy (a category of the Family Sponsored Stream), a couple must provide evidence that their relationship is genuine and stable. Applicants must have been living in a genuine and stable partnership for 12 months or more at the time they lodge their application.

Sponsors of less dependent relatives (parents, siblings and adult children) must have held New Zealand residence for at least three years. Sponsors must sign a declaration that they will provide accommodation and financial support for the first two years of the sponsored migrant's residence in New Zealand.

From July 2007, there has been no cap on the number of places available in the NZRP for partners and dependent children of New Zealand residents or citizens. These categories are now approved through a new, separate stream to the Family Sponsored Stream. Separate limits are in place for the number of parents, siblings and adult children of New Zealand sponsors.

In November 2007, a number of new provisions came into effect for family sponsored migrants. There will be a new visitor's visa for parents and grandparents visiting family in New Zealand, which allows the holder to make multiple visits over a three-year period. Other changes include caps on the number of places available to parents, adult children and siblings; strengthened character requirements for sponsoring a partner; and a minimum income requirement for those sponsoring parents.

1.5.3 International/Humanitarian Stream

This stream enables New Zealand to fulfil its international obligations and commitments regarding refugees and its special relationship with some Pacific nations, as expressed by the Pacific Access Category and the Samoan Quota. Details of the quotas and categories in this stream are given in Appendix B.

2 MIGRATION FLOWS

2.1 Introduction

New Zealand's population is affected by various migration flows. Migration flows include trans-Tasman migration, the arrival and departure of New Zealand and Australian citizens and residents, the arrival and departure of visitors and people on work and student permits and the arrival of permanent residents through the New Zealand Residence Programme (NZRP). Net migration flows take into account the difference between the number of permanent and long term (PLT) arrivals and PLT departures.⁵

Many factors affect migration flows. The free movement of New Zealand and Australian citizens and permanent residents between the two countries makes it relatively easy for New Zealanders to seek opportunities abroad. The departure of New Zealanders, particularly to Australia, is one of the main drivers of New Zealand's migration patterns. New Zealand's expatriate community, estimated at between 500,000–750,000,⁶ is increasingly seen as an important contributor to New Zealand's economic prosperity.⁷

Research on permanent migrants to New Zealand has shown that New Zealand's environment, people, lifestyle choices and safety from crime or violence are some of the things people like most about living here.⁸ However, these same migrants report that the distance from their home country or family is a negative aspect of life in New Zealand. These and other reasons play an important role in attracting people to New Zealand as tourists, students, temporary workers, or permanent residents.

2.2 Temporary arrivals in New Zealand

The majority of people arriving in New Zealand are either overseas visitors intending to stay for less than 12 months, or New Zealand residents returning from a short trip overseas. The majority of those departing are either overseas visitors returning from a short stay, or departing New Zealand residents who intend to return to the country within 12 months. Within any given year, there are seasonal fluctuations in flows, with large numbers of visitors arriving over the summer months or during particular events.

In 2006/07, over 1.5 million people were granted a temporary visitor, student, or work permit upon arrival in New Zealand. In addition, over 720,000 Australian citizens travelled to New Zealand (Australian citizens do not require a permit to enter New Zealand). The largest visitor source countries in 2006/07 were Australia, the UK and the USA, followed by Japan, South Korea and China. Countries with the greatest increase in visitor numbers over the last 12 months include Australia, China, the UK, South Korea, Canada and Thailand. Figure 2.1 illustrates the steady growth in visitors to New Zealand over the last decade.

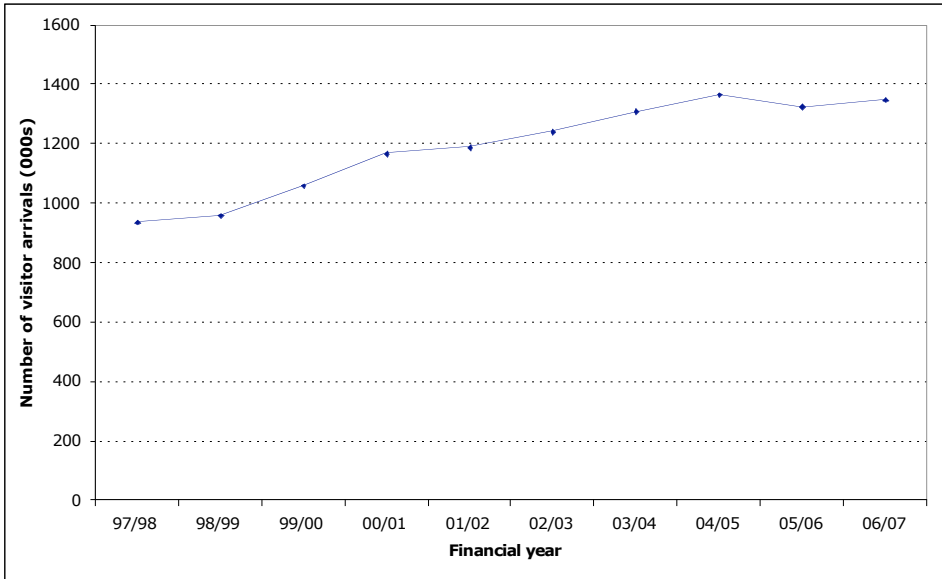
⁵ An arrival or departure is permanent and long term if the intended length of stay or absence is 12 months or more.

⁶ <http://www.population.govt.nz>: Downloaded January 2007.

⁷ Kea, founded in 2001, is a not-for-profit, private sector organisation made up of expatriate New Zealanders. Kea's mission is to connect New Zealand with its large global community and contribute to the growth, development and future prosperity of New Zealand by facilitating the share of knowledge, contacts and opportunities around the world. Kea has around 22,000 web subscribers in over 170 countries and as such is the largest and broadest network of New Zealand expatriates.

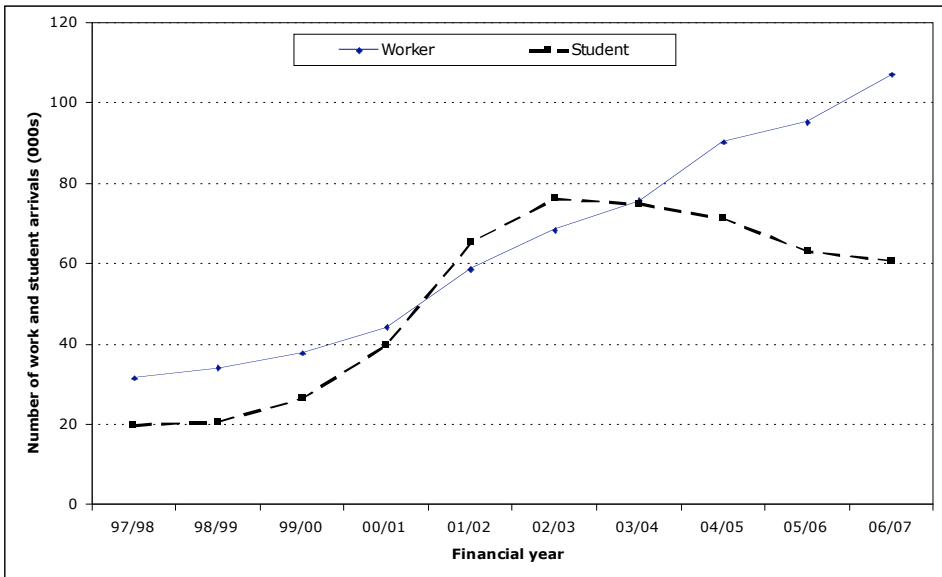
⁸ Badkar, J. (2006): *Life in New Zealand: Settlement experiences of skilled migrants*. Department of Labour. Wellington.

Figure 2.1 Visitor arrivals between 1997/98 and 2006/07



There has been rapid growth in the number of migrants coming to New Zealand for work or study over the last decade. The number of people arriving as international students peaks at times aligned to the academic year, such as in January or February, and again in July. There is less seasonal fluctuation for those coming to New Zealand to work, but numbers are generally higher at the beginning of the year. Figure 2.2 shows the sustained increase in the number of work permit holders entering New Zealand since 1997/98. International student numbers have decreased since their peak in 2002/03, but have begun to level out over the last 12 months.

Figure 2.2 Work and student arrivals between 1997/98 and 2006/07



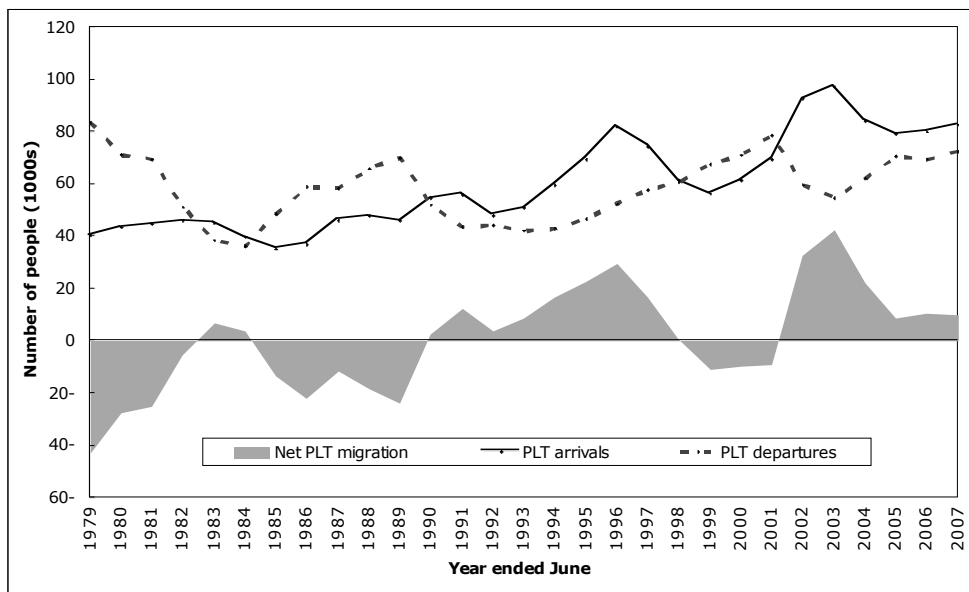
2.3 Permanent and long term migration

Permanent and long term (PLT) arrivals include people who arrive in New Zealand intending to stay for a period of 12 months or more. This includes people granted permanent residence in New Zealand, New Zealand residents returning after an absence of 12 months or more, and students and work permit holders intending to stay for 12 months or more. PLT departures include New Zealand residents departing for an intended period of 12 months or more, as well as overseas visitors, students, or work permit holders leaving New

Zealand after a stay of 12 months or more. Net PLT migration is the difference between the number of PLT arrivals and the number of PLT departures.

The total number of people migrating to and from New Zealand fluctuates over time, and cyclical patterns emerge over long time series. Despite these fluctuations, the general trend has been one of continual growth. New Zealand has had periods of net outflows of people, such as in the 1980s and late 1990s, followed by periods of net inflows. Over the last decade, there has been an average net gain of 10,300 people per annum. Figure 2.3 shows the changes in PLT arrivals and departures since 1979 and the fluctuations in net migration inflows and outflows.

Figure 2.3 Annual migration flows from 1979 to 2007



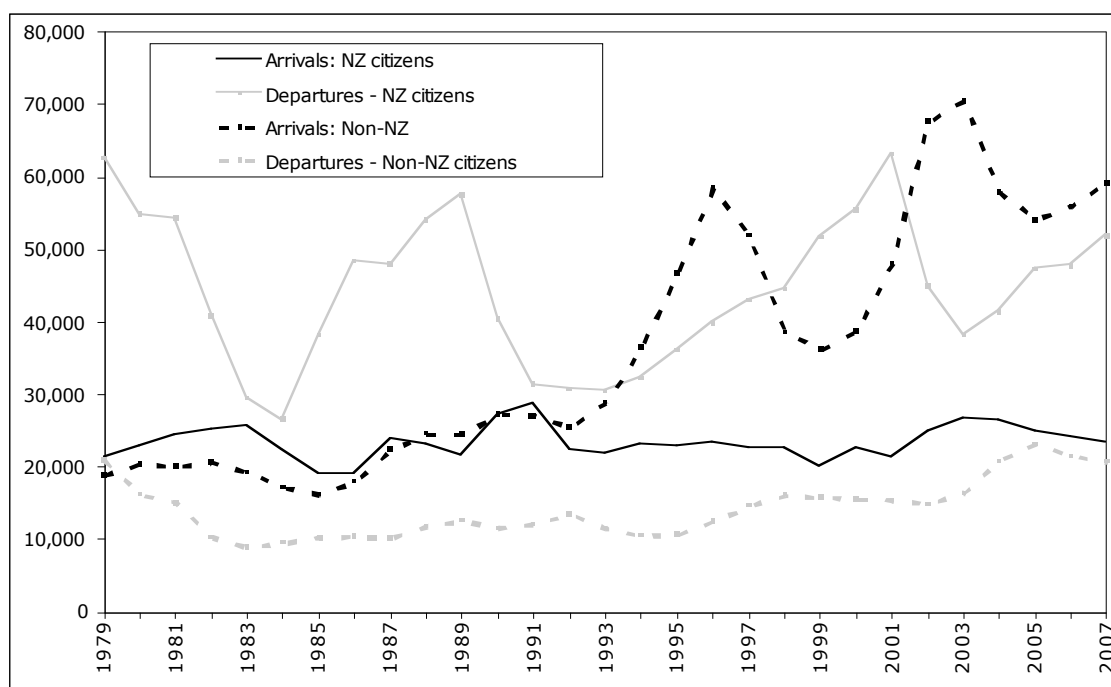
Source: Statistics New Zealand.

The movement of non-New Zealand citizens has increased steadily since the early 1990s, with much greater numbers arriving than departing. In general, the number of migrants coming from Oceania has decreased since the 1980s, while the number from Asia and Europe has increased. The number of permanent and long term migrants coming from Asia increased rapidly between 2000 and 2003, largely a result of significant growth in the export education industry.

Since 2003, the number of PLT arrivals from Asia has decreased, while those from Europe and the UK have increased. The decrease from Asia is largely because of falling international student numbers, but also from a shift in the main source countries for permanent residence in New Zealand. Over the last four years, the number of Asian people granted permanent residence has decreased, particularly from Southern Asia, while numbers from the UK and Europe have increased.

Over the last three decades, the number of New Zealand citizens returning after being away for 12 months or more has been relatively constant. Conversely, the number of PLT departures has fluctuated, but generally increased. Figure 2.4 shows that the number of New Zealand citizens departing long term has been consistently greater than those returning, resulting in a steady loss of New Zealand citizens over time. Much of the loss of New Zealand citizens has been to Australia. Figure 2.4 shows the different patterns of migration between New Zealand citizens and non-New Zealand citizens.

Figure 2.4 Annual migration flows by citizenship from 1979 to 2007



Source: Statistics New Zealand.

In the year to June 2007, the net inflow of PLT migration to New Zealand was 10,100 – the balance of 82,700 PLT arrivals and 72,600 PLT departures. Table 2.1 shows that the net inflow in the year to June 2007 fell slightly from 10,700 in the previous year. This resulted from an increase in the number of departing New Zealand citizens (up 4,100) and a fall in the number of returning New Zealand citizens (23,500 compared to 24,000 in the year to June 2006).

PLT arrivals of overseas citizens increased from 56,000 in the year to June 2006 to 59,200 in the year to June 2007, resulting in a net inflow of 38,400 – the highest net inflow of non-New Zealand citizens since 2003. In the year to June 2007, the highest sources of net PLT migration were the UK (9,400), followed by the Philippines (3,100), India (2,800) and Fiji (2,400). Departures to Australia increased by 13 percent in the year to June 2007, resulting in a net PLT outflow to Australia of 25,000, up from 20,500 in the year to June 2006.⁹

Table 2.1 Yearly permanent and long term migration flows

Year to June	NZ citizens		Non-NZ citizens		Total	
	2006	2007	2006	2007	2006	2007
PLT arrivals	24,000	23,500	56,000	59,200	80,100	82,700
PLT departures	47,800	51,800	21,600	20,800	69,400	72,600
Net PLT migration	-23,700	-28,400	34,400	38,400	10,700	10,100

Source: External Migration, Statistics New Zealand. Note: Figures may not sum due to rounding.

⁹ Of the 38,300 PLT departures to Australia in the year to June 2007, 89 percent were New Zealand citizens. Of these, 80 percent were New Zealand born.

2.4 Summary

- In any given year, a large number of people cross New Zealand's borders. Most movements into and out of New Zealand are short term.
- In 2006/07, over 1.5 million people were issued a temporary permit to visit, study, or work in New Zealand. In addition, over 720,000 Australians travelled to New Zealand.
- Temporary migrant inflows are subject to seasonal fluctuations. Visitor numbers peak during the summer months, and international student arrivals coincide with events related to the academic year.
- The number of people coming to New Zealand to work on a temporary permit has grown rapidly over the last decade. Student numbers peaked in 2002/03 and have since decreased. Student numbers have begun to level out over the last 12 months.
- The number of PLT departures and arrivals has grown over the last two decades, but annual numbers fluctuate. Over the last 25 years, more people have arrived than departed, contributing to a general pattern of population growth for New Zealand.
- Migrant source countries change over time. Over the last 25 years, the number of migrants coming from Oceania has decreased, while the number from Asia and Europe has increased.
- The number of New Zealand citizens departing long term has been consistently greater than the number returning, resulting in a steady loss of New Zealand citizens over time.
- The departure of New Zealanders to Australia is one of the main drivers of New Zealand's migration patterns. The number of departures fluctuates but has risen steadily over the last four years, contributing to a persistent loss of New Zealand citizens to Australia.
- In the year to June 2007, there was an increase in the number of New Zealand citizens departing long term and an increase in the number of non-New Zealand citizens arriving long term. The net inflow of PLT migration to New Zealand was 10,100 people, down from 10,700 in the previous year.

3 TEMPORARY MIGRATION

3.1 Introduction

Temporary workers and students make an important contribution to New Zealand's economy. People on work permits are an important source of labour and skills, offering skills and experience that New Zealand employers need. Many work permit holders become permanent residents after some time in New Zealand, and there are specific work permit policies that promote this transition. There is now an established link between temporary workers and permanent, skilled migration.

International students contribute to New Zealand's economic development through foreign exchange earnings, by promoting international links and by participating in the labour force after their study. A growing number of international students gain permanent residence in New Zealand after completing their studies. These students can offer employers New Zealand qualifications and, having participated in New Zealand society, are likely to settle well and contribute to New Zealand. This chapter describes the trends in the number of people coming to New Zealand on temporary student or work permits.¹⁰ Appendix C provides a breakdown of the number of people issued work and student permits by nationality for the 2006/07 financial year.

3.2 Work permits

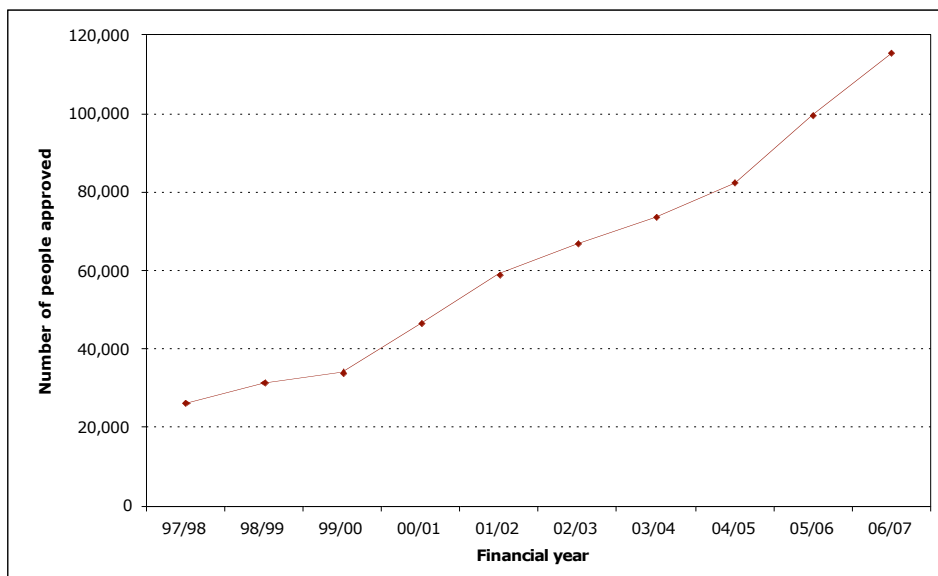
Anyone who wishes to work in New Zealand (except New Zealand or Australian citizens or residents) must have a work permit. The objective of work permit policy is to contribute to developing New Zealand's capability base by allowing New Zealand employers to access global skills and knowledge. Work permit policy also aims to ensure that the employment of temporary migrants does not undermine the wages and conditions of New Zealand workers.

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 to participate in the labour market, and these migrants make an important contribution to the current environment of skill and labour shortages. Work permits are also issued to young people (aged 18–30 years) participating in Working Holiday Schemes, and to people applying through the Work to Residence policies. A full list of work permits is given in Appendix D.

The number of people issued work permits has increased substantially in recent years, with numbers growing at approximately 18 percent per year over the last decade. In 2006/07, 115,457 individuals were issued work permits, 16 percent more than in 2005/06. Figure 3.1 shows the growth in the number of people issued a work permit since 1997/98.

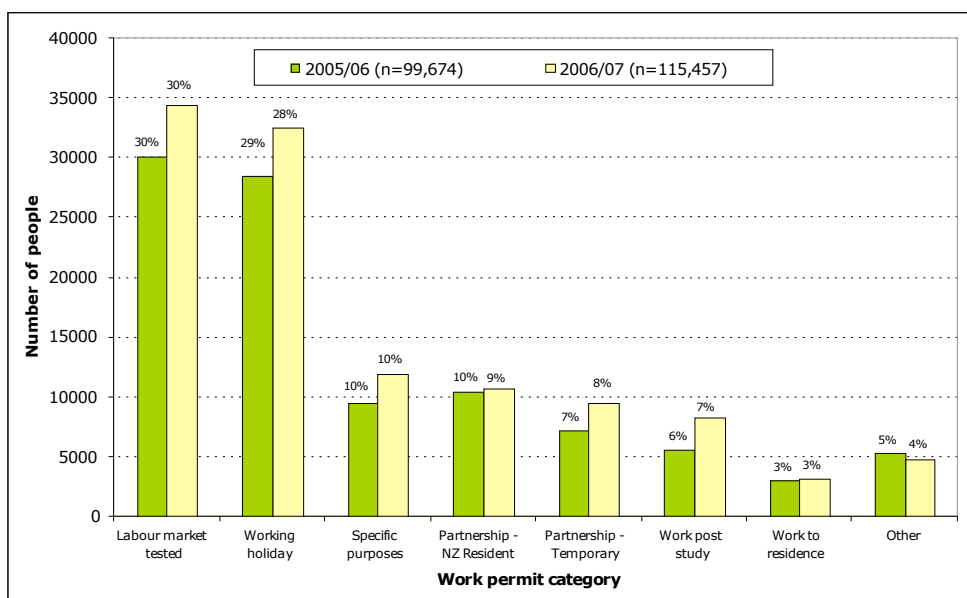
¹⁰ This analysis is of individuals who, at any time in the 2006/07 financial year, were issued a permit, not of the total number of permits issued per se. If a person was issued more than one permit in the current period, only the most recently held permit is used in this analysis.

Figure 3.1 Principal applicants granted work permits since 1997/98



Many factors have contributed to the growth in work permit numbers. These include the expansion of the Working Holiday Schemes, the introduction of new policies such as the Work to Residence policies and the Study to Work policies, and a growing number of work permits issued through the Partnership policy. In 2006/07, much of the increase came from working holidaymakers, seasonal workers, foreign graduates taking up the Study to Work policies, work permits issued to the partners of temporary workers or students, and an increase in the number of permits issued to people for specific purposes or events.¹¹ Figure 3.2 compares the broad categories of work permit types between 2005/06 and 2006/07.

Figure 3.2 Comparison of work permit types in 2005/06 and 2006/07



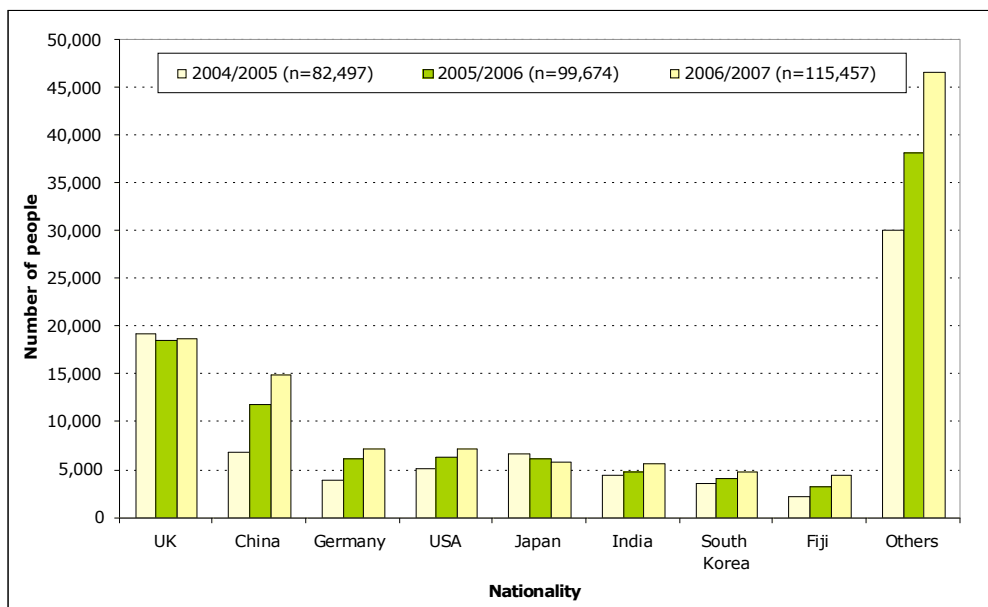
3.2.1 Nationality of work permit holders

The UK was the largest source country of work permit holders in the current period (16 percent) followed by China (13 percent). The number of Chinese people granted work

¹¹ Specific purpose or event permits are issued to people for a particular period (usually for less than 12 months) who are skilled in areas relevant to that specific purpose or event. Examples of specific purposes or events include specific types of business or sporting activities, entertainers, performing artists, film, and video production crew who meet certain requirements.

permits has increased significantly in recent years, from around 7,000 in 2004/05 to over 14,800 in 2006/07. Much of this growth has stemmed from the introduction of the Study to Work policies (July 2005) for international students upon the completion of their New Zealand qualification. In 2006/07, 79 percent of all Graduate Job Search permits (3,527 out of 4,458) were issued to Chinese graduates. Figure 3.3 provides a breakdown of work permit holders by nationality over the last three financial years.

Figure 3.3 Nationality of work permit holders: 2004/05–2006/07



Of the main source countries, Malaysia and the Philippines have had the greatest proportional increase over the last twelve months – an 83 percent increase for Malaysia and a 68 percent increase for the Philippines. Malaysia and the Philippines each represented 3 percent of work permit holders in 2006/07. Much of the increase has been in the number of General work permits issued to applicants from both countries, Working Holidaymaker permits and Seasonal Labour permits for Malaysian applicants, and Skilled Migrant Work to Residence permits for applicants from the Philippines. Appendix E provides a breakdown of work permit holders by nationality since 1997/98.

3.2.2 Labour market tested work permits

Labour market tested work permits allow New Zealand employers to recruit temporary workers from overseas to meet shortages that cannot be met from within New Zealand, while protecting employment opportunities for New Zealand citizens and residents. They consist of the General work permit, permits issued under the Approval in Principle policy, some business policies, machinery installers, specialist skill areas, Seasonal Work Permit policy, and Japanese interpreters.¹²

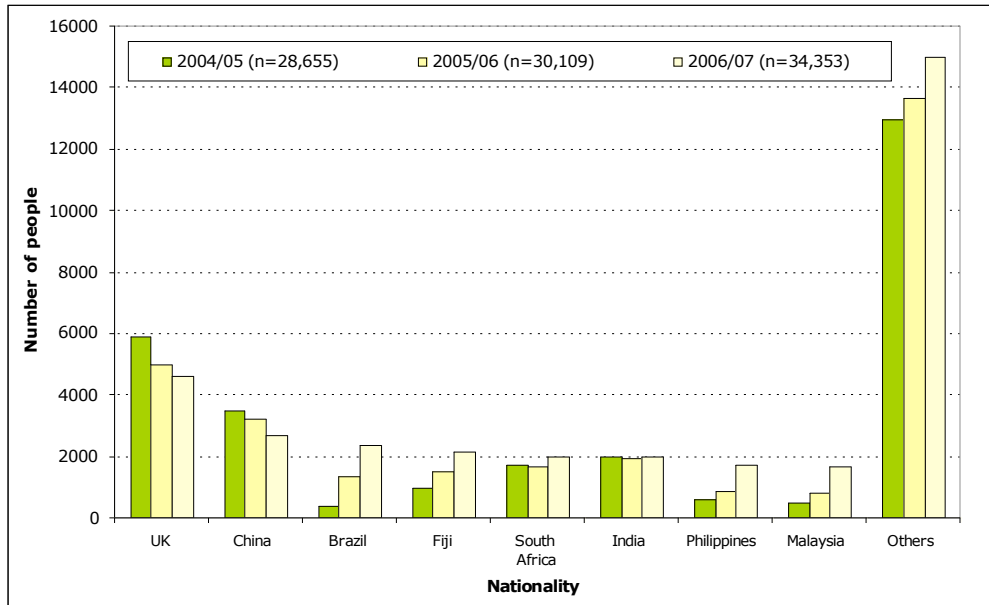
In 2006/07, 34,353 people were issued a labour market tested work permit (30 percent of all work permits), 14 percent more than in 2005/06.¹³ The UK has remained the largest source country with 14 percent of all labour market tested work permits in 2006/07,

¹² The General work permit is the standard 'skill shortage' work permit consisting of occupations on the Immediate Skill Shortage List (ISSL), the Long Term Skill Shortage List (LTSSL), or where a labour market test has been conducted to ensure no New Zealanders are available to do the work. There are other policies that are related to skill shortages, such as the Talent (Accredited Employers) or Long Term Skill Shortage List Occupation Work to Residence policies, but these policies have not been included in this analysis.

¹³ The work permit policies used in this analysis differ slightly from previous years. In order to have comparable total numbers between 2005/06 and 2006/07, data from previous years was coded retrospectively.

followed by China (8 percent). The number of approvals from the two main source countries has decreased, while approval numbers from some of the smaller source countries such as Brazil, Fiji, the Philippines, and Malaysia, have increased. Figure 3.4 provides a breakdown of labour market tested work permit holders by nationality over the last three financial years.

Figure 3.4 Nationality of labour market tested work permit holders: 2004/05–2006/07



3.2.3 Occupations of people on labour market tested work permits

This section details the types of occupations recorded against work permit holders where the granting of the work permit is subject to a labour market test. This analysis excludes work permit holders approved on the basis of a family relationship, a Working Holiday Scheme, refugee claimants, or those issued to international students upon completion of their New Zealand qualification.

Table 3.1 lists the most common occupational groups recorded using the New Zealand Standard Classification of Occupations (NZSCO). The most common occupational group for labour market tested work permit holders was Agriculture and Fishery Workers (25 percent), the majority of whom were recruited through the Seasonal Work Permit policy or an Approval in Principle for seasonal work in the horticulture and viticulture industries. The second largest group were Service and Sales Workers (16 percent), followed by Professionals (15 percent).

Table 3.1 Most common occupational groups of labour market tested work permit holders

Occupational group	Number of work permit holders	% of work permit holders
Legislators, Administrators, Managers	2,396	8%
Professionals	4,601	15%
Technicians and Associate Professionals	3,813	13%
Clerks	841	3%
Service and Sales Workers	4,981	16%
Agriculture and Fishery Workers	7,483	25%
Trades Workers	2,935	10%
Plant and Machine Operators and Assemblers	2,565	8%
Elementary occupations*	691	2%
Total**	30,306	100%

* Includes occupations not listed in the NZSCO or unidentifiable responses.

** In 2006/07, 34,353 principal applicants were issued a labour market tested work permit, but the occupation was not recorded in every instance.

Table 3.2 lists some of the most common occupations of labour market tested work permit holders.

Table 3.2 Examples of the most common occupations of principal applicants issued a labour market tested work permit in 2006/07

Main occupation group	Examples of occupations
Legislators, Administrators, Managers	<ul style="list-style-type: none"> • General manager • Sales/marketing manager • Project manager • Restaurant/tavern manager
Professionals	<ul style="list-style-type: none"> • Nurse • Secondary school teacher • University lecturer • Medical doctor
Technicians and Associate Professionals	<ul style="list-style-type: none"> • Sports coach, instructor, or trainer • Telecommunications technician • Automotive engineering technician • Musician/conductor
Clerks	<ul style="list-style-type: none"> • Researcher/research assistant • Receptionist • Accounts administrator
Service and Sales Workers	<ul style="list-style-type: none"> • Chef • Tour/travel guide • Caregiver • Security officer
Agriculture and Fishery Workers	<ul style="list-style-type: none"> • Orchard/vineyard worker • Dairy farm manager/worker
Trades Workers	<ul style="list-style-type: none"> • Carpenter

	<ul style="list-style-type: none"> • Electrician • Baker • Motor/diesel mechanic • Fitter welder
Plant and Machine Operators and Assemblers	<ul style="list-style-type: none"> • Sewing machinist • Heavy truck driver • General welder • Ship crew member • Bus driver
Elementary occupations	<ul style="list-style-type: none"> • Builder's labourer • Cleaner

3.2.4 Working Holiday Schemes

Working Holiday Schemes (WHSs) allow young people to experience living and working in New Zealand. The schemes help to strengthen international links and contribute to New Zealand's economy through tourism and employment. WHSs allow 18–30 year olds from partner countries to spend 12 months (two years for UK working holidaymakers) in New Zealand and undertake work of a temporary nature. WHSs also allow young New Zealanders to work overseas under reciprocal agreements. New Zealand currently has WHSs with 26 countries with up to 50,000 places available.

The number of young people coming to New Zealand as working holidaymakers has increased steadily in recent years. In July 2005, a number of policy changes came into effect that increased the number of places available in many of the schemes, eased the work restrictions for some schemes, and introduced online processing for most applicants.

In the last two years, new WHSs have commenced. These include WHSs with Norway, Thailand and Estonia. There were 32,489 people approved through the various schemes in 2006/07, with the greatest numbers coming from the UK and Germany. The number of working holidaymakers has increased from 21,025 in 2004/05 and 28,540 in 2005/06. Table 3.3 shows the annual cap for each WHS partner country and the number of people issued Working Holidaymaker permits in 2006/07. In 2006/07, there were substantial increases in the number of working holidaymakers from South Korea, Malaysia, Germany, Czech Republic and Taiwan. Numbers from Ireland and Japan decreased.

Table 3.3 People issued Working Holidaymaker permits by country

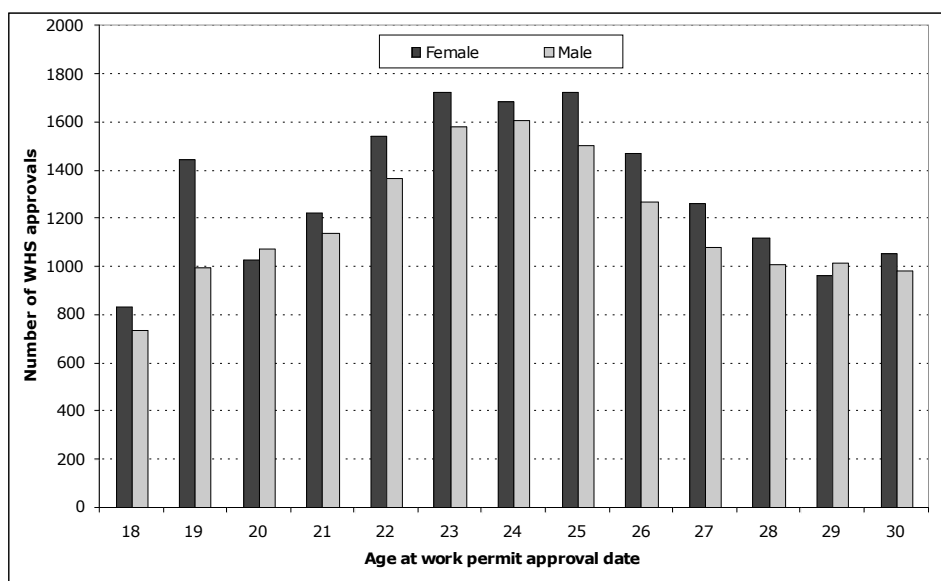
Country	Places available in the scheme*	People issued permits in 2006/07*
Argentina	1,000	962
Belgium	2,000	176
Canada	2,000	1,524
Chile	1,000	785
Czech Republic	1,000	1,220
Denmark	2,000	267
Estonia	100	8
Finland	2,000	146
France	5,000	1,360
Germany	no cap	5,329
Hong Kong	200	162
Ireland	2,800	1,742
Italy	1,000	286
Japan	no cap	2,490
South Korea	1,500	2,030
Malaysia	1,150	750
Malta	50	6
Netherlands	no cap	701
Norway	no cap	47
Singapore	200	26
Sweden	no cap	555
Taiwan	600	1,059
Thailand	100	100
United Kingdom	no cap	8,559
United States of America	5,000	2,120
Uruguay	100	79
Total		32,489

* Individual schemes have differing years over which the annual cap operates, depending on when the agreement with each country was signed. Therefore the annual caps indicated do not correspond to a July–June financial year, and are only provided for the information of the reader.

Eleven percent more women than men were issued work permits across all WHSs. For some schemes, however, the gender differences were more notable. For the schemes with Japan, Taiwan, Thailand and Hong Kong, there were much higher proportions of women (at least twice as many) than men participating in the schemes. For other schemes, such as Chile, Italy and Uruguay, there were greater proportions of men, although overall numbers in some of these schemes were relatively low.

A high proportion of working holidaymakers were in their early twenties, with 39 percent between 22 and 25 years old. There were slightly more women than men across all ages with the exception of 20 year olds, where there were slightly more men. Figure 3.5 shows the age and gender distribution of working holidaymakers in 2006/07. Appendix F provides a breakdown of the ratio of women to men approved for all work permits (by age group and nationality) in 2006/07.

Figure 3.5 Age and gender of working holidaymakers in 2006/07 (n = 32,489)



3.3 Student permits

The objective of student immigration policy is to facilitate the entry of foreign students, with a focus on attracting and developing students who have the skills and talent New Zealand needs. Export education is estimated to contribute over two billion dollars annually in foreign exchange to New Zealand.¹⁴ In addition to the financial gain from student migration, host countries stand to benefit from the improvement of political and economic relations with sending countries.¹⁵ In New Zealand, international students can also play an important role in the labour market through their labour participation post study, particularly if they are qualified, and gain employment, in areas of skills shortage.

3.3.1 Student policy

International students attending courses lasting over three months must apply for a student visa before travelling to New Zealand. Students from a visa waiver country may apply for a student permit in New Zealand. Non-New Zealand residents are not required to obtain a student permit to attend a course for three months or less.

In July 2005, a number of policy changes came into effect, some of which were enhanced in November 2007. The aim of the 2005 changes was to make New Zealand a more competitive destination for international students by easing the work restrictions for students and their partners. Since July 2005:

- international students who graduate from a course that would gain points under the Skilled Migrant Category have been eligible for a six-month open work permit (Graduate Job Search permit) – the duration of this permit was increased to 12 months from November 2007
- some students are eligible to apply for a two-year post study work permit to obtain practical work experience relevant to their qualification – from November 2007, this permit was increased to 3 years for graduates who require 3 years work experience in New Zealand to qualify for membership or registration with professional bodies

¹⁴ Infometrics (2006): *The Economic impacts of Foreign Fee-Paying Students*.

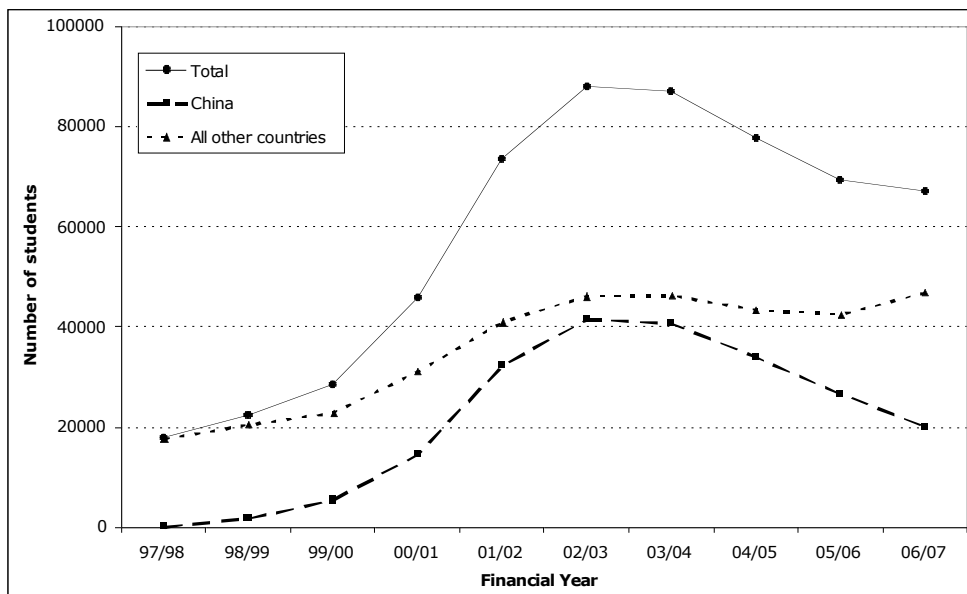
¹⁵ Suter & Jandl, 2006: *Comparative study on policies towards foreign graduates – Study on Admission and Retention Policies towards Foreign Students in Industrialised Countries*. International Centre of Migration Policy Development (ICMPD), Vienna.

- the pool of students eligible to work part-time while studying has been expanded to include Year 12 and 13 school students and some English language students, provided certain conditions, including English language standards, are met
- eligible students have been able to apply to work for up to 20 hours a week during term (previously the limit was 15 hours)
- anyone undertaking a course of 12 months or more can apply to work full-time over the summer holidays
- partners of students studying in areas of absolute skill shortage and partners of all post graduate students can apply for an open work permit valid for the duration of the student's course of study.

3.3.2 Student approval numbers

New Zealand's international student population grew rapidly from 1999/00, peaking in 2002/03 with over 87,000 students issued a permit. More recently, however, the number of students coming from New Zealand's main source country, China, has been in decline. Decreasing numbers of Chinese students have had a marked impact on the overall numbers of international students, but growth in permit numbers from many other source countries has helped to offset the downward trend. Figure 3.6 shows the growth in international student numbers since 1997/98.

Figure 3.6 Principal applicants granted student permits since 1997/98



In 2004, the government announced a significant commitment to supporting international education. This commitment was increased in April 2005, bringing the government's investment in international education to over \$70 million over the five years beginning June 2004.¹⁶

Total student numbers continued to decrease in 2006/07 but much less so than in the previous two years. In 2006/07, 67,147 people were approved to study, down 3 percent from 69,223 in 2005/06. In 2006/07, the decrease of over 6,400 permit approvals from China was offset by increasing numbers in eight out of the top ten source countries.

¹⁶ One such initiative included funding to lower the cost of study for international PhD students (to domestic fee levels) and to allow the dependent children of PhD students to attend school without paying international school fees. These changes came into effect for PhD students (and their dependent children) in January 2006. Since May 2006, dependent children of New Zealand citizens or residents who are applying for citizenship or residence have had domestic student status.

Student numbers from South Korea increased by 10 percent from 10,100 in 2005/06 to 11,100 in 2006/07, the first increase since 2002/03. The number of students from some of the smaller source countries, such as India, Germany, Malaysia and the Philippines, continue their upward trend. For India, the increase was 30 percent in 2006/07.

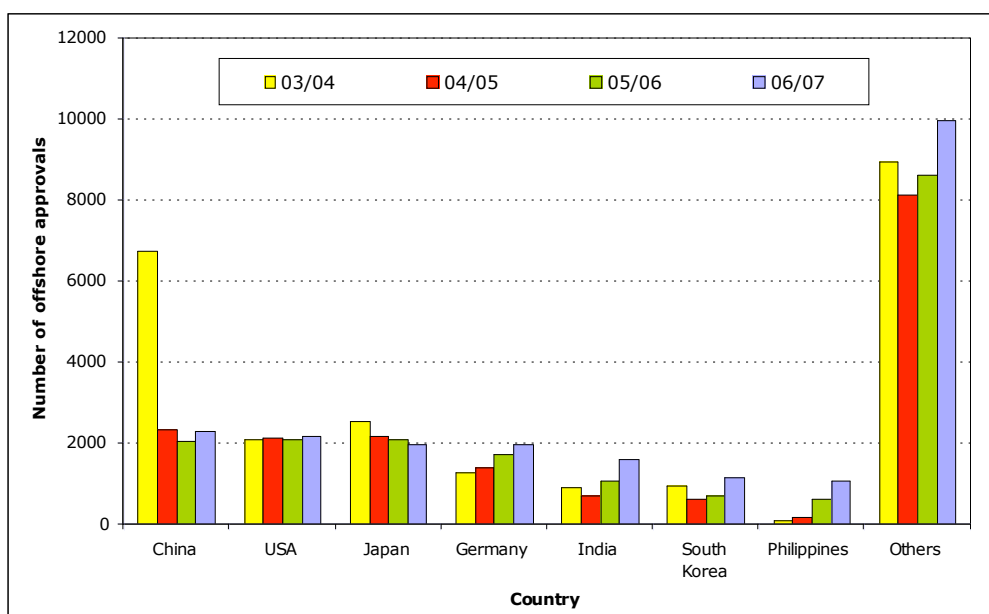
Research published by the Ministry of Education shows that the reduction in international students between 2002 and 2005 had a significant impact on enrolments in schools, English language training providers and private tertiary education organisations.¹⁷ Conversely, enrolments in public tertiary education institutions have increased in recent years and accounted for 43 percent of enrolments in 2005.

In 2006/07, Chinese students accounted for 30 percent of those issued a permit, followed by South Korea (17 percent), Japan and India (5 percent each). Japanese student numbers have continued to decrease since 2002/03, but the Ministry of Education’s enrolment data shows an increase in Japanese students enrolled in English language schools. This anomaly may indicate that many Japanese students are undertaking short courses while on a visitor permit.¹⁸ New Zealand’s international student population is remarkably diverse, with permits granted to students from over 150 nationalities in 2006/07. Appendix G provides a breakdown of student numbers from the top source countries since 1997/98.

3.3.3 Students approved offshore

The number of international students approved offshore (student visas) is an indicator of the number of new students coming to study in New Zealand. Offshore approval numbers decreased steadily after 2001/02, but have been on the increase in the last two years. In 2006/07, offshore approvals were 22,260, 17 percent up on the 19,050 in 2005/06. Offshore approvals from China increased for the first time since 2001/02, although numbers remain relatively low compared to 2001/02. In 2006/07, offshore approval numbers increased for eight of the top ten source countries, with relatively large increases from India, South Korea and the Philippines. Figure 3.7 shows the number of offshore approvals from the largest source countries in the last four financial years.

Figure 3.7 Number of students approved offshore for the top source countries: 2003/04–2006/07



¹⁷ Ministry of Education, 2007: *International Enrolments in New Zealand 2000-2006*.

¹⁸ Non-New Zealand residents are not required to obtain a student permit to attend a course for three months or less.

3.3.4 Age and gender of international students

More males than females were issued a student permit in 2006/07, although the ratios vary considerably between different source countries. Among the main source countries, India had the lowest proportion of females relative to males. For Japan and the USA, females outnumbered males. Table 3.4 details the gender ratios by age group and nationality for the main source countries in 2006/07 (see Appendix H for greater detail).

Table 3.4 Ratio of females to males by age group and nationality for student approvals in 2006/07

Nationality	Age group				All ages
	0-15	16-19	20-29	30+	
China	1.01	0.83	0.80	1.52	0.82
South Korea	0.83	0.88	1.07	0.99	0.90
Japan	1.85	1.76	1.45	1.52	1.66
India	0.71	0.35	0.29	0.75	0.38
USA	0.99	1.34	1.31	1.00	1.24
Others	0.97	0.91	0.91	0.93	0.93
Overall ratio	0.94	0.95	0.84	1.03	0.90
Total approvals	16,278	13,838	32,939	4,092	67,147

3.3.5 Student transitions to work

Internationally, foreign students have become an increasingly important target of immigration policies that aim to attract and retain talented migrants.¹⁹ For many students, the prospect of gaining residence in the host country plays a role in their decision to study abroad.²⁰ New Zealand's Student policy changes introduced in July 2005, and enhanced in November 2007, were intended to facilitate the transition from study to work and residence by creating more opportunities to work while studying, and allowing greater access to work permits post study.

In 2006/07, 4,458 students were issued the Graduate Job Search work permit, a similar number to 2005/06. Applicants are not required to have a job offer for this permit, but must have completed a New Zealand qualification that would qualify for points under the SMC, and must apply within three months of the end date of their student permit for that qualification. In 2006/07, 79 percent of students issued the Graduate Job Search work permit were Chinese. The next largest source country was India (6 percent), followed by South Korea and Malaysia (2 percent each).

The number of people issued a two-year work permit to obtain practical experience suitable to their course or qualification increased from 1,135 people in 2005/06 to 3,824 in 2006/07. Applicants for this work permit type must have completed a minimum three-year course or completed a qualification that would qualify for points under the SMC, and must have a job offer relevant to their course of study. Of those issued this work permit type, 78 percent were from China, followed by India (9 percent), South Korea and Malaysia (2 percent each).

3.4 Transitions from temporary to permanent residence

Linking temporary immigration policy with residence policy can have significant benefits for both migrants and New Zealand. Having participated in New Zealand society, temporary

¹⁹ Suter & Jandl, 2006: *Comparative study on policies towards foreign graduates – Study on Admission and Retention Policies towards Foreign Students in Industrialised Countries*. International Centre of Migration Policy Development (ICMPD), Vienna.

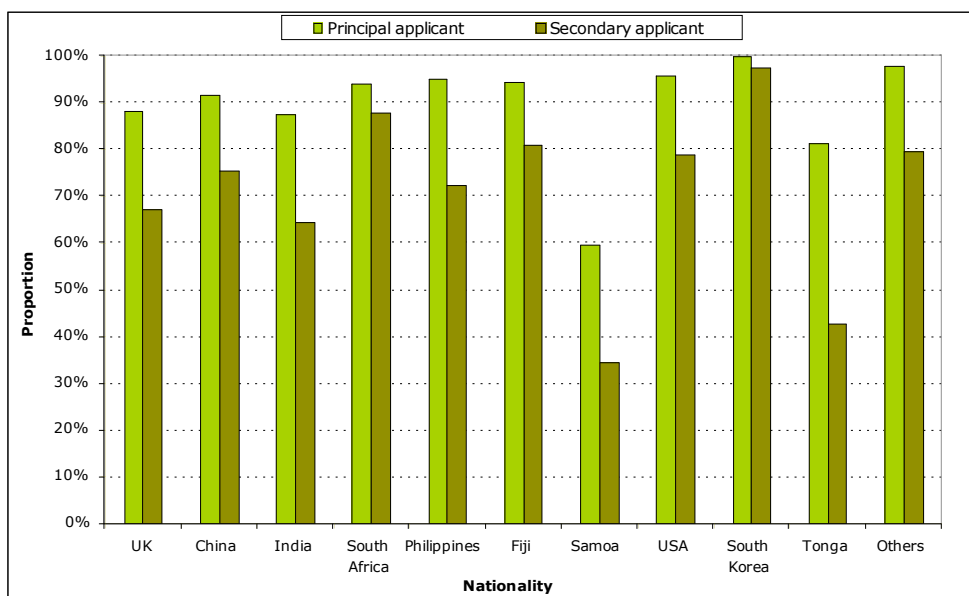
²⁰ Ward & Masgoret, 2004: *The Experiences of International Students in New Zealand*. Report on the results of the national survey. Ministry of Education. Wellington.

workers and students are likely to settle well and contribute to the country. Research has shown a positive link between migrants' work experience in New Zealand prior to residence and their employment outcomes after gaining residence.²¹

This analysis examines the cohort of people approved for permanent residence in 2006/07 and identifies any previous temporary permits held by these migrants. The analysis shows that, of the 46,964 people approved for residence, 89 percent of principal applicants and 70 percent of secondary applicants had previously held a temporary permit. Ninety-two percent of Skilled/Business principal applicants previously held a temporary permit, compared to 89 percent of Family Sponsored principal applicants and 65 percent of International/Humanitarian principal applicants.

Figure 3.8 shows the proportion of people, by nationality, who held a temporary permit prior to residence approval. Of the top ten residence nationalities in 2006/07, over 95 percent of principal applicants from South Korea, the USA and the Philippines had held a temporary permit prior to residence approval.

Figure 3.8 Proportion of people granted residence from the main source countries in 2006/07 who had previously held a temporary permit



3.4.1 Most recently held temporary permit

The most recently held temporary permit was identified for those migrants who had held a visitor, student, or work permit prior to residence. Work permits were the most recently held temporary permit type for principal applicants with prior experience in New Zealand (73 percent), while visitor permits were the most recently held permit type for secondary applicants.

Table 3.5 shows that there were considerable differences between principal and secondary applicants, and between people approved through the various streams. Of those secondary applicants who had held a temporary permit, 38 percent had most recently held a visitor permit, 31 percent a student permit and 31 percent a work permit. Many secondary applicants were dependent children, and therefore, a much lower proportion of secondary applicants held a work permit prior to residence.

²¹ Dunstan, S., Boyd, S., and Crichton, S. (2004). *Migrants' Experiences of New Zealand. Pilot Survey Report, Longitudinal Immigration Survey: New Zealand (LisNZ)*. Department of Labour. Wellington.

Table 3.5 Type of temporary permit most recently held by people granted permanent residence in 2006/07

Residence approval stream	Applicant type	Residence approvals in 06/07	% who held a temporary permit*	Most recent temporary permit		
				Student	Visitor	Work
	n	n	%	Row %		
Skilled/ Business	Principal	12,378	92%	1%	15%	84%
	Secondary	15,762	77%	33%	31%	36%
	Sub-total	28,140	84%	18%	23%	59%
Family Sponsored	Principal	11,395	89%	3%	36%	61%
	Secondary	3,310	64%	21%	74%	5%
	Sub-total	14,705	84%	6%	42%	51%
International/ Humanitarian	Principal	1,525	65%	2%	29%	69%
	Secondary	2,594	40%	33%	43%	24%
	Sub-total	4,119	50%	18%	36%	46%
Totals	Principal	25,298	89%	2%	25%	73%
	Secondary	21,666	70%	31%	38%	31%
	Total	46,964	81%	14%	30%	56%

* The proportion of approvals who held a temporary permit at some point between July 1997 and June 2007.

3.4.2 Most recently held work permit

This analysis is of principal applicants who most recently held a work permit prior to residence. In 2006/07, 22,629 principal applicants out of 25,298 (89 percent) had previously held a temporary permit. Of the 89 percent, 73 percent had most recently held a work permit.

The table below shows the type of work permit held by principal applicants prior to residence approval in 2006/07. Labour market tested work permits were the most common (39 percent), particularly those issued through the General work permit policy. Thirty-three percent of work permits were issued to partners of New Zealand citizens or residents. Other work permit types included the Skilled Migrant and Talent (Accredited Employer) Work to Residence policies, and those issued to international students on completion of their New Zealand qualifications.

Table 3.6 Type of work permit held by principal applicants prior to residence approval

Type of work permit held	n	%
Labour market tested	6,431	39%
Partnership – New Zealand resident/citizen	5,372	33%
Work to Residence	1,722	10%
Work post study	1,318	8%
WHS	385	2%
Others	1,292	8%
Total	16,520	100%

3.5 Temporary permit holders moving to permanent residence

The section examines all migrants approved to work or study in New Zealand between July 1997 and June 2007 and describes their transition patterns to permanent residence. Many migrants in this analysis had more than one temporary permit issued over the ten-year period. The analysis method used in this section took the first student or work permit held for an individual and tracked their transition to permanent residence.²²

3.5.1 Transition from work to residence

On average, 6 percent of work permit holders gained permanent residence in the same financial year as their first work permit was issued. Over time, however, the number of work permit holders converting to residence increases for any given cohort. Around 30 percent of work permit holders gain permanent residence within five years of being issued their first work permit.

Although the proportion of work permit holders converting to residence is relatively steady over time, the increasing number of people granted a work permit since 1997/98 has seen a growing number of temporary workers converting to permanent residence. Table 3.7 shows the cumulative proportion of people in each cohort who converted to residence in subsequent years. The shaded cells indicate comparable proportions across the cohorts.

Table 3.7 Principal applicants granted a work permit between 1997/98 and 2006/07 and the proportion subsequently granted residence*

		Year first work permit approved									
		97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07
Cumulative proportion (%) converted to residence	97/98	7%									
	98/99	20%	6%								
	99/00	28%	16%	6%							
	00/01	31%	22%	15%	6%						
	01/02	33%	25%	20%	15%	7%					
	02/03	34%	26%	23%	23%	17%	7%				
	03/04	35%	27%	25%	29%	25%	16%	5%			
	04/05	36%	28%	26%	32%	31%	24%	18%	8%		
	05/06	37%	29%	27%	33%	34%	29%	26%	20%	6%	
	06/07	37%	30%	28%	34%	36%	32%	30%	28%	17%	5%
Total conversions		9,820	7,590	7,180	12,650	17,010	16,410	16,060	16,410	12,820	4,140
Total in cohort		26,330	25,730	26,080	37,080	47,700	51,830	53,950	58,620	73,620	82,900

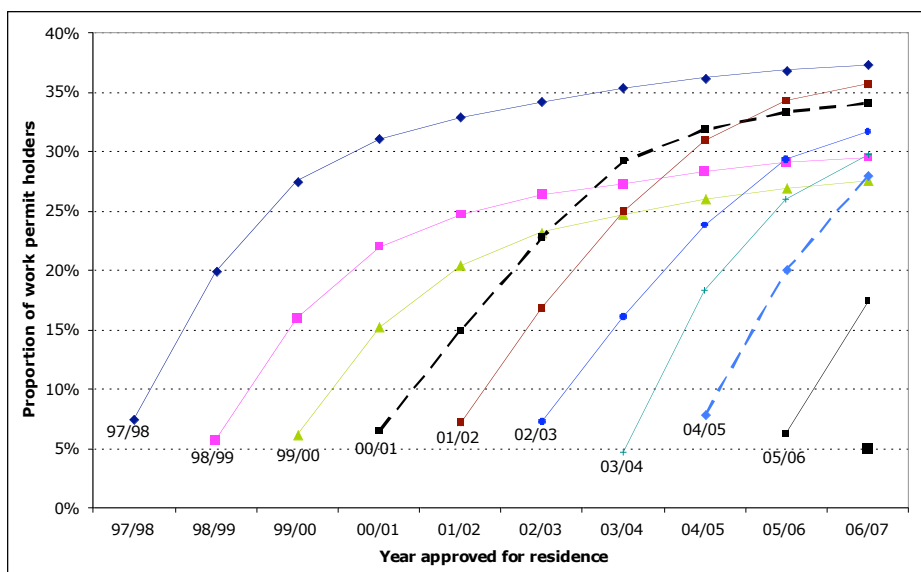
* Raw numbers are rounded to the nearest multiple of 10.

Figure 3.9 represents the proportion of work permit holders converting to residence over time. The graph is read as the cumulative proportion of people in each cohort who converted to residence in subsequent years. The take-up of residence by work permit holders tends to be greatest in the first two years after the work permit was issued.

The increasing proportion of workers gaining residence from 2003/04 onwards is a flow-on effect of migrants being approved through Work to Residence policies as well as a reflection of the growing number of skilled migrants working in New Zealand prior to residence.

²² This analysis examines work permit holders and student permit holders separately. However, some migrants had held both a work permit and a student permit over the analysis period, and were therefore counted once in each analysis.

Figure 3.9 Cumulative residence take-up by principal applicants granted their first work permit between 1997/98 and 2006/07*



* Each line represents a separate cohort

3.5.2 Transition from study to residence

On average, the transition to residence for students is lower than it is for work permit holders, and students tend to take longer to make the transition. Approximately 20 percent of students gain permanent residence in New Zealand within five years of their first student permit. This proportion levels out at around 25 percent after seven years or more.

Table 3.8 shows the number of principal applicants granted their first student permit between 1997/98 and 2006/07 and the cumulative proportion subsequently granted residence. The table is read as the cumulative proportion of student permit holders in each cohort who convert to residence in subsequent years. The shaded cells indicate comparable proportions across the cohorts.

Table 3.8 Principal applicants granted a student permit between 1997/98 and 2006/07 and the proportion subsequently granted residence*

		Year first student permit approved									
		97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07
Cumulative proportion (%) converted to residence	97/98	1%									
	98/99	6%	3%								
	99/00	10%	8%	2%							
	00/01	14%	13%	7%	2%						
	01/02	17%	17%	12%	7%	2%					
	02/03	19%	20%	15%	11%	5%	2%				
	03/04	20%	22%	19%	16%	8%	5%	2%			
	04/05	22%	24%	22%	20%	13%	8%	9%	6%		
	05/06	23%	26%	26%	25%	18%	13%	13%	12%	4%	
	06/07	24%	27%	28%	28%	22%	16%	17%	17%	11%	4%
	Total conversions	4,220	3,810	4,940	8,400	10,290	7,070	5,240	4,430	2,880	1,350
Total in cohort	17,920	14,090	17,900	30,420	47,560	43,370	31,150	26,090	27,330	32,490	

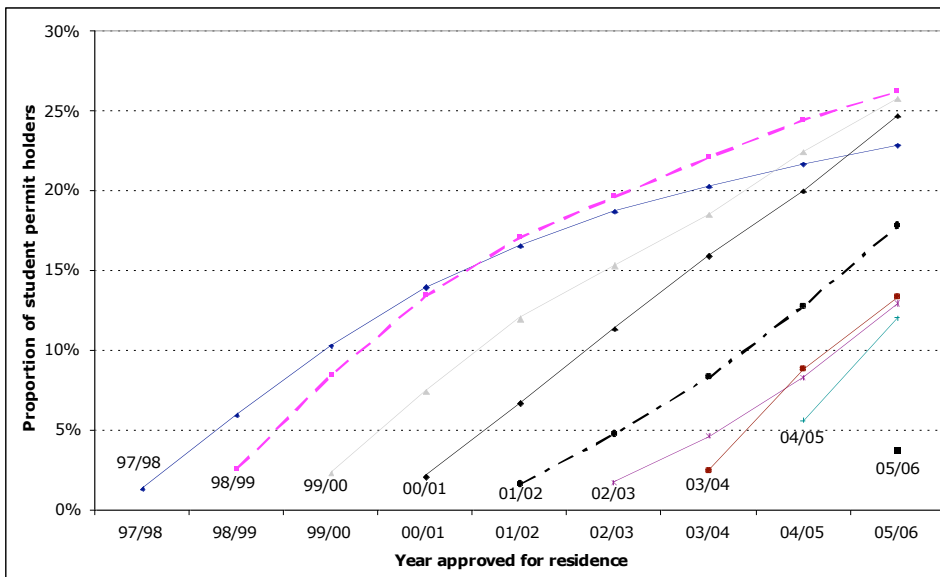
* Raw numbers are rounded to the nearest multiple of 10.

Figure 3.10 represents the proportion of student permit holders gaining residence over time. The take-up of residence by students approved in the earlier cohorts tended to be greatest in the first 2–3 years after the student permit was issued. Since 2000/01, however, the

trend becomes more linear, with a steady take-up of residence over time. This trend coincides with an increasing number of international tertiary students.

From 2003/04 onwards, transition rates are relatively high in the first two years compared to the transition rates for earlier cohorts. This reflects a high number of students gaining residence as dependents, and corresponds to the increase in work permit holders (their parents) gaining residence over the same period.

Figure 3.10 Cumulative residence take-up by principal applicants granted a student permit between 1997/98 and 2006/07



* Each line represents a separate cohort.

3.6 Summary

- In 2006/07, 115,457 people were granted a work permit, an increase of 16 percent from 2005/06. Much of the increase in 2006/07 came from working holidaymakers, foreign graduates taking up the Study to Work policies and an increase in the number of permits issued to people for specific purposes or events.
- The UK was the largest source of temporary workers (16 percent), followed by China (13 percent). Chinese work permit numbers have more than doubled since 2004/05, largely a result of the Study to Work policies introduced in July 2005.
- Thirty percent of work permit holders were granted their permit subject to a labour market test. The UK was the largest source country of these work permits (14 percent) followed by China (8 percent).
- The occupations of people granted labour market tested work permits were diverse, spreading across all occupational groups. There was a substantial increase in the number of agricultural workers in 2006/07, a result of work policies aimed at helping to alleviate the labour shortages in the horticulture and viticulture industries.
- New Zealand has Working Holiday Schemes with 26 countries, with up to 50,000 places available. A number of changes came into effect from July 2005, including changes to the numerical limits and work restrictions for some schemes. Working holidaymaker numbers have increased from 21,025 in 2004/05 to almost 32,500 in 2006/07.
- In 2006/07, 67,147 people were issued a student permit, down 3 percent on 2005/06. Chinese student numbers have continued to decrease but have been offset by increases in eight of the ten main source countries. South Korean student numbers increased by 10 percent in 2006/07, the first increase since 2002/03.
- Permits were granted to students from over 150 different nationalities in 2006/07, but the top 10 source countries accounted for 77 percent of students. China was the largest source country (30 percent), followed by South Korea (17 percent), Japan and India (5 percent each).
- Eighty-nine percent of principal applicants and 70 percent of secondary applicants approved for residence in 2006/07 had previously held a temporary visitor, student, or work permit. Ninety-two percent of Skilled/Business Stream migrants held previously held a temporary permit.
- Approximately 30 percent of work permit holders gain permanent residence within five years of being issued their first work permit. The equivalent figure for international students is approximately 20 percent after five years, increasing to around 25 percent after seven years or more.

4 PERMANENT RESIDENCE APPROVALS

4.1 Introduction

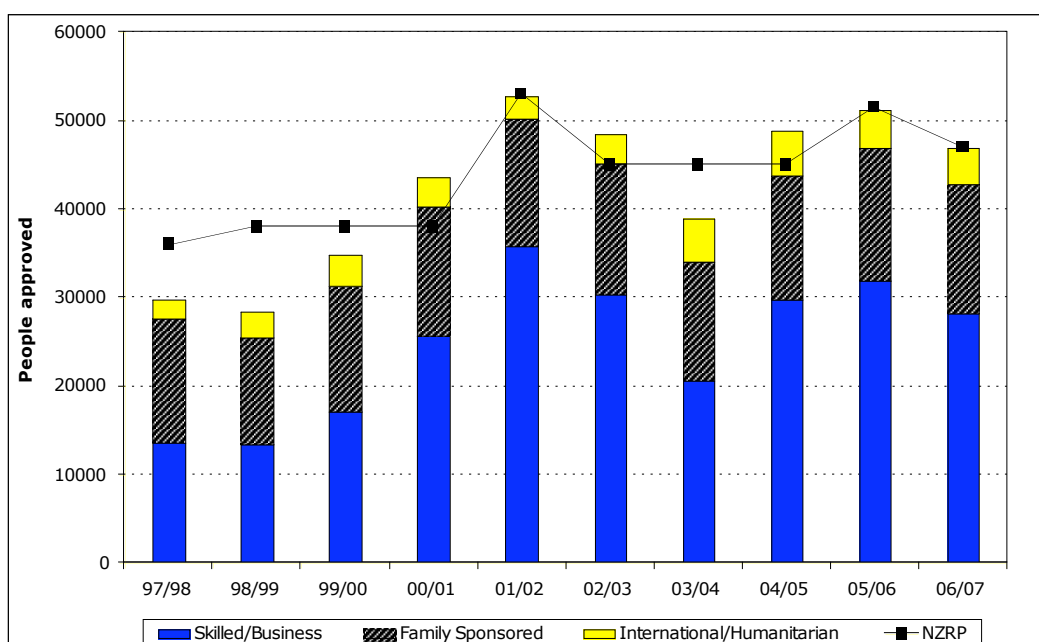
This section provides an overview of immigration trends since 1997/98 and describes the characteristics of those approved for residence in the period from 1 July 2006 to 30 June 2007. More detailed information on the characteristics of approvals in each residence stream is provided in subsequent sections of the report. Appendix I provides a complete breakdown of all residence approvals by residence stream and nationality.

4.2 Residence approvals by stream since 1997/98

In 2006/07, 46,964 people were approved for residence in 25,298 applications. Of these people, 28,140 were approved through the Skilled/Business Stream (60 percent of all individuals approved for residence), 14,705 through the Family Sponsored Stream (31 percent) and 4,119 through the International/Humanitarian Stream (9 percent).

Figure 4.1 shows the number of people approved for residence through the streams between 1997/98 and 2006/07 compared with the New Zealand Residence Programme (NZRP) planning level (formerly known as the New Zealand Immigration Programme).

Figure 4.1 People approved for residence compared with the NZRP planning level from 1997/98 to 2006/07*



* Policies prior to 2001/02 were grouped together to match the streamed approach to the NZRP.

Table 4.1 below shows the approval limits and number of people approved in each stream for the last five financial years.

Table 4.1 Approval limits and approvals by stream since 2002/03

Financial year and NZRP stream	Limit		Approvals
2002/03			
Skilled/Business	27,000	+/- 3,000	30,443
Family Sponsored	13,500	+/- 1,500	14,809
International/Humanitarian	4,500	+/- 500	3,286
2002/03 Total	45,000	+/- 5,000	48,538
2003/04			
Skilled/Business	27,000	+ 3,000	20,596
Family Sponsored	13,500	+ 1,500	13,462
International/Humanitarian	4,500	+ 500	4,959
2003/04 Total	45,000	+ 5,000	39,017
2004/05			
Skilled/Business	27,000	+ 3,000	29,826
Family Sponsored	13,500	+ 1,500	13,949
International/Humanitarian	4,500	+ 500	5,040
2004/05 Total	45,000	+ 5,000	48,815
2005/06			
Skilled/Business	27,000	+ 5,000	31,870
Family Sponsored	13,500	+ 750	14,967
International/Humanitarian	4,500	+ 750	4,399
2005/06 Total	45,000	+ 6,500	51,236
2006/07			
	min	max	
Skilled/Business	28,200	31,000	28,140
Family Sponsored	14,100	15,000	14,705
International/Humanitarian	4,700	6,000	4,119
2006/07 Total	47,000	52,000	46,964

4.3 Residence application inflows

Residence application inflows totalled 28,140 in 2006/07, down from 30,389 in 2005/06. Application inflows through the Skilled categories were lower than in 2005/06, but increased over the second half of the year as a greater number of expressions of interest (EOI) were selected in the fortnightly draws (see Chapter 5). Business category application inflows remained relatively low.

Family Sponsored Stream inflows were higher overall than in 2005/06. There was a marked decrease in applications immediately following the November 2005 changes to the health requirements (see Appendix B) but inflows have picked up and remained steady since then. Most of the demand for places in this stream comes from partners of New Zealand citizens or residents, followed by parents.²³ The high demand for places in this stream has created a backlog of applications on hand.²⁴

²³ In 2006/07, 60 percent of applications for residence through the Family Sponsored Stream came from partners of New Zealand citizens and residents. A further 24 percent came through the Parent Category.

²⁴ An application is on hand if it has been accepted for processing but is not yet decided.

Inflows through the International/Humanitarian Stream were lower overall than in 2005/06, continuing a downward trend in recent years. In 2006/07, inflows were higher through the Pacific Access Category (PAC), but lower through the Samoan Quota. Inflows through the Special Zimbabwe Residence policy decreased after the closing date on 28 February 2007.

Figure 4.2 illustrates the inflow of residence applications over the last three financial years. The Skilled/Business Stream has been split into its broad categories (Skilled categories and Business categories).

Figure 4.2 Residence application inflows: 2004/05–2006/07

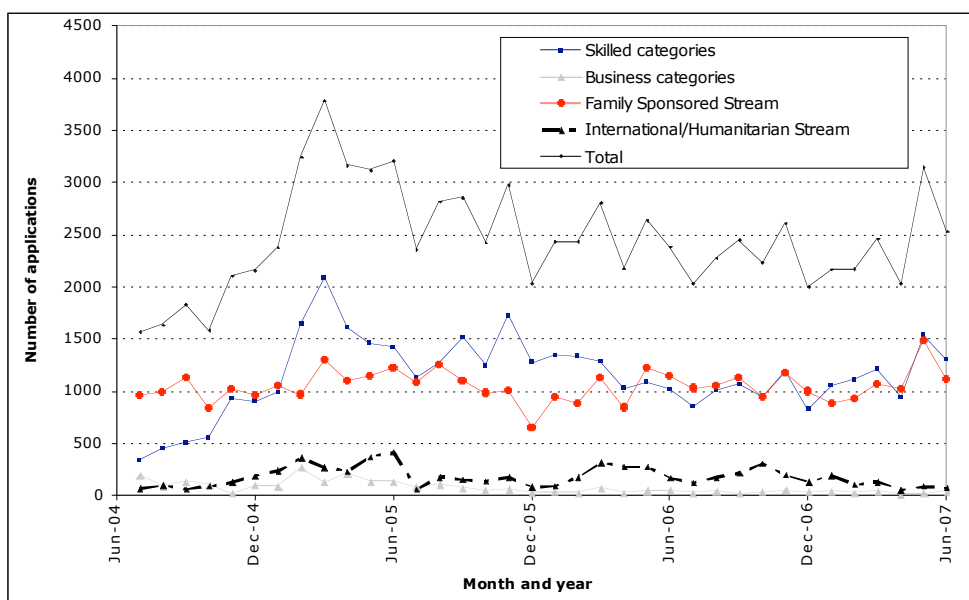
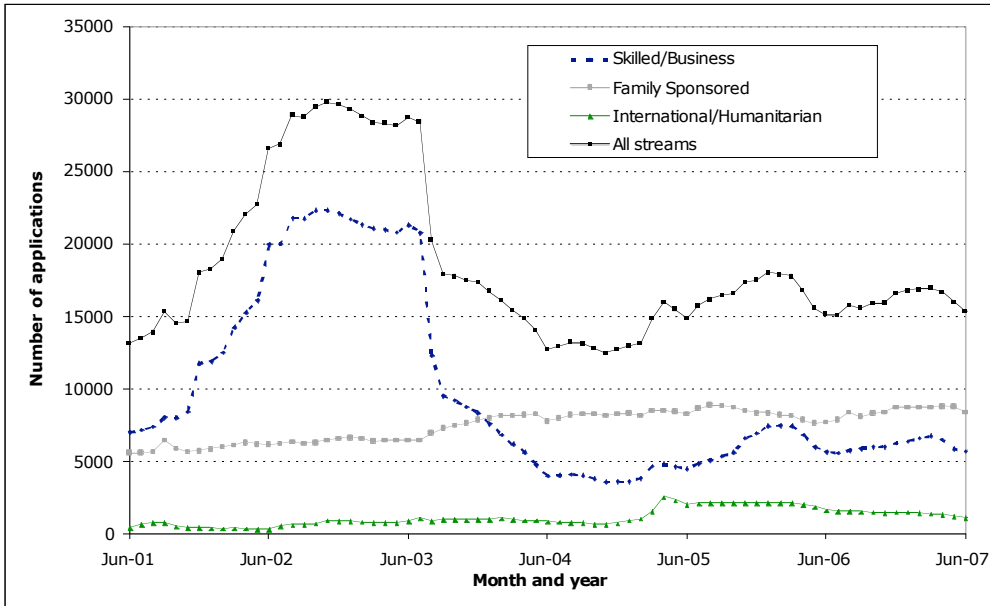


Figure 4.3 below shows the fluctuation in the number of residence applications on hand. Most of the fluctuation can be attributed to application inflows in the Skilled/Business Stream. The number of applications on hand in the Skilled/Business Stream fell significantly throughout 2003/04 (after the closure of the General Skills Category) and during the 12 months following the introduction of the SMC in December 2003.

Over the last 12 months, on hand numbers have increased in the Family Sponsored Stream and decreased in the International/Humanitarian Stream. The number of applications on hand in the Skilled/Business Stream fluctuated over the year but ended the year at a similar level to June 2006. The total number of applications on hand for all residence streams was 15,348 as at 30 June 2007.

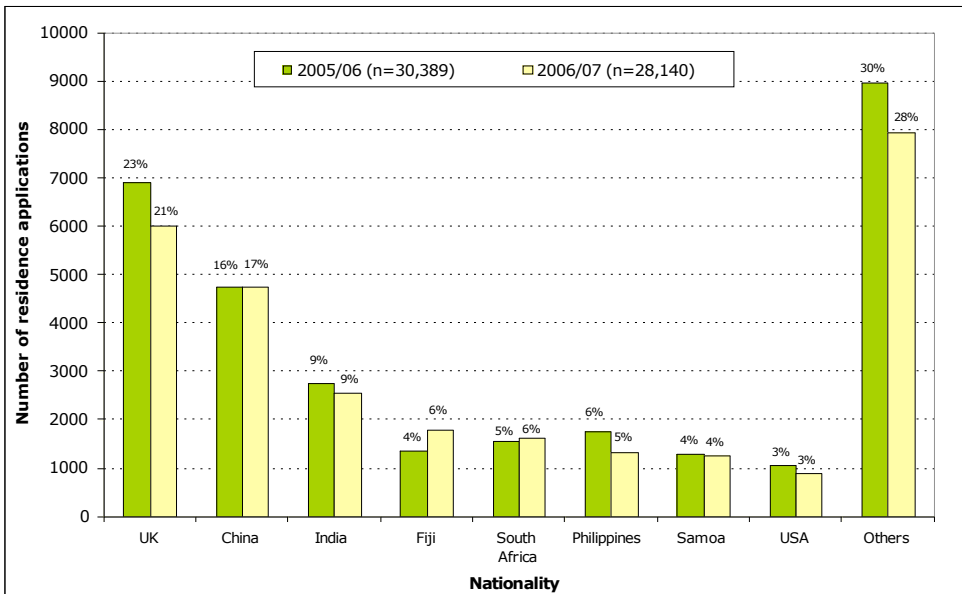
Figure 4.3 Residence applications on hand: 2001/02–2006/07



4.4 Residence application source countries

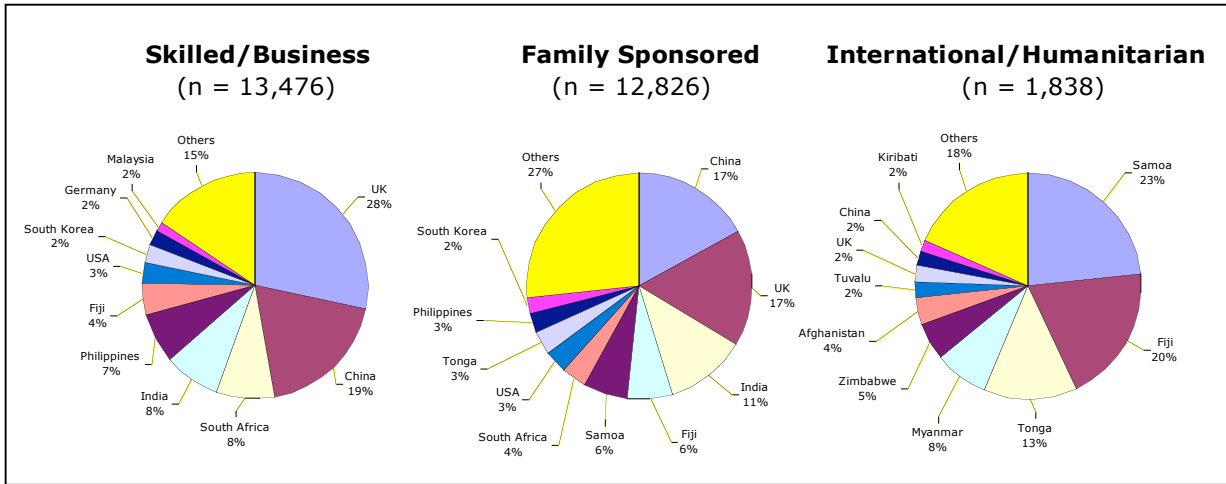
The UK was the largest source country of residence applications in 2006/07 (21 percent), followed by China (17 percent) and India (9 percent). Total inflows were down slightly for most of the main source countries in 2006/07, particularly the UK. Figure 4.4 compares application inflows in 2005/06 and 2006/07 for the largest source countries.

Figure 4.4 Application inflows by nationality



The UK was the largest source of Skilled/Business Stream applications (28 percent), followed by China (19 percent), South Africa and India (8 percent each). China and the UK were the largest sources of Family Sponsored Stream applications (17 percent each), followed by India (11 percent). A large proportion of International/Humanitarian Stream applications came from Pacific nations, particularly Samoa (23 percent), Fiji (20 percent) and Tonga (13 percent). Figure 4.5 shows the proportion of applications from the main source countries through each of the residence streams in 2006/07.

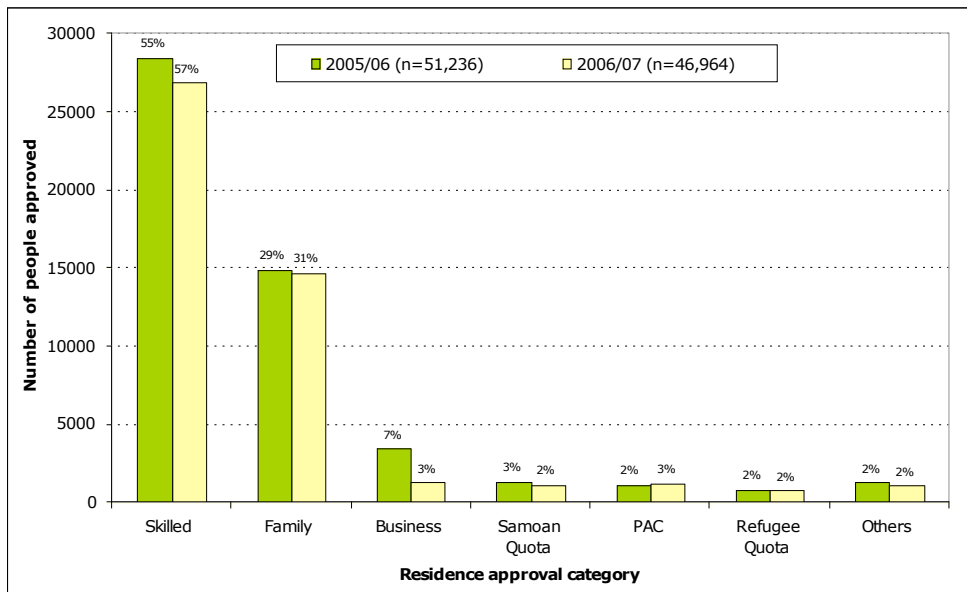
Figure 4.5 Application inflows in 2006/07



4.5 Residence approvals by category

Figure 4.6 compares the proportions of people, by category, approved for residence in the last two financial years. The Skilled categories made up 57 percent of approvals in 2006/07. The distribution of approvals across the main residence category groups has been relatively similar in recent years, with the exception of the Business categories, where numbers have decreased over the last five years. Appendix I details all residence approvals by category for the period 1 July 2006 to 30 June 2007.

Figure 4.6 Residence approvals by category



4.6 Location of residence approvals

In 2006/07, 77 percent of approved applications were made in New Zealand, up from 71 percent in 2005/06. The proportion of onshore applications has increased significantly in recent years, up from 48 percent in 2002/03 and 63 percent in 2003/04. The increase reflects the growing proportion of people living and working in New Zealand prior to applying for residence, and the immigration policies that support these transitions.²⁵ Seventy-eight percent of principal SMC applicants in 2006/07 were approved onshore, up

²⁵ These policies include the Long Term Business Visa, the Work to Residence policies and the Study to Work policies for foreign graduates.

from 71 percent in 2005/06. Table 4.2 provides a breakdown of onshore versus offshore residence approvals for all categories in 2006/07.

Table 4.2 Residence approvals by location in 2006/07

Applicant Type	Onshore		Offshore		Total
	n	%	n	%	n
Principal	19,580	77%	5,718	23%	25,298
Secondary	14,614	67%	7,052	33%	21,666
Total	34,194	73%	12,770	27%	46,964

4.7 Number of people per approved application

There was an average of 1.9 people per approved residence application in 2006/07. This average is unchanged from 2005/06, but in general, average family sizes have decreased in recent years. The average family size in the Skilled/Business Stream has decreased in each of the last five years, from 2.7 people per application in 2001/02 to 2.3 in 2006/07.

The average family size in the Family Sponsored Stream has also decreased over the last five years, from 1.5 people per application in 2001/02 to 1.3 in 2006/07.

International/Humanitarian Stream average family sizes have fluctuated in recent years and increased in 2006/07 to 2.7 people per application, up from 2.5 in 2005/06.

The average family size is higher for offshore applications than for those approved onshore. In 2006/07, the average family size for approved onshore applications was 1.7, compared to 2.2 for offshore applications. The average family size has implications for the NZRP because it impacts on the number of applications needed to meet the required number of approvals.

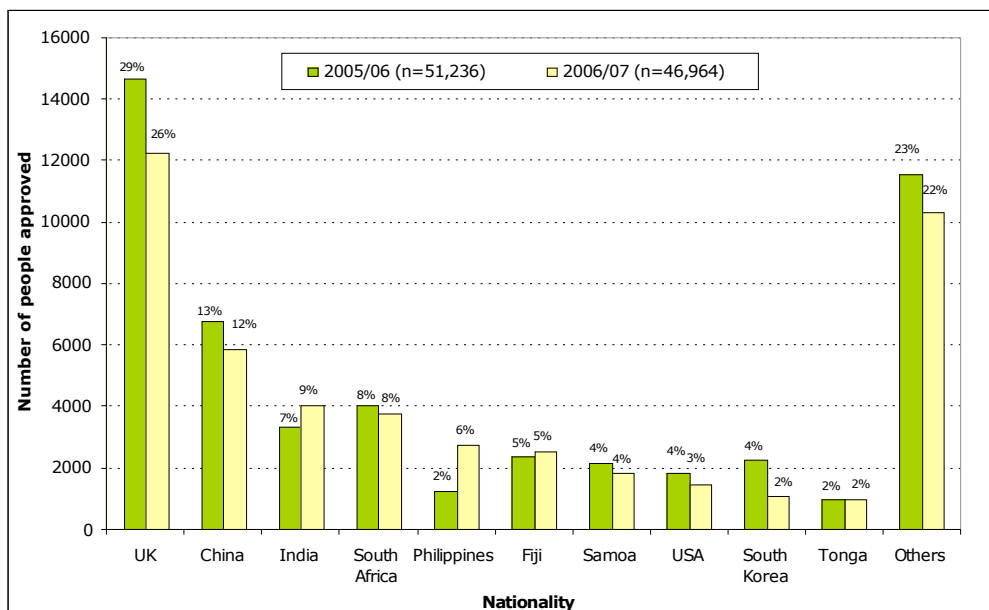
Table 4.3 Average number of people per approved residence application in 2006/07 (n = 25,298)

Stream	Onshore	Offshore	Total
Skilled/Business	2.1	3.0	2.3
Family Sponsored	1.2	1.6	1.3
International/Humanitarian	2.7	2.7	2.7
Average family size	1.7	2.2	1.9

4.8 Nationality of residence approvals

Figure 4.7 compares the nationalities of those approved for residence in the last two financial years. The UK is currently the largest source country of residence approvals (26 percent). The proportion from the UK has increased significantly in recent years (from 14 percent in 2002/03 to 29 percent in 2005/06) but decreased slightly in 2006/07 as numbers increased from India and the Philippines. China is the second largest source country (12 percent), followed by India (9 percent) and South Africa (8 percent). The decreasing number of Chinese Investor Category migrants in recent years continues to have an impact on the total number of Chinese residence approvals.

Figure 4.7 Comparison of residence approvals by largest source countries



4.8.1 Nationality by residence stream

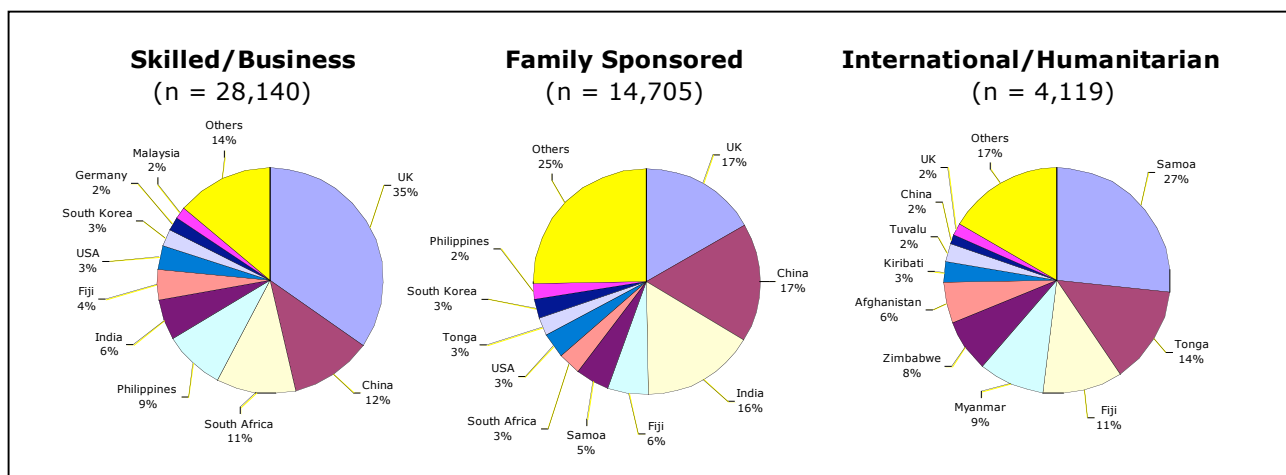
Figure 4.8 shows the largest source countries of approvals through each of the three residence streams in 2006/07. The UK is the largest source country of Skilled/Business migrants (35 percent), followed by China (12 percent), South Africa (11 percent) and the Philippines (9 percent). Over the last twelve months, Skilled/Business approval numbers decreased from the UK, China and South Africa, but increased substantially from the Philippines to make it the fourth largest source country (2,431 people in 2006/07 compared to 872 in 2005/06).

The UK and China were the largest source countries in the Family Sponsored Stream with 17 percent of approvals each. India accounted for 16 percent of approvals, up from 11 percent in 2005/06. The largest source countries in this stream have remained the same for the last five financial years, although their relative proportions have fluctuated.

The two largest source countries in the International/Humanitarian Stream were Pacific nations, reflecting the high proportion of approvals in this stream coming through the Samoan Quota and the PAC. Samoa was the largest source country (27 percent), followed by Tonga (14 percent) and Fiji (11 percent). The high proportion of approvals from Zimbabwe (8 percent) was a result of the special residence policy for Zimbabweans, which came into effect in July 2005.²⁶ Appendix J provides a breakdown of all residence approvals in 2006/07 by nationality and stream.

²⁶ The Special Zimbabwe Residence policy was closed to new applications on 28 February 2007.

Figure 4.8 Nationality of approvals through the residence streams in 2006/07



4.9 Age and gender of approvals

Figure 4.9 shows the proportion of principal and secondary applicants by age group for all people approved for residence in 2006/07. The average age of people approved for residence was 30 years old – 35 years old for principal applicants and 23 years old for secondary applicants. Two-thirds of principal applicants were aged 20–39 and 52 percent of secondary applicants were under 20.

Figure 4.9 Age of people approved for residence in 2006/07

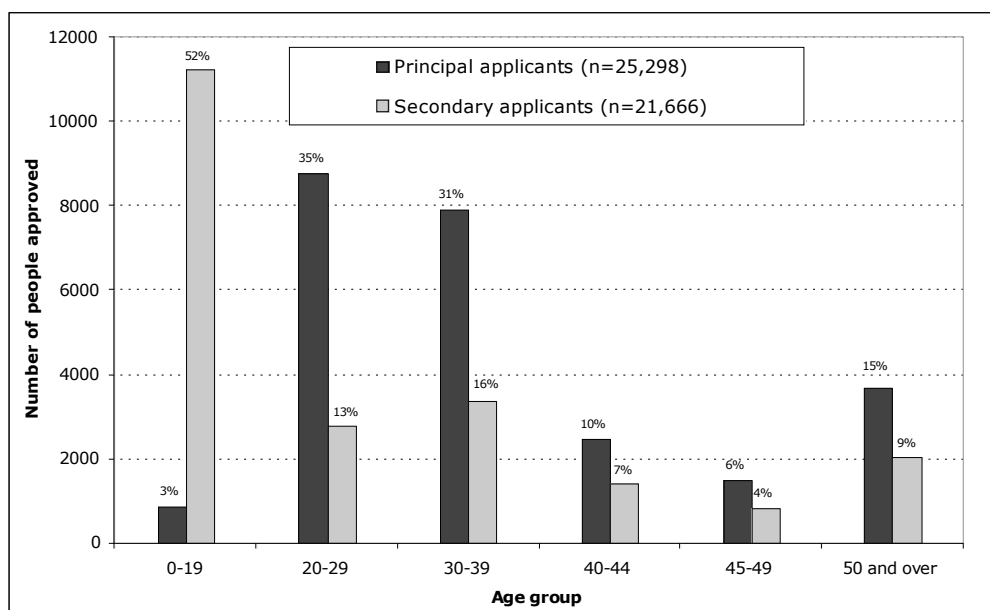


Table 4.4 shows the age ranges of residence approvals by stream in 2006/07. Almost two-thirds (63 percent) of people approved through the International/Humanitarian Stream were aged under 30, while the average age was 24 years old. Most Skilled/Business approvals were aged under 40 (80 percent), with an average age of 27 years old. The average age of Family Sponsored Stream migrants was 37 years old, with 30 percent aged 50 or over (the average age of Parent Category migrants was 60 years old).

Table 4.4 Age range of residence approvals in 2006/07

Age group	NZRP stream			Total
	Skilled/ Business	Family Sponsored	International/ Humanitarian	
0–19 years	29%	14%	44%	26%
20–29 years	23%	29%	19%	25%
30–39 years	27%	20%	20%	24%
40–44 years	10%	5%	8%	8%
45–49 years	6%	4%	4%	5%
50 and over	4%	30%	6%	12%
Total approvals	28,140	14,705	4,119	46,964

Table 4.5 compares the ratio of females to males by residence stream and age for people approved for residence in 2006/07. Overall, there were 7 percent more females approved than males, and greater differences emerged within the residence streams. In the Skilled/Business Stream, males outnumbered females in all but the 20–29 age group. Conversely, females outnumbered males across all age groups over 19 years in the Family Sponsored Stream, with twice as many females than males in the 20–29 age group. Males outnumbered females in all age groups in the International/Humanitarian Stream. Appendix K provides a breakdown of the gender ratios by age and nationality for people granted residence in 2006/07.

Table 4.5 Ratio of females to males by age group and stream for residence approvals in 2006/07

Age group	NZRP stream			Total
	Skilled/ Business	Family Sponsored	International/ Humanitarian	
0–19 years	0.93	0.96	0.90	0.93
20–29 years	1.01	2.12	0.95	1.31
30–39 years	0.97	1.46	0.95	1.08
40–44 years	0.87	1.35	0.86	0.94
45–49 years	0.78	1.53	0.82	0.91
50 and over	0.67	1.29	0.93	1.11
Overall ratio	0.93	1.47	0.91	1.07
Total approvals	28,140	14,705	4,119	46,964

4.10 Summary

- In 2006/07, 46,964 people were granted permanent residence in New Zealand – 60 percent through the Skilled/Business Stream, 31 percent through the Family Sponsored Stream and 9 percent through the International/Humanitarian Stream. The total number of applications was 25,298, with an average of 1.9 people per approved application.
- Application inflows were lower overall than in 2005/06, but inflows varied across residence streams and categories. Skilled flows were lower than in 2005/06, while those through the Family Sponsored Stream were higher. Inflows through the International/Humanitarian Stream were lower, continuing a downward trend in recent years.
- There were just over 15,300 applications on hand in the NZRP at the end of 2006/07. Within the NZRP, the Family Sponsored Stream has the largest number of applications waiting to be processed, but backlogs have remained relatively steady over the last three years.
- An increasing number of migrants live and work in New Zealand prior to gaining permanent residence. In 2006/07, 77 percent of approved applications were made onshore, up from 71 percent in 2005/06.
- The UK was the largest source country of migrants in 2006/07 – 26 percent of all residence approvals. China was the second largest (12 percent), followed by India (9 percent) and South Africa (8 percent). The Philippines continued to grow in significance as a migrant source country for New Zealand, increasing from 2 percent of residence approvals in 2005/06 to 6 percent in 2006/07.
- UK migrants accounted for 35 percent of the Skilled/Business Stream, followed by China (12 percent), South Africa (11 percent) and the Philippines (9 percent). Skilled migrant numbers from the Philippines have more than doubled over the last financial year.
- China and the UK were the largest source countries of Family Sponsored migrants (17 percent each), followed by India (16 percent, up from 11 percent in 2005/06). Samoa and Tonga were the largest source countries in the International/Humanitarian Stream (27 percent and 14 percent respectively).
- The average age of people approved for residence was 30 years old – 35 for principal applicants and 23 for secondary applicants. Two-thirds of principal applicants were aged 20–39, while 52 percent of secondary applicants were under 20 years old.
- Seven percent more females than males were granted permanent residence in 2006/07, and there were gender differences across residence streams and categories. There were more males than females approved through the Skilled/Business Stream and the International/Humanitarian Stream. Forty-seven percent more females than males were approved through the Family Sponsored Stream.

5 SKILLED/BUSINESS STREAM

5.1 Introduction

New Zealand's growing economy has led to a high demand for labour and a low unemployment rate, which, in turn, has had implications for the supply of labour. In 2006/07, there was a strong focus on attracting skilled migrants to address New Zealand's long term labour market shortages. Skilled immigration policy is one of a number of ways to address skill shortages. This chapter provides a breakdown and analysis of residence approvals through the Skilled/Business Stream in 2006/07.

The main category in the Skilled/Business Stream is the Skilled Migrant Category (SMC). The SMC is a points-based policy that allows for people to gain permanent residence in New Zealand if they have the skills, qualifications and experience to contribute to New Zealand economically and socially. In 2006/07, the Department of Labour issued a general instruction to prioritise applications made through the SMC, Refugee policy, Family Partnership and Dependent Child policies over other residence categories in the New Zealand Residence Programme (NZRP).²⁷

5.2 Skilled Migrant Category

The aim of the SMC is to contribute to New Zealand's economic growth, innovation and global connectedness. Gaining residence through the SMC is based on employability and capacity building factors and an applicant's ability to settle and contribute to New Zealand. Applicants must also meet relevant health, character and English language requirements. Applicants must meet a minimum threshold of 100 points to submit an expression of interest (EOI) into the pool.²⁸

A number of changes have been made to SMC policy since it came into effect in 2003. Changes were made to the selection process in December 2005 to give priority to highly skilled migrants and those with a skilled job or job offer in New Zealand, and to help limit oversubscription to the SMC.²⁹ Since December 2005, principal applicants who score 140 points or more in their EOI have been selected from the pool automatically.

In July 2007, changes were made to the SMC to improve its competitiveness and to align the characteristics of migrants more closely with New Zealand's skill needs. The changes included:

- amendment to the allocation of points to skilled employment, recognised qualifications and work experience in an identified future growth area
- amendment to the allocation of bonus points for study in New Zealand and for partners' offers of skilled employment and their qualifications
- SMC Work to Residence period extended from six to nine months
- the introduction of a more transparent definition of skilled employment, based on the Australia New Zealand Standard Classification of Occupations (ANZSCO).³⁰

Appendix L details the SMC points structure that has been in force since July 2007. Details of the SMC points system that applied in 2006/07 are given in section 5.2.4.

²⁷ See Chapter 6 for details about the prioritisation of applications in the Family Category.

²⁸ EOIs can be made manually or online (via the Immigration New Zealand website). An EOI made online will only be accepted if the points initially total 100 or more. EOIs selected from the pool undergo a verification process, which may result in a change to the number of points claimed by the principal applicant.

²⁹ Up until December 2005, EOIs were ranked on the basis of the points claimed and those meeting a set selection point were selected from the pool. Between September 2004 and December 2005, the selection point was set at 100.

³⁰ The ANZSCO definition will be implemented in February 2008.

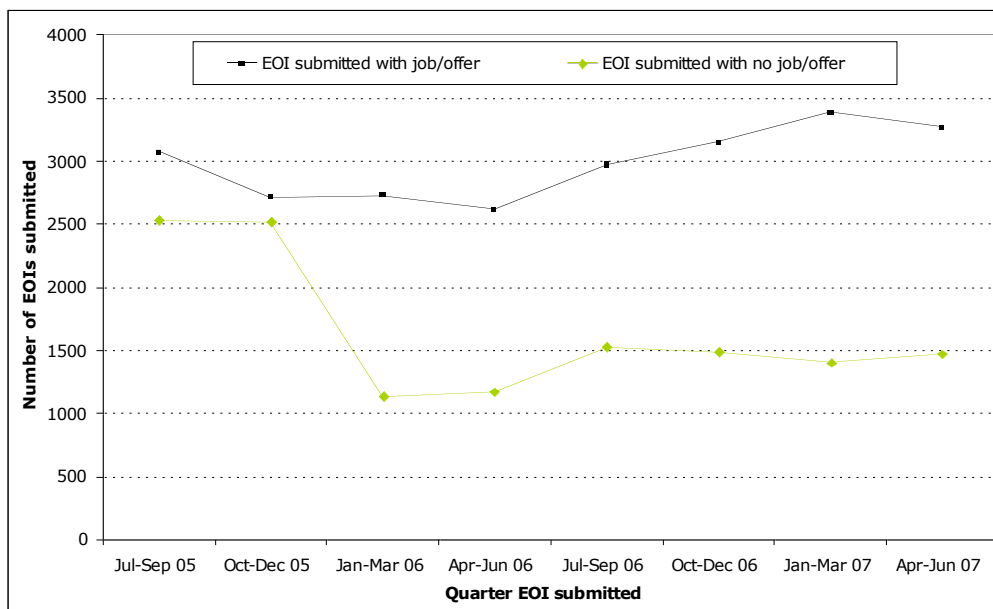
5.2.1 Expressions of interest

Applicants who score between 100 and 140 points and have a skilled job or offer are ranked and selected from the EOI pool in sufficient numbers to meet the required places for the Skilled/Business Stream at the time of that selection. If further places are available in any given selection, additional EOIs may be selected from the pool on the basis of criteria set by the Minister of Immigration. Since February 2006, the following criteria have been used to select additional EOIs from the pool. Where these criteria have been used for selection, they have been applied in the order set out below:

- EOIs that include 15 points for work experience in an area of absolute skills shortage (in descending order of their points total).
- EOIs that include 10 points for work experience in an area of absolute skills shortage (in descending order of their points total).
- EOIs that include 10 points for a qualification in an area of absolute skills shortage (in descending order of their points total).
- The points total of EOIs not meeting any of the above three criteria (in descending order).

Figure 5.1 shows the number of EOIs submitted per quarter over the last two financial years. EOI inflows increased over the second half of 2006/07, a result of the substantial increase in the number of principal applicants submitting an EOI with a job or offer. Figure 5.1 also shows the effect of the changes to the EOI selection process in December 2005. The impact of those changes was an immediate decrease in the number of EOIs without a job or offer. Since those changes, the number of principal applicants submitting an EOI with a skilled job or offer has been substantially higher than the number without.

Figure 5.1 EOI inflows in 2005/06 and 2006/07



There were 25 pool selections in 2006/07. In total, 17,930 EOIs (39,753 people) were selected from the pool, down slightly from 18,153 EOIs (41,251 people) in 2005/06. Seventy-one percent of principal applicants selected from the pool in 2006/07 claimed points for a job or offer, up from 62 percent in 2005/06. Appendix M details the draws in 2006/07. Selected EOIs undergo an initial verification process and, if successful, are offered an invitation to apply for residence through the SMC. In 2006/07, 14,007 principal

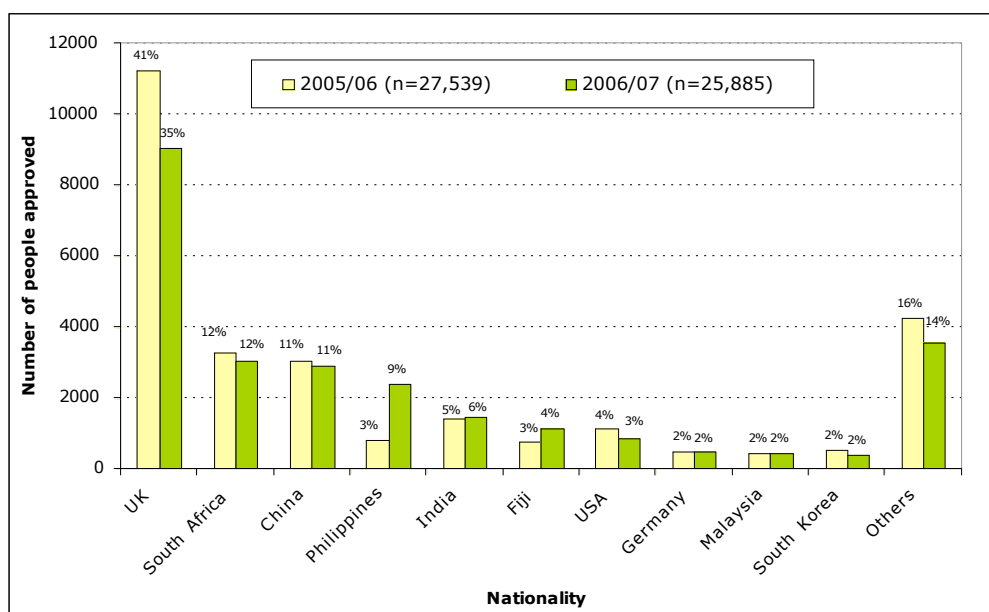
applicants (31,072 people) were issued an invitation to apply for residence, compared to 16,151 principal applicants (37,854 people) in 2005/06.

5.2.2 Nationality of SMC approvals

In 2006/07, 25,885 people were approved for residence through the SMC. SMC approvals accounted for 55 percent of all residence approvals in 2006/07, compared to 54 percent in 2005/06. SMC approval numbers were down slightly from 27,539 in 2005/06, reflecting the lower number of people approved through the NZRP overall.

The UK remains the largest source country of approvals (35 percent), although the proportion from the UK has decreased since the SMC came into effect. The UK accounted for 41 percent of SMC approvals in 2005/06 and 49 percent in 2004/05. South Africa was the second largest source country (12 percent) followed by China (11 percent). SMC approvals from the Philippines have increased over the last 12 months, from 808 in 2005/06 to 2,404 in 2006/07, and were 9 percent of approvals in 2006/07. Figure 5.2 compares approval numbers over the last two financial years by nationality.

Figure 5.2 Nationalities of SMC approvals: 2005/06–2006/07

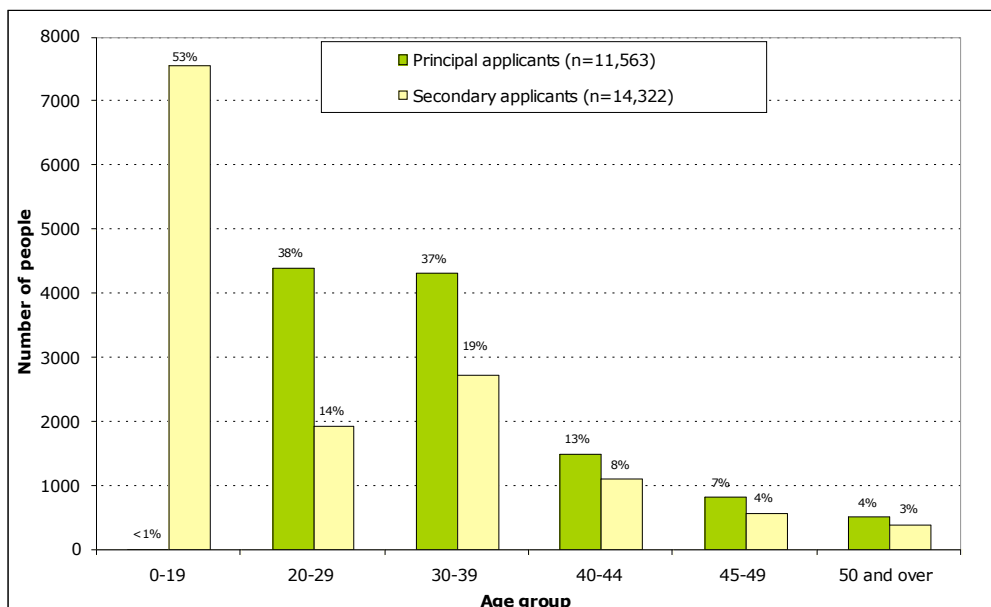


5.2.3 Age and gender of SMC approvals

Figure 5.3 shows the age of principal and secondary applicants approved through the SMC in 2006/07. Most principal applicants were aged 20–39 (75 percent). Principal applicants aged 20–29 can claim the maximum points for age (30 points), with the points for age decreasing after this. Thirty-eight percent of principal applicants claimed the maximum points for age. The low proportion of principal applicants over 50 (4 percent of principal applicants) reflects the maximum age limit of 55 under the SMC. Fifty-three percent of secondary applicants were under 20 years old.

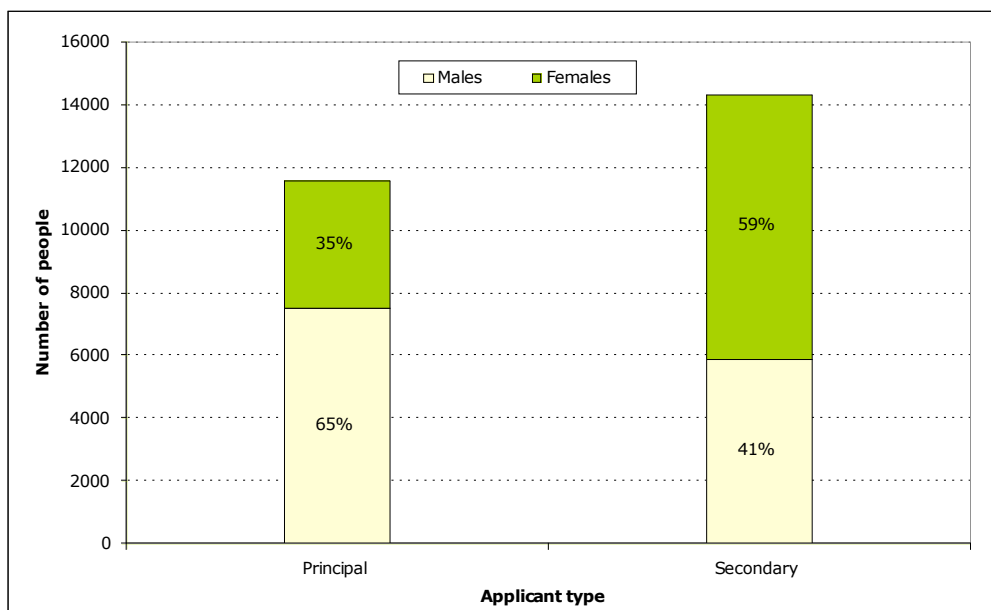
The average age of people through the SMC has decreased over the last three years, as growing numbers of young Chinese migrants (former international students) have gained residence. The average age for principal applicants has decreased from 35 in 2004/05 to 33 in 2006/07. The average age of Chinese principal applicants approved in 2006/07 was 25 years old. In 2006/07, 91 percent of Chinese principal applicants approved through the SMC were aged 20–29 years old.

Figure 5.3 Age ranges of SMC approvals in 2006/07



Slightly more males (52 percent) than females were approved through the SMC in 2006/07, and 65 percent of principal applicants were male. In comparison, 59 percent of secondary applicants approved in 2006/07 were female.

Figure 5.4 Gender of SMC approvals in 2006/07 (n = 25,885)



5.2.4 Points claimed by SMC principal applicants

This section includes information on the points claimed by principal applicants approved through the SMC. Table 5.1 provides a description of the SMC points that applied in 2006/07. Different criteria operate within each point factor, and more information can be obtained by consulting the website www.immigration.govt.nz/skilledmigrant.

Table 5.1 SMC points for employability and capacity building factors³¹

Factors	Points
Skilled employment	
• Current skilled employment in New Zealand for 12 months or more	60
• Offer of skilled employment in New Zealand or current skilled employment in New Zealand for less than 12 months	50
<i>Bonus points for employment or offer of employment in:</i>	
• An identified future growth area or identified cluster	5
• An area of absolute skills shortage	10
• Region outside Auckland	10
• Partner employment or offer of employment	10
Work experience	
• 2 years	10
• 4 years	15
• 6 years	20
• 8 years	25
• 10 years	30
<i>Additional bonus points if work experience in New Zealand:</i>	
• 2 years	5
• 4 years	10
• 6 years or more	15
<i>Additional bonus points for work experience in an identified future growth area or identified cluster:</i>	
• 2 to 5 years	5
• 6 years or more	10
<i>Additional bonus points for work experience in an area of absolute skills shortage:</i>	
• 2 to 5 years	10
• 6 years or more	15
Qualifications	
• Recognised basic qualification (e.g. trade qualification, diploma, bachelor's degree, bachelor's degree with honours)	50
• Recognised post graduate qualification (master's degree, doctorate)	55
<i>Bonus points for:</i>	
• Recognised New Zealand qualification (and at least two years' study in New Zealand)	10
• Qualification in an identified future growth area or cluster	5
• Qualification in an area of absolute skill shortage	10
• Partner qualifications	10
Close family support in New Zealand	
	10
Age (20 to 55 yrs)	
• 20–29	30
• 30–39	25
• 40–44	20
• 45–49	10
• 50–55	5

Table 5.2 shows the points claimed by SMC principal applicants in 2006/07. Sixty-seven percent of principal applicants gained points for current employment, while 18 percent had an offer of skilled employment. In total, 85 percent of SMC principal applicants were awarded points for a job or offer of skilled employment in New Zealand, up from 75 percent in 2005/06.

³¹ From 30 July 2007, the allocation of points under the Skilled Migrant Category differs from that described in Table 5.1. A summary of the points structure that has been in force since 30 July 2007 is given in Appendix L.

Over half of all principal applicants (56 percent) claimed bonus points for a job or a job offer outside the Auckland region, down slightly from 58 percent in 2005/06. Eighteen percent claimed bonus points for a job or a job offer in an area of absolute skills shortage.

The majority of principal applicants (67 percent) gained points for work experience, and 18 percent gained bonus points for work experience in an area of absolute skills shortage. Thirty-two percent had qualifications in a skills shortage area, up from 31 percent in 2005/06 and 29 percent in 2004/05. Seventeen percent of principal applicants gained points for a recognised New Zealand qualification, unchanged from 2005/06. The majority of those with New Zealand qualifications were 20–29 years old (90 percent), and were typically from China (75 percent), India (7 percent), or Malaysia (4 percent).

Table 5.2 Points claimed by SMC principal applicants in 2006/07

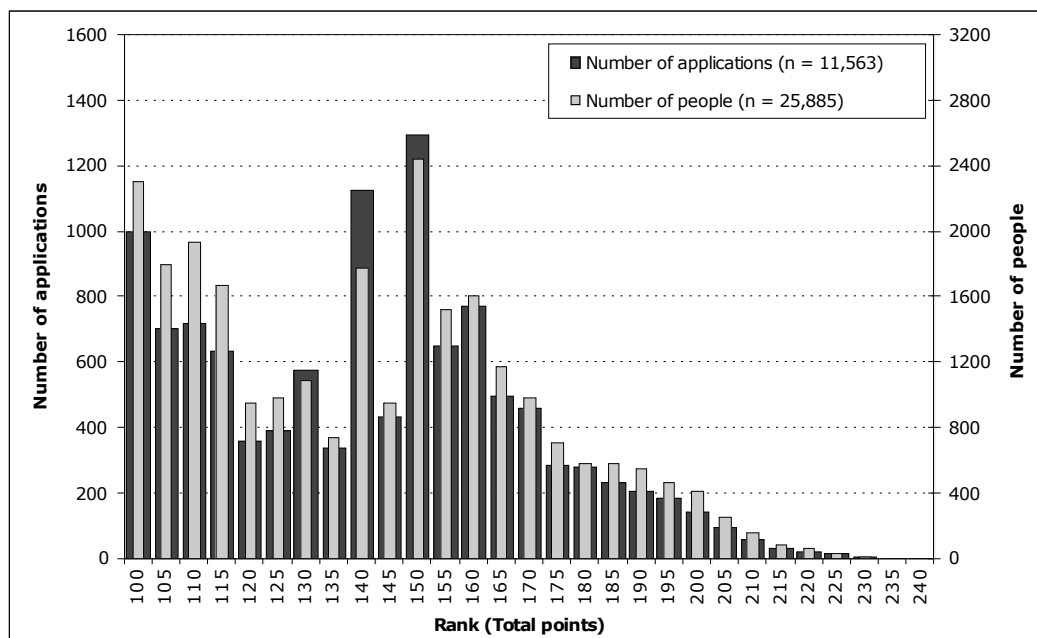
Factor	% gaining points
Skilled employment	
Skilled employment 12 months or more	23
Skilled employment <12 months	44
Offer of skilled employment	18
No employment	15
Bonus points for employment or offer of employment	
Identified future growth area	5
Identified cluster area	<1
An area of absolute skills shortage	18
Region outside Auckland*	56
Partner employment or offer of employment	3
Relevant work experience	
2 years	11
4 years	10
6 years	10
8 years	8
10 years	28
Bonus points for New Zealand work experience	
2 years	7
4 years	1
6 years or more	<1
Additional bonus points for work experience	
Identified future growth area (2 to 5 years)	2
Identified future growth area (6 years or more)	2
Identified cluster area (2 to 5 years)	<1
Identified cluster area (6 years or more)	<1
An area of absolute skills shortage (2 to 5 years)	7
An area of absolute skills shortage (6 or more years)	11
Qualifications	
Recognised basic qualification	69
Recognised post graduate qualification	10
Bonus points for qualifications	
Recognised New Zealand qualification	17
Recognised qualification in an identified future growth area	3
Recognised qualification in an identified cluster area	<1
Recognised qualification in an area of absolute skills shortage	32
Partner qualifications	16
Close family support in New Zealand	
Age	
20–29 years	40
30–39 years	37
40–44 years	13
45–49 years	7
50–55 years	4
Total principal applicants	11,563

*9,824 principal applicants were awarded points for a job or job offer. Of these, region data was recorded for 9,211. Fifty-six percent of those with the region of employment recorded stated a region outside of the Auckland region.

5.2.5 Distribution of point rankings

Figure 5.5 shows the distribution of point ranks for those approved for residence through the SMC. The average (mean) point rank for approvals in 2006/07 was 135 for offshore approvals, 145 for onshore approvals and 140 overall.

Figure 5.5 Distribution of point rankings for SMC approvals in 2006/07



In 2006/07, 9,824 approved principal applicants (85 percent) were awarded points for a job or offer. Principal applicants approved onshore were more likely to have been awarded points for a job or offer of skilled employment.³² In 2006/07, 56 percent of onshore approvals had been employed for less than 12 months, up from 47 percent in 2005/06. The proportion of offshore approvals with a job or job offer increased from 49 percent in 2005/06 to 64 percent in 2006/07. Table 5.3 shows the breakdown of onshore versus offshore principal applicants and the types of employment for which they were awarded points under the SMC.

Table 5.3 Location and type of employment for approved SMC principal applicants in 2006/07

Type of skilled employment in NZ	Onshore	Offshore	Total
	%	%	%
Employed 12 months or more	30%	0%	23%
Employed less than 12 months	56%	2%	44%
Offer of employment	5%	62%	18%
Neither a job nor a job offer	9%	35%	15%
Total principal applicants	9,047	2,518	11,563

³² In 2006/07, 78 percent of SMC principal applicants were approved onshore, and 22 percent were approved offshore. Ninety-one percent of onshore approvals were awarded points for a job or offer compared to 65 percent of offshore approvals.

5.3 Region of employment

The SMC recognises the value of immigration to all regions in New Zealand and awards bonus points for employment outside Auckland, the location of New Zealand's largest migrant population.³³ Table 5.4 details the proportion of approved principal applicants by region of employment. The table shows that Auckland, Wellington and Canterbury were the main regions of employment.

Table 5.4 Region of employment for SMC principal applicants in 2006/07*

Region	n	%
Auckland	4,038	44%
Wellington	1,315	14%
Canterbury	1,264	14%
Waikato	699	8%
Bay of Plenty	385	4%
Otago	320	3%
Hawkes Bay	182	2%
Northland	169	2%
Manawatu	167	2%
Taranaki	135	1%
Nelson	98	1%
Southland	88	1%
Marlborough	60	1%
Wairarapa	60	1%
Central Plateau	53	1%
Wanganui	48	1%
West Coast	48	1%
Other regions	82	1%
Total	9,211	100%

* Of the 11,563 principal applicants approved through the SMC in 2006/07, 9,824 had a job or offer of employment. Of these, 9,211 recorded their region of employment.

5.4 Occupations of SMC principal applicants

Experience shows that migrants are likely to settle quickly and make a greater contribution to New Zealand's economic and social well-being if they are able to apply their particular skills in satisfying employment. The information presented here provides a basis to evaluate the impact of migrants on the New Zealand labour market.

5.4.1 Occupation data collection

Occupational data is recorded for a number of residence categories. For applicants through the SMC, data is captured on the principal applicant's main occupation (their occupation during the 12-month period before residence). The occupation of job offers is recorded on the EOI form. The New Zealand Standard Classification of Occupations (NZSCO) is used to classify both the occupational group (NZSCO level 1) and the occupation description (NZSCO level 5) of the main occupation and the job or offer of employment. The data is collected for the principal applicant in each application.

Of the principal applicants awarded points for a job or offer, 36 percent had a main occupation classified as Professional and, in particular, recorded occupations in the health,

³³ Employment is outside the Auckland region if the principal applicant's entire or principal place of work is not within one of the following territorial authorities: Rodney District Council, North Shore City Council, Waitakere City Council, Auckland City Council, Manukau City Council, Papakura District Council and Franklin District Council.

education, engineering and information technology sectors. A further 19 percent had main occupations classified as Technicians and Associate Professionals, and 18 percent were Legislators, Administrators and Managers. Fourteen percent were classified as Trades Workers. The proportion of people classified as Service and Sales Workers decreased from 9 percent in 2005/06 to 7 percent in 2006/07.

The job offer data has been coded to NZSCO for most but not all principal applicants approved in 2006/07 (see note below Table 5.5). For those that are coded, there is a high correlation between the principal applicant's main occupation and their job or job offer in New Zealand. Of the job or job offers coded to date, 79 percent of principal applicants had a job or offer in the same occupational group as their main occupation. This correlation demonstrates a strong link between an applicant's occupation in their home country and their employment outcomes in New Zealand. It also reflects the high proportion of applicants working in New Zealand prior to gaining residence.

Table 5.5 Occupations of SMC principal applicants in 2006/07

Occupational group	Main occupation*		Job/job offer**	
	n	%	n	%
Legislators, Administrators, Managers	1,736	18%	1,426	15%
Professionals	3,548	36%	3,177	33%
Technicians and Associate Professionals	1,883	19%	1,611	17%
Clerks	185	2%	213	2%
Service and Sales Workers	652	7%	682	7%
Agriculture and Fishery Workers	192	2%	187	2%
Trades Workers	1,384	14%	1,273	13%
Plant and Machine Operators and Assemblers	175	2%	221	2%
Other***	69	1%	881	9%
Total	9,824	100%	9,671	100%

* Main occupation is the job the applicant spent the most hours doing in the past 12 months.

** Not all SMC approvals had a job offer recorded on their EOI form.

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

The SMC has attracted skilled migrants in a broad range of sectors. Some of the main sectors in 2006/07 included health, education, finance, information technology and trades occupations. Some of the most common occupations included registered nurses, secondary school teachers, chefs, restaurant managers, electricians and accountants. Table 5.6 shows the most common main occupations recorded at the 5-digit NZSCO level for SMC principal applicants approved with a job or offer.

Table 5.6 Examples of the main occupations of SMC principal applicants*

Main occupation group	Examples of occupations
Legislators, Administrators, Managers	<ul style="list-style-type: none">• Sales and/or marketing manager• Restaurant or tavern manager• Project manager• General manager
Professionals	<ul style="list-style-type: none">• Nurse and other medical specialists• IT/software related occupations• Secondary or early childhood teacher• University lecturer• Accountant• Civil, electronic, or mechanical engineer
Technicians and Associate Professionals	<ul style="list-style-type: none">• Book keeper• Computer systems/services technician• Graphic designer• Health related occupations (social worker, occupational therapist, physiotherapist)• Telecommunications technician
Clerks	<ul style="list-style-type: none">• Accounts administrator• Researcher
Service and Sales Workers	<ul style="list-style-type: none">• Chef• Prison officer• Police officer• Hairdresser
Agriculture and Fishery Workers	<ul style="list-style-type: none">• Dairy farmer, dairy farm worker• Arborist• Farm manager (sheep, cattle, pig)
Trades Workers	<ul style="list-style-type: none">• Electrician• Plumber• Motor mechanic/diesel mechanic• Fitter welder/fitter turner• Carpenter/other building trades
Plant and Machine Operators and Assemblers	<ul style="list-style-type: none">• Roofer• Aluminium joiner• Line mechanic• Gasfitter

* Main occupation is the job the applicant has spent the most hours doing in the past 12 months.

5.5 Skilled Migrant Work to Residence policy

Principal applicants applying through the SMC are assessed on their ability to settle and contribute to New Zealand. Applicants may be granted residence if they can demonstrate this ability – such evidence includes skilled employment in New Zealand (or an offer of skilled employment), or New Zealand qualifications that are either to a specified level, in an area of identified growth, or relevant to an occupation that is in absolute shortage.

Applicants who are unable to demonstrate their ability to settle and contribute, but who demonstrate that potential, may be issued a work permit for the purpose of obtaining an offer of ongoing skilled employment in New Zealand. The Work to Residence permit is issued for nine months.³⁴ To gain residence through the SMC, an applicant must show that they have obtained an offer of skilled employment in New Zealand. Following their residence approval, they must work in that skilled job for at least three months.³⁵

Since the policy came into effect in December 2003, 2,112 principal applicants have been issued a Work to Residence permit through the SMC policy. At the end of June 2007, 878 (42 percent) had been granted permanent residence through the SMC. However, the transition rates vary depending on the policy under which the Work to Residence permit was issued.

Approximately 67 percent of people issued their permit under the original two-year policy had gained residence by 30 June 2007. Of those issued a six-month permit between 21 December 2005 and 9 April 2007, approximately 38 percent had gained permanent residence. Most people issued the nine-month permit under the 10 April 2007 policy change have had insufficient time to gain permanent residence – 8 percent of people issued the nine-month permit had gained residence by 30 June 2007.

5.6 Work to Residence policies – Talent Visa and LTSSL

The Talent Visa and Long Term Skill Shortage List policy foster links between temporary work and permanent residence in New Zealand. The Talent Visa enables accredited employers and certain organisations to recruit non-residents who are highly skilled or talented. The Long Term Skill Shortage List policy enables people who have an offer of employment in an occupation on the Long Term Skill Shortage List (LTSSL) to gain permanent residence.

To qualify for a Talent Visa (Accredited Employers), an applicant needs to have an offer of employment in New Zealand for at least 24 months with an accredited employer and a minimum base salary of NZ\$50,000 per annum.³⁶ Under the Talent (Arts, Culture and Sports) policy, an applicant deemed to have exceptional talent in a declared field of art, culture or sport can be sponsored by a New Zealand organisation of national repute in the declared field.

³⁴ The Work to Residence permit was issued for up to two years when the policy first came into effect, but was reduced to six months in December 2005. Since 10 April 2007, onshore applicants have been granted a nine-month permit. Offshore applicants are granted a three-month visa, allowing a nine-month work permit to be granted on arrival in New Zealand

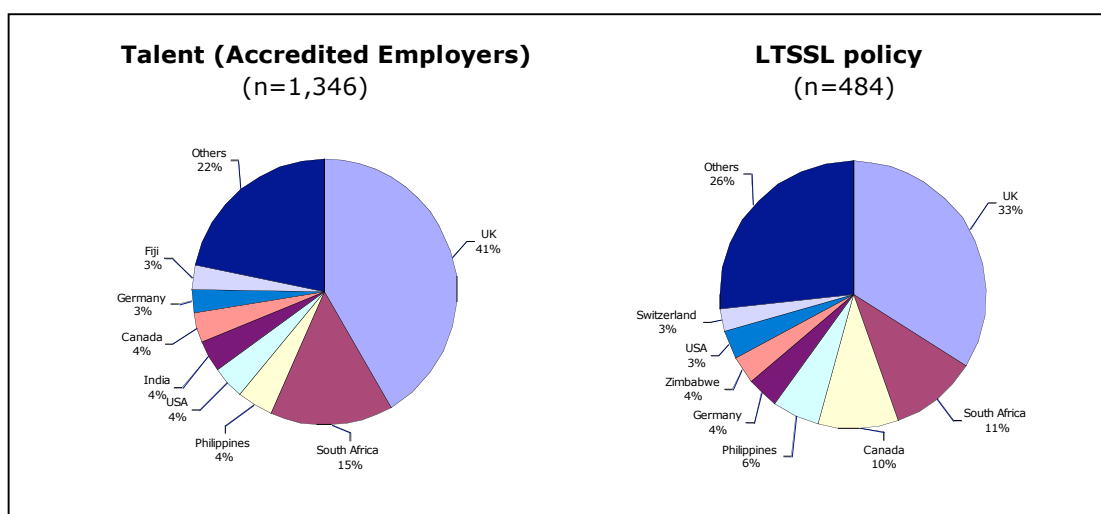
³⁵ For applicants who lodged an application on or after 21 December 2005 and before 10 April 2007, a further work permit may be granted (for a maximum of three months) where the applicant has an offer of skilled employment but requires a further work permit to meet the three-month job requirement of that policy. Where the permit holder has not obtained an offer of employment after six months, they may be issued a further three-month permit. If they obtain an offer of skilled employment within this period, they must submit an expression of interest to re-apply for residence through the SMC.

³⁶ Applications made before 30 July 2007 required a base salary of \$45,000.

To qualify through the LTSSL policy, a suitably qualified applicant needs to have an offer of employment in New Zealand for at least 24 months in an occupation on the LTSSL. The offer of employment must meet the LTSSL specifications for that occupation. After two years, permit holders may apply for residence if they continue to meet the requirements of the policy.

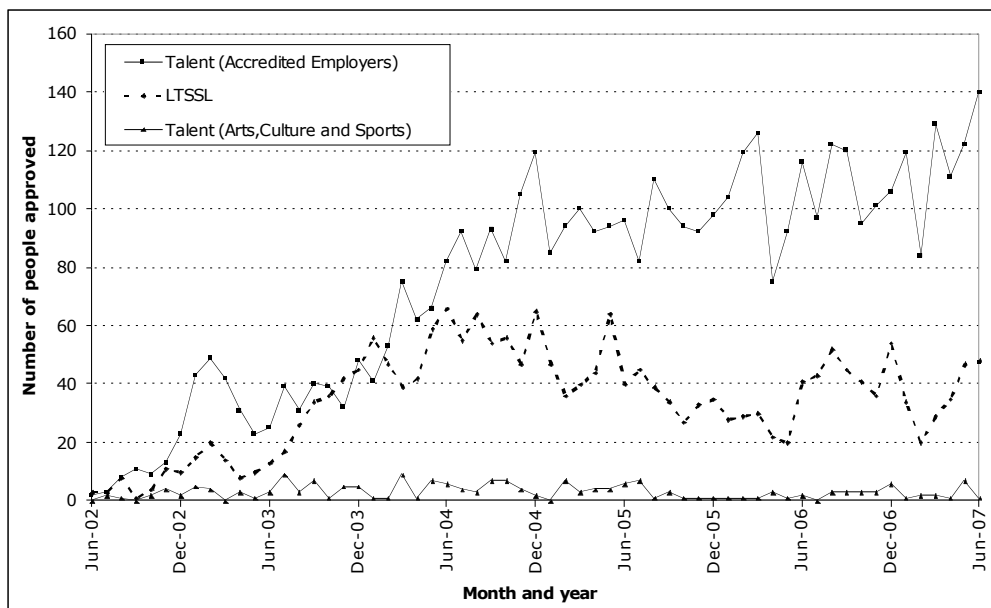
In 2006/07, 1,862 permits were issued under the Talent and LTSSL policies, up from 1,645 in 2005/06. The main source countries were the UK, South Africa and Canada. There were 1,346 people approved through the Talent (Accredited Employers) policy, 484 through the LTSSL policy, and 32 through the Talent (Arts, Culture and Sports) policy. Figure 5.6 shows the nationalities of principal applicants issued work permits through the Talent (Accredited Employers) and LTSSL policies in 2006/07.

Figure 5.6 Nationality of people approved a work permit through the Talent (Accredited Employers) and LTSSL policies in 2006/07



The number of people issued permits through the Talent (Accredited Employers) policy has grown steadily since 2002. The number of applications through the LTSSL policy was highest when the SMC first came into effect but has decreased over the last two financial years. It is likely that many potential LTSSL work permit applicants choose to apply for permanent residence through the SMC because of the points awarded to applicants who have an occupation, qualifications and work experience in an area of absolute shortage. The number of people approved through the Talent (Arts, Culture and Sports) policy has remained steady but low. Figure 5.7 shows the number of approvals through each of the Work to Residence policies since they came into effect in 2002.

Figure 5.7 Number of people approved a work permit through the Talent and LTSSL policies since April 2002



Research into these policies has shown a tendency for Talent and LTSSL work permit holders to convert to residence earlier than intended by the policy, particularly for LTSSL permit holders.³⁷ A high proportion of those who gain permanent residence do so through the SMC, rather than through the Residence from Work categories.

Since the Work to Residence policies came into effect, 6,872 people have been granted a Talent Visa or LTSSL Occupation work permit. Of these, 2,785 (41 percent) had been granted residence by the end of June 2007. Of the 2,785, approximately 72 percent gained residence within 24 months of being issued the work permit.

Table 5.7 shows the residence categories through which applicants were approved and the proportion approved through each category. Ninety-seven percent were approved through Skilled residence categories, predominantly the SMC. Twenty-six percent were approved through the Residence from Work categories.

³⁷ Merwood, P. (2006). *From Work to Residence: An evaluation of work policies that provide a pathway to permanent residence in New Zealand*. Department of Labour. Wellington.

Table 5.7 Residence categories through which Talent and LTSSL Occupation work permit holders were granted residence as at 30 June 2007

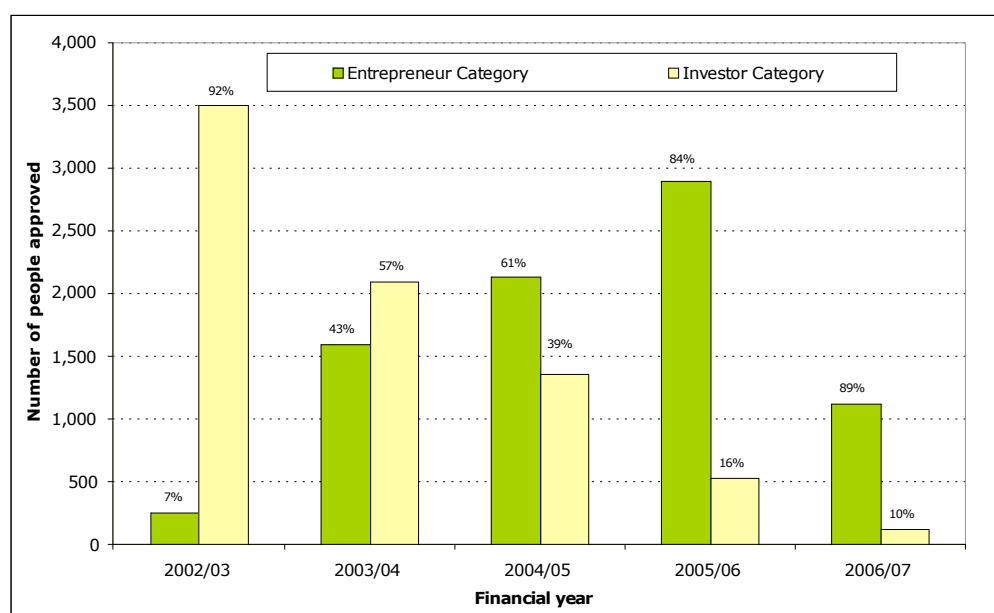
Residence category	Work permit category			Total	
	Talent (Accredited Employers)	LTSSL	Talent (Arts, Culture and Sports)	n	%
Skilled Migrant Category	1,137	739	19	1,895	68%
Talent (Accredited Employer)	551	0	0	557	20%
LTSSL Occupation policy	0	114	0	116	4%
1995 General Skills Category	40	43	0	83	3%
Partnership	34	14	7	55	2%
Talent – Sports	0	0	28	28	1%
Talent – Arts and Culture	0	0	20	20	1%
Others	19	12	8	31	1%
Total gained residence	1,781	922	82	2,785	100%
Total work permits granted	4,576	2,108	188	6,872	
% converted to residence	39%	44%	44%	41%	

5.7 Business categories

Business immigration policy seeks to increase New Zealand’s level of human and investment capital, as well as increase enterprise and innovation, and foster international links. In 2006/07, 1,263 people were approved for residence through the Business categories, representing 3 percent of all residence approvals in this financial year. Business category approval numbers have decreased steadily since reaching a peak of over 4,500 in 2001/02.

Investor Category approval numbers have decreased over the last five years but, up until 2006/07, have been offset by growing numbers through the Entrepreneur Category. However, Entrepreneur Category approvals fell from 2,902 in 2005/06 to 1,128 in 2006/07, causing a decrease in the total number of approvals through the Business categories. Figure 5.8 shows the composition of Business category approvals over the last five financial years.

Figure 5.8 Business category approvals: 2002/03–2006/07*



* A small number of people are approved through the Employees of Relocating Businesses Category each financial year (six people in 2006/07).

5.7.1 Investor Category

The Investor Category allows people to gain residence in New Zealand on the condition that they invest in New Zealand. In July 2005, a new Investor Category policy came into effect, with a significant shift in the way investors are granted residence. The 2005 policy required the targeted use of investor funds, but has attracted relatively few skilled business people to New Zealand.

In November 2007, the 2005 Investor Category was replaced by the Active Investor Migrant policy.³⁸ Under the new policy, investor migrants must actively contribute to New Zealand businesses, directly or indirectly. Passive investment, such as having money in a bank or in residential property, will not be an acceptable form of investment. The Active Investor Migrant policy is segmented into three sub-categories on the basis of the migrant's potential contribution and the assessed level of risk.

- Global Investors – highest priority category for high value investors investing \$20 million (including at least \$5 million in active investment).
- Professional Investors – a second priority category for migrants investing \$10 million (including at least \$2 million in active investment).
- General (Active) Investors – a category for those investing a minimum of \$2.5 million.

The General (Active) Investor category is a points-based system, which prioritises migrants on the basis of their potential to contribute to New Zealand businesses. The points system recognises the importance of having both financial and human capital, the benefit of active investment, and the value of export linkages, entrepreneurship and management skills.

There were 129 people approved through the Investor Category in 2006/07. Of these, 49 were approved under the 2005 Investor Category, and 80 were approved through the former Investor Category. Figure 5.9 compares the nationalities of approvals through the Investor Category policies over the last three financial years.

China was the largest source country of Investor Category approvals in 2006/07 (33 percent), followed by the UK (19 percent) and the USA (10 percent). While the number of approvals has fallen for all of the main source countries, the decrease has been most significant for China, particularly following policy changes in 2002.

³⁸ The final date for submissions of expressions of interest under the 2005 Investor Category was 31 July 2007.

Figure 5.9 Nationality of Investor Category approvals

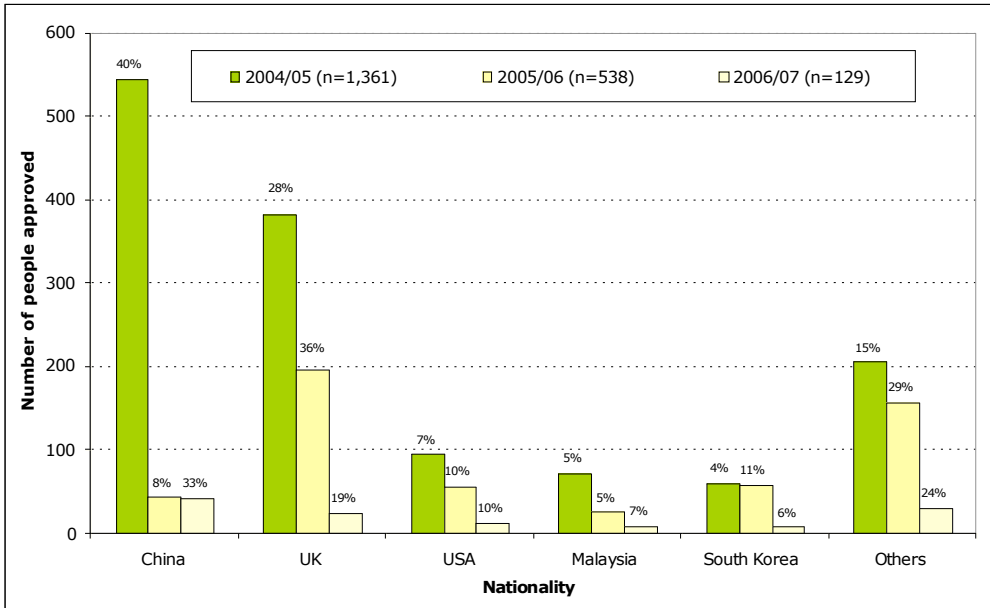
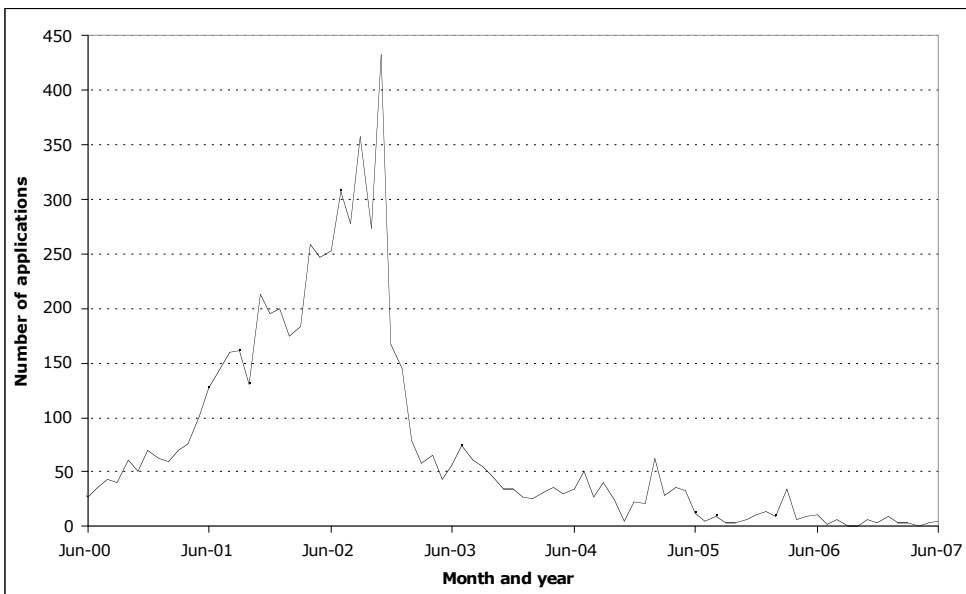


Figure 5.10 shows the inflow of applications through the Investor Category since July 2000. The impact of the policy changes in November 2002 is clearly evident. These changes tightened operational requirements around an investor’s source of funds and increased the English language requirements from IELTS level 4 to level 5.

Figure 5.10 Application inflows through the Investor Category



5.7.2 Entrepreneur Category

Figure 5.11 compares the nationalities of people approved through the Entrepreneur Category in the last three financial years. Approval numbers increased in 2004/05 and 2005/06 as a growing number of people on Long Term Business Visas (LTBVs) became eligible for residence (see section 5.7.3). In 2005/06, however, most of those LTBVs had worked through the system, and in 2006/07, the number of Entrepreneur Category approvals was considerably lower (1,128 compared to 2,902 in 2005/06). China was the largest source country in 2006/07 (29 percent), followed by South Korea (23 percent).

Figure 5.11 Nationalities of Entrepreneur Category approvals

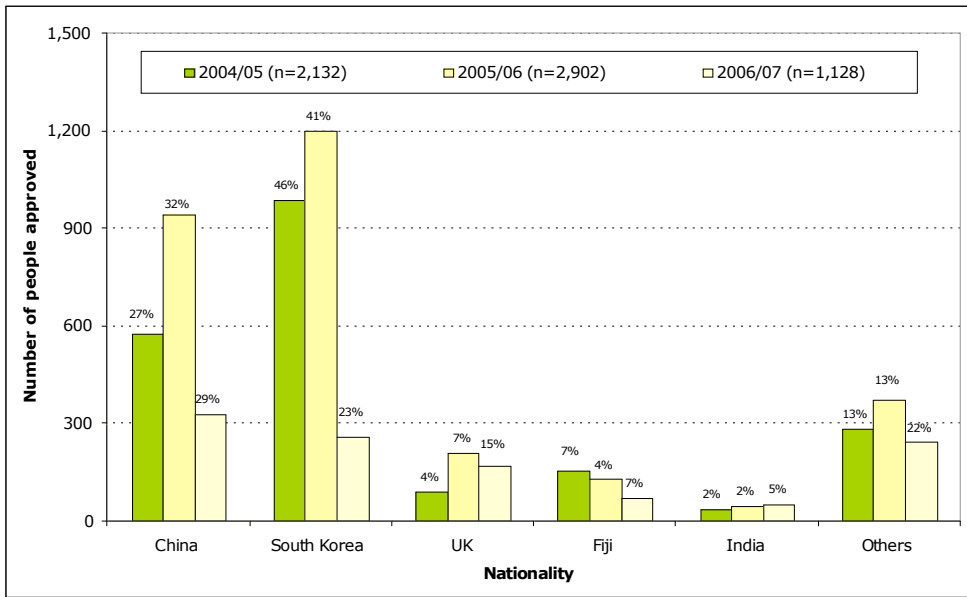
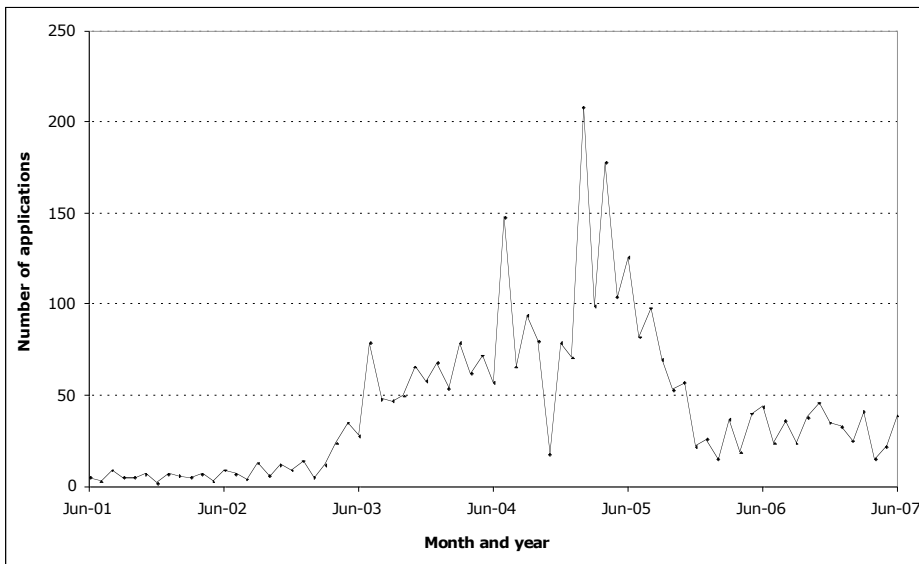


Figure 5.12 shows the inflow of applications through the Entrepreneur Category since 2001/02. Inflows grew steadily in 2003/04 and 2004/05 as a high number of LTBV holders reached the three-year requirement of their permit, after which they could apply for residence. Lower inflows of applications in the last two years, combined with decreasing numbers of LTBVs granted, have resulted in the lower number of approvals in the 2006/07 financial year.

Figure 5.12 Application inflows through the Entrepreneur Category



5.7.3 Long Term Business Visas and the Entrepreneur Category

The LTBV is a temporary immigration policy that caters for people who are interested in establishing a business in New Zealand, and subsequently applying for residence through the Entrepreneur Category. People can also use the LTBV if they are interested in establishing a business in New Zealand but are not living permanently in New Zealand.

The LTBV is issued for nine months. By the end of the nine-month period, applicants must provide evidence of having established a business in order to be granted an extension to

their LTBV for the remainder of the three-year term (including the initial nine months).³⁹ The LTBV can still be renewed for three years if certain conditions are met, and holders can still apply for residence after being self-employed in the country for two years.

In 2006/07, 170 principal applicants were granted an LTBV. This compares to 153 in 2005/06 and 229 in 2004/05. Since the LTBV was introduced in March 1999, 4,947 principal applicants have been granted an LTBV. The number of LTBVs granted has decreased since 2001/02 when numbers were at their highest, but have levelled out over the last three financial years. The following analysis is of those principal applicants who would have spent over three years on an LTBV by June 2007, and examines their conversion rates to residence.

Between 1 March 1999 and 30 June 2004, 4,414 principal applicants were granted an LTBV. By the end of June 2007 (a minimum of three years after being approved for an LTBV), 65 percent had converted to residence. Table 5.8 details the categories through which these LTBV holders converted to residence. As at 30 June 2007, 84 percent (2,401 principal applicants) converted via the Entrepreneur Category.

Table 5.8 Residence categories through which LTBV holders (March 1999–June 2004) were granted residence as at 30 June 2007

Residence category	Number of principal applicants	Proportion of conversions	Proportion of LTBV principal applicants
	n	%	%
Entrepreneur Category	2,401	84%	54%
General Skills	117	4%	3%
Partnership	100	4%	2%
Investor Category	69	2%	2%
Skilled Migrant	58	2%	1%
Other	105	4%	2%
Total conversions	2,850	100%	65%
Total LTBV principal applicants	4,414		100%

The rates of conversion to residence differed across the main nationalities of LTBV holders. Table 5.9 shows that conversion rates to residence for the top nationalities ranged from 48 percent to 82 percent. The UK, Fiji and Japan had the highest conversion rates, while the USA and China were lower.

³⁹ Prior to 20 November 2002, an LTBV was issued for three years and could be extended by a further three years if necessary. LTBV holders could apply for residence after being self-employed in the country for two years.

Table 5.9 Rates of conversion to residence by nationality as at June 2007 for those issued an LTBV between March 1999 and June 2004

Nationality	LTBV principal applicants	Conversions to residence	
		n	%
South Korea	1,591	1,038	65%
China	1,419	841	59%
UK	316	258	82%
Fiji	206	163	79%
India	96	59	61%
USA	91	44	48%
South Africa	74	49	66%
Malaysia	60	37	62%
Japan	54	36	67%
Hong Kong	51	31	61%
Others	456	294	64%
Total	4,414	2,850	65%

5.8 IELTS scores for the Skilled/Business Stream

Principal applicants, their partners and dependent children aged 16 years and older included in an application in the Skilled/Business Stream are required to meet a minimum standard of English. Usually this requirement is met by providing evidence of an English-speaking background or by sitting an English language assessment test. Secondary applicants can pre-purchase English language tuition in New Zealand.⁴⁰ The International English Language Testing System (IELTS) is used to assess ability in English.

IELTS is managed jointly by the University of Cambridge Local Examinations Syndicate (UCLES), the British Council and IDP Education Australia (IELTS Australia). Its General and Academic Modules provide band totals (test results) showing overall ability as well as performance in listening, reading, writing and speaking. The band scores range from 1 being a 'non user' to 9 being an 'expert user' of English. Prospective migrants can be asked to sit this test or to submit existing test results to determine whether they meet the minimum English language requirement. Appendix N-1 provides a description of the IELTS band scores.

Under the SMC, principal applicants (and their partners if that person is claiming points for a job or qualification) must score an average of 6.5 across all four bands.⁴¹ Principal applicants through the Business categories are required to score an average of 5.0 across all bands. Secondary applicants aged 16 years and over must have an English-speaking background, an average IELTS score of 5, or have pre-purchased ESOL training if they do not meet the required standard.

The number of applicants providing an IELTS certificate has decreased in recent years as a greater number of migrants come from English-speaking countries, or meet the English language requirements via their qualifications or work experience. Table 5.10 shows the overall average scores achieved by those required to provide an IELTS certificate in 2006/07. IELTS scores were available for 2,095 migrants.

⁴⁰ Under the SMC, a principal applicant's partner must have an English-speaking background or have reached an average IELTS score of 6.5 if they are claiming points for a job or qualification.

⁴¹ From November 2002, GSC principal applicants had to score an average of 6.5 across all four bands.

The average score for Skilled/Business Stream principal applicants has increased since the higher English language requirements came into effect in November 2002. In general, migrants scored at the 'modest' to 'good' English user level, with SMC principal applicants gaining the highest scores. Appendix N-2 provides a breakdown of the IELTS scores for the Skilled/Business Stream by the top 12 countries.

Table 5.10 Skilled/Business Stream IELTS assessment scores in 2006/07*

Application criteria	Applicant type	Number sitting test	Average score				
			Listening	Oral	Reading	Writing	Overall
Skilled Migrant	Principal	1,060	7.1	7.1	6.9	6.8	7.0
	Secondary	844	6.2	6.4	5.9	6.0	6.1
1995 General Skills**	Principal	19	6.1	6.3	5.8	6.3	6.1
	Secondary	13	5.7	5.8	5.2	5.7	5.6
Entrepreneur Category	Principal	54	5.3	5.5	5.5	5.4	5.4
	Secondary	90	5.6	5.5	5.2	5.2	5.4
Investor Category	Principal	10	6.0	6.0	6.3	5.9	6.0
	Secondary	5	6.0	6.4	5.3	6.0	5.9
Overall averages	Principal	1,143	7.0	7.0	6.8	6.7	6.9
	Secondary	952	6.2	6.3	5.8	5.9	6.1

* This table excludes categories with fewer than 10 people sitting the IELTS test. These categories include Employees of Businesses, Talent (Accredited Employers), Talent (Arts and Culture), Talent (Sports) and Long Term Skill Shortage List Occupation policy.

** Scores lower than the expected 6.5 average resulted from people being approved who had lodged their applications prior to November 2002 when the English language requirements were increased.

5.9 Summary

- The Skilled Migrant Category (SMC) is the largest residence category in the New Zealand Residence Programme (NZRP), with 25,885 people (55 percent of the NZRP) approved through this category in 2006/07. SMC approval numbers were down slightly from 27,539 in 2005/06, reflecting the lower number of people approved through the NZRP overall. Seventy-eight percent of SMC principal applicants were approved onshore, up from 71 percent in 2005/06.
- The UK remains the largest source country of SMC approvals (35 percent), followed by South Africa (12 percent) and China (11 percent). SMC approvals from the Philippines have increased over the last 12 months, from 3 percent of approvals in 2005/06 to 9 percent in 2006/07.
- The number of expressions of interest (EOIs) submitted by principal applicants with a job or offer rose steadily in 2006/07, while the number of EOIs without a job or offer remained steady. In 2006/07, 17,930 principal applicants were selected from the pool – 71 percent had a job or offer, up from 65 percent in 2005/06.
- Eighty-five percent of SMC principal applicants were awarded points for a job or offer of skilled employment in New Zealand, up from 75 percent in 2005/06. Eighteen percent claimed bonus points for a job or a job offer in an area of absolute skills shortage, and over half (56 percent) claimed bonus points for employment outside of the Auckland region.
- Growing numbers of young Chinese migrants are applying for residence through the SMC after completing their New Zealand qualifications. In 2006/07, 91 percent of Chinese principal applicants approved through the SMC were aged 20–29 years old.
- The SMC attracted skilled migrants to a broad range of occupations in health, education, finance, information technology and trades occupations. Some of the most common occupations were registered nurses, secondary school teachers, chefs, restaurant managers, electricians and accountants.
- Since the Talent Visa and LTSSL policies came into effect in 2002, 41 percent of people approved through these Work to Residence policies have gained permanent residence. Most gained residence through the Skilled categories, predominantly the SMC.
- Business category approval numbers have decreased steadily since reaching a peak of over 4,500 in 2001/02. In 2006/07, 1,263 people were approved for residence through the Business categories, including 129 through the Investor Category and 1,128 through the Entrepreneur Category. The new Active Investor Migrant policy came into effect in November 2007.
- Sixty-five percent of LTBV holders had gained permanent residence after holding their permit for at least three years. The majority (84 percent) gained residence through the Entrepreneur Category.
- Average IELTS scores for Skilled/Business migrants have increased since the English language requirements were increased in 2002/03. Migrants sitting the test in 2006/07 scored at the 'modest' to 'good' English level, with SMC principal applicants achieving the highest average scores.

6 FAMILY SPONSORED STREAM

6.1 Introduction

The Family Sponsored Stream enables New Zealand residents and citizens to sponsor close family members for permanent residence. This section describes the characteristics of migrants approved through the Family Sponsored Stream and its various categories. Demand for places in this stream remains high, particularly through the Partnership and Parent categories, and a number of initiatives have been developed to manage demand.

Applications from partners and dependent children continue to be prioritised over other applications in this stream.⁴² Family Sponsored Stream applicants have also been encouraged to submit an expression of interest for the Skilled Migrant Category (SMC) where an applicant appears to meet SMC policy.

Since July 2007, partners and dependent children have been approved through a separate stream, with no cap on the number of applications that can be approved. Separate limits are now in place for the remaining categories (parents, siblings and adult children of New Zealand sponsors).

In November 2007, a number of new provisions came into effect for family sponsored migrants. These changes included:

- a new visitor's visa for parents and grandparents visiting family in New Zealand, which allows the holder to make multiple visits over a three-year period
- strengthened character requirements for sponsoring a partner
- a minimum income requirement for those sponsoring parents.

6.2 Family sponsored application inflows

Figure 6.1 shows the number of people applying for residence through the Family Sponsored Stream since 2000/01. Following a large spike in applications in 2001/02, demand for places in this stream has remained relatively steady in recent years. The increased flows in the second half of 2006/07 meant that the total number of applications received in 2006/07 was higher than the average over the last five financial years.

⁴² Priority was given to partners and dependent children where the sponsor was a New Zealand citizen or the holder of an Indefinite Returning Residence Visa, and had been absent from New Zealand for at least two years prior to the date of the application being accepted for consideration.

Figure 6.1 Number of people applying for residence through the Family Sponsored Stream since 2000/01

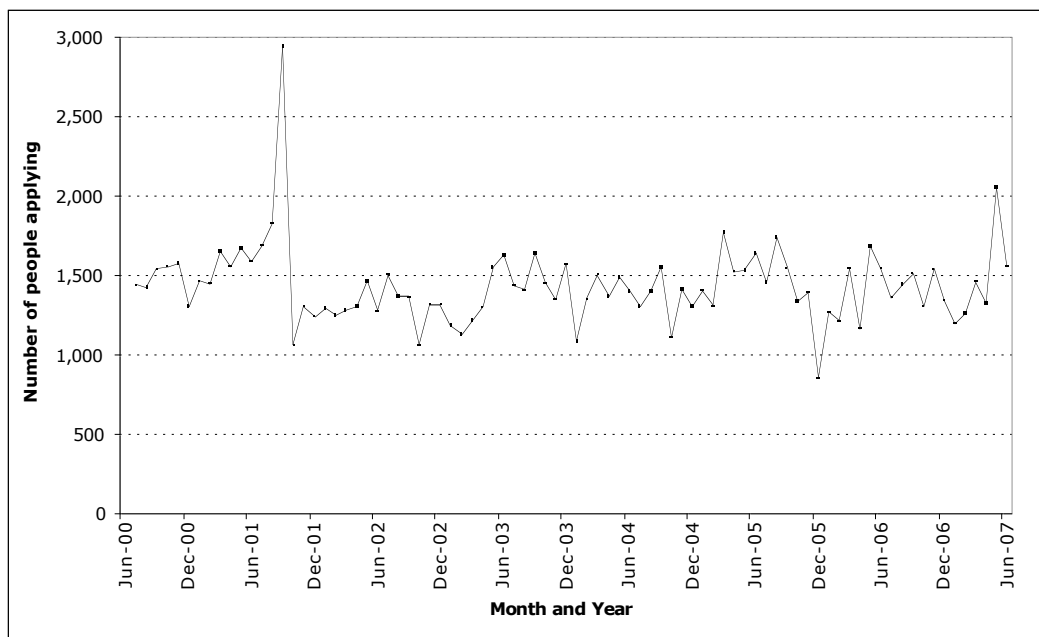


Figure 6.2 shows the inflows through the various Family categories over the last three financial years. The demand for residence from parents has grown steadily in recent years, but most of the increase in 2006/07 was caused by an increase in applications through the Partnership policy. Demand through the other categories has remained relatively steady. The introduction of an age limit of 55 years for principal applicants through the Sibling and Adult Child policies from August 2006 had an impact on the Sibling Category in particular, with fewer people applying for residence through this category in 2006/07 than in each of the previous two years.

Figure 6.2 Number of people applying for residence through the Family categories: 2004/05–2006/07

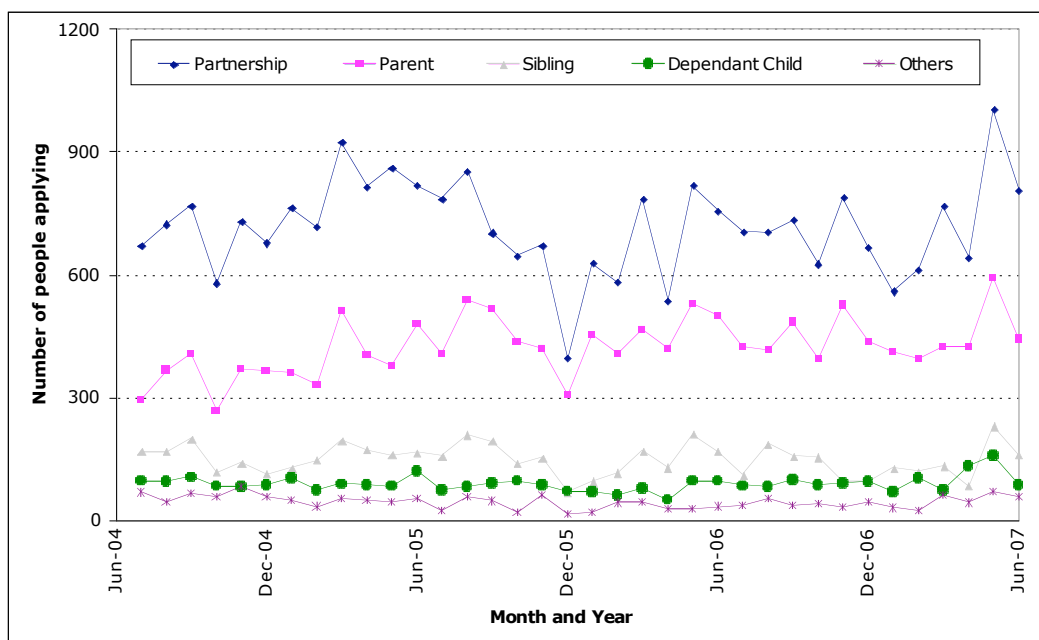
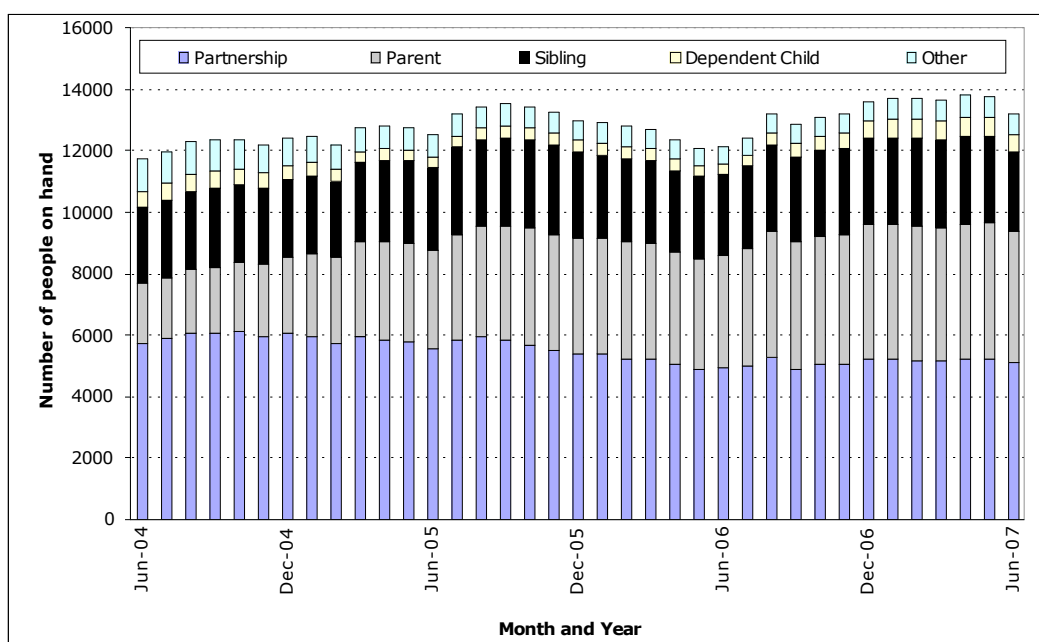


Figure 6.3 shows that the number of people on hand in the Family Sponsored Stream has declined steadily over the last 12 months, although the backlog of applications remains high.⁴³ At the end of June 2007, there were 13,222 people on hand (8,434 applications) waiting to have their applications processed, up from 12,136 people (7,753 applications) at the end of June 2006.

With the prioritisation of Partnership and Dependent Child applicants since September 2004, the number of people on hand in both of these categories has generally decreased. However, increasing inflows in the last quarter of 2006/07 saw a slight increase in numbers on hand in both of these categories. The number of people on hand in the Parent Category has increased in recent years as the number of applications through this category has grown.

Figure 6.3 Number of people on hand in the Family Sponsored Stream: 2004/05–2006/07



6.3 Approvals through the Family Sponsored Stream

In 2006/07, 14,705 people (31 percent of all residence approvals) were approved for residence through the Family Sponsored Stream, down slightly from 14,967 in 2005/06. Over half of all approvals through the Family Sponsored Stream were through the Partnership policy.

Since September 2003, Partnership policy has ensured that married and de facto couples (including same sex partners) of New Zealand residents and citizens have been treated equally when applying for residence through the Family Category. Under Partnership policy, a couple must provide evidence that their relationship is genuine and stable whether they are married or de facto. Applicants must have been living in a genuine and stable partnership for 12 months or more at the time they lodge their application.⁴⁴

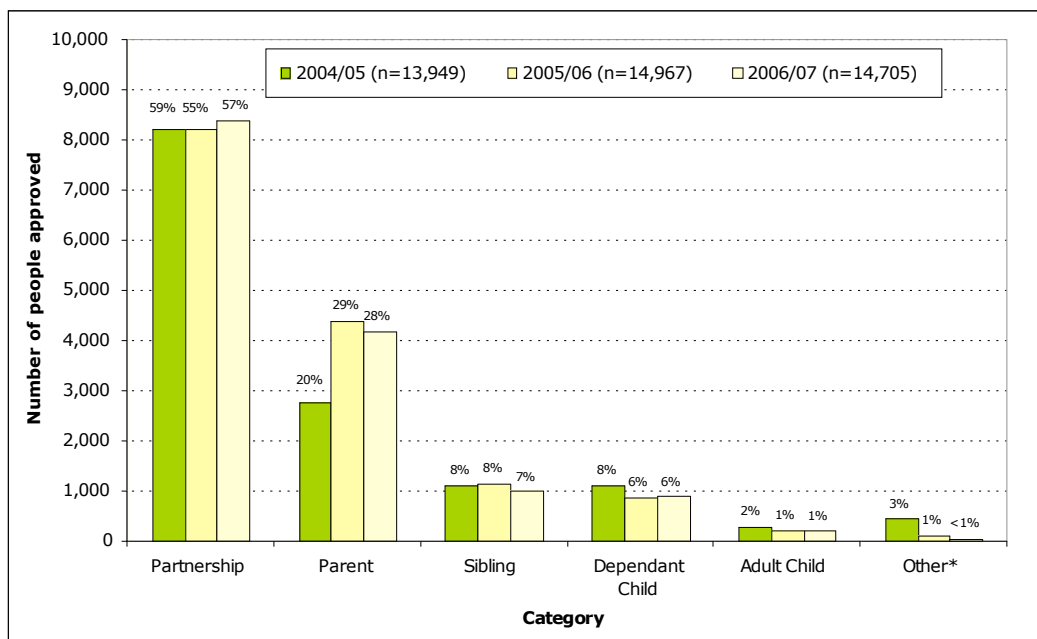
Figure 6.4 compares the categories in the Family Sponsored Stream through which people were approved in the last three financial years. Partnership policy accounted for around 55–

⁴³ An application is on hand if it has been accepted for processing but is not yet decided.

⁴⁴ For the purpose of this analysis, any approvals through the former Marriage and De facto categories have been combined into the Partnership Category.

59 percent of approvals over the last three years. The number of people approved through the Parent Category increased substantially in 2005/06 and remained high in 2006/07. Sibling approvals were the third largest category in 2006/07 (7 percent), followed by dependent children (6 percent).

Figure 6.4 Family Sponsored Stream categories: 2004/05–2006/07



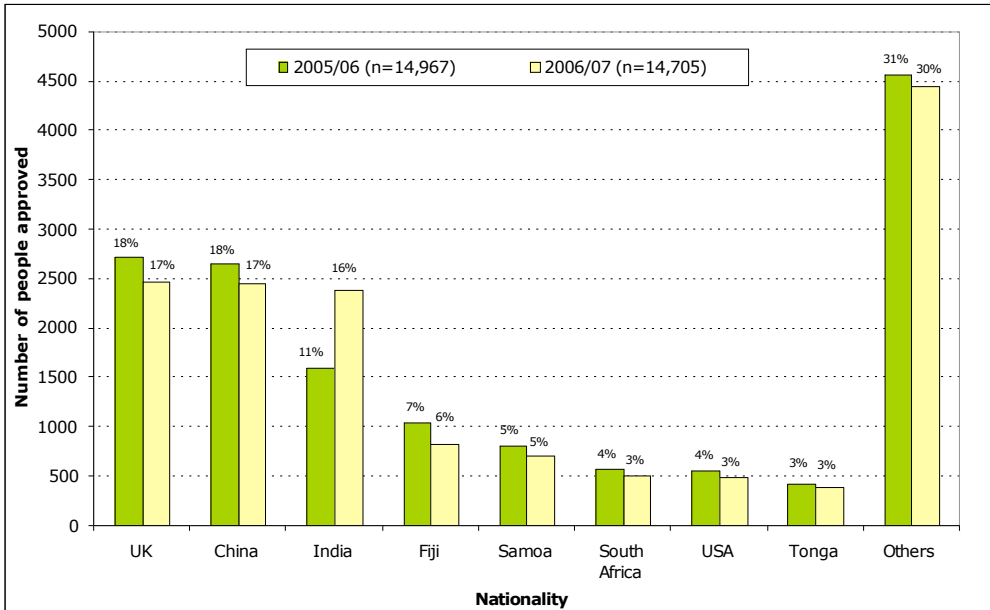
*Other categories include the October 2000 Transitional policy, the Humanitarian Category and the Family Quota, all of which are now closed.

6.3.1 Nationality of Family Sponsored Stream approvals

The UK, China, India, Fiji and Samoa have been the largest source countries of approvals through the Family Sponsored Stream in recent years. The UK and China combined accounted for over one-third of approvals in this stream (17 percent each) in 2006/07.

The number of approvals from China and India has increased over the last four years. The proportion of Chinese approvals increased from 12 percent in 2003/04 to 17 percent in 2006/07. For India, approval numbers doubled over the same period, and the proportion increased from 9 percent in 2003/04 to 16 percent in 2006/07. For both countries, the greatest increase has been in the number of Parent Category approvals. Figure 6.5 compares the number of Family Sponsored Stream approvals by nationality over the last two financial years.

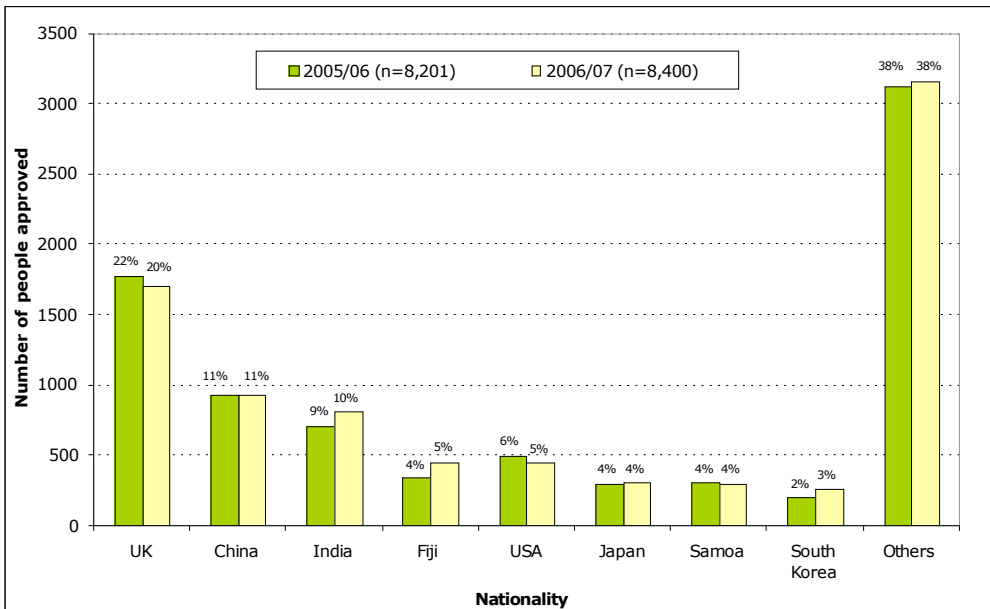
Figure 6.5 Family Sponsored Stream nationalities



6.3.2 Partnership

Partnership approvals made up 57 percent of the Family Sponsored Stream in 2006/07 (8,400 people). The three largest source countries have remained consistent since 2000/01. Those three source countries (the UK, China and India) accounted for 41 percent of Partnership approvals in 2006/07. Figure 6.6 compares the nationalities of people approved through Partnership policy in the last two financial years.

Figure 6.6 Nationality of Partnership approvals: 2005/06–2006/07*

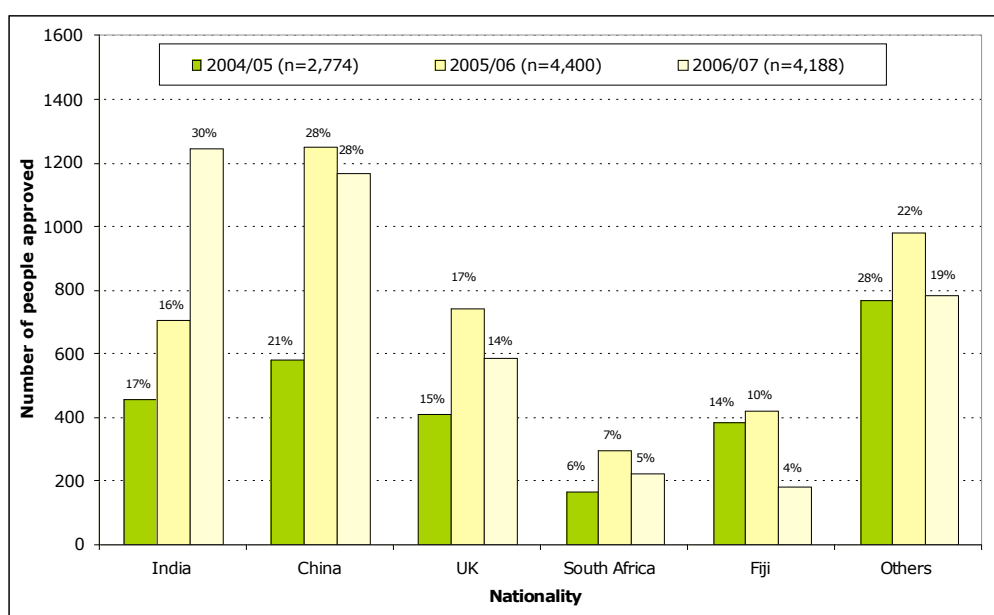


* This chart combines Partnership, Marriage and Family De facto approvals.

6.3.3 Family Parent

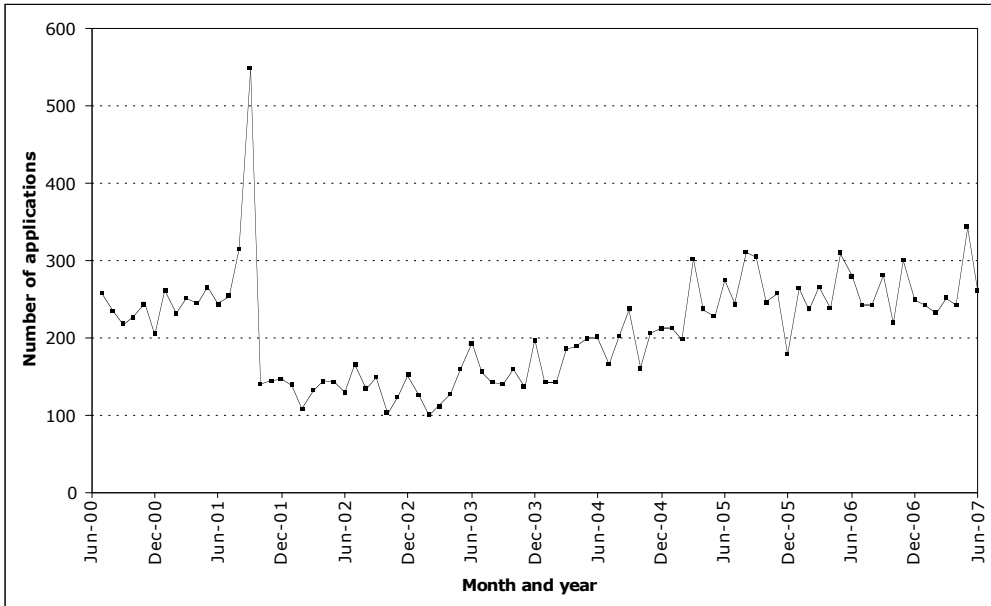
There were 4,188 people approved through the Family Parent Category in 2006/07 (28 percent of the Family Sponsored Stream), down slightly from 4,400 approvals in 2005/06. In 2006/07, the main source countries of approvals were India (30 percent), China (28 percent) and the UK (14 percent). These top five source countries have remained the same in recent years, although there have been changes in the proportion of approvals from each. The proportion from India has increased substantially, from 16 percent in 2005/06 to 30 percent in 2006/07. The proportion from China has increased from 21 percent in 2004/05 to 28 percent in 2006/07. Figure 6.7 shows the top source countries of approvals through the Family Parent Category over the last three financial years.

Figure 6.7 Nationality of Parent approvals: 2004/05–2006/07



The number of people applying for residence through the Family Parent Category has generally increased over the last five years, although total flows in 2006/07 (3,108 applications) were down slightly from 2005/06 (3,136 applications). Demand for places in the Parent Category has increased for China and India, which are now the largest source countries of approvals in this category, but has remained relatively steady for the other main source countries (the UK, Fiji, South Africa, Tonga and Samoa). Figure 6.8 shows the gradual increase in application inflows following the changes to this policy's sponsorship requirements in 2001/02.

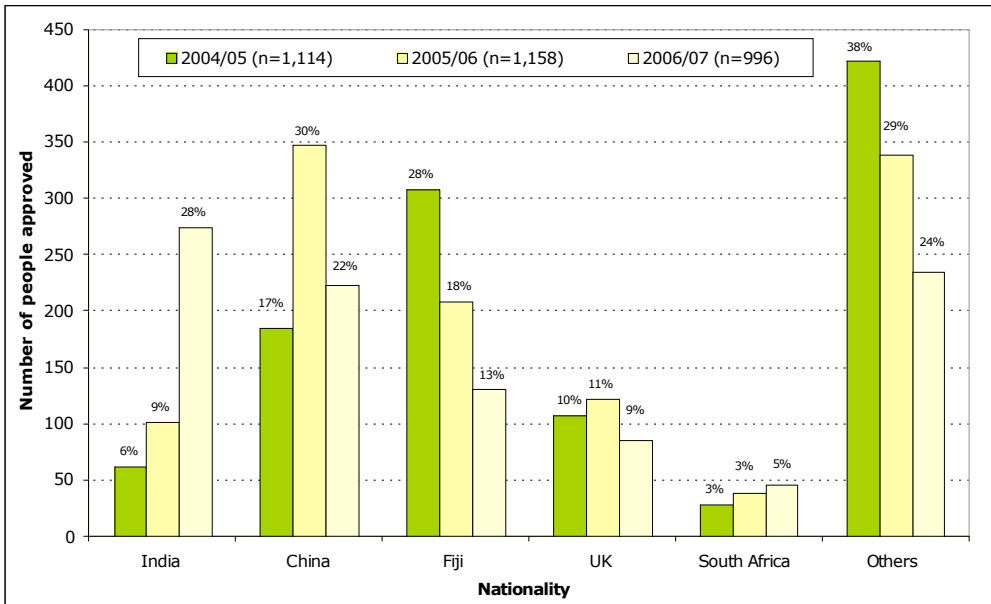
Figure 6.8 Parent Category inflows: 2000/01–2006/07



6.3.4 Family Sibling

Family Sibling approvals accounted for 7 percent of people approved through the Family Sponsored Stream in 2006/07 (996 people). The top five source countries have remained the same in recent years, with the highest proportion coming from India, China and Fiji. There was a large increase in approvals from India in 2006/07 – from 102 approvals in 2005/06 (9 percent) to 275 approvals in 2006/07 (28 percent) – making it the largest source country at present. Figure 6.9 compares the nationalities of approvals in the last three financial years.

Figure 6.9 Nationality of Sibling approvals: 2004/05–2006/07

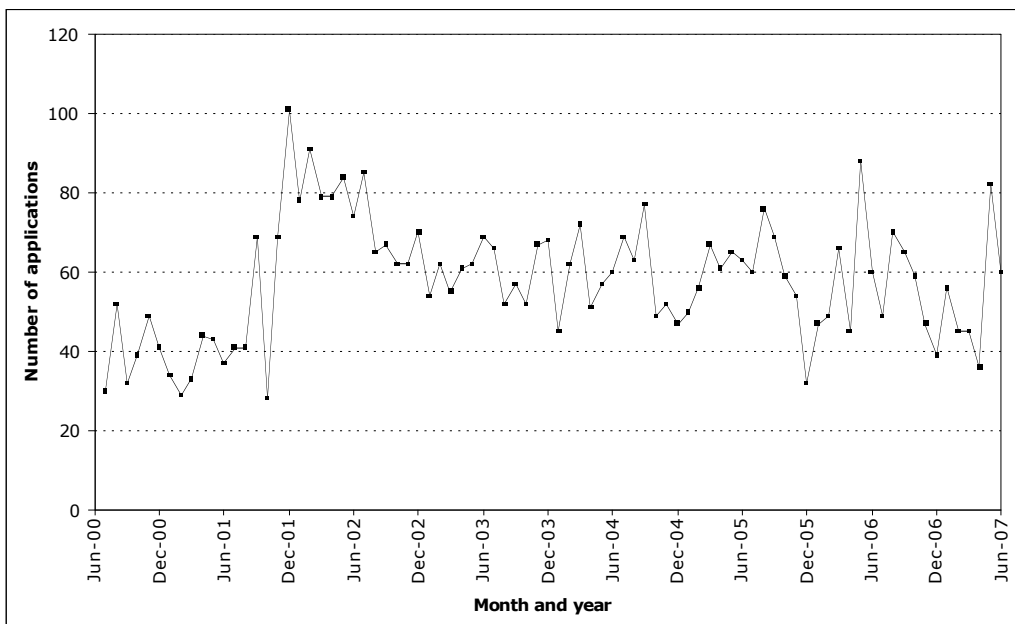


After October 2001, there was a large spike in application inflows through the Sibling Category. The policy changes introduced new provisions for adult siblings and adult children, allowing them to bring their families, whereas previously they needed to be single. From August 2006, principal applicants through the Sibling Category have been subject to an age limit of 55.⁴⁵ Figure 6.10 shows the number of applications for residence through

⁴⁵ This age limit of 55 also applies to principal applicants through the Adult Child category from August 2006.

this category since 2000/01. Application inflows have fluctuated since 2000/01, but are beginning to show a downward trend, with decreasing application numbers in each of the last two financial years.

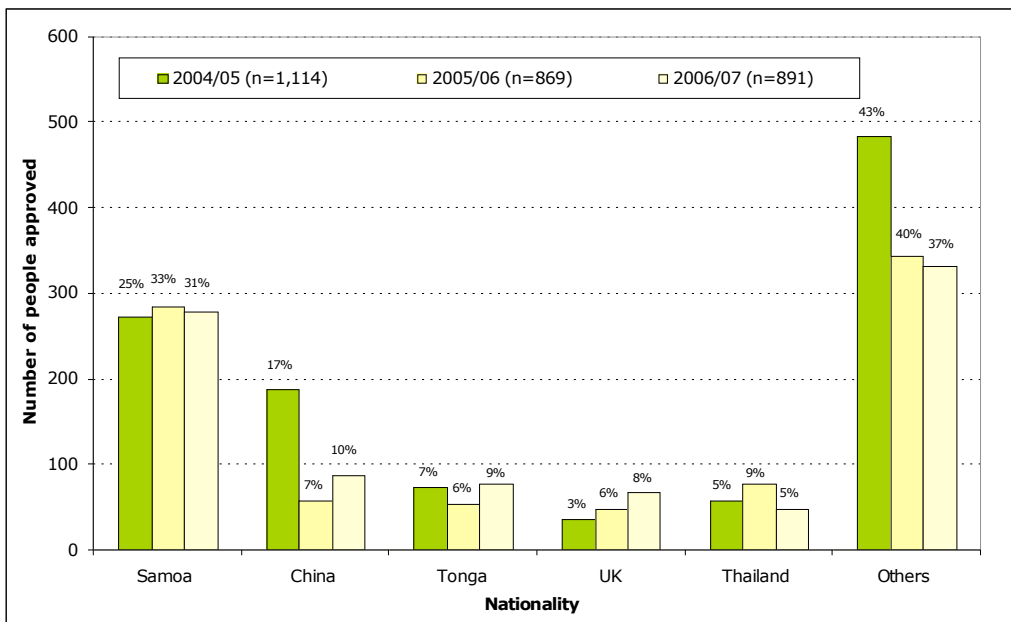
Figure 6.10 Sibling Category inflows: 2000/01–2006/07



6.3.5 Dependent and Adult Child

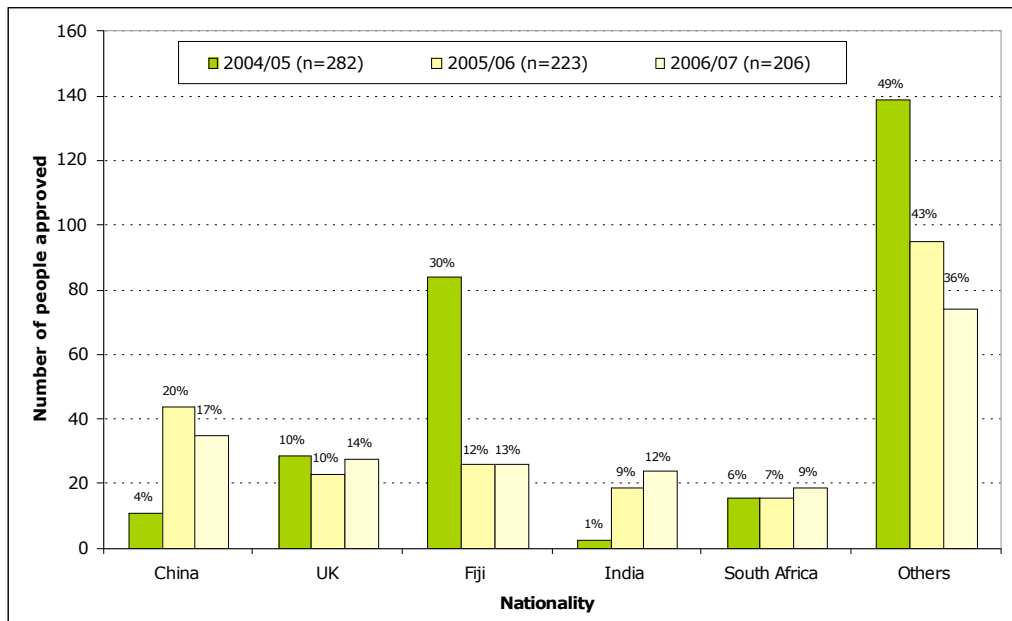
There were 891 people approved through the Dependent Child Category in 2006/07, compared to 869 in 2005/06 and 1,114 in 2004/05. Applications through this category were given priority in 2006/07 where the child’s sponsor was a New Zealand citizen or the holder of an Indefinite Returning Residence Visa and had been absent from New Zealand for at least two years prior to the date of the application being made. Samoa is the largest source country of approvals in this category (31 percent), followed by China (10 percent) and Tonga (9 percent). Figure 6.11 compares the nationalities of approvals in the last three financial years.

Figure 6.11 Nationality of Dependent Child approvals: 2004/05–2006/07



To qualify for residence through the Adult Child Category, principal applicants must be aged 55 or younger, have an offer of employment, and meet specific family and sponsorship requirements. Principal applicants with dependents must also be able to meet a minimum income threshold. In 2006/07, 206 people were approved through the Adult Child Category. The largest source countries were China (17 percent), the UK (14 percent), and Fiji (13 percent). Figure 6.12 compares the nationalities of approvals in the last three financial years.

Figure 6.12 Nationality of Adult Child approvals: 2004/05–2006/07



6.4 Family Quota

The Family Quota enabled New Zealand residents and citizens to sponsor parents, siblings, adult children and grandparents, when those family members did not qualify for residence under any other residence policies. The Family Quota operated only when there were sufficient places available in this stream. There have been no places available in the Family Quota since 2003, and in July 2007, the Family Quota was closed. Only one person was approved through the Family Quota in 2006/07 – that person was accepted in a ballot held prior to 2004.

6.5 Humanitarian Category

The Humanitarian Category enabled family members of New Zealanders to be granted residence where serious humanitarian circumstances existed and New Zealand residence was the only option to resolve those circumstances. Migrants through this category had to be sponsored by a family member who was a resident or citizen of New Zealand. This category was closed from October 2001, but a large number of applications were lodged before the policy closed, creating a considerable backlog of applications. Humanitarian Category applications were given priority over other categories in the Family Sponsored Stream (except Parent and Dependent Child applications) in 2006/07, and almost all remaining cases have now been decided. Twelve people were approved through the Humanitarian Category in 2006/07.

6.6 Transitional policy

The October 2000 Transitional policy offered well settled overstayers the opportunity to apply for a two-year work permit and then to transition to residence. To qualify under this policy, applicants needed to have been resident in New Zealand for five years or more and to have no convictions. People lawfully in New Zealand who otherwise met these conditions could also apply for a work permit, and then qualify for residence under this policy.

Applicants with a New Zealand citizen or resident partner or a New Zealand-born child were counted through the Family Sponsored Stream, while others were counted through the International/Humanitarian Stream. Overall, 20 people were approved for residence through the Transitional policy in 2006/07. Most of the people granted a work permit under this policy have now had their residence applications decided.

6.7 Summary

- Demand for places in the Family Sponsored Stream remains high, and a number of initiatives have been developed to manage demand. Applications from partners and dependent children continue to receive priority processing and, since July 2007, have been approved through a separate stream, with no cap on the number of applications that can be approved.
- The total number of applications received in 2006/07 was higher than the average over the last five financial years, largely due to an increase in applications through Partnership policy. Demand for residence from parents has grown steadily in recent years, but has remained relatively steady for the other categories in this stream.
- There were 14,705 people approved through the Family Sponsored Stream in 2006/07, down slightly from 14,967 in 2005/06. In 2006/07, Partnership approvals were the largest category in this stream (8,400 people, 57 percent), followed by the Parent Category (4,188 people, 28 percent) and the Sibling Category (996 people, 7 percent).
- The UK and China were the largest source countries of family sponsored approvals (17 percent each), followed by India (16 percent). The number of approvals from India and China has increased in recent years as the number of Parent Category approvals from these source countries has grown.
- The UK was the largest source country of Partnership approvals (20 percent), followed by China (11 percent) and India (10 percent).
- India was the largest source country of Parent approvals (30 percent, up from 16 percent in 2005/06), followed by China (28 percent) and the UK (14 percent).
- The number of approvals through the Sibling Category decreased from 1,158 in 2005/06 to 996 in 2006/07. India was the largest source country (28 percent, up from 9 percent in 2005/06). Twenty-two percent were Chinese, down from 30 percent in 2005/06. Fiji was the third largest source country (13 percent, down from 18 percent in 2005/06).
- Approvals through the Dependent Child Category made up 6 percent of the Family Sponsored Stream (891 people). Samoa was the largest source country (31 percent), followed by China (10 percent) and Tonga (9 percent).

7 INTERNATIONAL/HUMANITARIAN STREAM

7.1 Introduction

This stream includes the Refugee Quota and refugee-linked categories such as Refugee Status and the Refugee Family Support Category. Other categories include the Pacific Access Category and the Samoan Quota, Ministerial exceptions to policy, and other miscellaneous policies. In 2006/07, the Department of Labour issued a general instruction to continue the prioritisation of applications through refugee policy over other categories in the International/Humanitarian Stream. This reflects the government's commitment to international refugee conventions. The priority categories included Refugee Quota applicants and successful refugee status claimants.

7.2 Refugee Quota

New Zealand is a signatory to the 1951 United Nations Convention and the 1967 Protocol Relating to the Status of Refugees, and accepts an annual quota of refugees. These people are mandated as in need of resettlement by the United Nations High Commissioner for Refugees (UNHCR).

7.2.1 Numbers and composition of quota

There were 748 people accepted for resettlement to New Zealand under the Refugee Quota programme in 2006/07. There was an average of three people per approved application. Table 7.1 shows the composition of the refugee cases accepted through the quota.

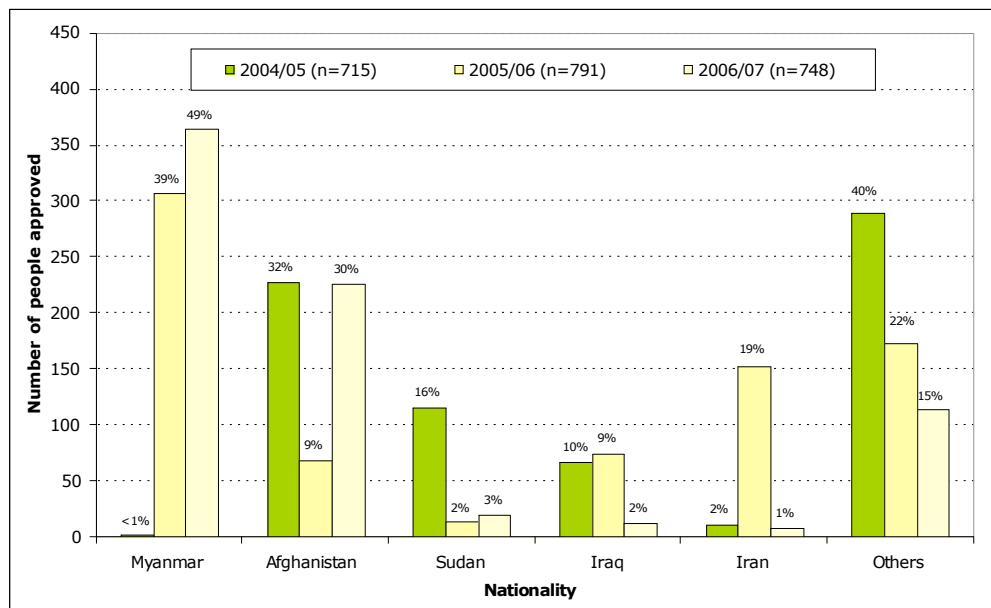
Table 7.1 Composition of the Refugee Quota in 2006/07

Sub-category	Number of people	% of quota
Refugee Emergency	16	2%
Refugee Family	122	16%
Refugee Medical	38	5%
Refugee Protection	515	69%
Refugee Women at Risk	57	8%
Total	748	100%

7.2.2 Nationalities of quota refugees

In the last five years, over 3,800 people from more than 50 different countries have been accepted through the quota. The main source countries over that period were Afghanistan, Myanmar, Iraq, Sudan and Iran. In 1999, a special exercise allowed the resettlement of 404 Kosova Albanians in addition to the quota, and in 2003/04, there was a large increase in refugees from Afghanistan. Over the last two years, Myanmar has been the largest source country of quota refugees. In 2006/07, the largest source countries were Myanmar (49 percent) and Afghanistan (30 percent). Figure 7.1 compares the main source countries of quota refugees in the last three financial years.

Figure 7.1 Nationality of quota refugees: 2004/05–2006/07



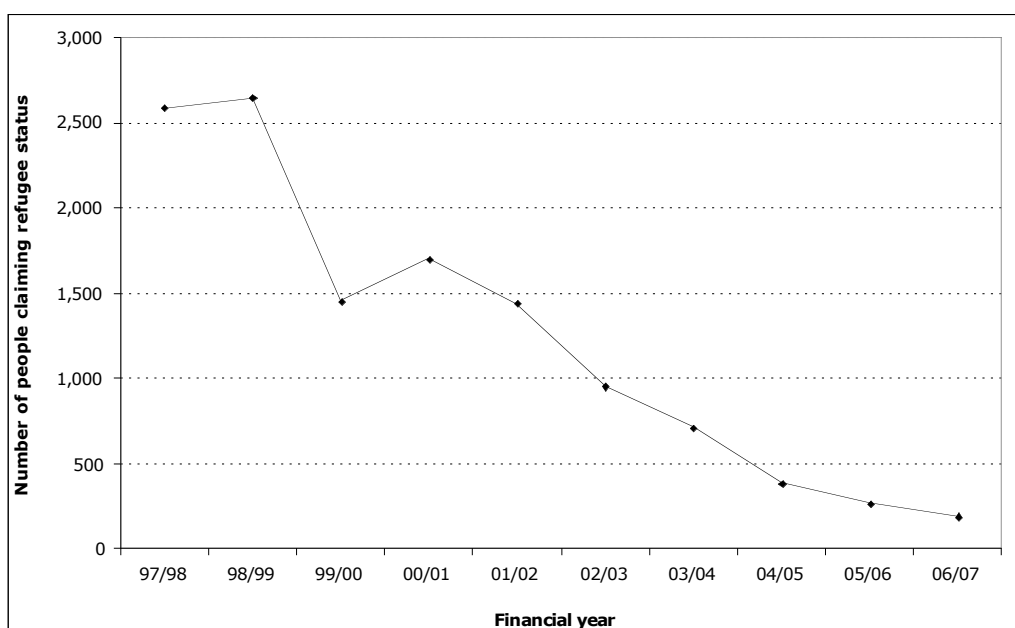
7.3 Refugee status claimants

In addition to commitments to accept an annual quota of refugees, New Zealand is also committed to considering all claims from asylum seekers who seek refugee status in New Zealand.

7.3.1 Successful refugee status claimants

There were 62 successful refugee status claimants in 2006/07, down slightly from 67 in 2005/06. The number of successful claimants has decreased significantly in recent years as the number of people claiming refugee status has fallen. The falling number of asylum seekers is consistent with international trends. Figure 7.2 shows that the number of people claiming refugee status has fallen steadily over the last decade.

Figure 7.2 Number of people claiming refugee status since 1997/98



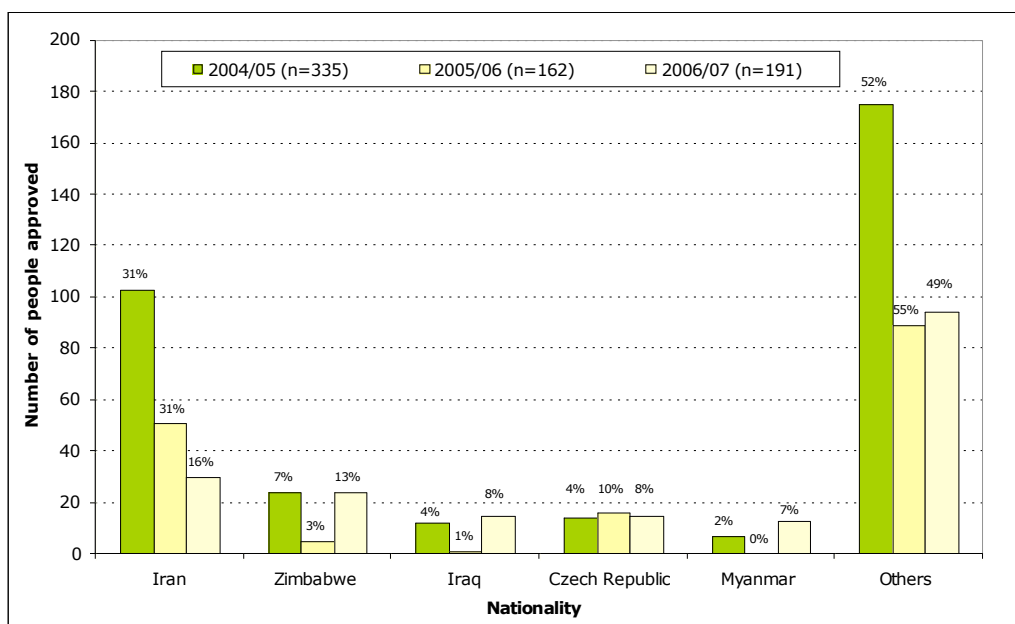
7.3.2 Successful refugee status claimants granted residence

Permanent residence is approved separately from refugee status. In 2006/07, 191 successful refugee status claimants were approved for residence, compared to 162 in 2005/06 and 335 in 2004/05. The low number of successful refugee status claimants being approved for permanent residence is likely to continue as fewer people seek asylum in New Zealand.

7.3.3 Nationality of successful refugee status claimants granted residence

Figure 7.3 compares the nationality of successful refugee status claimants approved for residence in the last three financial years. Iran has made up the highest proportion of approvals over the last three reporting periods.

Figure 7.3 Nationality of successful refugee status claimants granted residence: 2004/05–2006/07



7.4 Samoan Quota and Pacific Access Category

The Samoan Quota was formally established in 1970 and is based on the spirit of close friendship embodied in the 1962 Treaty of Friendship between New Zealand and Samoa. The Samoan Quota allows up to 1,100 Samoan citizens to be granted residence in New Zealand each year. The Pacific Access Category (PAC) was established in July 2002 with other Pacific countries with which New Zealand has close cultural and historical ties. The annual quotas are allocated as follows: Tonga (250), Tuvalu (75) and Kiribati (75).⁴⁶ Applicants selected to apply for residence under the Samoan Quota and PAC must first be selected from a random ballot draw (first stage) and then must meet a range of requirements under immigration policy to be granted residence (second stage).

In 2004/05, a number of policy changes were made to the Samoan Quota and PAC to increase the take-up of available quota places while maintaining positive settlement outcomes for migrants from these Pacific nations. Changes include allowing applicants lawfully in New Zealand to apply for residence without having to return to their home country, reducing the income threshold for applicants with dependents, and allowing principal applicants and their partners to aggregate their earnings to meet the income

⁴⁶ Fiji is suspended from participating in the Pacific Access Category.

threshold.⁴⁷ Furthermore, applicants are also given more time to apply for residence (to allow them to find employment in New Zealand), and the principal applicant is given more time to arrive in New Zealand once their residence visa has been granted.

7.4.1 Samoan Quota and Pacific Access Category Residual Places

If the annual quota of places available under the Samoan Quota and PAC is not filled by applicants drawn from the ballot, these places may be offered as Residual Places. From time to time, Immigration New Zealand will call for applications within a specified period. The Residual Places policies have similar criteria to that of the Samoan Quota and PAC.

7.5 Samoan Quota approvals

There were 1,106 people approved for residence through the Samoan Quota in 2006/07. Of this total, 115 people were approved under the Samoan Quota Residual Places policy.

7.6 Pacific Access Category approvals

There were 1,199 people approved for residence through the PAC in 2006/07. Of this total, 504 people were approved under the PAC Residual Places policy. Table 7.2 provides a breakdown of the number of people approved for residence through the PAC categories in 2006/07.

Table 7.2 Pacific Access Category approvals in 2006/07*

PAC sub-category	Number approved
PAC Tonga	294
PAC Fiji	201
PAC Kiribati	124
PAC Tuvalu	76
Residual Places	504
Total	1,199

* Not all people in these categories are approved for residence in the same year they are drawn in the ballot. Table 7.2 includes people who were successful in the 2006 ballot as well as some who were successful in earlier ballots.

⁴⁷ In 2006/07 the minimum income requirement was \$28,888.08. The minimum income threshold for applicants with dependent children is calculated annually based on the unemployment benefit (married and civil union) plus the maximum accommodation supplement. Prior to 2004, this threshold was calculated as the Guaranteed Retirement Income (now called New Zealand Superannuation) married rate plus the maximum accommodation supplement. For single applicants or couples without children, the income requirement is assessed against the minimum adult wage.

7.7 Summary

- New Zealand accepted 748 people through the Refugee Quota in 2006/07. In recent years, refugees have come from a diverse range of nationalities. In 2006/07, Myanmar was the largest source country of Refugee Quota approvals (49 percent), followed by Afghanistan (30 percent).
- The number of people seeking asylum in New Zealand has decreased steadily over the last decade. There were 62 successful refugee status claimants in 2006/07, and 191 successful claimants were approved for permanent residence.⁴⁸ Over the last three years, Iran has been the largest source country of successful refugee status claimants.
- The Samoan Quota allows up to 1,100 Samoan citizens to be granted residence in New Zealand each year. The Pacific Access Category (PAC) allocates places each year for citizens of Tonga, Tuvalu and Kiribati.⁴⁹ The Samoan Quota and PAC are administered through a ballot system.
- In 2006/07, 1,106 people were approved through the Samoan Quota and 1,199 people were approved through the PAC. Ten percent of Samoan Quota approvals were granted through the Residual Places policy, as were 42 percent of approvals through the PAC.

⁴⁸ Permanent residence is granted separately from refugee status.

⁴⁹ Fiji is currently suspended from the PAC.

8 MIGRANTS' MOVEMENT PATTERNS

8.1 Introduction

One measure of a migrant's successful settlement and contribution to New Zealand is the extent to which they remain in a country in the years following arrival or approval. In 2005, the Department of Labour studied migrants' movement patterns into and out of New Zealand.⁵⁰ One of the key findings from this study was the confirmation that there is a consistent loss of permanent migrants from New Zealand over time.

People may leave New Zealand for many different reasons, only some of which relate to 'unsuccessful' settlement. Some reasons may relate to family ties or business commitments, while other migrants may intend to live and work in New Zealand for a period rather than settle permanently. Department of Labour research has shown that most migrants are not highly mobile – the *People on the Move* study showed that 79 percent of migrants approved between 1998 and 2004 had had fewer than three spells of absence from New Zealand. Conversely, a small proportion of migrants were highly mobile, spending significant periods out of New Zealand. This level of mobility is consistent with international movement patterns, where large numbers of people are circulating between countries.

In the following analysis, the cohorts of migrants approved for residence during the calendar years 1998–2006 were tracked using data from the Immigration database.⁵¹ The analysis looks at those migrants who arrived to take up residence, migrants who have left New Zealand permanently, and a time-series analysis showing movement patterns over time. For the purpose of this analysis, long term absent (LTA) refers to a person who has been out of the country for six months or more. A sizeable lead time is needed when undertaking this analysis. People approved at the end of a calendar year would have had up to a year to arrive, meaning that a person approved for residence at the end of 2004 could potentially have arrived as late as the end of 2005.

The number of residence approvals in a given cohort in this analysis is based on the number of applications completed within the calendar year, as opposed to the number of applications decided.⁵² Previous studies have shown a high level of accuracy with the data, but there are some known technical issues involved in matching a person's movements in the Customs and Immigration computer systems.⁵³ These issues mean that the following analysis should be seen as indicative of patterns of absence rather than being definitive.

⁵⁰ Shorland, P. (2006). *People on the Move: A study of migrant movement patterns to and from New Zealand*. Department of Labour. Wellington.

⁵¹ The total cohort numbers in this analysis are slightly lower than the cohort numbers in the *People on the Move* study. This is because the method of analysis used here removes duplicate records and retains the most recent record. A small number of people approved for residence in any given cohort may be approved for residence a second time. This can occur if the person is approved for residence but does not arrive in New Zealand, and later applies again. By using the most recent record in this analysis, the record in the earlier cohort is discounted.

⁵² An application is *decided* once a decision has been made to approve or decline it, whereas an application is *completed* when the visa or permit label is issued in the applicant's passport. Using the completed date provides more accurate data for calculating long term absence.

⁵³ These technical problems include:

- the administrative process of client linking, which can mean that a client's original identity is not matched up with their later movement records – this can be a problem where a person uses two different passports
- duplicate client records, which can prevent correct application matching to movements
- some instances where movement information is not successfully passed between Customs and Immigration, or is not successfully outputted by the Immigration system.

8.2 Characteristics of migrants who did not take up residence

Most migrants approved for residence between 1998 and 2005 arrived in New Zealand to take up residence or were in New Zealand at the time of approval. Of the 319,376 people approved during this period, 312,806 (97.9 percent) took up residence.⁵⁴ Since 1998, the proportion of people not arriving to take up residence has decreased, from 3.5 percent of the 1998 cohort to less than 1 percent of the 2005 cohort. This reflects the growing proportion of people who are in New Zealand on a temporary permit at the time their residence permit is granted.

Between 1998 and 2005, 6,570 approved people did not arrive to take up residence. A comparison of residence categories showed that GSC approvals had the highest rate of non-arrival. Over the eight-year period, the GSC accounted for 42 percent of all approvals, but represented 59 percent of non-arrivals. Over the same period, Partnership approvals were 17 percent of the total, but accounted for just 9 percent of non-arrivals. For most other categories, the proportion of non-arrivals was similar to the proportion of people approved. Table 8.1 provides a breakdown of non-arrivals by residence approval category.

Table 8.1 Non-arrivals by category between 1998 and 2005

Category	Total approvals		Non-arrivals	
	n	%	n	%
General Skills	134,177	42%	3,896	59%
Partnership	54,359	17%	616	9%
Parent	26,329	8%	551	8%
Investor	11,106	3%	164	2%
Humanitarian	9,394	3%	438	7%
Samoa Quota	7,366	2%	167	3%
Refugee Quota	6,372	2%	388	6%
Others	70,273	22%	350	5%
Total	319,376	100%	6,570	100%

For most of the main nationalities of approvals between 1998 and 2005, less than 2 percent of people approved for residence did not arrive in New Zealand. The main exceptions were India (3.8 percent of approvals did not arrive) and South Africa (2.3 percent did not arrive). For both countries, the majority (over 88 percent) of non-arrivals had been approved through the GSC. Table 8.2 provides a breakdown of non-arrival rate by nationality.

Table 8.2 Proportion of non-arrivals by main source country

Nationality	Total approvals 1998–2005	Non-arrivals	Non-arrival rate
UK	58,273	740	1.3%
China	39,812	539	1.4%
India	34,780	1,318	3.8%
South Africa	27,163	620	2.3%
Fiji	18,638	183	1.0%
Samoa	15,040	260	1.7%
South Korea	11,785	168	1.4%
Others	113,885	2,742	2.4%
Total	319,376	6,570	2.1%

⁵⁴ The 2006 cohort is excluded from this analysis because, at the time of writing, the people in this cohort had not had 12 months to arrive in New Zealand.

8.3 Residence approval categories of long term absent migrants

Table 8.3 combines residence approval categories into six main groups and shows the proportion absent for six months or more as at 31 December 2006. This table shows a wide variation in the proportions of migrant absenteeism for different cohorts and different category groups. Migrants approved through the Business categories have the highest rate of long term absence, with approximately one-third of business migrants leaving permanently.

The rate of absence is approximately one in five for migrants approved through the Parent Category and the Skilled categories. Absence rates are lowest for migrants approved for residence through other family categories and through the International/Humanitarian Stream.⁵⁵ Appendix O details the rates of absence by nationality for the largest source countries from 1998 to 2005.

In general, the rate of absence increases with the length of time since residence, with the earliest cohort having the highest rate of absence. As at December 2006, 25 percent of migrants approved in 1998 had been absent for six months or more, compared to 6 percent of the migrants approved in 2005. Migrants approved in the more recent cohorts have had less time in New Zealand, and are therefore less likely to have left New Zealand long term.

Table 8.3 Rates of absence by residence approval groups for migrants approved for residence from 1998 to 2005*

Residence approval group	% long term absent by cohort as at 31 December 2006								
	1998	1999	2000	2001	2002	2003	2004	2005	Total
Business categories	32%	38%	36%	36%	43%	30%	18%	10%	29%
Family Parent	27%	22%	23%	19%	19%	17%	8%	8%	18%
Skilled categories	29%	25%	24%	21%	18%	15%	9%	6%	17%
Family Partnership	21%	19%	19%	15%	13%	11%	7%	5%	13%
Family Other	19%	16%	13%	8%	7%	8%	6%	5%	10%
Intl/Humanitarian	19%	17%	14%	11%	9%	4%	3%	2%	8%
% LTA at Dec-06	25%	22%	21%	19%	18%	13%	8%	6%	16%
Number LTA at Dec-06	6,002	6,303	7,302	9,271	8,534	5,786	2,841	2,959	48,998
Total approved	24,030	28,663	34,473	48,463	47,447	43,073	34,379	52,278	312,806

* The 2006 cohort is excluded from this analysis because migrants in that cohort have had insufficient time to arrive in New Zealand.

8.4 Onshore rates

This time series analysis assesses migrants' administrative data at the first of each month to determine if they were in New Zealand (onshore). This analysis provides a useful indicator of movement patterns and long term absence from New Zealand.

Figure 8.1 shows the proportion of migrants who had arrived in New Zealand and were onshore at a given date. Each line represents a separate cohort of migrants approved between 1998 and 2005. From 2002 onwards, there are higher proportions of migrants onshore at the beginning of the analysis. This reflects the increasing number of migrants approved onshore.

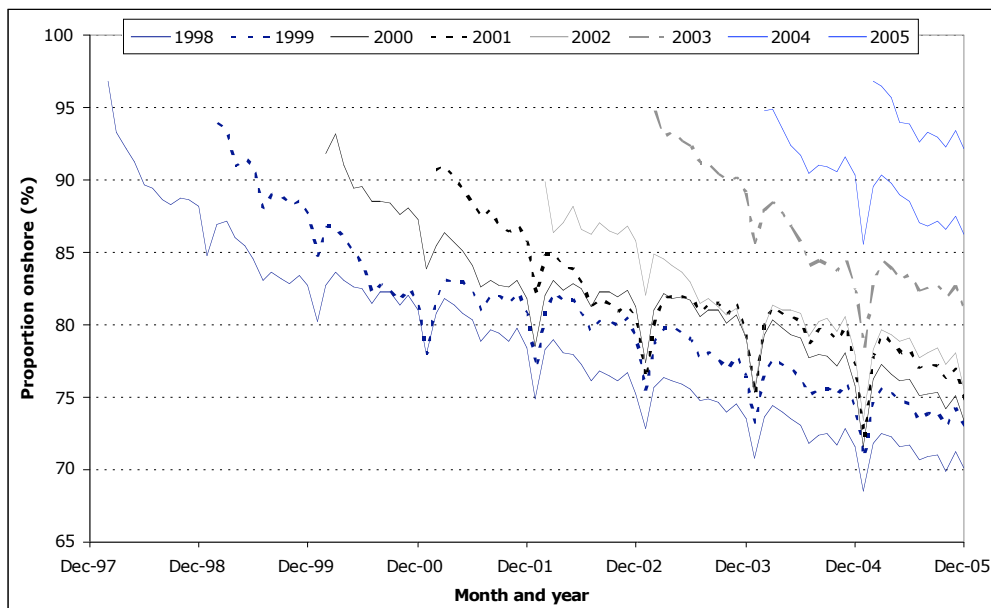
The figure also shows that, for each cohort, there was a steady decrease over time in the proportion of migrants onshore. This indicates a persistent trend of migrants leaving New

⁵⁵ In this analysis, the Family Other group includes people approved for residence through the following categories: Family Child Dependent, Family Child Adult, Family Sibling, Family Quota and the Humanitarian Category.

Zealand – some temporarily, others permanently. As at December 2005, 70 percent of the 1998 cohort was onshore. For those people approved in 2005, 92 percent were in New Zealand as at December 2005.

Figure 8.1 also highlights seasonal patterns in migrants’ movements to and from New Zealand. For each cohort, there is a drop in onshore rates around December and January, which shows the number of migrants travelling overseas during the Christmas holiday period.

Figure 8.1 Proportion of migrants onshore at monthly intervals: 1998–2005*



* The onshore rates are a proportion of those who arrived to take up residence.

8.5 Summary

- People approved for permanent residence have 12 months to arrive in New Zealand to take up residence, unless they are already onshore when they are approved. An analysis of people approved between 1998 and 2005 showed that 98 percent of approved migrants took up residence in New Zealand.
- For many migrants, settlement in New Zealand is not permanent. Sixteen percent of people approved for permanent residence between 1998 and 2005 had been out of New Zealand for six months or more as at December 2006.
- Over time, the proportion of people absent from any one cohort increases. At the end of December 2006, 25 percent of people approved in 1998 had left New Zealand and been absent for six months or more.
- Business migrants had the highest rates of long term absence – approximately one-third leave New Zealand long term. Approximately one in five skilled migrants, and those approved through the Family Parent Category, leaves New Zealand long term.
- Long term absence rates differed for different nationalities. Migrants from Taiwan, Hong Kong, Singapore and Malaysia had relatively high rates of absence.⁵⁶ In general, many of these migrants had been approved through categories with high rates of absence, particularly the Business or Skilled categories.
- A time series analysis showed that migrants' movements into and out of New Zealand exhibit seasonal patterns, with a high number of migrants making short term trips abroad around the Christmas period.

⁵⁶ Appendix O details the rates of absence by nationality for the largest source countries from 1998 to 2005.

9 CONCLUSIONS

Immigration can bring a wide range of benefits to New Zealand, but poses many challenges in an environment of increasing temporary migration, increasing global competition for skills, a strong desire to achieve good settlement outcomes for migrants, and a need to balance the risks and benefits of migration. In 2006/07, the Department of Labour continued its programme of work to bring about significant changes to New Zealand's immigration system, and to ensure that New Zealand is well placed to meet these challenges.

There have been significant legislative developments over the last year, including the introduction of the Immigration Advisers Licensing Act and a new Immigration Bill, which represents a fundamental review of the Immigration Act 1987. There have also been substantial policy developments, with the introduction of the Recognised Seasonal Employer policy, the Active Investor Migrant policy, and enhancements to the Skilled Migrant Category and family migration policies.

New Zealand's skilled immigration policies have focused predominantly on meeting shortages in highly skilled occupations. This focus on skilled occupations, however, can constrain some industries that cannot generally recruit migrant labour to alleviate labour shortages. New Zealand, along with many other countries, faces increasing demand for immigration policies that respond to a broader skill spectrum, particularly when New Zealand continues to experience sustained economic growth and low unemployment.

New Zealand has seen significant increases in the number of temporary residents in recent years. Tourism and export education make a significant contribution to New Zealand's economy, and temporary workers can play a significant role in responding to the cyclical nature of the labour market and alleviating labour and skill shortages.

New Zealand citizens also play a significant role in our migration patterns. The movement of New Zealand citizens to other countries, particularly to Australia, is one of the main drivers of New Zealand's permanent and long term migration patterns. The number of New Zealand citizens departing long term has been consistently greater than the number returning, resulting in a steady loss of New Zealand citizens over time.

New Zealand attracted almost 47,000 permanent migrants in 2006/07. The number of people coming on temporary permits has continued to grow, with over 115,000 people granted a work permit, and over 67,000 granted a student permit. Total student numbers have continued to decrease, but this is largely due to falling numbers from China. In 2006/07, student numbers rose for eight out of the ten main source countries.

Immigration is an important part of New Zealand's social and economic future. It supports economic growth through the introduction of skills, innovation and capital, but also supports families through reunification and strengthens New Zealand's international relations. Evidence to date gives confidence that New Zealand is achieving its aims of selecting migrants who can contribute to New Zealand's labour market and settle successfully.

Appendix A: Methodology

A.1 Introduction

This report is based on an analysis of certain variables from the Department of Labour's Management Information System (MIS). MIS is a subset of the Immigration database, the Application Management System (AMS).

Data for the report was generated using SAS to query MIS on the variables of interest. The MIS data was extracted in the week starting 2 July 2007. Since MIS is a dynamic database, the data represents the state of data as of that week. The data covers the period 1 July 2006 to 30 June 2007. Further data analysis was carried out using SAS and Microsoft Excel.

A.2 Glossary of terms

Below is a description of some of the key immigration terms used in this report. Descriptions of the NZRP, residence streams and categories are included in Appendix B.

Application	An application refers to both incoming applications for residence (not yet determined), as well as approved applications for residence. To distinguish between them, incoming applications are referred to as application inflows, and approved applications for residence as approved applications. Because an application consists of a principal applicant and, if any, secondary applicant(s), both application inflows and approved applications are a count of principal applicants.
Approval	An approval is an individual – either principal or secondary applicant – who has been approved for residence.
Financial year	The data is reported for the 2006/07 financial year, which is from 1 July 2006 to 30 June 2007.
Management Information System (MIS)	MIS is the database of Immigration applications and is used as the source of reporting on many aspects of the business's performance. AMS is the Immigration database used by staff assessing applications to enter application details.
Permit	A permit allows a person to remain in New Zealand in accordance with the permit's conditions. All permits expire when the holder leaves New Zealand (if not before). Unless otherwise specified, 'permit' is used throughout this report to denote both permits and visas.
Principal applicant	The principal applicant is the key person assessed against the policy criteria. Other people in an application (secondary applicants) are also assessed against various criteria.
Residence policy	People wishing to migrate to New Zealand may gain residence through the New Zealand Residence Programme. Residence applications are considered on the basis of whether the principal applicant meets the policy criteria. The principal applicant may include their partner and dependent children in the application. All applicants must meet health and character requirements.
Residence stream	In selected analyses in the report, data is broken down into residence streams. The Skilled/Business Stream includes the SMC (and its forerunner

the General Skills Category, or GSC), the Work to Residence categories, and the Business categories. The Family Sponsored Stream includes the Family and former Humanitarian Category, while the International/Humanitarian Stream includes the Samoan Quota, Pacific Access Category, Refugee Quota, Refugee Status, Ministerial direction and various other policies. A full breakdown of these streams is provided in Appendix B.

Visa

A visa indicates that the issuing officer knows of no reason why the visa holder should not be granted a corresponding permit on arrival in New Zealand.

A.3 Limitations

The data reported relates to the number of people approved for residence rather than the number of migrants arriving during the reporting period. People approved for residence offshore have one year in which to move to New Zealand. However, people may be approved for residence and then decide not to take it up. Also, MIS data reflects the total number of applications for residence, rather than the number of people approved.⁵⁷

The data used in this report relates to the date the residence application was decided (except the migrant movement analysis in Chapter 8, which uses date completed). Date decided refers to the date the decision was made to approve a person for residence. Date completed refers to the date the visa or permit label was issued and endorsed in the applicant's passport. It is possible that a small number of decided applications will not go on to be completed. Date decided was used in this report to be consistent with other Department of Labour reporting.

A.4 Data analysis

Percentages within this report are rounded to the nearest whole number and, for this reason, may not always add to 100 percent.

⁵⁷ In some cases, an applicant may have more than one residence application recorded in the period of interest. These duplicate records typically occur for administrative reasons. For example, an Immigration Officer may discover that an applicant's surname has been entered incorrectly. Where this occurs, a new application is created with the amended spelling. Duplicate client codes were removed before the data was analysed for this report.

Appendix B: Temporary and permanent residence approval categories

The information in this section describes the key features of temporary and permanent residence policy. A more comprehensive overview of the specific requirements can be found on the website www.immigration.govt.nz.

B.1 Temporary categories

Visitor

The aim of Visitor policy is to facilitate the entry of genuine visitors (i.e. people who will not work illegally, commit crime, or overstay their permits) to benefit New Zealand's economy. At present, the nationals of 55 countries do not need to apply for a visa before travelling to New Zealand and will be granted a permit upon arrival as long as they:

- have sufficient funds to cover their stay
- have an outward ticket to a destination that will accept them and which means they intend to stay in New Zealand for three months or less (six months if they are citizens of the UK)
- do not represent a character risk to New Zealand.

Australian nationals are treated like New Zealanders (unless they have criminal convictions), and Australian permanent residents are treated like New Zealand permanent residents. Other nationals have to apply in advance, demonstrate they meet the tests and obtain a visa to travel to New Zealand.

Student

The aim of Student policy is to facilitate the entry of foreign students, with a focus on attracting and developing students who have the skills and talent New Zealand needs. International students help develop international linkages (including through exchange schemes) and sustain economic development through foreign exchange earnings. A non-New Zealand citizen or resident requires a student permit to attend a course of more than three months.

Work

The aim of Work policy is to contribute to building New Zealand's human capability base. This is done through facilitating the access of New Zealand employers and New Zealand industry to global skills and knowledge, while complementing the government's education and employment policies. Work permits allow employers to recruit temporary workers from overseas to meet particular or seasonal work shortages that cannot be met from within New Zealand, while protecting employment opportunities and conditions for New Zealand workers.

In addition, a wide range of people may be granted open work permits, usually with some conditions relating to the amount of time they can work. They include:

- people on working holiday schemes
- students who have completed a degree (for up to two years) or who are undertaking long term study and are therefore allowed to work part-time
- refugee status applicants who have been granted a work permit while their application is being determined
- spouses and partners (who are entitled to a work permit).

Work to Residence

Work to Residence policies are temporary work policies that provide a pathway to residence. These temporary work categories each have a corresponding residence category, through which the work permit holder may apply if certain conditions are met. The current Work to Residence policies are:

- Long Term Business
- Talent (Accredited Employers)
- Talent (Arts, Culture and Sports)
- Long Term Skill Shortage List Occupation
- Skilled Migrant Work to Residence.

B.2 The New Zealand Residence Programme

In planning the level of immigration, the government approves an annual immigration programme (the New Zealand Residence Programme, or NZRP), including the upper limit on the number of persons who may be approved for residence in a financial year. The importance of stability in immigration flows is one of the factors taken into account when setting the NZRP. The tables below describe the categories within the NZRP.

B.2.1 General rules

The principal applicant must meet the policy of the relevant category and, where applicable, they can include their spouse/partner and dependent children in their application. Everyone included in an application must pass a health check, a character (police clearance) check (if they are 17 years or over) and, where necessary, meet English language requirements.

Everyone intending a stay in New Zealand for longer than 12 months (and who is not a New Zealand or Australian citizen or permanent resident) must undergo medical screening to ensure they have an Acceptable Standard of Health for immigration purposes. This includes screening for tuberculosis (TB). From November 2005, the definition of an Acceptable Standard of Health has been based on significant costs and demand thresholds for publicly funded health and special education services.

In 2004, a number of changes were made to immigration health screening to reduce risks to public health. In April 2004, TB screening became mandatory for every student with TB risk factors (i.e. anyone from or having spent considerable time in one or more high risk countries) and intending to be in New Zealand for six months or more. In November 2004, TB screening was extended to include all persons with TB risk factors intending to stay in New Zealand for more than six months, and from April 2005 this screening policy was extended to working holidaymakers.

In August 2005, a new Medical and Chest X-ray Certificate was issued to support the new health screening framework. The new requirements included: additional compulsory blood tests for applicants aged 15 years and over to include HIV, Hepatitis B, full blood count, serum creatinine, and liver function; assessment for critical developmental delay, particularly in children; and assessment for impaired cognitive performance, with compulsory screening for applicants aged 70 or more. Since November 2005, all people entering New Zealand for longer than 12 months have been required to complete a medical certificate using the Medical and Chest X-ray Certificate dated August 2005.

Table B-1 Skilled/Business Stream

Category	Key policy features
Skilled Migrant Category	Applicants must meet a minimum threshold of 100 points to register an expression of interest into a pool. Expressions of interest are selected from the pool based on a selection point and on the basis of other criteria set by the Minister of Immigration. After initial verification, applicants are invited to apply through the Skilled Migrant Category.
General Skills Category (closed July 2003)	Applicants were required to meet a minimum level of points, earned through a combination of their qualifications, work experience, offer of skilled employment in New Zealand, age (no older than 55 years) and settlement factors.
Entrepreneur	This was established for people who can demonstrate they have successfully set up and operated a business in New Zealand. Applicants first enter New Zealand on a Long Term Business Visa, which is a Work to Residence policy.
2005 Investor (now closed)	Applicants must first submit an expression of interest, after which they may be invited to apply for residence. The minimum amount of investment is NZ\$2 million, and these funds are held by the New Zealand Government for five years. Applicants may withdraw up to NZ\$1 million after two years to invest in a business that will benefit New Zealand. Applicants must be no older than 54 years and have at least five years' business experience. Conditions will apply for the first five years post residence.
Active Investor Migrant policy (from November 2007)	<p>The Active Investor Migrant policy is segmented into three sub-categories on the basis of the migrant's potential contribution and the assessed level of risk:</p> <ul style="list-style-type: none">• Global Investors – highest priority category for high value investors investing \$20 million (including at least \$5 million in active investment).• Professional Investors – a second priority category for migrants investing \$10 million (including at least \$2 million actively).• General (Active) Investors – a category for those investing a minimum of \$2.5 million. Applicants are selected through a points system.
Employees of Relocating Businesses	This was established for key people in a business relocating to New Zealand who do not qualify for residence under any other residence category. There is a two-year employment period before the residence permit is endorsed.
Work to Residence	This category provides a pathway to residence for holders of permits granted under three specific work policies: Talent (Accredited Employers); Talent (Arts, Culture and Sports); and the Long Term Skill Shortage List policy. The corresponding residence categories include the Talent (Accredited Employers), Long Term Skill Shortage List Occupation, Talent (Arts and Culture), and Talent (Sports).

Table B-2 Family Sponsored Stream

Category	Key policy features
Partnership	Enables the partner (including spouse, de facto and same-sex partner) of a New Zealand citizen or resident to apply for residence. Applicants must provide evidence that they have been living in a partnership that is genuine and stable for 12 months or more.
Parent	Enables the parent(s) of a New Zealand citizen or resident to apply for residence if either they have no dependent children and all of their children live outside of the parent's home country, or the centre of gravity of their family is in New Zealand. The applicant's child must be an eligible sponsor.
Sibling	Enables siblings of New Zealand citizens or residents to gain residence. Applicants must have no immediate family in their home country, have an acceptable offer of employment in New Zealand, be able to financially support any dependents and have an eligible sponsor. From August 2006, the age limit for people applying through this policy is 55 years.
Dependent Child	Enables dependent children of parents with New Zealand residence to gain residence. The applicant must have been born or adopted before his or her parents applied for residence and have been declared on his or her parents' application for residence, or have been born after his or her parents applied for residence, or have been adopted by his or her parents as a result of a New Zealand adoption or an overseas adoption recognised under New Zealand law.
Adult Child	Enables adult children of New Zealand citizens or residents to gain residence. Applicants must have no immediate family in their home country, have an acceptable offer of employment in New Zealand, be able to financially support any dependents and have an eligible sponsor. From August 2006, the age limit for people applying through this policy is 55 years.
Family Quota (now closed)	The Family Quota enabled New Zealand citizens and residents to sponsor family members who did not qualify for residence under any other residence policies. This quota only operated when there were sufficient places in the Family Sponsored Stream (that is, at times of low demand). No places have been offered since 2003.
October 2000 Transitional policy (now closed)	This policy offered well-settled overstayers the opportunity to apply for a two-year work permit and then transition to residence. Applicants must have been in New Zealand for five years or more and have had no convictions. An applicant whose partner was a New Zealand citizen or resident, or had a New Zealand born child, was counted through the Family Sponsored Stream. The remainder were counted through the International/Humanitarian Stream.
Humanitarian (now closed)	This policy allowed people to enter New Zealand in situations where serious humanitarian circumstances existed and there was a close family connection with New Zealand.

Table B-3 International/Humanitarian Stream

Category	Key policy features
Refugee Quota	New Zealand provides assistance to mandated refugees (people determined to be refugees by the United Nations High Commission for Refugees (UNHCR) before arrival in New Zealand). The government sets the number of places available for mandated refugees under the Refugee Quota (currently 750 persons per year).
1995 Refugee Status	To be eligible to claim refugee status, a claimant (asylum seeker) must be in New Zealand at the time of making a claim, and may be in New Zealand either lawfully or unlawfully. Successful refugee claimants (that is, Convention refugees) may apply for residence.
Refugee Family Support Category (July 2007)	Formerly called the Refugee Family Quota, this category allows some people who were granted residence as refugees to sponsor family members for residence in New Zealand. From July 2007, a two-tier registration system has been established. Sponsors who meet tier one criteria have first access to available places and are queued. If places are not filled by those in tier one, registrations will be called for from those who meet tier two criteria, and will be balloted to fill the remaining places. Each year, there are 300 places available.
Samoa Quota	Allows for up to 1,100 Samoan citizens, including partners and dependent children, to be granted residence in New Zealand each year. Applicants must have an acceptable offer of employment, be aged 18–45 years and meet minimum income requirements if they have dependants. Places in this quota are balloted.
Pacific Access Category (PAC)	The PAC allows up to 250 citizens of Tonga, 75 citizens of Tuvalu and 75 citizens of Kiribati (including the spouses, de facto partners and dependent children of principal applicants) to be granted residence in New Zealand each year. Applicants must have an acceptable offer of employment, be aged 18–45 years and meet minimum income requirements if they have dependants. Places in this quota are balloted.
Ministerial direction	In special circumstances, the Minister of Immigration (or delegate) may give any Immigration Officer a special direction in relation to any person, permit, visa, or document. No person has the right to apply for a special direction, and the Minister is not obliged to consider the application, nor give reasons for any decision on it, other than that section 7(4) and section 130(6)(b)(i) of the Immigration Act 1987 apply.
Section 35A	In special circumstances, a person unlawfully in New Zealand may be granted a permit as a special case under section 35A of the Immigration Act 1987. No person has the right to apply for a permit if they are unlawfully in New Zealand, and neither the Department of Labour nor the Minister is required to consider any request made.
Victims of Domestic Violence	A person may be granted residence under this policy if they have, or have had, a marriage or relationship with a New Zealand citizen or resident that has ended due to domestic violence by the New Zealand citizen or resident, and the person is unable to return to their home country because

they would be disowned by their family and community as a result of their relationship, and would have no means of independent support.

Special Zimbabwe
Residence policy
(closed 28 February
2007)

The Special Zimbabwe Residence policy allows Zimbabwe nationals who arrived in New Zealand on or before 23 September 2004, and who do not meet the requirements for approval under any other residence category, to be granted residence. Applications made after 30 August 2006 were exempted from the requirement to be of an acceptable standard of health. The closing date for applications under this policy was 28 February 2007.

Appendix C: Number of people issued with one or more work or student permits in 2006/07

Country	Work	Student	Total
Afghanistan	75	0	75
Albania	5	2	7
Algeria	8	0	8
American Samoa	5	9	14
Angola	2	1	3
Argentina	1,298	71	1,369
Armenia	1	0	1
Australia	3	0	3
Austria	227	79	306
Azerbaijan	4	2	6
Bahamas	1	0	1
Bahrain	2	24	26
Bangladesh	137	73	210
Belarus	19	9	28
Belgium	290	32	322
Belize	2	0	2
Benin	2	0	2
Bermuda	0	2	2
Bhutan	2	7	9
Bolivia	13	9	22
Bosnia and Herzegovina	8	1	9
Botswana	9	9	18
Brazil	3,009	858	3,867
Brunei Darussalam	7	38	45
Bulgaria	87	23	110
Burundi	1	0	1
Cambodia	221	192	413
Cameroon	0	3	3
Canada	3,016	523	3,539
Cayman Islands	0	2	2
Chad	1	2	3
Chile	1,392	247	1,639
China	14,889	20,227	35,116
Colombia	115	149	264
Congo	0	3	3
Costa Rica	12	11	23
Croatia	28	6	34
Cuba	9	0	9
Cyprus	4	0	4
Czech Republic	1,863	58	1,921
Democratic Republic of Congo	3	0	3
Denmark	483	108	591
Dominican Republic	0	1	1
East Timor	0	1	1
Ecuador	14	9	23
Egypt	85	20	105
El Salvador	4	3	7

Country	Work	Student	Total
Eritrea	9	0	9
Estonia	23	7	30
Ethiopia	23	7	30
Federated States of Micronesia	0	2	2
Fiji	4,427	2,094	6,521
Finland	214	80	294
France	2,249	500	2,749
French Polynesia	0	1	1
Georgia	6	1	7
Germany	7,302	2,611	9,913
Ghana	26	12	38
Greece	22	3	25
Guatemala	5	6	11
Guinea	1	0	1
Guyana	2	0	2
Honduras	3	0	3
Hong Kong	540	978	1,518
Hungary	391	54	445
Iceland	19	21	40
India	5,659	3,085	8,744
Indonesia	1,171	427	1,598
Iran	149	98	247
Iraq	127	25	152
Ireland	2,596	79	2,675
Israel	367	41	408
Italy	550	207	757
Jamaica	13	3	16
Japan	5,803	3,670	9,473
Jordan	60	28	88
Kazakhstan	13	36	49
Kenya	50	40	90
Kiribati	186	112	298
Kosovo	1	0	1
Kuwait	0	4	4
Kyrgyzstan	4	4	8
Laos	9	45	54
Latvia	37	9	46
Lebanon	28	11	39
Lesotho	2	2	4
Liberia	1	1	2
Libya	5	0	5
Liechtenstein	1	0	1
Lithuania	24	4	28
Luxembourg	3	1	4
Macao	5	23	28
Macedonia	48	18	66
Madagascar	2	0	2
Malawi	9	8	17
Malaysia	3,026	2,049	5,075
Maldives	11	59	70

Country	Work	Student	Total
Mali	1	1	2
Malta	16	0	16
Marshall Islands	1	5	6
Mauritius	50	52	102
Mayotte	1	0	1
Mexico	139	101	240
Moldova	9	1	10
Mongolia	19	17	36
Morocco	10	1	11
Mozambique	1	2	3
Myanmar	69	41	110
Namibia	4	5	9
Nauru	78	12	90
Nepal	136	43	179
Netherlands	1,488	179	1,667
New Caledonia	0	1	1
Nicaragua	0	1	1
Niger	1	0	1
Nigeria	58	31	89
North Korea	2	0	2
Norway	144	199	343
Not recorded	5	4	9
Oman	5	130	135
Pacific Island Trust Territory	1	0	1
Pakistan	212	141	353
Palau	1	1	2
Palestine	2	1	3
Panama	4	5	9
Papua New Guinea	69	100	169
Paraguay	10	19	29
Peru	67	59	126
Philippines	3,666	1,466	5,132
Poland	518	30	548
Portugal	47	35	82
Romania	236	62	298
Russia	476	533	1,009
Samoa	1,376	354	1,730
Saudi Arabia	11	668	679
Senegal	2	0	2
Serbia	1	0	1
Serbia and Montenegro*	3	1	4
Seychelles	4	25	29
Sierra Leone	4	5	9
Singapore	315	260	575
Slovakia	170	26	196
Slovenia	52	17	69
Solomon Islands	198	70	268
Somalia	29	1	30
South Africa	3,985	1,513	5,498

* See also Yugoslavia

Country	Work	Student	Total
South Korea	4,785	11,148	15,933
Soviet Union	1	0	1
Spain	177	69	246
Sri Lanka	603	219	822
St Lucia	2	2	4
St Vincent and the Grenadines	1	1	2
Stateless	5	2	7
Sudan	12	3	15
Suriname	0	1	1
Swaziland	0	2	2
Sweden	823	207	1,030
Switzerland	313	240	553
Syria	19	12	31
Taiwan	1,603	1,349	2,952
Tajikistan	3	5	8
Tanzania	4	16	20
Thailand	1,861	1,820	3,681
Timor Leste	1	6	7
Togo	0	2	2
Tonga	1,243	305	1,548
Trinidad and Tobago	7	4	11
Tunisia	4	1	5
Turkey	158	73	231
Turkmenistan	1	2	3
Tuvalu	173	98	271
Uganda	10	4	14
Ukraine	251	53	304
United Arab Emirates	0	35	35
United Kingdom	18,696	2,131	20,827
United States of America	7,185	2,736	9,921
Uruguay	204	39	243
Uzbekistan	16	11	27
Vanuatu	118	31	149
Venezuela	32	18	50
Vietnam	262	749	1,011
Yemen	7	6	13
Yugoslavia**	50	15	65
Zambia	28	34	62
Zimbabwe	525	200	725
Total	115,457	67,147	182,604

**See also Serbia and Montenegro

Appendix D: Work permit criteria

Labour market tested work permits

- Approved in principle
- Business – long term executive
- Business – short term
- Crew of foreign fishing vessel
- Japanese interpreter
- Machinery installer/servicer
- Seasonal labour pilot
- Specialist skills

Working Holiday Schemes

- Argentina
- Belgium
- Canada
- Chile
- Czech Republic
- Denmark
- Estonia
- Finland
- France
- Germany
- Hong Kong
- Ireland
- Italy
- Japan
- Malaysia
- Malta
- Netherlands
- Norway
- Singapore
- South Korea
- Sweden
- Taiwan
- Thailand
- United Kingdom
- United States of America
- Uruguay

Partnership policies

- De facto partner of NZ citizen/resident
- Oct 2000 – Marriage to NZ citizen/resident
- Partner of worker
- Partner of NZAID student
- Partner of student
- Partner of US Govt personnel
- Partnership
- Partnership deferral
- Spouse of NZ citizen/resident
- Spouse/partner of worker

Work post study (Study to Work)

- Graduate Job Search
- Practical experience post study

Work to Residence policies

- Job Search
- Long Term Business Visa
- Long Term Skill Shortage List Occupation
- Skilled Migrant
- Talent (Arts, Culture and Sports)
- Talent (Accredited Employer)

Specific purposes – short term work permits

- Entertainer/performing artist and support
- Exchange (work), private
- Medical and dental trainee
- Minister/missionary/pastor
- NZ racing conference apprentice
- Show judge/sports referee
- Specific purpose or event
- Sports player/professional coach

Other work permit types

- Asylum seeker
- Chef from Thailand
- Domestic staff for consular personnel
- Domestic staff for seconded business personnel
- Normal
- Reconsideration
- s35A request
- Victims of Domestic Violence
- Work experience for student

Appendix E: People approved a work permit by nationality: 1997/98–2006/07

Nationality	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07
UK	7,332	8,366	8,785	12,475	15,114	17,473	19,185	19,346	18,659	18,696
China	1,306	1,420	1,120	1,955	3,156	3,618	4,023	6,953	11,954	14,889
Germany	573	612	725	1,116	1,923	2,601	3,530	3,971	6,241	7,302
USA	2,419	2,629	2,621	2,803	3,201	3,990	4,504	5,146	6,327	7,185
Japan	3,934	4,891	5,545	6,074	6,716	7,664	6,957	6,664	6,142	5,803
India	850	978	1,281	2,233	3,639	3,450	3,659	4,473	4,889	5,659
South Korea	491	603	694	1,431	2,587	2,768	3,311	3,615	4,063	4,785
Fiji	946	730	798	1,410	1,779	1,534	1,680	2,214	3,278	4,427
South Africa	1,000	1,168	1,278	1,632	2,509	2,861	3,062	3,314	3,420	3,985
Philippines	489	540	473	636	805	812	913	1,175	2,176	3,666
Malaysia	225	474	513	617	686	708	962	936	1,657	3,026
Canada	1,220	1,307	1,367	1,422	1,812	2,121	2,427	2,619	3,042	3,016
Brazil	29	25	43	71	122	237	451	685	1,823	3,009
Ireland	536	549	761	1,235	1,543	2,403	2,609	2,833	2,921	2,596
France	296	370	569	669	909	1,262	1,471	1,637	2,135	2,249
Czech Republic	17	41	109	187	219	240	817	485	1,385	1,863
Thailand	344	730	789	1,180	1,205	946	990	1,173	1,338	1,861
Taiwan	104	176	457	463	484	442	546	700	932	1,603
Netherlands	344	737	626	703	967	1,116	1,279	1,335	1,430	1,488
Chile	22	25	37	63	155	400	405	563	948	1,392
Others	3,859	5,149	5,484	8,227	9,617	10,181	10,806	12,660	14,914	16,957
Total	26,336	31,520	34,075	46,602	59,148	66,827	73,587	82,497	99,674	115,457

Appendix F: Ratio of females to males by age and nationality for workers approved in 2006/07*

Nationality	Age group											
	Under 20		20 to 29		30 to 39		40 to 49		50 and over		Total	
	n	f/m	n	f/m	n	f/m	n	f/m	n	f/m	n	f/m
UK	1,339	0.72	9,808	0.93	4,481	0.73	1,987	0.57	1,081	0.59	18,696	0.80
China	85	1.02	11,797	1.08	1,917	1.06	803	0.82	287	0.74	14,889	1.06
Germany	1,551	2.68	4,483	1.21	889	0.72	282	0.58	97	0.52	7,302	1.28
USA	314	0.64	3,659	1.03	1,526	0.47	876	0.42	810	0.44	7,185	0.71
Japan	122	1.54	3,144	2.05	1,788	1.47	485	0.68	264	0.28	5,803	1.52
India	61	1.77	3,106	0.71	1,810	0.34	486	0.34	196	0.30	5,659	0.53
South Korea	54	3.91	2,608	1.20	1,142	1.33	815	0.92	166	0.38	4,785	1.14
Fiji	70	1.33	1,911	0.87	1,369	0.78	867	0.65	210	0.56	4,427	0.79
South Africa	43	0.72	1,123	1.04	1,601	0.79	862	0.77	356	0.84	3,985	0.85
Philippines	7		851	1.06	1,771	0.91	887	0.79	150	0.95	3,666	0.91
Malaysia	136	0.43	1,566	0.84	670	0.72	425	0.70	229	0.83	3,026	0.77
Canada	300	1.29	1,914	1.38	472	0.74	202	0.67	128	0.66	3,016	1.15
Brazil	129	0.70	2,103	0.55	581	0.64	156	0.56	40	0.82	3,009	0.58
Ireland	91	0.30	2,000	0.97	392	0.77	73	0.55	40	0.29	2,596	0.87
France	135	0.75	1,747	0.70	265	0.61	67	0.86	35	0.35	2,249	0.69
Czech Republic	34	0.89	1,523	0.80	249	0.60	38	0.27	19	0.90	1,863	0.76
Thailand	6		626	2.02	731	0.87	386	0.90	112	1.11	1,861	1.18
Taiwan	22	1.20	1,101	3.17	311	2.02	114	0.63	55	0.45	1,603	2.31
Netherlands	198	0.68	838	0.85	276	0.61	128	0.51	48	0.45	1,488	0.73
Chile	37	0.12	987	0.70	269	0.55	73	0.92	26	0.53	1,392	0.65
Others	685	1.34	8,640	0.82	4,936	0.53	1,877	0.49	819	0.37	16,957	0.67
Total	5,419	1.17	65,535	1.00	27,446	0.73	11,889	0.62	5,168	0.53	115,457	0.87

* Ratios were not computed for cells containing fewer than 10 records. Gender was not recorded in six instances.

Appendix G: People approved a student permit by nationality: 1997/98–2006/07

Nationality	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07
China	193	1,851	5,566	14,655	32,424	41,598	40,748	34,070	26,661	20,227
South Korea	2,765	2,627	3,892	7,216	12,510	15,590	13,729	11,346	10,091	11,148
Japan	2,873	3,255	3,586	4,060	4,529	4,770	4,608	4,297	3,955	3,670
India	118	149	256	727	1,834	2,076	2,174	2,208	2,370	3,085
USA	692	1,024	1,151	1,360	1,657	2,211	2,740	2,858	2,662	2,736
Germany	424	601	666	1,007	1,180	1,483	1,953	2,057	2,421	2,611
UK	331	459	543	681	961	1,499	2,330	2,714	2,103	2,131
Fiji	744	776	766	1,167	1,254	1,117	1,142	1,298	1,702	2,094
Malaysia	1,763	1,685	1,363	1,250	1,194	1,230	1,350	1,494	1,745	2,049
Thailand	1,315	1,412	1,569	2,076	2,475	2,474	2,256	1,947	1,708	1,820
South Africa	345	516	506	583	843	966	1,114	1,181	1,137	1,513
Philippines	125	151	156	250	213	213	263	320	794	1,466
Taiwan	1,197	1,362	1,476	1,656	1,832	1,672	1,493	1,356	1,308	1,349
Hong Kong	851	981	1,099	1,292	1,392	1,374	1,316	1,090	1,031	978
Brazil	196	424	420	670	912	864	678	553	616	858
Vietnam	309	337	303	598	910	920	978	801	773	749
Saudi Arabia	1	1	1	28	68	110	134	223	306	668
Russia	62	95	135	146	225	344	414	448	535	533
Canada	194	267	253	327	354	502	579	603	570	523
France	133	172	209	244	302	385	403	419	429	500
Others	3,292	4,275	4,629	5,826	6,454	6,440	6,673	6,280	6,306	6,439
Total	17,923	22,420	28,545	45,819	73,523	87,838	87,075	77,563	69,223	67,147

Appendix H: Ratio of females to males by age and nationality for students approved in 2006/07*

Nationality	Age group									
	Under 16		16 to 19		20 to 29		30 and over		Total	
	n	f/m	n	f/m	n	f/m	n	f/m	n	f/m
China	399	1.01	2,739	0.83	16,398	0.80	691	1.52	20,227	0.82
South Korea	5,392	0.83	2,136	0.88	2,891	1.07	729	0.99	11,148	0.90
Japan	682	1.85	1,664	1.76	1,072	1.45	252	1.52	3,670	1.66
India	391	0.71	401	0.35	1,934	0.29	359	0.75	3,085	0.38
USA	401	0.99	404	1.34	1,817	1.31	114	1.00	2,736	1.24
Germany	379	1.27	1,110	1.43	1,025	0.96	97	0.54	2,611	1.16
UK	1,620	0.97	179	0.90	235	0.97	97	0.98	2,131	0.96
Fiji	1,120	0.98	467	0.78	408	0.91	99	0.60	2,094	0.90
Malaysia	235	1.06	487	1.10	1,178	1.31	149	1.22	2,049	1.22
Thailand	534	0.79	493	0.66	627	1.16	166	2.25	1,820	0.94
South Africa	1,211	0.96	237	0.68	46	0.39	19	1.71	1,513	0.90
Philippines	1,155	0.87	109	0.54	91	1.22	111	1.58	1,466	0.90
Taiwan	194	0.75	361	0.66	651	1.45	143	1.60	1,349	1.08
Hong Kong	131	0.68	393	0.69	385	0.72	69	5.90	978	0.80
Brazil	125	1.84	355	0.90	301	0.72	77	0.93	858	0.92
Vietnam	52	0.63	255	0.70	401	0.74	41	0.46	749	0.70
Saudi Arabia	19	0.73	141	0.06	463	0.05	45	0.10	668	0.07
Russia	103	1.02	173	1.22	207	1.30	50	0.79	533	1.16
Canada	102	0.92	118	1.31	258	1.77	45	1.50	523	1.43
France	64	1.13	121	1.33	286	1.04	29	1.23	500	1.13
Indonesia	67	1.16	109	0.76	201	1.01	50	1.00	427	0.96
Samoa	218	1.02	66	1.36	50	1.38	20	0.82	354	1.11
Tonga	130	0.76	62	0.72	91	0.98	22	0.16	305	0.74
Singapore	53	0.77	34	3.86	132	1.16	41	1.73	260	1.30
Chile	92	1.19	75	0.74	65	0.71	15	0.88	247	0.89
Others	1,409	1.05	1,149	1.04	1,726	0.77	562	0.57	4,846	0.87
Total	16,278	0.94	13,838	0.95	32,939	0.84	4,092	1.03	67,147	0.90

* Ratios were not computed for cells containing fewer than 10 records. Gender was not recorded in three instances.

Appendix I: Residence approvals by category in 2006/07

Residence stream	Category	Approved applications	Approved people	Proportion of people
Skilled/Business 28,200–31,000 (60% of NZRP)	Skilled Migrant Category	11,563	25,885	
	1995 General Skills	36	92	
	LTSSL Occupation	70	176	
	Talent – Accredited Employers	281	698	
	Talent – Arts and Culture	4	10	
	Talent – Sports	8	13	
	Partnership deferral – skilled	2	3	
	Skilled categories total	11,964	26,877	57.2%
	Employees of Businesses	1	6	
	Entrepreneur Category	372	1,128	
	Investor Category	41	129	
	Business categories total	414	1,263	2.7%
Stream total	12,378	28,140	59.9%	
Family Sponsored 14,100–15,000 (30% of NZRP)	Adult Child	95	206	
	Dependant Child	888	891	
	Family Quota	1	1	
	Humanitarian	4	12	
	October 2000 Transitional	8	11	
	Parent	2,440	4,188	
	Partnership	7,566	8,400	
	Sibling	393	996	
	Adult Child	95	206	
	Stream total	11,395	14,705	31.3%
International/ Humanitarian 4,700–6,000 (10% of NZRP)	Refugee Emergency	7	16	
	Refugee Family	46	122	
	Refugee Medical	8	38	
	Refugee Protection	168	515	
	Refugee Women at Risk	19	57	
	Refugee Quota total	248	748	1.6%
	PAC Residence Tonga	77	294	
	PAC Residence Fiji	81	201	
	PAC Residence Kiribati	35	124	
	PAC Residence Tuvalu	29	76	
	PAC Residual Places	183	504	
	Pacific Access total	405	1,199	2.6%
	Samoan Quota	304	991	
	Samoan Residual Places	46	115	
	Samoa Quota total	350	1,106	2.4%
	Ministerial direction	198	387	
	Section 35A	16	19	
	Victims of Domestic Violence	5	11	
	Zimbabwe policy	145	270	
	1995 Refugee status	94	191	
	Refugee Family Quota	56	179	
	October 2000 Transitional	8	9	
	Other total	522	1,066	2.3%
Stream total	1,525	4,119	8.8%	
2006/07 total	25,298	46,964	100%	

Appendix J: People granted permanent residence in 2006/07 by nationality and stream

Country	Skilled/ Business	Family Sponsored	International/ Humanitarian	Total
Afghanistan	0	21	232	253
Albania	6	5	0	11
Algeria	0	2	2	4
American Samoa	0	4	2	6
Angola	0	1	0	1
Argentina	64	27	0	91
Armenia	0	1	0	1
Austria	32	11	0	43
Azerbaijan	2	2	0	4
Bahrain	1	1	0	2
Bangladesh	39	38	0	77
Barbados	3	0	0	3
Belarus	1	3	0	4
Belgium	33	16	0	49
Belize	0	1	0	1
Bolivia	2	3	0	5
Bosnia and Herzegovina	2	4	0	6
Botswana	2	0	0	2
Brazil	103	105	1	209
Brunei Darussalam	4	0	0	4
Bulgaria	40	21	0	61
Cambodia	10	177	17	204
Cameroon	0	1	0	1
Canada	266	207	7	480
Chile	51	41	4	96
China	3,326	2,456	64	5,846
Colombia	20	14	0	34
Congo	0	0	7	7
Costa Rica	2	0	0	2
Croatia	5	3	0	8
Cuba	0	3	3	6
Cyprus	0	1	0	1
Czech Republic	28	31	20	79
Dem. Republic of Congo	0	0	29	29
Denmark	36	36	1	73
Dominican Republic	0	1	0	1
Ecuador	2	0	0	2
Egypt	35	19	1	55
Eritrea	0	1	11	12
Estonia	0	3	0	3
Ethiopia	1	32	46	79
Fiji	1,263	837	471	2,571
Finland	24	12	0	36
France	177	72	2	251
Gambia	5	1	0	6
Georgia	0	1	1	2
Germany	501	228	1	730

Country	Skilled/ Business	Family Sponsored	International/ Humanitarian	Total
Ghana	10	7	0	17
Greece	4	6	0	10
Guatemala	4	1	0	5
Guyana	1	0	0	1
Honduras	0	4	0	4
Hong Kong	50	86	1	137
Hungary	41	20	3	64
Iceland	8	2	0	10
India	1,619	2,392	28	4,039
Indonesia	83	90	2	175
Iran	25	19	61	105
Iraq	15	65	40	120
Ireland	222	142	1	365
Israel	55	16	2	73
Italy	29	47	4	80
Jamaica	1	0	0	1
Japan	216	319	3	538
Jordan	8	7	12	27
Kazakhstan	4	5	0	9
Kenya	20	9	0	29
Kiribati	0	17	124	141
Kosovo	0	2	0	2
Kuwait	0	0	8	8
Kyrgyzstan	0	2	0	2
Laos	1	0	0	1
Latvia	8	9	0	17
Lebanon	1	8	0	9
Lesotho	0	1	0	1
Liberia	0	0	5	5
Libya	0	1	6	7
Lithuania	6	3	0	9
Luxembourg	4	0	0	4
Macau	0	1	0	1
Macedonia	45	6	0	51
Madagascar	0	1	0	1
Malawi	6	1	1	8
Malaysia	499	160	7	666
Maldives	6	2	0	8
Malta	10	1	0	11
Mauritius	35	3	0	38
Mexico	17	23	0	40
Moldova	0	5	0	5
Mongolia	3	5	0	8
Morocco	0	5	0	5
Myanmar	7	2	379	388
Namibia	7	1	1	9
Nauru	3	2	5	10
Nepal	40	20	19	79
Netherlands	353	99	2	454

Country	Skilled/ Business	Family Sponsored	International/ Humanitarian	Total
Niger	1	1	0	2
Nigeria	39	6	0	45
North Korea	0	1	0	1
Norway	6	8	0	14
Not recorded	56	5	5	66
Oman	1	1	0	2
Pakistan	35	48	7	90
Palestine	5	0	4	9
Papua New Guinea	1	7	4	12
Paraguay	0	5	0	5
Peru	11	20	1	32
Philippines	2,431	338	6	2,775
Poland	23	29	0	52
Portugal	7	8	0	15
Romania	211	50	0	261
Russia	113	138	7	258
Rwanda	0	0	26	26
Samoa	20	705	1,103	1,828
Saudi Arabia	0	1	0	1
Serbia and Montenegro*	1	2	0	3
Seychelles	1	1	0	2
Singapore	177	39	1	217
Slovakia	4	14	0	18
Slovenia	6	0	0	6
Solomon Islands	21	11	3	35
Somalia	0	35	38	73
South Africa	3,201	511	52	3,764
South Korea	720	380	15	1,115
Spain	8	19	0	27
Sri Lanka	231	114	29	374
St Kitts – Nevis	1	0	0	1
St Lucia	4	0	0	4
Stateless	1	2	2	5
Sudan	1	4	27	32
Swaziland	0	1	0	1
Sweden	35	48	0	83
Switzerland	41	44	0	85
Syria	8	9	9	26
Taiwan	43	92	4	139
Tajikistan	1	0	0	1
Tanzania	0	3	0	3
Thailand	53	285	16	354
Tonga	18	390	571	979
Trinidad and Tobago	1	1	0	2
Tunisia	0	2	1	3
Turkey	15	22	2	39
Tuvalu	0	25	102	127
Uganda	4	0	0	4

* See also Yugoslavia

Country	Skilled/ Business	Family Sponsored	International/ Humanitarian	Total
Ukraine	12	25	1	38
United Arab Emirates	0	1	0	1
United Kingdom	9,741	2,470	62	12,273
United States of America	933	501	23	1,457
Uruguay	47	6	0	53
Uzbekistan	1	6	0	7
Vanuatu	3	8	0	11
Venezuela	6	3	0	9
Vietnam	25	87	36	148
Yemen	0	2	0	2
Yugoslavia**	15	26	6	47
Zambia	13	1	1	15
Zimbabwe	236	84	319	639
Total	28,140	14,705	4,119	46,964

** See also Serbia and Montenegro

Appendix K: Ratio of females to males granted permanent residence by age and nationality in 2006/07*

Nationality	Age group												Total	
	0 to 19		20 to 29		30 to 39		40 to 44		45 to 49		50 and over			
	n	f/m	n	f/m	n	f/m	n	f/m	n	f/m	n	f/m	n	f/m
UK	3,504	0.93	1,487	1.23	3,541	1.00	1,540	0.84	854	0.78	1,347	0.92	12,273	0.96
China	422	0.84	3,239	1.15	607	1.49	213	1.37	154	1.00	1,211	1.16	5,846	1.16
India	565	0.88	1,347	1.19	740	0.74	144	0.67	121	1.42	1,122	1.16	4,039	1.03
South Africa	1,267	0.99	556	1.20	994	0.97	337	0.75	228	1.07	382	0.97	3,764	0.99
Philippines	1,058	0.93	343	1.86	831	1.33	311	1.03	134	0.94	98	1.80	2,775	1.17
Fiji	754	0.88	824	1.13	522	0.88	161	0.96	111	0.59	199	1.40	2,571	0.98
Samoa	881	0.98	392	0.93	319	0.72	102	0.67	47	0.68	87	1.64	1,828	0.91
USA	354	0.98	270	2.18	364	1.35	134	1.39	100	1.00	235	0.74	1,457	1.21
South Korea	314	0.95	221	2.07	236	2.03	124	1.30	91	1.12	129	1.22	1,115	1.39
Tonga	415	0.81	232	0.83	207	0.85	55	0.96	16	1.00	54	1.57	979	0.86
Germany	117	0.83	183	2.59	259	1.12	74	0.85	45	1.05	52	1.00	730	1.25
Malaysia	214	0.93	148	1.74	127	1.05	61	1.35	52	1.08	64	1.13	666	1.16
Zimbabwe	203	0.95	124	1.21	151	0.72	44	1.10	30	0.76	87	1.35	639	0.98
Japan	42	0.83	177	5.81	264	3.33	23	2.29	14	1.00	18	2.60	538	3.17
Canada	96	1.34	142	3.06	122	1.26	38	1.53	32	0.78	50	1.50	480	1.62
Netherlands	115	1.25	63	1.74	150	0.97	63	0.75	36	0.80	27	1.08	454	1.07
Myanmar	184	0.88	86	1.32	66	0.94	20	1.50	7		25	0.79	388	0.99
Sri Lanka	95	0.86	67	1.31	90	1.09	36	0.71	20	0.67	66	1.36	374	1.03
Ireland	48	0.55	125	1.50	144	1.06	23	1.09	11	0.57	14	1.33	365	1.09
Thailand	79	1.26	90	4.29	94	2.62	43	4.38	25	4.00	23	2.29	354	2.61
Others	1,368	0.92	1,447	1.40	1,483	1.12	360	0.99	215	1.09	456	1.36	5,329	1.14
Total	12,095	0.93	11,563	1.31	11,311	1.08	3,906	0.94	2,343	0.91	5,746	1.11	46,964	1.07

* Ratios were not computed for cells containing fewer than 10 records.

Appendix L: SMC points for employability and capacity building factors from 30 July 2007

Factors	Points
Skilled employment	
• Current skilled employment in New Zealand for 12 months or more	60
• Offer of skilled employment in New Zealand or current skilled employment in New Zealand for less than 12 months	50
<i>Bonus points for employment or offer of employment in:</i>	
• An identified future growth area	10
• An area of absolute skills shortage	10
• Region outside Auckland	10
• Partner employment or offer of employment	20
Work experience	
• 2 years	10
• 4 years	15
• 6 years	20
• 8 years	25
• 10 years	30
<i>Additional bonus points if work experience in New Zealand:</i>	
• 1 year	5
• 2 years	10
• 3 years or more	15
<i>Additional bonus points for work experience in an identified future growth area:</i>	
• 2 to 5 years	10
• 6 years or more	15
<i>Additional bonus points for work experience in an area of absolute skills shortage:</i>	
• 2 to 5 years	10
• 6 years or more	15
Qualifications	
• Recognised basic qualification (e.g. trade qualification, diploma, bachelor's degree, bachelor's degree with honours)	50
• Recognised post graduate qualification (master's degree, doctorate)	55
<i>Bonus points for:</i>	
• 2 years of full time study in New Zealand towards a recognised qualification	5
• A recognised basic New Zealand qualification (e.g. trade qualification, diploma, bachelor's degree, bachelor's degree with honours)	5
• A recognised post graduate New Zealand qualification (master's degree or doctorate)	10
• Qualification in an identified future growth area	10
• Qualification in an area of absolute skill shortage	10
• Partner qualifications	20
Close family support in New Zealand	
Age (20 to 55 yrs)	
• 20–29	30
• 30–39	25
• 40–44	20
• 45–49	10
• 50–55	5

Appendix M: EOI pool selections in 2006/07

Date of Selection	Total EOIs selected	Total people selected
05-Jul-06	750	1,774
19-Jul-06	652	1,405
02-Aug-06	650	1,445
16-Aug-06	742	1,548
30-Aug-06	657	1,431
13-Sep-06	672	1,520
27-Sep-06	678	1,510
11-Oct-06	672	1,567
25-Oct-06	705	1,767
08-Nov-06	685	1,485
22-Nov-06	695	1,544
06-Dec-06	691	1,617
20-Dec-07	688	1,543
17-Jan-07	826	1,800
31-Jan-07	729	1,670
14-Feb-07	709	1,539
28-Feb-07	692	1,522
14-Mar-07	702	1,536
28-Mar-07	695	1,486
11-Apr-07	689	1,528
26-Apr-07	805	1,747
09-May-07	789	1,745
23-May-07	737	1,626
06-Jun-07	873	1,781
20-Jun-07	747	1,617
Total	17,930	39,753

Appendix N-1: Description of IELTS band scores

Scores	Descriptions
9 Expert user	Has fully operational command of the language: appropriate, accurate and fluent with complete understanding.
8 Very good user	Has fully operational command of the language with only occasional unsystematic inaccuracies and inappropriacies. Misunderstandings may occur in unfamiliar situations. Handles complex detailed argumentation well.
7 Good user	Has operational command of the language, though with occasional inaccuracies, inappropriacies, and misunderstandings in some situations. Generally handles complex language well and understands detailed reasoning.
6 Competent user	Has generally effective command of the language despite some inaccuracies, inappropriacies, and misunderstandings. Can use and understand fairly complex language, particularly in familiar situations.
5 Modest user	Has partial command of the language, coping with overall meaning in most situations, though is likely to make many mistakes. Should be able to handle basic communication in own field.
4 Limited user	Basic competence is limited to familiar situations. Has frequent problems in understanding and expression. Is not able to use complex language.
3 Extremely limited user	Conveys and understands only general meaning in very familiar situations. Frequent breakdowns in communication occur.
2 Intermittent user	No real communication is possible except for the most basic information using isolated words or short formulae situations and to meet immediate needs. Has great difficulty understanding spoken and written English.
1 Non user	Essentially has no ability to use the language beyond possibly a few isolated words.
0 Did not attempt the test	No assessable information provided.

Appendix N-2: Skilled/Business Stream IELTS assessment scores by top 12 countries in 2006/07*

Country	Applicant type	Number sitting test	Average score				
			Listening	Oral	Reading	Writing	Overall
South Africa	Principal	76	7.5	7.9	7.2	7.2	7.5
	Secondary	60	7.1	7.7	6.5	6.8	7.0
Netherlands	Principal	53	7.6	7.6	7.5	7.0	7.4
	Secondary	42	7.1	7.2	6.9	6.6	7.0
Germany	Principal	64	7.3	7.2	7.2	6.9	7.2
	Secondary	52	6.8	7.1	6.5	6.4	6.7
India	Principal	206	7.1	7.1	6.7	6.8	6.9
	Secondary	107	6.4	6.5	5.8	6.1	6.2
Philippines	Principal	330	7.0	7.0	6.7	6.8	6.9
	Secondary	192	6.1	6.3	5.7	6.1	6.1
Fiji	Principal	34	7.0	7.1	6.7	6.7	6.9
	Secondary	23	5.9	5.9	6.2	5.7	5.9
Sri Lanka	Principal	16	6.9	7.0	6.8	6.8	6.8
	Secondary	20	5.5	6.0	5.1	5.5	5.5
Malaysia	Principal	23	6.9	6.7	6.5	6.5	6.7
	Secondary	38	6.8	6.7	6.2	6.3	6.5
Russia	Principal	18	6.5	7.0	6.8	6.3	6.6
	Secondary	10	5.5	6.0	5.6	5.7	5.7
Japan	Principal	23	6.7	6.6	6.3	6.2	6.4
	Secondary	28	5.7	5.6	5.6	5.4	5.6
China	Principal	100	6.7	6.3	6.4	6.1	6.4
	Secondary	165	5.6	5.6	5.4	5.3	5.5
South Korea	Principal	58	5.9	6.0	5.9	5.9	5.9
	Secondary	72	5.8	5.3	5.3	5.1	5.4
Others	Principal	142	7.0	7.2	7.2	6.8	7.0
	Secondary	143	6.1	6.4	6.1	5.9	6.1
Overall averages	Principal	1,143	7.0	7.0	6.8	6.7	6.9
	Secondary	952	6.2	6.3	5.8	5.9	6.1

* The 12 countries with the most principal applicants sitting the IELTS test are ranked in this table in descending order of the principal applicants' average total score.

Appendix O: Rates of absence by nationality as at 31 December 2006 for migrants approved for residence between 1998 and 2005*

Nationality	Long term absent by cohort as at 31 December 2005								Total
	1998 %	1999 %	2000 %	2001 %	2002 %	2003 %	2004 %	2005 %	
Taiwan	52.1	48.0	45.1	43.9	52.7	47.7	47.8	29.4	47.1
Singapore	48.4	46.8	41.8	35.8	39.2	35.0	26.1	8.1	35.8
Hong Kong	42.4	34.5	44.9	41.4	35.4	23.3	22.7	14.5	34.2
Malaysia	24.8	34.1	33.1	34.5	39.2	30.5	15.4	11.6	30.9
Yugoslavia	44.8	33.2	38.0	18.8	12.7	18.9	3.6	4.5	29.5
Indonesia	36.8	38.8	38.4	29.9	20.9	15.4	17.6	11.9	28.5
Canada	38.8	41.5	32.2	35.3	24.2	16.7	16.8	10.8	26.4
Bangladesh	48.1	34.8	38.8	27.3	5.7	13.6	13.8	2.5	25.2
USA	42.5	41.1	33.0	30.0	31.1	22.7	13.6	11.2	25.1
China	29.7	24.7	26.9	28.0	29.9	24.1	13.7	6.4	23.2
Ireland	40.7	25.9	30.7	27.3	20.4	20.6	12.3	6.6	19.0
Japan	34.0	29.6	26.7	24.1	21.6	13.4	12.2	5.5	18.9
Sri Lanka	30.1	25.6	19.6	19.1	14.2	11.5	11.4	4.1	18.7
Germany	24.1	18.4	28.1	27.0	20.9	17.4	15.1	5.9	18.1
Pakistan	24.3	23.7	37.6	19.7	14.8	12.5	9.9	4.6	17.8
Netherlands	26.9	28.8	20.3	22.2	15.5	8.0	10.3	6.2	15.3
India	28.9	23.6	20.8	18.0	13.8	12.5	8.0	5.1	15.3
Somalia	23.3	20.3	22.2	11.9	4.9	5.6	0.9	3.0	14.2
UK	25.6	21.4	20.5	18.2	15.7	12.2	8.1	7.1	13.5
Thailand	24.0	17.6	16.3	16.2	21.0	5.9	7.3	3.7	12.9
Russia	21.5	16.5	16.4	17.1	11.9	5.3	7.4	3.9	12.9
South Korea	21.2	19.9	18.2	16.3	13.0	12.6	9.0	3.6	12.5
Iran	32.1	19.6	18.7	12.3	13.8	10.0	2.8	2.7	12.4
South Africa	20.4	18.6	16.5	13.8	10.8	7.7	3.6	3.8	12.0
Samoa	20.1	15.1	16.6	13.4	14.0	8.1	6.0	3.5	11.6
Romania	51.9	16.7	30.0	16.0	11.4	7.1	2.7	1.2	10.9
Iraq	22.1	17.4	10.8	9.3	5.1	7.7	4.8	2.7	9.3
Vietnam	11.1	15.5	16.5	11.1	6.4	6.4	4.7	3.9	9.2
Philippines	18.1	13.7	15.8	9.5	7.6	4.9	3.1	2.5	8.7
Cambodia	12.7	7.5	10.7	6.0	4.1	7.9	3.9	0.0	7.1
Zimbabwe	23.5	16.1	9.9	11.9	8.1	2.2	3.7	1.7	5.9
Fiji	8.0	7.6	7.9	6.9	4.6	4.0	2.9	1.7	5.3
Tonga	7.3	9.3	5.8	6.6	4.0	2.9	1.0	1.1	4.3
Afghanistan	3.0	4.3	4.6	2.2	3.5	0.0	1.1	0.0	2.4
Others	25.5	23.7	22.7	17.9	15.5	11.4	7.2	4.0	15.2
% LTA at Dec-06	25.0	22.0	21.2	19.1	18.0	13.4	8.3	5.7	15.7
Total approved	24,030	28,663	34,473	48,463	47,447	43,073	34,379	52,278	312,806

*Only nationalities with a total approval count of 1000 or more are included. Nationalities are sorted in descending order by the highest rates of absence overall.

