



# MIGRATION TRENDS & OUTLOOK

2007/08



# MIGRATION TRENDS AND OUTLOOK

↘ 2007/2008

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IMSED Research

Department of Labour

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## FOREWORD



New Zealand's population is shaped by migration, with one in five New Zealanders born overseas. Immigration plays an increasingly important role as our population ages and we seek to attract the skills and talent to help supplement New Zealand's workforce.

New Zealand is part of an international migrant labour market where we compete with other countries for skilled workers to fill particular gaps in our labour market. New Zealand needs to meet the challenges of this environment and to balance the benefits and risks of immigration. Immigration also supports two major industries, tourism and export education as well as building international linkages and keeping up New Zealand's international obligations.

The Department of Labour's Migration Trends report is in its eighth year. This report will be used by the Department to assist the government to ensure that future policy meets New Zealand's needs, and to inform public discussion. The Department of Labour continues to develop immigration policy and deliver services to meet the changing international environment. Research is a valuable part of immigration policy development. Quality research can identify the kinds of migrants we attract, their participation in the labour market, and their settlement outcomes in New Zealand.

This report features a special feature on the economic impact of immigration. This report also includes for the first time a chapter on the global migration outlook. This research is used to inform immigration policy, marketing strategies, and the development of settlement services.

A handwritten signature in black ink, appearing to read 'C Blake', with a long horizontal line underneath.

**Christopher Blake**  
Secretary of Labour

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## EXECUTIVE SUMMARY

### Immigration vital to New Zealand's prosperity and growth

More than one in five of the New Zealand population were born outside New Zealand compared with an average one in nine among member countries of the Organisation for Economic Co-operation and Development (OECD).

The temporary and permanent entry into New Zealand of citizens from other countries addresses skill shortages; brings capital, expertise, and international connections into New Zealand; and supplies visitors and students who support the country's tourism and education industries.

- Between 2001 and 2006, 60 percent of New Zealand's workforce growth came from migrants.<sup>1</sup>
- International education was worth an estimated \$2.2 billion to the New Zealand economy in 2004.<sup>2</sup>
- Migrants contributed 68 percent more in taxes than they received in services and benefits in 2005/06 (compared with 13 percent for the New Zealand-born population).<sup>3</sup>
- The migrant population had a positive net fiscal impact of \$3.3 billion in 2005/06 (compared with the New Zealand-born population's \$2.8 billion).<sup>4</sup>
- International tourism contributed more than \$8.8 billion to New Zealand's economy in the year ended 31 March 2007<sup>5</sup>, which represents 18 percent of total export earnings.

### Global outlook

Internationally, the nature of migration is changing. The number of temporary migrants moving countries to visit, study, or work has grown substantially around the world, with the New Zealand experience being no different. As a proportion of the total population, however, New Zealand, Ireland, and Switzerland have the highest permanent immigration movements and among the largest immigrant populations relative to other OECD countries.<sup>6</sup>

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<sup>1</sup> Department of Labour. 2008. 'Migrants and Labour Market Outcomes' (unpublished).

<sup>2</sup> Infometrics. 2006. *The Economic Impact of Foreign Fee-Paying Students*. Wellington: Ministry of Education. Available at [http://www.educationcounts.govt.nz/publications/international/report\\_on\\_research\\_into\\_the\\_circumstances\\_of\\_very\\_young\\_international\\_students\\_in\\_nz](http://www.educationcounts.govt.nz/publications/international/report_on_research_into_the_circumstances_of_very_young_international_students_in_nz).

<sup>3</sup> A Slack, J Wu, G Nana (BERL). 2007. *Fiscal Impacts of Immigration 2005/2006*. Wellington: Department of Labour.

<sup>4</sup> A Slack, J Wu, G Nana (BERL). 2007. *Fiscal Impacts of Immigration 2005/2006*. Wellington: Department of Labour.

<sup>5</sup> <http://www.tourismresearch.govt.nz/Documents/TLIM/December2008.pdf>

<sup>6</sup> OECD. 2008. *International Migration Outlook: SOPEMI – 2008 edition*. Paris: Organisation for Economic Co-operation and Development. (Note: The OECD's Continuous Reporting System on Migration is known by its French acronym SOPEMI.) pg32

Opportunities exist for New Zealand to benefit from the global economic situation if its economy is more attractive to potential migrants because it is more resilient or less negatively affected by the global downturn than the economies of other potential destination countries. New Zealand could also use its environment, people, lifestyle opportunities, and relative safety from crime and violence to attract migrants. These are all factors migrants like about living in New Zealand. Addressing perceived high tax rates and making the tax system easier to understand might also help to attract and retain skilled migrants.<sup>7</sup>

## **Changes in migration flows**

The total number of people migrating to and from New Zealand fluctuates, but within this migrant exchange, the general trend has been one of net positive growth for New Zealand.

Permanent and long-term arrivals of non-New Zealand citizens increased to 62,200 in 2007/08 from 59,200 in 2006/07. The net inflow of 40,000 non-New Zealand citizens is the highest net inflow recorded since 2003.

The net inflow of permanent and long-term migrants to New Zealand was 4,700 people (the difference between 85,200 permanent and long-term arrivals and 80,500 permanent and long-term departures), which was less than half the 10,100 recorded for 2006/07. This was mainly the result of a large increase in the number of departing New Zealand citizens (up 6,500 from 2006/07).

Globally, permanent migration tends to be family-related (about 44 percent of migration in 2006). In New Zealand, family-related migration made up 27 percent of permanent migration. By comparison, labour-related migration made up 24 percent of New Zealand's permanent migration, similar to the proportions for Canada (22 percent) and Australia (26 percent), and higher than the global rate of 14 percent in 2006. New Zealand, Australia and Canada also have high proportions of accompanying family of workers' migrants (31%, 26% and 33% respectively) while most other OECD countries have either no or small proportions of migrants in this category.

## **Temporary work or study helps transition to residence**

People on temporary work permits are important, offering skills and experience that New Zealand employers need and cannot source locally. In New Zealand, temporary migrants make up about 21 of every 1,000 head of population compared with about 11 in Australia and 5 in Canada.

The number of people issued work permits in New Zealand grew 13 percent between 2006/07 and 2007/08.

An increasing proportion of people are studying and working in New Zealand before applying for residence: in 2007/08, 81 percent of residence approvals

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<sup>7</sup> Statistics New Zealand. 2008. *Longitudinal Immigration Survey: New Zealand (LisNZ) – Wave 1*. Hot Off The Press. Wellington: Statistics New Zealand. Available at <http://www.stats.govt.nz/NR/rdonlyres/4816641F-FF8A-401D-99E8-E73BEBB88125/0/longitudinalimmigrationsurveyznmay08hotp.pdf>.

had previously held a temporary permit compared with 77 percent in 2006/07. Immigration policies support this transition.

Research shows a positive link between migrants' work experience in New Zealand before residence and their employment outcomes after gaining residence<sup>8</sup>. Temporary workers and students, having participated in New Zealand society, are likely to settle well and contribute to the country. Migrants' net fiscal impact is estimated to increase with the duration of residence: from \$2,680 per migrant who has been in New Zealand for less than five years to \$4,280 per migrant who has been in New Zealand for more than 15 years. The equivalent figure for the New Zealand-born population is \$915.

### **New Zealand continues to attract skilled migrants**

Of the 46,077 migrants granted permanent residence in 2007/08, 59 percent entered through the Skilled/Business stream. The majority of this stream was made up of migrants entering New Zealand through the Skilled Migrant Category (25,434 migrants).

The United Kingdom remains the largest source country of Skilled Migrant Category approvals (27 percent), followed by South Africa, China, and the Philippines (all 13 percent).

### **Culturally diverse migrants enter under the Humanitarian Stream**

The three largest source countries of International/Humanitarian Stream migrants were Pacific nations (Samoa, Tonga, and Fiji), reflecting the high proportion of approvals in this stream through the Samoan Quota and the Pacific Access Category. Also accepted for resettlement to New Zealand were 795 refugees. This brought the number of refugees accepted to more than 3,600 from more than 50 countries (including Myanmar, Afghanistan, Eritrea, Sudan, Iraq, Iran, and Bhutan) in the five years to 2007/08.

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<sup>8</sup> <http://www.immigration.govt.nz/migrant/general/generalinformation/research/lisnz/>

# **1 INTRODUCTION AND BACKGROUND TO THIS REPORT**

## **1.1 Purpose of this report**

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

- policy-makers concerned with migration flows and their impact
- the wider public with an interest in immigration policy and outcomes.

The information in these reports now constitutes a time series that enables recent immigration patterns to be compared with those identified in previous years.

This report contains an update of trends for the fiscal year of 2007/08. The affects of the global economic downturn on migration trends are not present in this time period. The global outlook chapter contains an overview of effects of the downturn that were observed by October 2008.

## **1.2 Structure of this report**

The report is structured as follows.

- Chapter 1 introduces New Zealand's immigration policies. (A timeline of policy changes is in Appendix A.)
- Chapter 2 contains a special feature summarising the findings from the Economic Impacts of Immigration research programme.
- Chapter 3 reports on the global outlook.
- Chapter 4 describes migration flows into and out of New Zealand.
- Chapter 5 describes the characteristics of people granted student and work permits.
- Chapter 6 summarises the trends in permanent residence approvals.
- Chapters 7–9 detail residence approvals through the four residence streams: Skilled/Business Stream; Uncapped Family Sponsored Stream and Parent Sibling Adult Child Stream; and International/Humanitarian Stream.
- Chapter 10 concludes the report.
- The appendices contain a glossary, information on immigration policies, and supplementary tables and analyses.
- All publications referred to in this report are in the References.

For information about the methodology underlying this report, including definitions of key terms, see Appendix B.

### **1.3 Role of immigration**

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 2007/08, focus remained on meeting New Zealand's labour shortages, predominantly New Zealand's acute high-skill needs. However, increasing demand for migrants helps to 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.<sup>9</sup>

### **1.4 Immigration Change Programme**

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

The three elements underpinning the Immigration Change Programme are legislative reform, a review of immigration policy, and a new model for the delivery of immigration services. Over 2007/08, critical developments have occurred in all three elements.

#### **1.4.1 Legislative reform: Immigration Bill**

The Immigration Bill was introduced into Parliament in August 2007. It rewrites the Immigration Act 1987 from first principles and aims to establish a legislative framework to ensure:

- New Zealand can attract the skills, talent, and labour needed for its economy
- New Zealanders can have confidence in the country's border security
- migrants and refugees can settle well and integrate into New Zealand communities.

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<sup>9</sup> The Recognised Seasonal Employer Policy is designed to help meet the labour requirements of the New Zealand horticulture and viticulture industries. The policy prioritises the employment of New Zealanders, then recruitment from members of the Pacific Islands Forum, and finally recruitment from elsewhere in the world.



### **1.4.2 Review of immigration policy**

The major policy development concerning foreign workers in 2007/08 was the establishment of a new temporary work policy framework, the Essential Skills Policy.

A variety of work is being done to ensure immigration policy continues to support 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 and how this can be influenced, and how the impacts of migration can be managed. Since its completion in late 2006, the framework has provided the conceptual foundation for ongoing policy development.

### **1.4.3 Business changes: 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 2006, the Department of Labour was directed to develop the business case for a new business model for immigration services. This model includes:

- a single, global immigration information and communications technology system providing a single view of all interactions with any client
- the capacity to store and use biometric data to confirm about non-New Zealand citizens' identity
- greater investment in preventing the entry of people into New Zealand who the country does not want and managing identity
- more resources to improve fraud detection, prosecution, and removal, and document verification
- a better business configuration that can maximise the use of information to improve the consistency of, and confidence in, immigration decision-making.

In March 2008, Cabinet approved the scope of a second business case to analyse 10 specific projects to achieve the required business transformation. The Immigration Business Transformation Stage 2 Business Case was completed in December 2008.

## **1.5 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 for temporary migrants.

Each of the five Work to Residence Policies has a corresponding permanent residence category. Table C1 in Appendix C describes the temporary entry policies.

## 1.6 Permanent Residence Policy

People who want to migrate permanently to New Zealand must apply through one of the four residence streams of the New Zealand Residence Programme (NZRP): the Skilled/Business, Parent Sibling Adult Child, Uncapped Family Sponsored, and International/Humanitarian Streams.

Each stream has several categories and a separate approval limit, which is detailed in Table 1.1 for 2007/08.

**Table 1.1** Approval limits for New Zealand Residence Programme (NZRP) streams, 2007/08

NZRP stream	Minimum	Maximum	Percentage of NZRP (%)
Skilled/Business	27,000	29,500	60
Uncapped Family Sponsored <sup>10</sup>	9,500	11,000	21
Parent Sibling Adult Child	4,450	5,000	10
International/Humanitarian	4,050	4,500	9
<b>Total</b>	<b>45,000</b>	<b>50,000</b>	<b>100</b>

### 1.6.1 Skilled/Business Stream

The Skilled/Business Stream comprises three categories: the Skilled Migrant Category (SMC), Residence from Work Category, and Business Immigration Policy.

The SMC is the main category in the Skilled/Business Stream. The SMC is 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. For information about the points process, see section 7.2.

The Business Immigration Policy includes the Active Investor Migrant Policy (which replaced the 2005 Investor Category in 2007), Entrepreneur Category, and Employees of Relocating Businesses Category. Under the Active Investor Migrant Policy, investor migrants must actively contribute to New Zealand businesses, directly or indirectly. The Active Investor Migrant Policy is segmented into three subcategories based on 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 7 discusses the separate policies within the Skilled/Business Stream.

The quotas and categories in this stream are summarised in Table C2 in Appendix C.

<sup>10</sup> Although this stream is uncapped, an estimate is made for the annual allocation of places for planning purposes.

### **1.6.2 Family-sponsored migrants**

Before July 2007, all applications for family sponsorship were processed under the Family Sponsored Stream. Since July 2007, partners and dependent children have been approved through the Uncapped Family Sponsored Stream. Parents, siblings, and adult children continue to be approved through the Parent Sibling Adult Child Stream. These streams allow New Zealand citizens and residents to sponsor family members to live in New Zealand under some circumstances.

Under the Partnership Policy (a category of the Uncapped 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 the sponsored migrant with accommodation and financial support for the first two years of the sponsored migrant's residence in New Zealand.

Applications from partners and dependent children are prioritised ahead of other applications in these two streams. Applicants under these streams are also encouraged to submit an expression of interest for the SMC, if they appear to meet SMC policy.

In November 2007, new provisions came into effect for family-sponsored migrants. The changes included a new visitor's visa for parents and grandparents visiting family in New Zealand that allows the holder to make multiple visits over a three-year period, strengthened character requirements for sponsoring a partner, and a minimum income requirement for people sponsoring their parents.

The quotas and categories in these streams are summarised in Table C3 in Appendix C.

### **1.6.3 International/Humanitarian Stream**

The International/Humanitarian 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 Samoan Quota and Pacific Access Category.

The quotas and categories in this stream are summarised in Table C4 in Appendix C.

## **2 SPECIAL FEATURE: ECONOMIC IMPACT OF IMMIGRATION – SUMMARY OF FINDINGS**

### **2.1 Introduction**

The impact of immigration on the host country is complex and a source of sustained debate. The impact of immigration is multifaceted, having intersecting economic, social, institutional, and environmental aspects. The implications can also be vastly different for source and host countries.

The extent of global liberalisation during the two decades to 2007/08 and the significance of immigration for the societies of source and host countries have resulted in a large volume of research on the impact of immigration (and, albeit to a lesser extent, emigration<sup>11</sup>). For example, Longhi and colleagues conducted a meta-analysis of studies on the labour market impacts of immigration by analysing the size of 1,572 effects discussed in 45 primary studies conducted between 1982 and 2007.<sup>12</sup>

Understanding the economic impact of immigration is particularly important for New Zealand, because past international inward and outward flows have contributed to a population of which more than one in five people (21.2 percent) were foreign born in 2006, an increase from just under one in six in 2000 (17.2 percent) and well above the average of one in nine in countries of the Organisation for Economic Co-operation and Development (OECD). Therefore, it is vital we better understand and quantify the importance and consequences of immigration in the support and development of New Zealand's economy.

Many countries are introducing specific policies aimed at attracting skilled migrants, but this has been a focus of New Zealand for a long time.

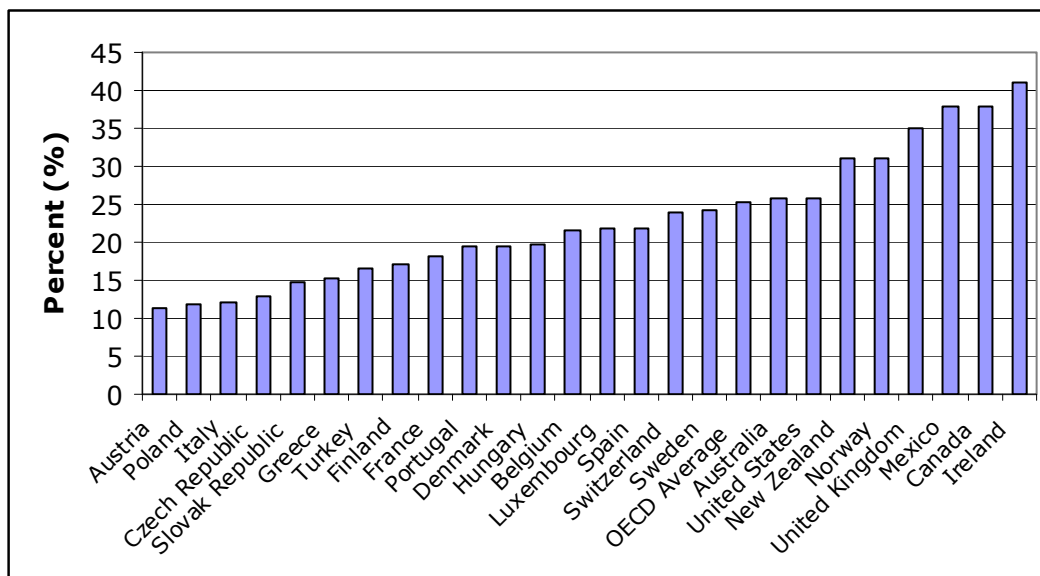
Figure 2.1 shows the share of the foreign-born population with tertiary level qualifications in various OECD countries in 2001. At 31 percent, New Zealand has the sixth highest proportion of foreign-born individuals with a tertiary qualification out of the 25 countries reported. Also of note is that New Zealand migrants make up a larger proportion of the population than in any of the countries with higher proportions of foreign-born individuals with a tertiary qualification.

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<sup>11</sup> In this context, emigration means leaving New Zealand to settle in another country and immigration means coming to New Zealand.

<sup>12</sup> S Longhi, P Nijkamp, and J Poot. 2008. *Meta-Analysis of Empirical Evidence on the Labour Market Impacts of Immigration*, IZA Discussion Paper 3418, Bonn, Germany: Institute for the Study of Labor (IZA). Available at <http://ftp.iza.org/dp3418.pdf>.

**Figure 2.1** Proportion of migrants with tertiary-level qualifications by OECD country, 2001



Source: OECD. 2008. *International Migration Outlook: SOPEMI – 2008 edition*. Paris: Organisation for Economic Co-operation and Development. (Note: The OECD's Continuous Reporting System on Migration is known by its French acronym SOPEMI.)

## 2.2 Economic Impacts of Immigration

The OECD noted in its 2003 country report on New Zealand:<sup>13</sup>

while there are comprehensive surveys of the labour market experience of migrants and of their direct contribution to public sector finances, few studies have attempted empirical modelling of the overall and longer-term impact of immigration on the labour market or its consequences for the economy.

The Department of Labour's International Migration, Settlement, and Employment Dynamics research team is in the final year of a three-year programme of research titled the Economic Impacts of Immigration.

The objectives of the Economic Impacts of Immigration research programme are to:

- understand the interaction between immigration and economic performance
- capture the short-term impact of immigration, specifically the adjustment or transition effects brought about in domestic markets by the arrival of immigrants
- provide information to support the development of government immigration policy

<sup>13</sup> OECD. 2003. *OECD Economic Surveys New Zealand: The economic impact of migration*, OECD Economic Surveys. Paris: Organisation of Economic Cooperation and Development, p73.

- develop a model in which different immigration policies (scenarios) can be modelled and the economy-wide impact of the policies calculated
- provide perspectives on the economic impact of immigration at regional and national levels.

The research programme is in two stages. The first stage aims to increase understanding of the impact immigration has on specific sectors of the economy. This includes how immigration affects the labour market (in terms of implications for the New Zealand-born population and in terms of outcomes for immigrants), the fiscal impacts, impacts on the housing and rental markets, and whether immigration has a discernable impact on innovation, firm performance, and trade.

The second stage of the research programme is to model the economy-wide impacts of immigration. Immigration and, more broadly, population change, affect and interact with many domestic markets, which in turn interact with each other and the rest of the world. One of the most useful ways to understand the overall impact of immigration on the economy, and the subsequent gains and losses, is to use a computer model to bring all the elements and interactions together. The Economic Impacts of Immigration programme has used a computable general equilibrium model to simulate changes in immigration levels and its composition and to estimate the economy-wide impacts of such changes.

Sections 2.3 and 2.4 overview the key findings of completed projects within the Economic Impacts of Immigration programme<sup>14</sup> and outline research being undertaken within the programme, including economy-wide computable general equilibrium modelling.

## **2.3 Economic Impacts of Immigration – findings**

The key findings from the Economic Impacts of Immigration research programme relate to:

- the fiscal impacts of immigration in 2005/06
- migrant type and labour market outcomes
- housing markets and migration
- the economic impact of immigration on housing from 1991 to 2016
- settlement patterns and geographic mobility of recent migrants.

### **2.3.1 Fiscal impacts of immigration in 2005/06**

Migrants pay tax on income and purchases on goods and services, consume government goods and services, and claim benefits, just as other members of the population do. *Fiscal Impact of Migrants to New Zealand 2005/06* reports

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<sup>14</sup> All final reports are on Immigration New Zealand's Economic Impacts of Immigration website:  
<http://www.immigration.govt.nz/migrant/general/generalinformation/research/impacts.htm>.

on an accounting exercise to estimate the interaction and extent of consumption and contribution by migrants.<sup>15</sup>

On census night March 2006, New Zealand had a migrant population of about 927,000. The study estimates that this migrant population had a positive net fiscal impact of \$3,288 million in 2005/06. The New Zealand-born population of 3.1 million people had a lower net fiscal impact of \$2,838 million.

The net fiscal impact is the difference between revenue and expenditure. The study estimated that migrants contributed \$8,101 million through income taxes, GST, and excise duties. Estimated fiscal expenditure on the migrant population was \$4,813 million (including government spending on education, health, benefits and allowances, and superannuation). In other words, overall migrants contributed 68 percent more in taxes than they received in benefits and services (compared with the New Zealand-born population's 13 percent). Migrants contributed 24.7 percent of government revenue and accounted for 18 percent of government expenditure. The overall magnitude of any effect will also be influenced by whether the current budget is in surplus or deficit.

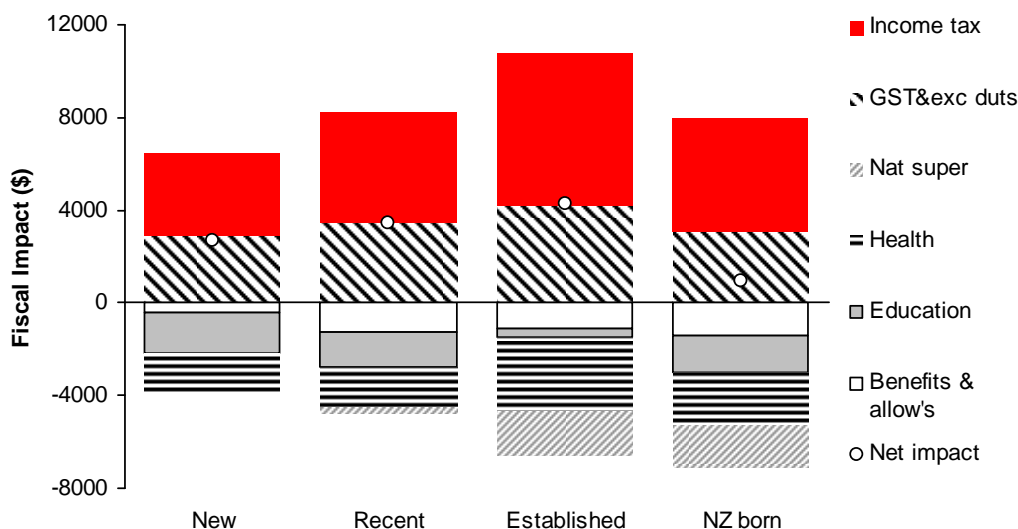
The study shows that all sub-groups of the migrant population had positive net impacts, although the scale differed by duration of residence, region of origin, and region of residence in New Zealand. The variation by region of birth reflects differences in immigration criteria by region of birth.

The net fiscal impact of migrants increases with duration of residence. The net fiscal impact per person was \$2,680 for recent migrants (in New Zealand for less than five years), \$3,470 for intermediate migrants (in New Zealand for 5 to 15 years), and \$4,280 for earlier migrants (in New Zealand for more than 15 years). The net fiscal figure for the New Zealand-born population was \$915 per person. Figure 2.2 presents the fiscal impact by the revenue and expenditure categories.

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<sup>15</sup> A Slack, J Wu, and G Nana. 2007. *Fiscal Impact of Migrants to New Zealand 2005/06*. Economic Impacts of Immigration Working Paper Series. Wellington: Department of Labour. Available at <http://www.dol.govt.nz/PDFs/fiscal-impacts-of-immigration-2005-06.pdf>.

**Figure 2.2** Per capita fiscal impact of migrants by duration of residence, 2006/07



Notes:

- New migrants have been in New Zealand up to five years, recent migrants from 5 to 15 years, and established migrants for more than 15 years.
- Benefits & allow's = Benefits and allowances; GST&exc duts = goods and services tax and excise duties; Nat super = National Superannuation.

Source: A Slack, J Wu, and G Nana. 2007. *Fiscal Impact of Migrants to New Zealand 2005/06*. Economic Impacts of Immigration Working Paper Series. Wellington: Department of Labour. Available at <http://www.dol.govt.nz/PDFs/fiscal-impacts-of-immigration-2005-06.pdf>.

The main cause of the net fiscal impact being larger for migrants than for the New Zealand-born population is the difference in the age profile of the two groups. Migrants tend to be relatively young, single, and employed in relatively well-paid jobs. Given the strong links between age and the major public expenditure items of health and education, immigration tends to increase education expenditure and lower health expenditure, with the net balance being a reduction in total expenditure.

Although this study takes a snapshot rather than a life-cycle approach, it is likely that in the long run a migrant's net fiscal contribution will be larger than that of a New Zealand-born person. This is because New Zealand does not incur the education, training, and health costs of young people who enter New Zealand when they are of working age. As a result, migration to New Zealand is likely to mean a net fiscal transfer to New Zealand.

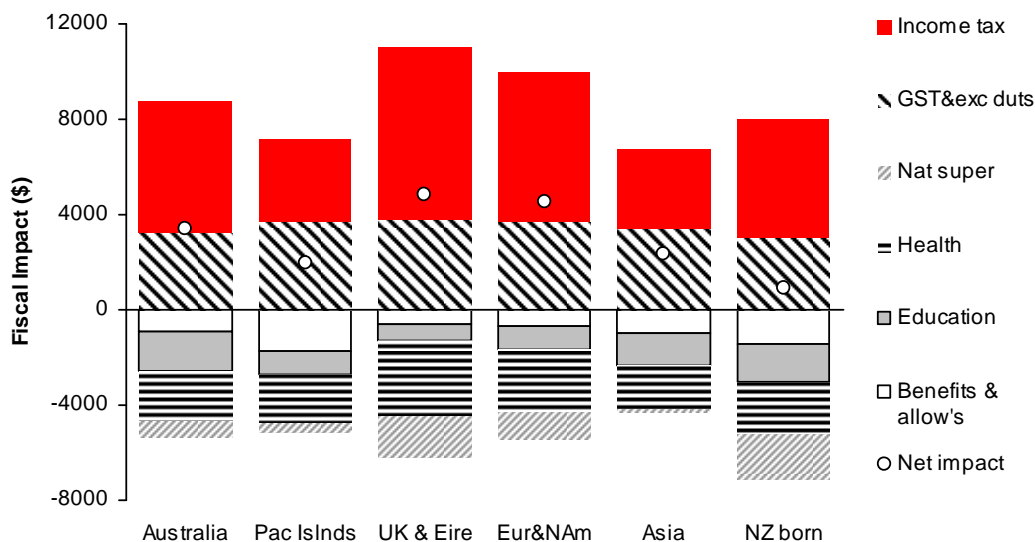
Figure 2.3 shows that migrants from all regions of birth have a positive net fiscal impact. The figure also shows significant differences between regions of birth, which reflects the different characteristics of the regions. For example, migrants from the United Kingdom, Europe, and North America are likely to be skilled migrants. Many migrants from Asia, especially China, are foreign fee-paying students.<sup>16</sup> Further, New Zealand has immigration categories that

<sup>16</sup> In 2004, international education was estimated to be worth \$2.2 billion: Infometrics. 2006. *The Economic Impact of Foreign Fee-Paying Students*. Wellington: Ministry of Education. Available at [http://www.educationcounts.govt.nz/publications/international/report\\_on\\_research\\_into\\_the\\_circumstances\\_of\\_very\\_young\\_international\\_students\\_in\\_nz](http://www.educationcounts.govt.nz/publications/international/report_on_research_into_the_circumstances_of_very_young_international_students_in_nz).



reflect its special relationship with the Pacific, and although these categories still require a job offer (and minimum income), the entry requirements are lower than for other categories.

**Figure 2.3** Per capita fiscal impact of migrants by region of birth, 2006/07



Note: Benefits & allow's = Benefits and allowances; Eur&N Am = Europe and North America; GST&exc duts = goods and services tax and excise duties; Nat super = National Superannuation; Pac Islnds = Pacific Islands.

Source: A Slack, J Wu, and G Nana. 2007. *Fiscal Impact of Migrants to New Zealand 2005/06*. Economic Impacts of Immigration Working Paper Series. Wellington: Department of Labour, Figure 7.3, p55. Available at <http://www.dol.govt.nz/PDFs/fiscal-impacts-of-immigration-2005-06.pdf>.

Migrants' total net fiscal impact increases with their duration of residence across all migrant groups. The net impact per capita by region of birth, however, differs markedly between recent and earlier migrants. It increases with duration for Pacific migrants, but falls for migrants from the United Kingdom, Ireland, Europe, and North America. Earlier migrants from the United Kingdom, Ireland, Europe, and North America are more likely to be claiming National Superannuation than recent migrants are.

### 2.3.2 Migrant type and labour market outcomes

In 2006, 25 percent of the working age population (15 years and over) were born overseas compared with 22 percent in 2001 and 18 percent in 1981.<sup>17</sup> Between 2001 and 2006, the working age population grew by around 271,000. Of this group, just over 162,000 (60 percent) were born overseas. Furthermore, the working-age group with the highest labour market participation rate (30–49 years) had a net inflow of 64,200 migrants and a net outflow of 1,200 New Zealand–born individuals.

The retention of migrants between censuses has improved. The out-migration rate is defined as the relativity between the existing migrants who leave between censuses and migrants who arrive. For every 100 migrants who

<sup>17</sup> G Nana and K Sanderson. 2009. 'Migrants and labour market outcomes', Economic Impacts of Immigration Working Paper Series, unpublished.

entered New Zealand between 2001 and 2006, 24 migrants left the country. This compares with an overall out-migration rate of 42 between 1996 and 2001. The highest rates of out-migration are for migrants from the United Kingdom and Ireland. This group is likely to be fluent in English and have fewer constraints to global mobility. The prolonged period of economic growth in New Zealand as well as changes in immigration policy to focus on matching migrants and employment are likely factors contributing to the improvement.

The labour market outcomes for migrants improve as their length of residence in New Zealand increases. In most cases, most of the differences in labour market outcomes across the sub-groups of the migrant population can be attributed to non-migrant-related characteristics (that is, by differences in age composition and highest qualification attained).

### **2.3.3 Housing markets and migration**

*Housing Markets and Migration: Evidence from New Zealand* investigates how population change (including international migration, the return migration of New Zealanders abroad, and internal migration) affects local housing markets.<sup>18</sup> This study is one of the first studies to be conducted at such a detailed level of analysis in New Zealand.<sup>19</sup>

Overall, population growth and house prices were found to be associated during 1991–2006. For example, a 1 percent increase in an area's population was associated with a 0.2–0.5 percent increase in house prices. The impact on rents was smaller. Findings indicate that the link between migration flows and house prices may not be causal, as both may be affected similarly by factors such as the economy and expectations.

The source of population growth was broken down to separate the impacts that new migrants, New Zealanders returning from abroad, and movements within New Zealand might have had on house prices. Immigration flows are an important contributor to population change, but no evidence was found that the inflow of migrants affected house prices.

Local house price increases were more associated with the location that returning New Zealanders settled in than with where migrants lived. For example, locations with one percentage point higher inflow rate of return New Zealanders had 6–9 percent higher house prices and 4 percent higher rents. It is unclear what drives this association; whether returning New Zealanders are increasing house prices or whether New Zealanders are moving back to areas that have had higher-than-average price increases.

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<sup>18</sup> C Maré and S Stillman. 2008. *Housing Markets and Migration: Evidence from New Zealand*, Economic Impacts of Immigration Working Paper Series. Wellington: Department of Labour. Available at <http://www.dol.govt.nz/publications/research/migration-and-housing/migration-and-housing-markets.pdf>

<sup>19</sup> With the exception of Coleman and Landon-Lane (2007) who analyse the relationship at the macroeconomic level: A Coleman and J Landon-Lane. 2007. *Housing Markets and Migration in New Zealand 1962-2006*, Discussion Paper DP2007/12. Wellington: Reserve Bank of New Zealand. Available at [http://www.rbnz.govt.nz/research/discusspapers/dp07\\_12.pdf](http://www.rbnz.govt.nz/research/discusspapers/dp07_12.pdf).

### 2.3.4 Economic impact of immigration on housing, 1991–2016

*Economic Impact of Immigration on Housing in New Zealand 1991–2016* explores links between immigration and housing demand and supply.<sup>20</sup> The study investigated the housing behaviours of five different household types between 1991 and 2006. This information and assumptions about migration flows was used to ‘forecast’ two scenarios showing likely patterns of household formation, housing choices, and the future demand and supply for different tenures in 2016. Special attention was paid to trends in Auckland, which is New Zealand’s largest city, comprising 32.4 percent of the country’s population and 37 percent of the total foreign-born population.

A descriptive analysis of trends using the 1991 to 2006 censuses found that the number of new households being created between censuses was relatively stable (ranging from 80,000 between 1996 and 2001 to 109,000 between 2001 and 2006).

Of the increase of 109,000 households, around 42,000 were migrant couple households and 36,000 were New Zealand–born couples. The only decrease was that of 40,000 New Zealand–born single households (some would have coupled or moved overseas). (See Table 2.1.)

**Table 2.1** Tenure and dwelling type ratios for selected household types, as at 7 March 2006

Household type	Living in			
	Own home (%)	Private rental (%)	House (%)	Single-storey flat (%)
New Zealand–born couples	77.1	20.0	90.6	4.5
New Zealand–born and migrant couples	77.0	20.2	87.3	5.4
Migrant couples	62.4	27.3	78.0	10.5
Migrant couple with 15 or more years in New Zealand	77.0	13.3	86.2	6.7
New Zealand–born single	51.5	34.1	69.7	16.8
Single migrant	48.9	32.9	61.3	18.8
Single migrant with 15 or more years in New Zealand	59.6	24.5	65.9	19.5

Source: K Sanderson, G Nana, D Norman, and J Wu. 2007. *Economic Impact of Immigration on Housing in New Zealand 1991–2016*, Economic Impacts of Immigration Working Paper Series. Wellington: Centre for Housing Research Aotearoa New Zealand and Department of Labour. Available at <http://www.chranz.co.nz/pdfs/the-economic-impact-immigration-on-housing-in-nz-1991-2016.pdf>.

<sup>20</sup> K Sanderson, G Nana, D Norman, and J Wu. 2007. *Economic Impact of Immigration on Housing in New Zealand 1991–2016*, Economic Impacts of Immigration Working Paper Series. Wellington: Centre for Housing Research Aotearoa New Zealand and Department of Labour. Available at <http://www.chranz.co.nz/pdfs/the-economic-impact-immigration-on-housing-in-nz-1991-2016.pdf>.

In general, the housing behaviour of migrants who have been in New Zealand for more than 15 years is similar to that of New Zealand-born residents.

Housing behaviour is linked more to the partnership status of household members than to members' place of birth. In other words, couples with the same birthplace have more in common with couples generally than with single householders from the same birthplace.

### ***Housing tenure and dwellings scenarios – New Zealand 2016***

The household behaviours observed between 1991 and 2006 and two migration scenarios are used to project a picture of demand in New Zealand in 2016: a 'conservative' migration scenario and a 'growth' migration scenario.

Under both scenarios for 2016:

- rentals from private landlords form the largest tenure type of the increase in households (around 50 percent of new households)
- houses remain the largest dwelling type category, followed by flats or apartments
- single-migrant households drive the growth in demand for flats and apartments.

### ***Housing tenure and dwellings scenarios – Auckland 2016***

Between 2006 and 2016, the number of households in Auckland will grow each year by 4,752 (conservative scenario) to 7,012 (growth scenario). Migrant couples will make up a significant share of this growth: 33 percent (conservative scenario) and 37.7 percent (growth scenario).

The increase in those renting from the private sector over the 10 years to 2016 in Auckland will be well above the national rate in both immigration scenarios.

While most Aucklanders will continue to live in houses, the rate of growth will slow relative to the number of households living in flats or apartments.

Assuming the increase in households translates into demand for new dwellings, demand is not expected to exceed supply. However, the type of dwelling built may need to be adjusted to reflect changing demand patterns.

### **2.3.5 Settlement patterns and geographic mobility of recent migrants**

*Settlement Patterns and the Geographic Mobility of Recent Migrants to New Zealand* examines the characteristics of local areas that attract new migrants and gauges the extent to which migrants settle where there are the best labour market opportunities rather than where there are already established migrant networks.<sup>21</sup>

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<sup>21</sup> C Maré, M Morten, and S Stillman. 2008. *Settlement Patterns and the Geographic Mobility of Recent Migrants to New Zealand*, Economic Impacts of Immigration Working Paper Series. Wellington: Department of Labour. Available at <http://dol.govt.nz/PDFs/settlement-patterns.pdf>.

The study indicates that recent migrants are more likely to settle in areas where a larger proportion of previous migrant populations from their region of origin have settled ('migrant networks'). Earlier migrants (in New Zealand for 5–10 years) are also likely to be resident in these areas, but to a lesser extent.

No evidence was found that recent migrants chose to settle in areas with better than average labour market conditions.<sup>22</sup> Some evidence suggests earlier migrants are more likely to have relocated to areas with better labour market outcomes for the total population. This suggests labour market conditions become a more important determinant of settlement location in the longer term, but migrant networks remain the dominant factor.

The finding that migrant networks play a dominant role in early settlement is particularly striking in a country such as New Zealand with immigration policies that favour skilled migrants. It is likely that this feature would be more pronounced in countries that do not select migrants primarily for their contribution to the labour market.

Interestingly, controlling for migrant networks shows migrants are less likely to settle in areas with a high proportion of migrants from other regions of origin. This is true for both recent and earlier migrants. Somewhat surprisingly, migrant networks have a greater impact on the settlement decisions for those from English-speaking backgrounds than for those from non-English-speaking regions.

## **2.4 Further work**

### **2.4.1 Additional research**

Three additional pieces of research are expected to be completed in early 2009.

- The Impact of Immigration on the Labour Market Outcomes of New Zealanders is investigating whether inflows of migrants into local areas affect the wages or employment of New Zealanders.
- Education and Occupational Choices of Immigrants is examining migrants' changing relationships between qualifications and occupational choices and how this varies among migrants from different source countries. It is analysing how migrants' skills, occupations, and incomes match those of similar New Zealand-born individuals as they first come to New Zealand and how this changes over time.
- The Impact of Immigration and Local Workforce Characteristics on Innovation and Firm Performance is investigating the relationship between local workforce characteristics and firm performance.

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<sup>22</sup> Better than average labour market conditions means better than average employment levels for the general population, previous migrants from the same region, or individuals of the same skill level.

### 2.4.2 Computable general equilibrium modelling

One objective of the Economic Impacts of Immigration research programme is to understand the interaction between immigration and economic performance. The assessment of the impacts of a particular immigration policy on the New Zealand economy requires the integration of all these effects into a single economy-wide model. A computable general equilibrium model is the best framework in which to analyse the economy-wide impacts of immigration and has the benefit of allowing in-depth sectoral impacts.<sup>23</sup>

The computable general equilibrium model first estimates a base case, in this case 2006/07. Economic data and demographic data (and projections such as population projections) are taken from this year. This coincides with the recent census and the first stage Economic Impacts of Immigration research projects.

The economic shock in this research is a change to the size and/or composition (skill mix) of immigration flows. The impact of the shock is estimated by comparing the base case and the scenario. Scenarios vary by the scale of the inflow (including a scenario with no immigration) and the composition of the inflow (that is, varied skill levels), and tests trade and productivity assumptions. The final scenario will enable a comparison with Australian Productivity Commission research that estimates the economic impact of a 50 percent increase in Australia's skilled migrant flow.<sup>24</sup>

## 2.5 Summary

The Economic Impacts of Immigration research programme is ongoing and final results are due in early 2009. The completed work adds to our understanding of the economic impacts of immigration.

At the time of the fiscal impacts study, the Government was in fiscal surplus and it would be expected that most groups would have a positive net fiscal impact. The net fiscal impact of the non-New Zealand-born population is estimated to be greater than that of the New Zealand-born population for reasons including the different age structures of the migrant population and the New Zealand population. New Zealand immigration policy focuses on attracting and retaining skilled migrants to fill labour shortages, but a marked difference in skill composition exists between the two groups.

Migrants contributed to 60 percent of the 162,000 increase in the growth in the working age population between 2001 and 2006. The high participation working age group (30–49 years) had a net inflow of 64,200 migrants and a net outflow of 1,200 New-Zealand born individuals.

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<sup>23</sup> Computable general equilibrium modelling is described in Productivity Commission. 2006. *Economic Impacts of Migration and Population Growth, Final Report*. Canberra: Commonwealth of Australia. Available at [http://www.pc.gov.au/\\_\\_data/assets/pdf\\_file/0006/9438/migrationandpopulation.pdf](http://www.pc.gov.au/__data/assets/pdf_file/0006/9438/migrationandpopulation.pdf).

<sup>24</sup> Productivity Commission. 2006. *Economic Impacts of Migration and Population Growth, Final Report*. Canberra: Commonwealth of Australia. Available at [http://www.pc.gov.au/\\_\\_data/assets/pdf\\_file/0006/9438/migrationandpopulation.pdf](http://www.pc.gov.au/__data/assets/pdf_file/0006/9438/migrationandpopulation.pdf).

How has the inflow of migrants into New Zealand affected sectors such as housing and rental markets? The research shows that although immigration flows are an important contributor to population change, the inflow of migrants has not had an impact on house prices. Local house price increases are associated more with the location to which returning New Zealanders settle rather than where migrants live.

Migrants are more likely to settle in areas with more migrants from their region of origin. This factor seems more important than the labour market outcomes of an area. Although, labour market outcomes become slightly more important over time, migrant networks remain the predominant factor.

Work is being conducted to investigate how migrants' education and skill levels match their occupations and how this evolves as they integrate into the labour market and wider society. The links between workforce characteristics, innovation, and international connectedness are also being explored, as is the impact of migrant inflows on the labour market outcomes of New Zealanders.

Computable general equilibrium modelling is also under way to estimate the economy-wide and sectoral impacts of different immigration scenarios.

## 3 GLOBAL OUTLOOK

### Highlights

- International migration is likely to become more significant in OECD countries, including New Zealand, as the effects of retiring baby boomers and declining youth populations are experienced. Competition to attract and retain highly skilled workers is high, but labour market shortages are appearing across a broad spectrum of skills.
- Permanent migration has been increasing at a faster rate than temporary migration, but the number of temporary migrants is much higher than the number of permanent migrants. In New Zealand, temporary migrants made up about 21 of every 1,000 head of population in New Zealand (compared with nearly 11 in Australia and about 5 in Canada).
- Opportunities exist for New Zealand as a migrant destination if its economy is more resilient or less negatively affected than the economies of other potential destination countries.

### 3.1 Introduction

This chapter overviews the outlook of migration for New Zealand by reporting major global migration trends, highlighting New Zealand's place in these trends. It also discusses the implications of the global economic outlook for New Zealand.

### 3.2 Global migration trends

New Zealand is part of a global migration system. This section overviews the global patterns of migration with a focus on trends in the countries of the Organisation for Economic Co-operation and Development (OECD). This information is summarised from *International Migration Outlook: SOPEMI – 2008 Edition*.<sup>25</sup> Comparisons with Australia and Canada are included where possible, as they are traditionally migrant-receiving countries, as is New Zealand. These countries have similar immigration policy profiles to New Zealand and target the same groups of migrants that New Zealand targets.

Globally, permanent migration has been increasing at a faster rate than has temporary migration. The numbers of temporary migrants, however, remain much larger than the number of permanent migrants. Temporary migration has also been increasing, mainly people wanting to work or study.

The main source countries of migrants change over time. Most countries seek to attract migrants with high levels of skills, but many countries are also expecting or experiencing labour shortages across a broad range of skill levels.

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<sup>25</sup> OECD. 2008. *International Migration Outlook: SOPEMI – 2008 edition*. Paris: Organisation for Economic Co-operation and Development. (Note: The OECD's Continuous Reporting System on Migration is known by its French acronym SOPEMI.)



Migrants do not always stay in the country to which they originally migrated; some return home and others move to another country.

### 3.2.1 Permanent migrants

International migration is likely to become more significant in OECD countries as they experience the effects of retiring baby boomers and declining youth populations. The number of foreign nationals migrating on a permanent basis<sup>26</sup> has increased annually over the past few years. It also increased in 2006 but less steeply than in previous years. In 2006, around 3.3 million people migrated on a permanent basis to OECD countries (see Table 3.1).

**Table 3.1** Inflows of foreign nationals, 2006

	Permanent-type migration (standardised statistics)		
	2006	Net change 2005–2006	Percentage change 2005–2006 (%)
Austria	46,418	-10,400	-18
Germany	216,015	-25,400	-11
New Zealand	54,800	-4,600	-8
United Kingdom	343,219	-19,900	-5
Netherlands	59,365	-3,100	-5
Canada	251,637	-10,600	-4
France	168,952	-700	0
Italy	204,254	5,100	3
Belgium	36,082	1,100	3
Japan	86,698	5,400	7
Australia	191,905	12,100	7
Norway	27,966	2,300	9
Finland	13,868	1,200	9
Switzerland	86,311	7,500	10
United States	1,266,264	143,900	13
Denmark	21,723	3,700	21
Ireland	88,900	22,800	34
Sweden	74,011	20,200	38
Portugal	25,057	13,600	118
<b>Total</b>	<b>3,263,445</b>	<b>164,200</b>	<b>5</b>

Note: Estimates exclude unauthorised migration and large-scale regularisations. Data refers to a combination of *autorizacion de residencia inicial* for citizens of non-European Union countries and of change of residence statistics from the municipal registers for citizens of European Union countries.

Source: P Fron. G Lemaitre, T Liebig, and C Thoreau. 2008. *Standardised Statistics on Immigration Inflows Results, Sources and Methods*. Paris: Organisation for Economic Co-operation and Development. Available at <http://www.oecd.org/dataoecd/22/28/41281008.pdf>.

<sup>26</sup> International comparisons of permanent migration include only legal migration.

Ireland, Sweden, and Portugal experienced the largest increases in inflows from 2005 to 2006. Australia experienced a moderate increase of 7 percent. Although Portugal experienced the largest increase in inflows, Portugal received 25,100 permanent migrants in 2006, less than half of New Zealand's inflow of 54,800. Austria and Germany experienced the largest decreases of inflows from 2005 to 2006 (18 percent and 11 percent respectively). New Zealand's inflow decreased 8 percent and Canada's inflow decreased 4 percent. As a proportion of the total population, however, permanent immigration movements were highest in Ireland, New Zealand, and Switzerland. Relative to proportion of the total population in other OECD countries, these three countries have some of the largest immigrant populations.

Globally, the largest group of permanent migrants continues to be families. About 44 percent of migration was family related in 2006. For New Zealand, family-related migration made up 27 percent of permanent migration, similar to the proportions for Canada (28 percent) and Australia (25 percent). Although this category had the largest increase from 2005 to 2006 compared with the other categories of permanent migrants, the rates for New Zealand, Canada, and Australia remained static.

Globally, labour-related migration made up 14 percent of permanent migration in 2006. In New Zealand, labour-related migration made up 24 percent of permanent migration, similar to the proportions for Canada (22 percent) and Australia (26 percent).<sup>27</sup>

Humanitarian migration increased from about 8 percent of total migration in 2003 to 12 percent of all permanent migration in 2006, mainly due to a large increase in such migration to the United States. For New Zealand, humanitarian migration made up 10 percent of permanent migrants, which is smaller than the proportion for Canada (17 percent) but similar to the proportion for Australia (7 percent).

### **3.2.2 Temporary migrants**

Temporary migrants are more numerous than permanent migrants. Comparisons between countries are difficult, because definitions of the categories of temporary migrant vary considerably.

Traditional migrant-receiving countries such as Australia, Canada, and New Zealand have significant levels of temporary labour migrants. Compared with their total populations, Switzerland and New Zealand have the largest temporary migrant populations. In 2006, temporary migrants made up about 21 of every 1,000 head of population in New Zealand, compared with nearly 11 in Australia and about 5 in Canada. Among OECD countries, temporary labour migration increased around 15 percent from 2003 to 2006, while total permanent labour migration increased 50 percent over the same period.

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<sup>27</sup> New Zealand, Australia, and Canada also have large proportions of migrants in the 'Accompanying family of workers' group (31%, 26%, and 33% respectively). Most other countries have no or small proportions of migrants in this particular group.

Globally, between 2000 and 2005, the overall number of international students increased about 50 percent. Large percentage increases (close to or more than 100 percent) were seen in New Zealand, the Czech Republic, Japan, Korea, and the Netherlands. International students make up similar proportions of tertiary enrolments in New Zealand and Australia (around 17 percent). English-language countries remain more attractive to international students than other countries. Some countries whose native language is little known outside their borders are developing programmes to attract international students; for example, the Netherlands. Current estimates are that around 15–20 percent of international students will stay on in the country after completing their study. Most OECD countries, including Australia, Canada, and New Zealand, allow students to stay in the country after their study if they are employed or to search for work.

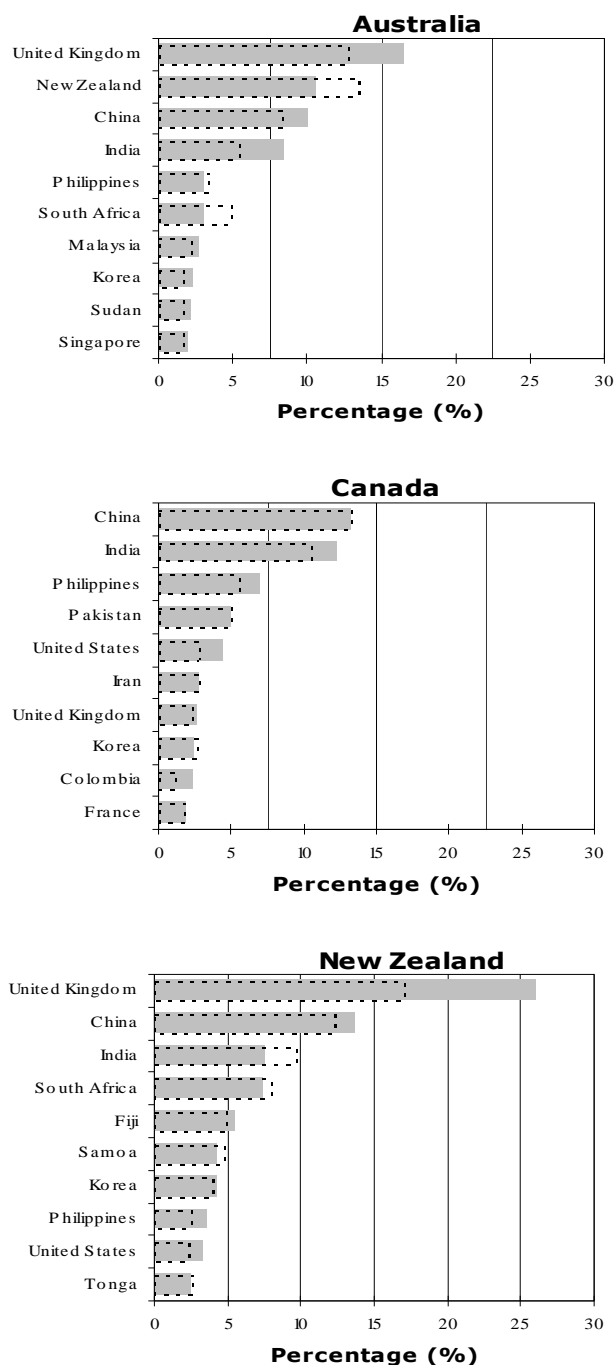
### **3.2.3 Countries of origin of migrants**

The countries that migrants come from differ across OECD countries. Generally, in 2006 migrant inflows in Europe were of European origin (57 percent of inflows). In OECD countries outside Europe, migrants of Asian origin accounted for almost 50 percent of inflows. The top 20 source countries accounted for 60 percent of all inflows in OECD countries in 2006. China, Poland, and Romania were top of the source country list.

The foreign-born population accounted for 12 percent of the total 2006 population in OECD countries (where data was available). This rate is highly variable between countries from less than 3 percent in Finland to 25 percent or more in Australia, Switzerland, and New Zealand. The foreign-born population also represented a significant proportion of the employed population in OECD countries.

Compared with the average inflows in the decade before 2006, New Zealand in 2006 was more likely to receive migrants from the United Kingdom and China and less likely to receive migrants from India. These three countries were also New Zealand's main source countries. Australia's main source countries in 2006 were the United Kingdom, New Zealand, China, and India. The proportion of total inflows from New Zealand to Australia, however, decreased in 2006 compared with the average inflow in the previous decade. Canada's main source countries in 2006 were China, India, and the Philippines, with China the most common source in both 2006 and the previous decade. (See Figure 3.1.)

**Figure 3.1** Proportion of total migrant inflows by top 10 source countries in Australia, Canada, and New Zealand, 2006



**Key**      [dashed line]      1995-2005 annual average      [solid grey bar]      2006

Note: The top 10 source countries are presented in decreasing order of the number of migrants in 2006. Data refers to inflows of permanent settlers by country of birth.

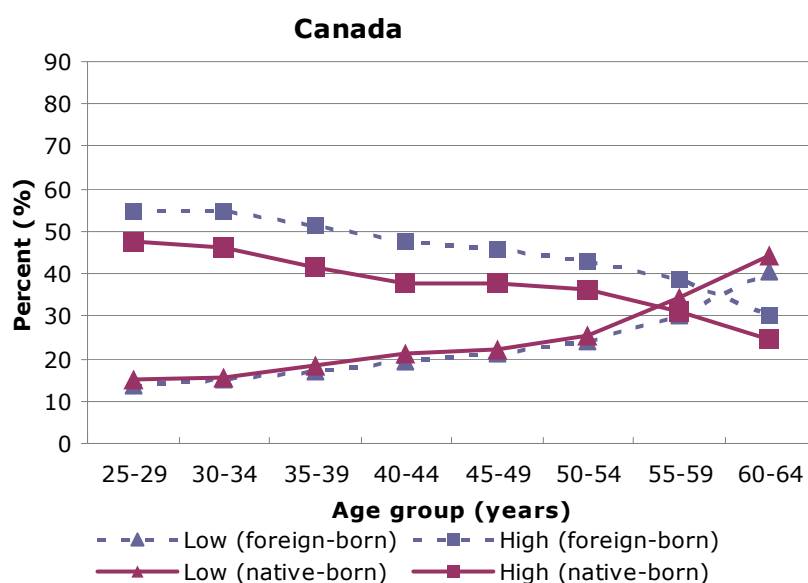
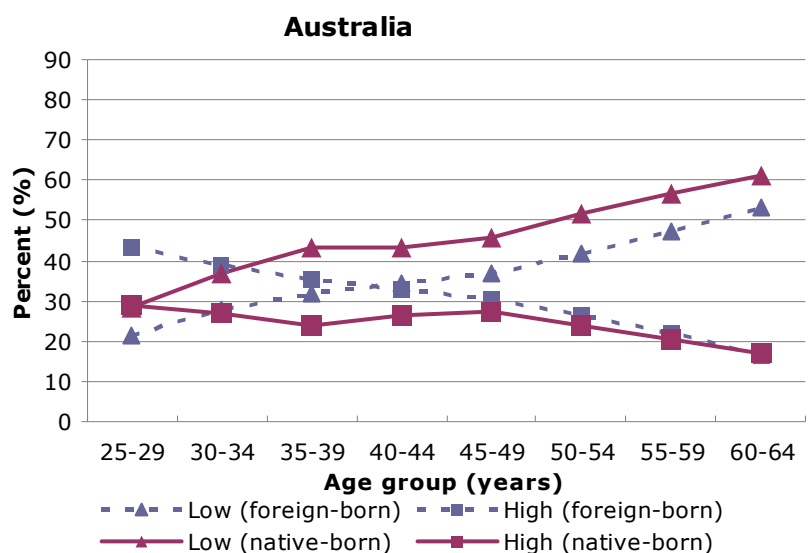
Source: OECD. 2008. *International Migration Outlook: SOPEMI – 2008 edition*. Paris: Organisation for Economic Co-operation and Development, Chart I.4, pp42-43. (Note: The OECD's Continuous Reporting System on Migration is known by its French acronym SOPEMI.)

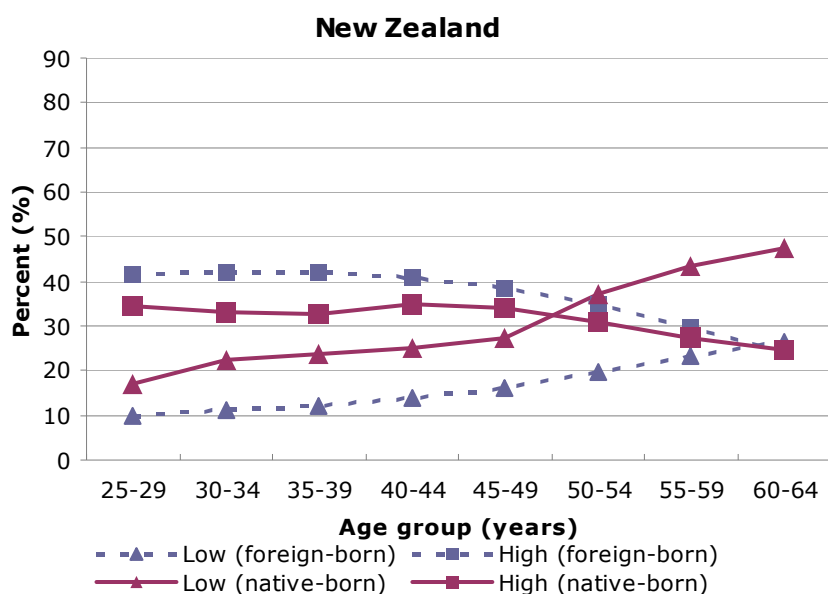
### 3.2.4 Skilled labour

Among OECD countries, competition to attract and retain highly skilled workers is high. Labour market shortages are appearing across a broad spectrum of skills, with employers increasingly relying on immigrants to undertake low-skilled work in most European countries and the United States. Immigrants account for an increasing share of the low-skilled labour force in OECD countries other than Canada, New Zealand, and Australia.

Canada, New Zealand, and Australia have developed immigration policies that increasingly favour the entry of workers with high levels of education rather than workers with low levels of education. As a result, in these three countries low-educated migrant workers are more likely to be in older age groups. This result is due to low-educated migrants arriving under older policy with less stringent education requirements.

**Figure 3.2** Percentage of native-born and foreign-born individuals with low and high levels of education by age in Australia, Canada, and New Zealand, circa 2001





Source: OECD. 2008. *International Migration Outlook: SOPEMI – 2008 edition*. Paris: Organisation for Economic Co-operation and Development, Chart I.A.1, pp65–67. (Note: The OECD’s Continuous Reporting System on Migration is known by its French acronym SOPEMI.)

Migrants with low levels of education are concentrated in specific low-skill occupations. With some countries facing a decrease in their working-age population, it is expected that some low-skilled occupations will experience an increase in demand for migrants to meet labour force shortages. For example, the United States is expecting to need an additional 650,000 nursing aides between 2006 and 2016. In Italy, it is estimated that 40 percent of the demand for workers is for people with minimal education, which demand is expected to be met by migration.

### 3.2.5 Return migration and re-migration

Return migration (that is, migration back to the home country) and re-migration (that is, migration to a third country) are major components of migration flows.

Estimated re-migration rates after five years of residence by a migrant vary by country and period, but most fall between 20 percent and 50 percent. Traditional countries of long-term migration, such as the United States, Australia, Canada, and New Zealand, retain larger proportions of their migrants than European countries do.<sup>28</sup> This in part reflects the shorter distances between European countries, which make it relatively easier to move between countries.

The relative shares of return migration and re-migration vary by country of origin and country of destination. Migrants from relatively poor countries who have lived in an OECD country are more likely to migrate to a third country. Migrants from countries where living standards are comparable to those in the host country are more likely to return to their country of origin. The longer a migrant stays in the host country, the less likely they are to return home or

<sup>28</sup> New Zealand loses about one in four permanent migrants over time.

migrate onwards. Most return migration is driven by individual determinants, often involving a combination of individual and family objectives as well as perceived opportunities in the home country. Explicit policies by host and home countries to encourage or attract return migrants appear to have achieved little when total volumes of migrants are compared with the numbers of returnees.

### **3.3 Impact of global economic downturn**

In October 2008, the financial turmoil that had escalated in mid-September deepened. Supplies of credit have dried up, housing values have fallen, share markets have reduced in value, and some industries are seeking government assistance to prevent collapse. The impacts of the turmoil have spread from Western countries to Asian and Eastern European countries. It is likely that many countries will enter recessions sooner rather than later. Although countries were heading into recession before recent events, the economic effects of the financial crisis is likely to cause downturns that are more severe and protracted than previously forecast. The International Monetary Fund has revised down its growth forecasts for all countries.

The global economic downturn has affected New Zealand's economy by constraining credit for firms and households, decreasing house values, decreasing consumption, decreasing commodity prices, and decreasing the exchange rate.

### **3.4 Downturn in New Zealand labour market**

The downturn in the New Zealand economy over the first three-quarters of 2008 has led to a softening in the labour market. Job growth is stalling, and the unemployment rate rose to a five-year high of 4.2 percent in the Household Labour Force Survey for the September quarter (July–September 2008).<sup>29</sup> The survey also reported a small increase (0.1 percent) in employment, all of which was in full-time jobs. These results are better than some commentators expected, but the survey was done before the escalation of the economic downturn.

Of all industries, the accommodation, cafe, and restaurant industry experienced the biggest decrease in employment between September 2007 and September 2008. This result is likely to reflect lower customer spending and fewer tourists.

The labour market is generally expected to weaken further as a result of the global financial and economic downturn. This is highlighted by the employment intentions of New Zealand firms falling to their lowest level since 1993.<sup>30</sup>

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<sup>29</sup> Statistics New Zealand. 2008. *Household Labour Force Survey: September 2008 Quarter*, Hot off the Press. Wellington: Statistics New Zealand.

<sup>30</sup> National Bank. 2008. *Business Outlook*. Available at <http://www.nbnz.co.nz/economics/outlook/081030>.

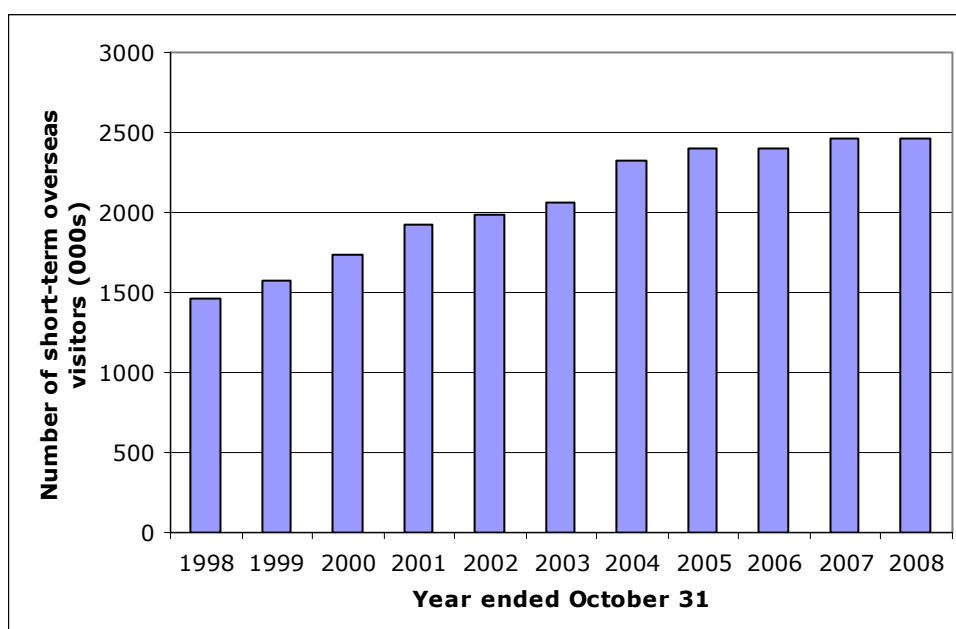
## 3.5 Migration flows

### 3.5.1 Decline in tourism

As in other countries, New Zealand tourism is in decline (see Figure 3.3). Visitor arrivals decreased 3 percent from 31 October 2007 to 31 October 2008. The biggest decreases were of visitors from Asia and the Americas. These visitor numbers are likely to be reflecting travel decisions made before the full impact of the economic downturn was felt, so are expected to fall further.

A falling New Zealand dollar will make travel to New Zealand relatively cheaper, but this is not expected to mitigate the large fall in tourist numbers caused by other factors.

**Figure 3.3** Short-term overseas visitors to New Zealand, 1998–2008



Note: Short-term overseas visitors are overseas residents who arrive in New Zealand for a stay of less than 12 months. Data on short-term overseas visitors is collected monthly. October data was the latest available at the time of writing.

Source: Statistics New Zealand.

### 3.5.2 Decline in students

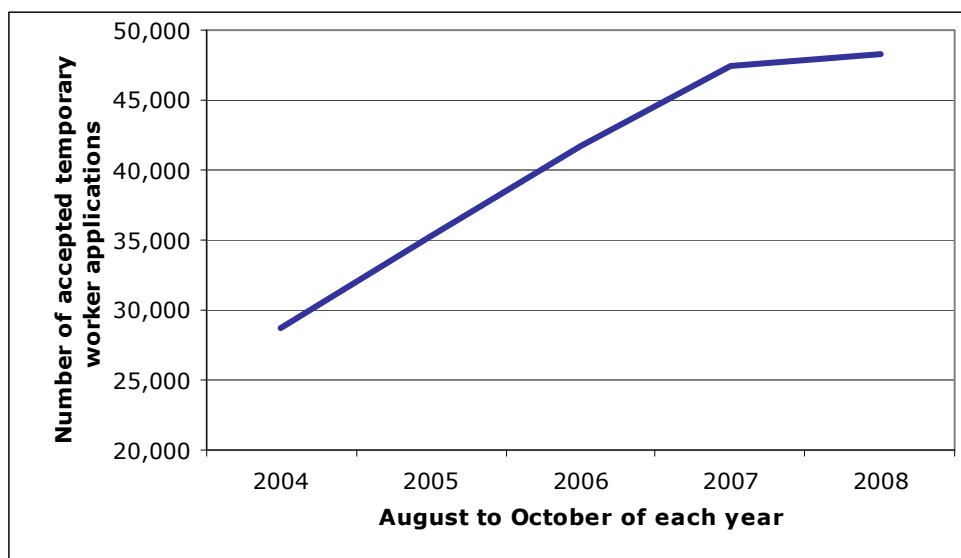
The number of first-time student approvals has continued to increase, but at a much slower rate than in previous periods.

### 3.5.3 Decline in temporary workers

The number of temporary worker applications accepted increased in August to October 2008 compared with the August to October 2007 period, but the rate of increase in such applications is much lower than in previous years (see Figure 3.4).



**Figure 3.4** Temporary worker applications accepted, 2004–2008



Source: Department of Labour.

### 3.6 Looking forward

Given the pace of recent global events, it is harder than usual to predict what the future holds. It will take time for the impacts of the financial downturn to filter through the economy. Globally, consumer confidence and business confidence are lower than they have been, and commodity prices and tourism numbers are down. Although the labour market has not yet been affected as seriously as was forecast, it is likely that unemployment will increase further and employment will start to decrease.

The implications of the global economic changes for migration are complex and multifaceted. New Zealand's economic prosperity, even in a time of economic downturn, depends on New Zealand's ability to attract tourists, students, and skilled migrants. An easing labour market will put emphasis on the policy of employing New Zealanders first, but some skill shortages will continue as will global competition for certain skilled workers.

Opportunities exist for New Zealand if our economy is more resilient or less negatively affected than other potential destination countries. For example, New Zealand might be a preferred destination for skilled workers compared with less-resilient economies. New Zealanders affected by the global downturn overseas might return to New Zealand where they may be eligible for social security. Greater global uncertainty may add to New Zealand's reputation as a safe country and a good place to bring up children. A resilient Australian economy might also attract New Zealanders from New Zealand or from other countries.

## 4 MIGRATION FLOWS

### Highlights

- The total number of people migrating to and from New Zealand fluctuates, but the general trend has been continual growth.
- About 1.5 million people were granted a temporary visitor, student, or work permit on their arrival in New Zealand in 2007/08. In addition, more than 756,000 Australian citizens travelled to New Zealand, and 46,077 people were granted permanent residence in New Zealand.
- The net inflow of 40,000 non-New Zealand citizens in 2007/08 is the highest recorded net inflow since 2003.

### 4.1 Introduction

New Zealand's population is affected by migration flows, including 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).

The net migration flow is the difference between the number of permanent and long-term arrivals and the number of permanent and long-term departures.<sup>31</sup>

Many factors affect migration flows. The departure of New Zealanders, particularly to Australia, is one of the main drivers of New Zealand's migration patterns. 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 in Australia. Of all permanent departures from Australia in 2007/08, 18.4 percent were to New Zealand.<sup>32</sup> New Zealand's expatriate community, estimated at 500,000–750,000,<sup>33</sup> is increasingly seen as an important contributor to New Zealand's economic prosperity.<sup>34</sup>

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<sup>31</sup> An arrival or departure is permanent and long term if the intended length of stay or absence is 12 months or more.

<sup>32</sup> Department of Immigration and Citizenship. 2008. *Emigration 2007-2008 Australia*. Belconnen, ACT: Department of Immigration and Citizenship. Available at [http://www.immi.gov.au/media/publications/pdf/emigration\\_08.pdf](http://www.immi.gov.au/media/publications/pdf/emigration_08.pdf).

<sup>33</sup> Population and Sustainable Development website, Sustainable Development for New Zealand: Programme of Action. Available at <http://www.population.govt.nz/faqs/frequently-asked-questions.htm>.

<sup>34</sup> 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 is the largest and broadest network of New Zealand expatriates.

New Zealand's environment, people, and lifestyle opportunities, and safety from crime or violence are the things permanent migrants to New Zealand like most about living in New Zealand.<sup>35</sup> These and other reasons play an important role in attracting people to New Zealand as tourists, students, temporary workers, or permanent residents. However, these same migrants report that perceived high tax rates, difficulties understanding the tax system, the distance from New Zealand to their home country or family, and the cost of health services are some of the negative aspects of life in New Zealand.

One measure of a migrant's successful settlement and contribution to New Zealand is the extent to which they remain in the country after their arrival or approval for residence. In 2005, the Department of Labour studied migrants' movement patterns into and out of New Zealand.<sup>36</sup> A key finding from this study was the confirmation that migrants are consistently lost from New Zealand over time.

Migrants leave New Zealand for different reasons, only some of which relate to 'unsuccessful' settlement, such as not being able to find work. Reasons include family ties, business commitments, or an intention to live and work in New Zealand temporarily rather than settle permanently. Department of Labour research shows that most migrants are not highly mobile. Of migrants approved between 1998 and 2004, 79 percent had fewer than three spells of absence from New Zealand with only a small proportion of migrants being highly mobile and spending significant periods out of New Zealand.<sup>37</sup>

Sections 4.2 and 4.3 analyse temporary arrivals and permanent and long-term migrants respectively. Section 4.4 assesses the impact of migration on population growth. Sections 4.5 and 4.6 track the cohorts of migrants approved for residence within a calendar year. The analysis looks at those migrants who arrived to take up residence and migrants who left New Zealand permanently. A time-series analysis shows movement patterns over time.

## 4.2 Temporary arrivals in New Zealand

Most people arriving in New Zealand are overseas visitors intending to stay for less than 12 months or New Zealand residents returning from a short trip overseas. Most people departing from New Zealand are overseas visitors returning from a short stay or New Zealand residents who intend to return to New Zealand within 12 months. Within any given year, flows fluctuate seasonally, with large numbers of visitors arriving over the summer months, and during particular events, such as the New Zealand International Sevens Tournament.

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<sup>35</sup> Statistics New Zealand. 2008. *Longitudinal Immigration Survey: New Zealand (LisNZ) – Wave 1*, Hot Off The Press. Wellington: Statistics New Zealand. Available at <http://www.stats.govt.nz/NR/rdonlyres/4816641F-FF8A-401D-99E8-E73BEBB88125/0/longitudinalimmigrationsurveyzmay08hotp.pdf>.

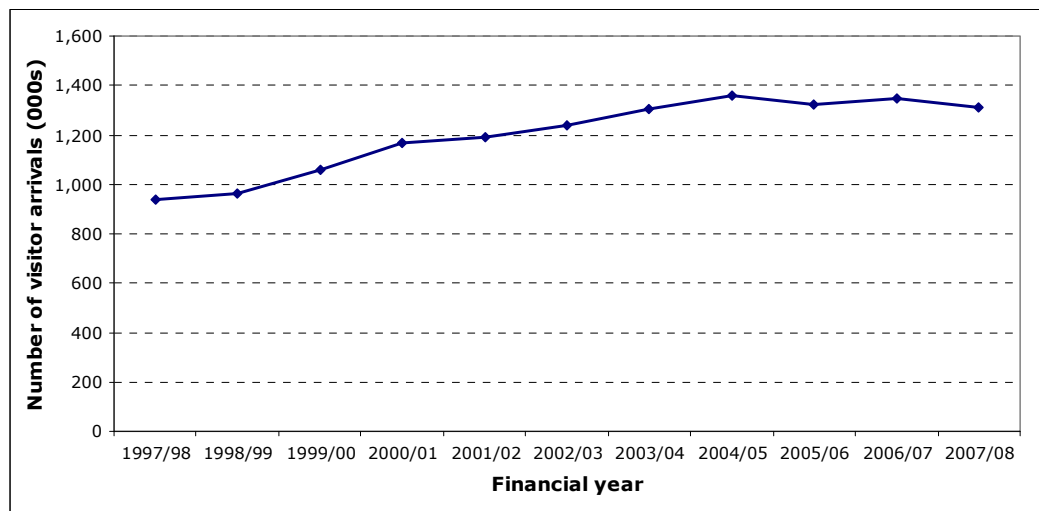
<sup>36</sup> P Shorland. 2006. *People on the Move: A Study of Migrant Movement Patterns to and from New Zealand*. Wellington: Department of Labour. Available at <http://www.dol.govt.nz/pdfs/Migrants-absenteeism-from-NZ.pdf>.

<sup>37</sup> P Shorland. 2006. *People on the Move: A Study of Migrant Movement Patterns to and from New Zealand*. Wellington: Department of Labour, Table 4.15, page 55. Available at <http://www.dol.govt.nz/pdfs/Migrants-absenteeism-from-NZ.pdf>.

In 2007/08, about 1.5 million people were granted a temporary visitor, student, or work permit on arrival in New Zealand. In addition, over 756,000 Australian citizens travelled to New Zealand (Australian citizens do not require a permit to enter New Zealand). The top five visitor source countries (the United Kingdom, the United States, China, Japan, and South Korea) contribute 58 percent of all temporary arrivals to New Zealand. In 2007/08, the number of visitors from four of these five countries (United Kingdom, the United States, Japan, and South Korea) decreased from 2006/07 levels.

Figure 4.1 illustrates the annual flow of visitors to New Zealand from 1997/98 to 2007/08.

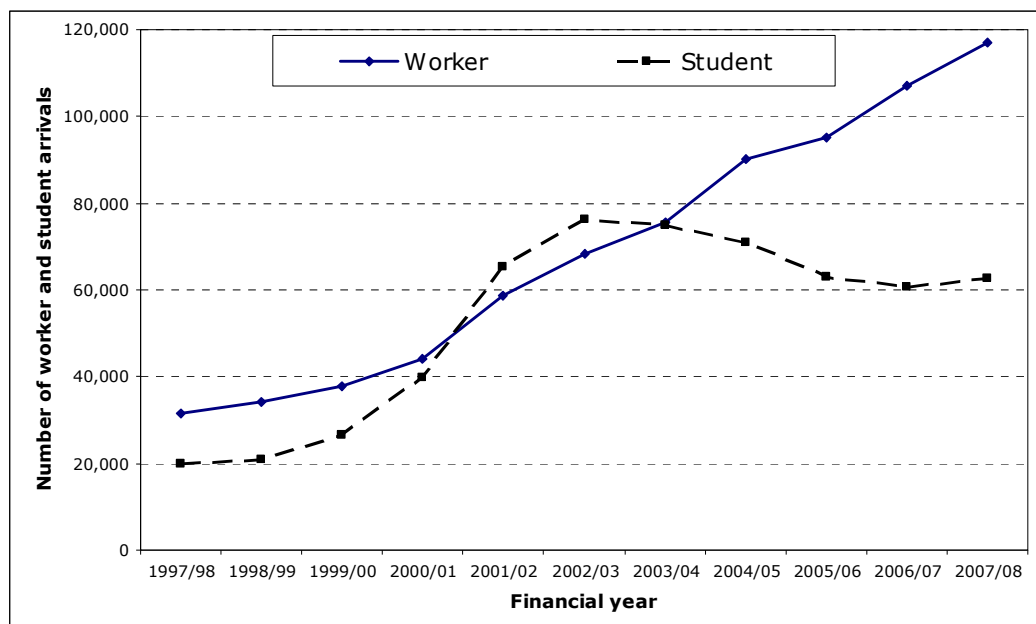
**Figure 4.1** Number of visitor arrivals, 1997/98–2007/08



The number of migrants coming to New Zealand for work or study over the decade to 2007/08 has grown rapidly. The peaks for the number of people arriving as international students are aligned to the academic year, the semesters of which start in January or February, and July. Less seasonal fluctuation is seen among people coming to New Zealand to work, but numbers are generally higher in summer.

Figure 4.2 shows the sustained increase in the number of work permit holders entering New Zealand since 1997/98. International student numbers have been decreasing since a peak in 2002/03, but increased for the first time in 2007/08.

**Figure 4.2** Number of worker and student arrivals, 1997/98–2007/08



### 4.3 Permanent and long-term migration

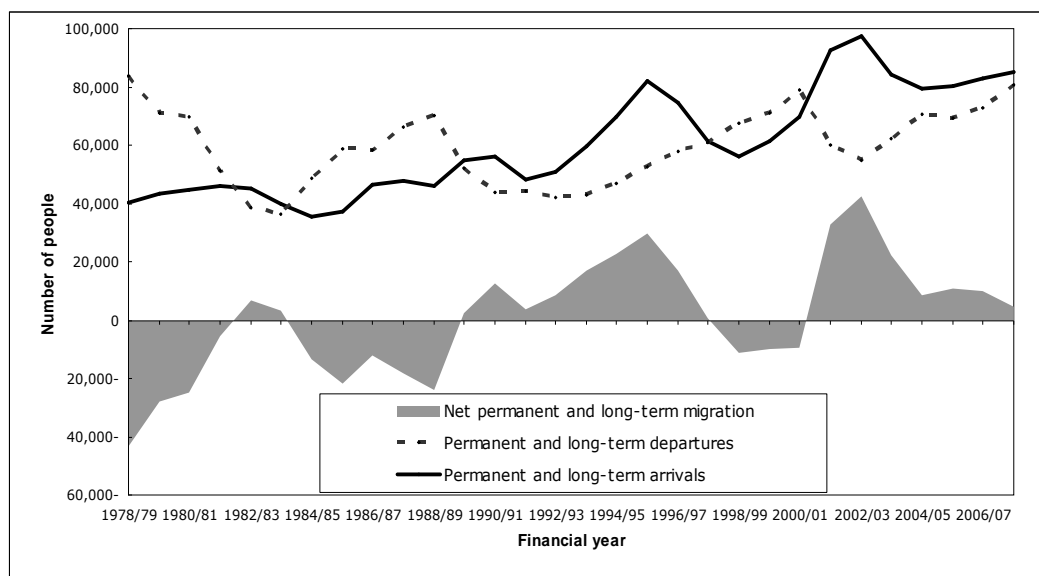
Permanent and long-term arrivals include people who arrive in New Zealand intending to stay for 12 months or more. This includes people granted permanent residence in New Zealand, New Zealand residents returning after an absence of 12 months or more, and students and work permit holders intending to stay for 12 months or more.

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

The total number of people migrating to and from New Zealand fluctuates, and cyclical patterns emerge over long time series. Despite these fluctuations, the general trend has been one of continual growth. Figure 4.3 shows the changes in permanent and long-term arrivals and departures since 1978/79 and the fluctuations in net migration inflows and outflows.

**Figure 4.3** Annual permanent and long-term (PLT) migration flows, 1978/79–2007/08



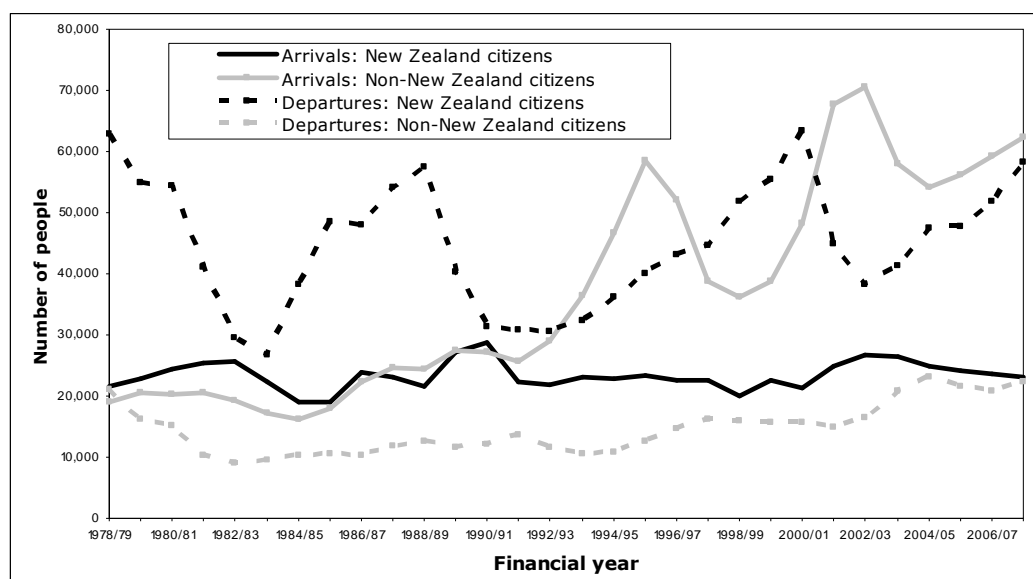
Source: Statistics New Zealand.

In general, the number of permanent and long-term migrants arriving from Oceania, including Australia and other Pacific countries, has decreased since the 1980s, while the number from Asia and Europe has increased. The number of permanent and long-term migrants arriving from Asia increased rapidly between 2000/01 and 2003/04, largely because of significant growth in the export education industry.

Since 2003/04, the number of permanent and long-term arrivals from Asia has decreased, while the number from Europe, the United Kingdom in particular, have increased. The decrease from Asia is primarily due to falling international student numbers and a shift in the main source countries for permanent residence in New Zealand. Over the five years to 2007/08, the number of Asian people granted permanent residence has decreased, particularly from Southern Asia, while numbers from Europe have increased.

Figure 4.4 shows the patterns of migration flows for New Zealand and non-New Zealand citizens. Over the three decades to 2007/08, the number of New Zealand citizens returning after being away for 12 months or more has been relatively constant. The number of New Zealand citizens departing for 12 months or more has fluctuated, but tended to increase since 1993. The number of New Zealand citizens departing for 12 months or more has been consistently greater than the number returning, resulting in a steady loss of New Zealand citizens over time. The loss of New Zealand citizens has been mainly to Australia. However, the net outflow of New Zealand citizens is offset by the net inflow of non-New Zealand citizens.

**Figure 4.4** Annual permanent and long-term migration flows by citizenship, 1978/79–2007/08



Source: Statistics New Zealand.

Table 4.1 shows the permanent and long-term migration flows for 2006/07 and 2007/08. In 2007/08, the net inflow of permanent and long-term migration to New Zealand was 4,700 people (the difference between 85,200 permanent and long-term arrivals and 80,500 permanent and long-term departures), which was less than half the 10,100 recorded for 2006/07. This resulted mainly from a large increase in the number of departing New Zealand citizens (up 6,500 from 2006/07).

Permanent and long-term arrivals of non-New Zealand citizens increased from 59,200 in 2006/07 to 62,200 in 2007/08. The net inflow of 40,000 non-New Zealand citizens is the highest net inflow recorded since 2003.

In 2007/08, the main sources of net permanent and long-term migration inflow were the United Kingdom (7,300), India (4,400), the Philippines (3,500), Fiji (2,600), South Africa (2,400), and China (2,200). Departures to Australia increased 18 percent in 2007/08, resulting in a net permanent and long-term migration outflow to Australia of 32,000, up from 25,000 in 2006/07.

**Table 4.1** Permanent and long-term migration flows, 2006/07 and 2007/08

Permanent and long-term migration flows	New Zealand citizens		Non-New Zealand citizens		Total	
	2006/07	2007/08	2006/07	2007/08	2006/07	2007/08
Arrivals	23,500	23,000	59,200	62,200	82,700	85,200
Departures	51,800	58,300	20,800	22,200	72,600	80,500
<b>Net migration</b>	<b>-28,400</b>	<b>-35,300</b>	<b>38,400</b>	<b>40,000</b>	<b>10,100</b>	<b>4,700</b>

Note: Figures may not sum due to rounding.

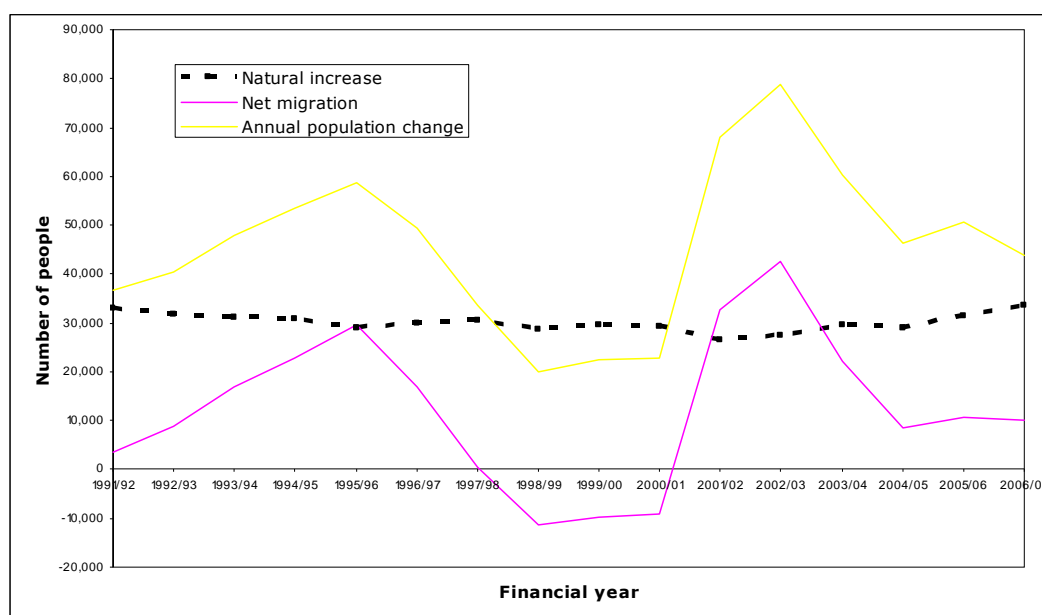
Source: Statistics New Zealand.

## 4.4 Impact of migration on population growth

New Zealand's estimated resident population at 30 June 2007<sup>38</sup> was 4,228,300, representing an increase of 43,700 (1.0 percent) from the 30 June 2006 estimate of 4,184,600. This population growth is less than the average annual increase of 44,700 (1.1 percent) over the past decade.

Population growth from 2006 to 2007 was due to a natural increase (that is, more births than deaths) of 33,700 (77 percent) and net permanent and long-term migration of 10,100 (23 percent). The natural increase is usually the main contributor to population growth, accounting for about two-thirds of New Zealand's population growth in the past decade. Figure 4.5 shows that the natural increase is constant over the series but the fluctuations in the annual population change follow the movements in net migration.

**Figure 4.5** Components of population growth, 1992–2007



Source: Statistics New Zealand.

## 4.5 Migrants who did not take up residence

This section is based on a cohort analysis.<sup>39</sup> The number of residence approvals in a given cohort is based on the number of applications completed within the calendar year, not the number of applications decided.<sup>40</sup>

<sup>38</sup> The estimated resident population is based on the census usually resident population count, with adjustments for residents missed or counted more than once by the census and for residents temporarily overseas on census night. 30 June 2007 is the most recent estimate of resident population.

<sup>39</sup> A sizeable lead time is needed when undertaking this analysis. People approved at the end of a calendar year have up to a year to arrive in New Zealand, which means a person approved for residence at the end of 2005 could arrive in New Zealand as late as the end of 2006.

<sup>40</sup> An application is *decided* when a decision is made to approve or decline the application. An application is *completed* when the visa or permit label is issued in the applicant's passport.



Most migrants approved for residence from 1998 to 2006 arrived in New Zealand to take up residence or were in New Zealand at the time of approval.<sup>41</sup> Of the 368,418 people approved during this period, 361,787 (98.2 percent) took up residence in New Zealand.

The proportion of people approved for residence but not taking up residence has decreased from 3.5 percent of the 1998 cohort to less than 1 percent of the 2005 and 2006 cohorts. This decrease reflects the increasing proportion of people who are in New Zealand on a temporary permit when their residence permit is granted. It is expected that people who are already in New Zealand on a temporary permit are more likely to take up residence than people who are not in New Zealand. From 1998 to 2006, 6,631 migrants approved for residence did not arrive to take up residence.

A comparison of residence categories shows that approvals under the general skills categories (the 1995 General Skills Category and 2003 Skilled Migrant Category) had the highest rate of people who did not arrive in New Zealand to take up residence. From 1998 to 2006, the general skills categories accounted for 36 percent of approvals for residence, but represented 59 percent of people who did not arrive in New Zealand to take up residence. Over the same period, Partnership approvals were 17 percent of approvals, but accounted for just 9 percent of people who did not arrive in New Zealand to take up residence. Table 4.2 shows the number of people who did not arrive in New Zealand to take up residence by residence approval category.

**Table 4.2** People who did not arrive in New Zealand to take up residence by residence approval category, 1998–2006

Residence approval category	Approvals		Non-arrivals	
	Number	Percent (%)	Number	Percent (%)
General skills*	134,377	36	3,936	59
Partnership	62,494	17	624	9
Parent	30,392	8	561	8
Investor	11,738	3	172	3
Humanitarian	9,438	3	437	7
Samoa Quota	8,721	2	178	3
Refugee Quota	7,307	2	333	5
Other	103,951	28	390	6
<b>Total</b>	<b>368,418</b>	<b>100</b>	<b>6,631</b>	<b>100</b>

Note

\* The 1995 General Skills Category and 2003 Skilled Migrant Category.

For all but two of the main national groups of migrants approved for residence from 1998 to 2006, less than 2 percent of people approved for residence did not arrive in New Zealand. The exceptions were India (3.5 percent) and South Africa (2.0 percent). For both countries, most (over 88 percent) non-arrivals

<sup>41</sup> The 2007 cohort is excluded from this analysis, because the people in this cohort have not yet had 12 months to arrive in New Zealand.

had been approved through the general skills categories. Table 4.3 shows the non-arrival rate by source country.

**Table 4.3** Proportion of non-arrivals by source country, 1998–2006

Source country	Approvals 1998–2006	Non-arrivals 1998–2006	Non-arrival rate (%)
United Kingdom	71,651	753	1.1
China	46,388	549	1.2
India	38,169	1,328	3.5
South Africa	30,705	624	2.0
Fiji	21,155	198	0.9
Samoa	17,094	271	1.6
South Korea	13,886	172	1.2
Other	129,370	2,736	2.1
<b>Total</b>	<b>368,418</b>	<b>6,631</b>	<b>1.8</b>

## 4.6 Residence approval categories of long-term absent migrants

'Long-term absent' refers to a migrant who has been out of the country for six months or more.<sup>42</sup>

Table 4.4 combines the residence approval categories into six groups and shows the proportion of migrants absent for six months or more as at 31 December 2007. The table shows a wide variation in the proportions absent in different cohorts and different groups. Migrants approved through the business categories have the highest rate of long-term absence, with approximately one-third of business migrants leaving permanently, although the rate has dropped to about 10 percent since 2005. Absence rates are lowest for migrants approved for residence through the International/Humanitarian Stream.<sup>43</sup>

The rate of absence generally increases with the length of time since residence, with the earliest cohort having the highest rate of absence. As at 31 December 2007, 23 percent of migrants approved in 2000 had been absent for six months or more, compared with 5 percent of the migrants approved in 2006 (see Table 4.4).

<sup>42</sup> This section is based on a cohort analysis, which is described in footnote 39. The difference between completed and decided application dates is explained in footnote 40. The completed application date is more accurate than the decided application date when calculating long-term absence.

<sup>43</sup> In this analysis, the Family Other group includes people approved for residence through the Family Child Dependent, Family Child Adult, Family Sibling, Family Quota, and Humanitarian Categories.

**Table 4.4** Rates of absence by residence approval groups for migrants approved for residence, 2000–2006

Residence approval group	Percentage long-term absent by cohort as at 31 December 2007 (%)							
	2000	2001	2002	2003	2004	2005	2006	Total
Family parent	23	21	21	18	14	9	8	<b>18</b>
Business categories	36	40	44	31	23	11	8	<b>27</b>
Skilled categories	27	24	22	19	14	10	6	<b>18</b>
Family partnership	19	17	16	14	10	8	5	<b>14</b>
Family other	15	10	9	9	9	7	4	<b>11</b>
International/ Humanitarian	15	12	14	5	4	3	1	<b>9</b>
Percentage long-term absent at 31 December 2007 (%)	23	22	21	16	12	9	5	<b>17</b>
Number long-term absent as at 31 December 2007	7,918	10,603	10,112	6,916	4,221	4,532	2,687	<b>60,072</b>
<b>Total approved</b>	<b>34,457</b>	<b>48,432</b>	<b>47,429</b>	<b>43,049</b>	<b>34,383</b>	<b>52,233</b>	<b>49,153</b>	<b>361,787</b>

Note: The 2007 cohort is excluded from this analysis because migrants in that cohort have had insufficient time to arrive in New Zealand.

## 5 TEMPORARY MIGRATION

### Highlights

- The number of people issued work permits in New Zealand grew 13 percent between 2006/07 and 2007/08.
- Migrants' work experience in New Zealand before residence is positively linked to their employment outcomes after gaining residence. Most residence approvals in 2007/08 had previously held a temporary permit (81 percent of 46,077 approvals).
- An increasing number of international students gain permanent residence in New Zealand after completing their studies. These students offer employers New Zealand qualifications and are already partially settled in New Zealand.

### 5.1 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, even in an economic downturn.<sup>44</sup> Many work permit holders will eventually become permanent residents, and specific work permit policies help to promote this transition.

International students contribute to New Zealand's economic development through foreign exchange earnings, by promoting international links, and by participating in the New Zealand work force after their study. In 2004, international education was worth an estimated \$2.2 billion to the New Zealand economy.<sup>45</sup> In addition, an increasing number of international students gain permanent residence in New Zealand after completing their studies. These students can offer employers New Zealand qualifications and are already partially settled in New Zealand.

This chapter describes the trends in the number of people coming to New Zealand on temporary student or work permits.<sup>46</sup> Table D1 in Appendix D shows the number of people issued work and student permits by source country for 2007/08.

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<sup>44</sup> Other than New Zealand and Australian citizens or residents, anyone who wants to work legally in New Zealand must have a work permit.

<sup>45</sup> Infometrics. 2006. *The Economic Impact of Foreign Fee-Paying Students*. Wellington: Ministry of Education. Available at [http://www.educationcounts.govt.nz/publications/international/report\\_on\\_research\\_into\\_the\\_circumstances\\_of\\_very\\_young\\_international\\_students\\_in\\_nz](http://www.educationcounts.govt.nz/publications/international/report_on_research_into_the_circumstances_of_very_young_international_students_in_nz).

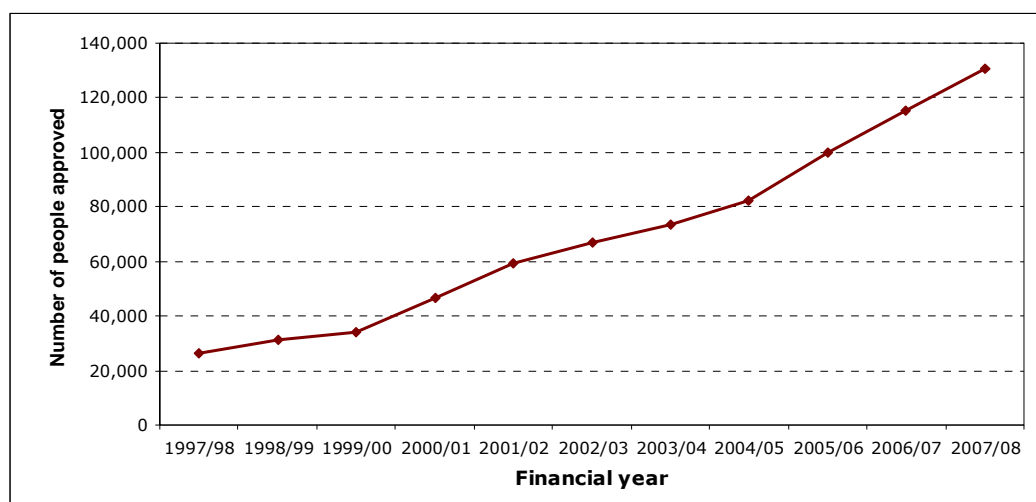
<sup>46</sup> This analysis is of individuals who at any time in 2006/07 were issued a permit, not of the total number of permits issued. If a person was issued more than one permit in the current period, only the most recently held permit is used in this analysis.

## 5.2 Work permits

The objective of work permit policies is to contribute to developing New Zealand's capability base by allowing New Zealand employers to access skills and knowledge from around the world. Work permit policy allows people to enter New Zealand for a variety of work-related purposes. It also aims to ensure that the employment of temporary migrants does not undermine the wages and conditions of New Zealand workers. Specific 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 of migrants to participate in the labour market and young people (18–30 years) to participate through Working Holiday Schemes. Table E1 in Appendix E summarises the work permit criteria.

The number of people issued work permits grew about 18 percent on average over the decade to 2007/08. In 2007/08, 130,462 individuals were issued work permits, 13 percent more than in 2006/07, although the rate of increase is slightly less than the 16 percent recorded from 2005/06 to 2006/07. Figure 5.1 shows the growth in the number of people issued work permits since 1997/98.

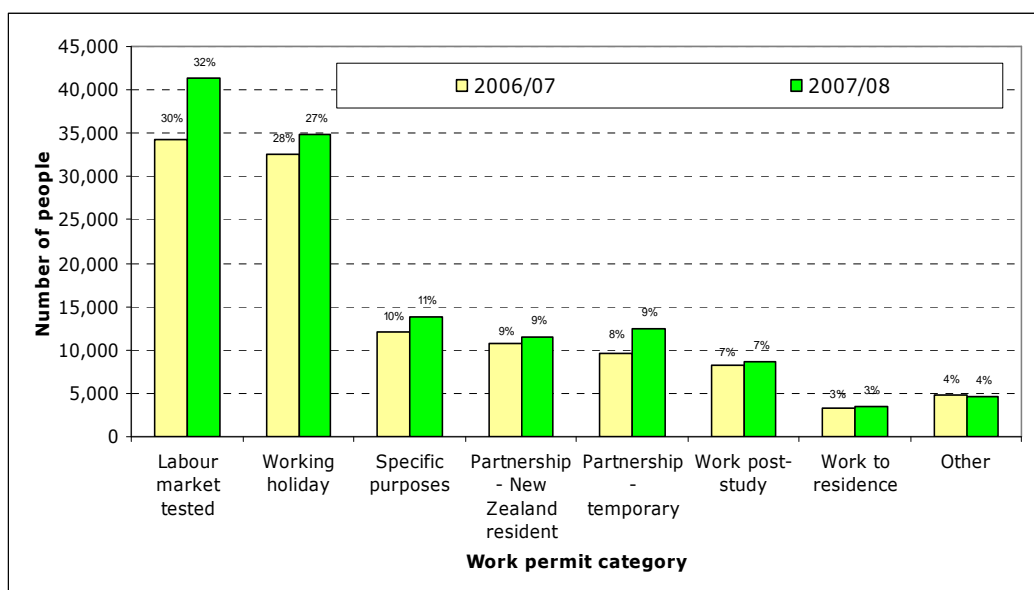
**Figure 5.1** Number of people issued work permits, 1997/98–2007/08



Many factors have contributed to the growth in the number of work permits issued. These factors include the expansion of Working Holiday Schemes, the introduction of new policies such as the Work to Residence and Study to Work Policies, and increasing numbers of work permits issued through the Partnership Policy. Much of the increase in work permits issued in 2007/08 came from partners of temporary workers or students, seasonal workers, and people who took part in specific purposes or events.<sup>47</sup> Figure 5.2 compares the number of work permits issued by broad type in 2006/07 and 2007/08.

<sup>47</sup> Work permits for specific purposes or events are issued for a particular period (usually less than 12 months) to people who are skilled in areas relevant to that specific purpose or event (for example, sportspeople, entertainers, performing artists, and film and video production crew).

**Figure 5.2** Comparison of work permit types, 2006/07 and 2007/08



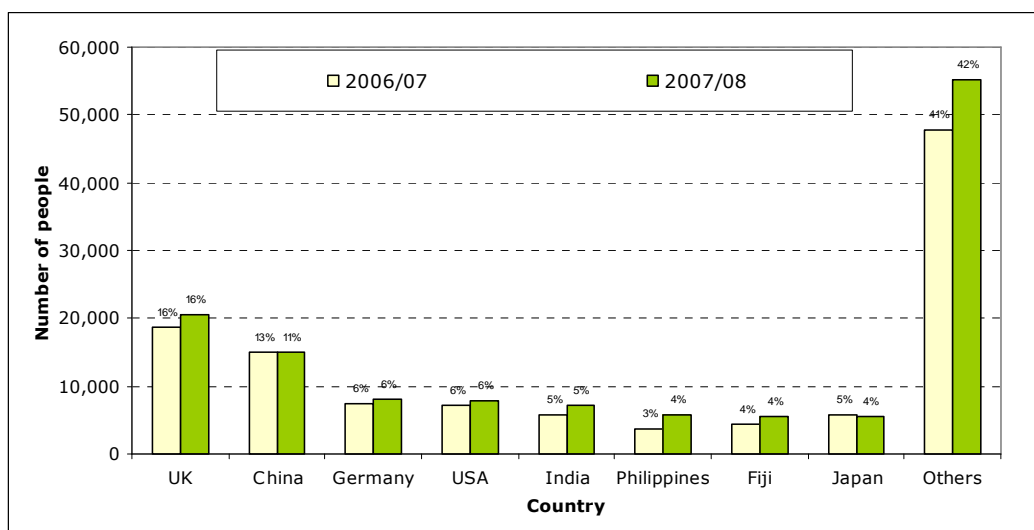
Note: the percentages show the proportion of all work permits for each work permit type by financial year.

### 5.2.1 Nationality of work permit holders

In 2007/08, the United Kingdom provided the most work permit holders in New Zealand with more than 20,000 work permit holders (16 percent), followed by China (11 percent). The number of Chinese people granted work permits has increased significantly to almost 15,000 in 2007/08. Much of this growth stems from the introduction of the Study to Work Policy in 2005, whereby international students may apply for work permits once they have completed their New Zealand qualification. In 2007/08, 67 percent of all graduate job search permits (3,445 out of 5,133) were issued to Chinese graduates. The Philippines and India also showed strong growth as sources of work permit holders, while the number from Japan steadily declined.

Figure 5.3 shows work permit holders by nationality in 2006/07 and 2007/08.

**Figure 5.3** Nationality of work permit holders, 2006/07 and 2007/08



Note: the percentages show the proportion of all work permit holders by nationality and financial year.

Of the main source countries for work permit holders, the Philippines had the largest increase (60 percent) from 2006/07 to 2007/08, followed by Fiji and India (both increased 26 percent). Table F1 in Appendix F shows work permit holders by nationality since 1998/99.

### 5.2.2 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. These permits consist of the essential skills permit (some of which are issued under approvals in principle), and permits issued under some business policies and the seasonal work permit policy. These permits also cover workers in specialist skill areas such as machinery installers and Japanese interpreters.<sup>48</sup>

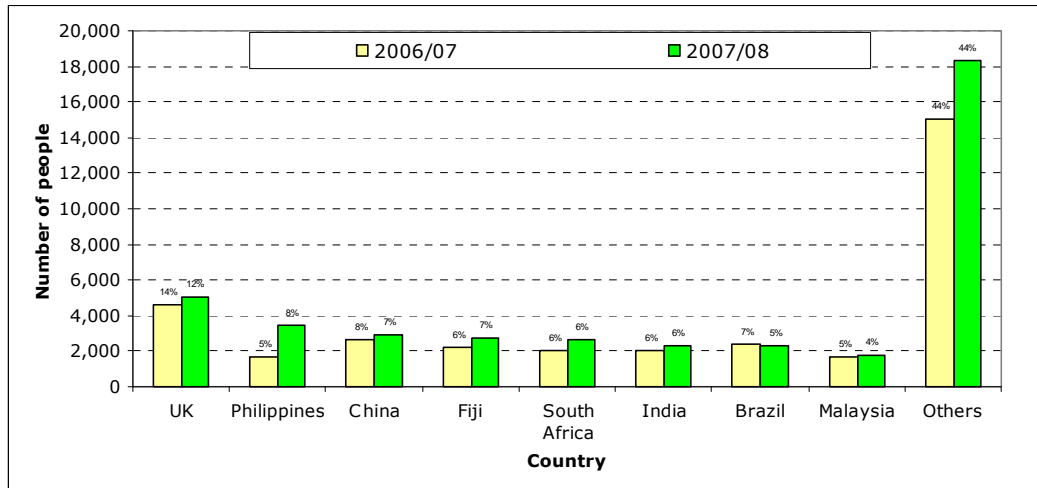
In 2007/08, 41,420 people were issued with labour market-tested work permits, a 21 percent increase from 2006/07.<sup>49</sup> The United Kingdom has remained the largest source country with 12 percent of all labour market-tested work permits in 2007/08. However, the Philippines had the largest relative increase in people issued with labour market-tested work permits

<sup>48</sup> The general work permit is the standard 'skill shortage' work permit that covers occupations on the Immediate Skill Shortage List or Long Term Skill Shortage List and occupations for which a labour market test has determined no New Zealanders are available. Other policies related to skill shortages are the Talent (Accredited Employers) Work Policy and Long Term Skill Shortage List Occupation Work to Residence Policy, but these policies have not been included in this analysis.

<sup>49</sup> The work permit policies used in this analysis differ slightly from those used in analyses in previous years. To have comparable total numbers between 2005/06 and 2006/07, data from previous years was coded retrospectively.

from 2006/07 to 2007/08. The Philippines almost doubled its number of work permit holders to 3,416, becoming the second largest source country (8 percent of all people issued with labour market-tested work permits in 2007/08). Figure 5.4 shows the number of labour market-tested work permit holders by nationality in 2006/07 and 2007/08.

**Figure 5.4** Nationality of labour market-tested work permit holders, 2006/07 and 2007/08



Note: the percentages show the proportion of all labour market-tested work permit holders by nationality and financial year.

For information about the ratio of females to males by age and nationality for work permit holders approved in 2007/08, see Table G1 in Appendix G.

### 5.2.3 Working Holiday Schemes

Working Holiday Schemes allow young people (18–30 years) to spend 12 months (or two years for United Kingdom working holidaymakers) in New Zealand and undertake work of a temporary nature.<sup>50</sup> In July 2005, policy changes increased the number of places available in many schemes, eased the work restrictions in some schemes, and introduced online processing for most applications. New Zealand has Working Holiday Schemes with 27 countries and up to 50,000 places are available.<sup>51</sup>

The number of young people coming to New Zealand as working holidaymakers has increased steadily over the years. In 2007/08, 34,890 people were approved through the various Working Holiday Schemes. The greatest numbers came from the United Kingdom and Germany, contributing 27 percent and 17 percent of all working holidaymakers respectively. Table 5.1 shows the number of people issued with working holidaymaker permits from selected countries in 2007/08.

<sup>50</sup> Working Holiday Schemes often allow young New Zealanders to work overseas under reciprocal agreements. The New Zealand Working Holiday Scheme for the United States is not a reciprocal arrangement.

<sup>51</sup> The Mexico working holiday scheme came into effect on 31 March 2008.



**Table 5.1** Number of people approved work permits under Working Holiday Schemes, 2007/08

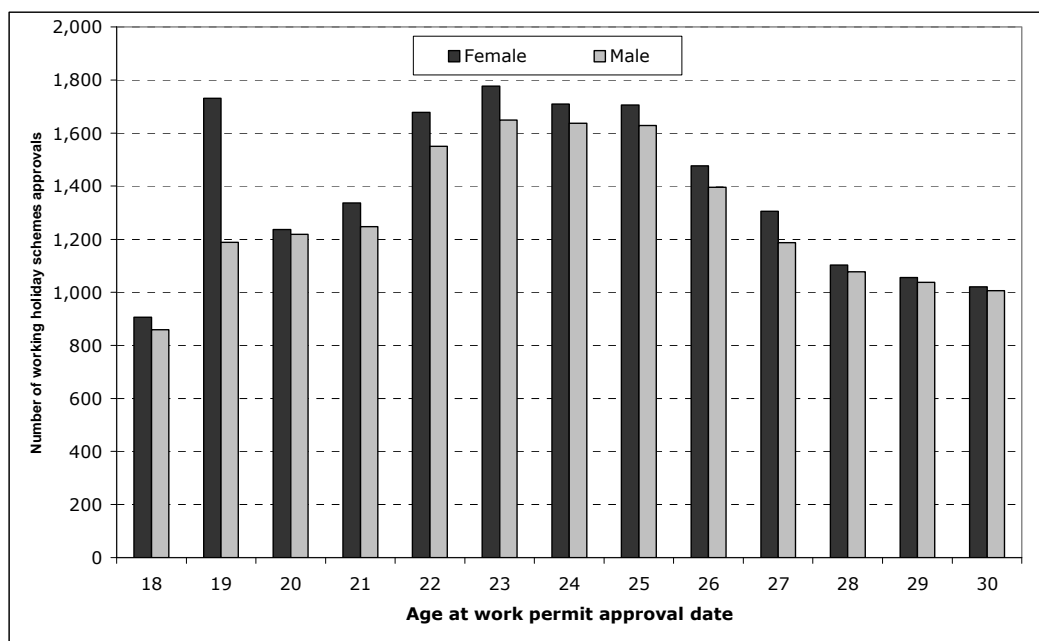
<b>Working holiday schemes</b>	<b>Annual places available in the scheme</b>	<b>Number of working holidaymakers 2007/08</b>
Argentina	1,000	988
Belgium	2,000	214
Canada	2,000	1,444
Chile	1,000	1,039
Czech Republic	1,000	963
Denmark	2,000	235
Estonia	100	51
Finland	2,000	227
France	5,000	1,883
Germany	Unlimited	5,976
Hong Kong	200	263
Ireland	2,800	1,919
Italy	1,000	369
Japan	Unlimited	2,352
Malaysia	1,150	813
Malta	50	5
Mexico	200	62
Netherlands	Unlimited	701
Norway	Unlimited	61
Singapore	200	37
South Korea	1,500	1,892
Sweden	Unlimited	601
Taiwan	600	615
Thailand	100	90
United Kingdom	Unlimited	9,462
United States	5,000	2,189
Uruguay	200	193
Working holiday schemes extension		246
<b>Total</b>		<b>34,890</b>

Across the Working Holiday Schemes, 52 percent of permits were issued to women. The number of work permits issued to women from Japan, Taiwan, Thailand, and Hong Kong was more than double the number issued to men from the same countries.

A large proportion (46 percent) of working holidaymakers were aged 21–25 years.

Figure 5.5 shows the age and gender distribution of working holidaymakers in 2007/08.

**Figure 5.5** Age and gender of working holidaymakers, 2007/08



### 5.3 Student permits

International education is estimated to contribute more than \$2 billion annually in foreign exchange to New Zealand.<sup>52</sup> In addition to the financial gain from student migration, host countries stand to benefit from the improvement of political and economic relations with the source countries.<sup>53</sup> 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 with skill shortages.

International students planning to attend courses that last more than three months must apply for a student visa before travelling to New Zealand. Students from a visa-free country may apply for a student permit in New Zealand. For courses of a three-month or shorter duration, non-New Zealand residents are not required to obtain a student visa or permit, though they will still require a temporary permit to be in New Zealand.

<sup>52</sup> Infometrics. 2006. *The Economic Impact of Foreign Fee-Paying Students*. Wellington: Ministry of Education. Available at [http://www.educationcounts.govt.nz/publications/international/report\\_on\\_research\\_into\\_the\\_circumstances\\_of\\_very\\_young\\_international\\_students\\_in\\_nz](http://www.educationcounts.govt.nz/publications/international/report_on_research_into_the_circumstances_of_very_young_international_students_in_nz).

<sup>53</sup> B Suter and S Jandl. 2006. *Comparative Study on Policies towards Foreign Graduates: Study on Admission and Retention Policies towards Foreign Students in Industrialised Countries*. Vienna: International Centre of Migration Policy Development. Available at <http://www.imiscoe.org/news/newsletters/documents/ComparatovestudyICMPD.pdf>.

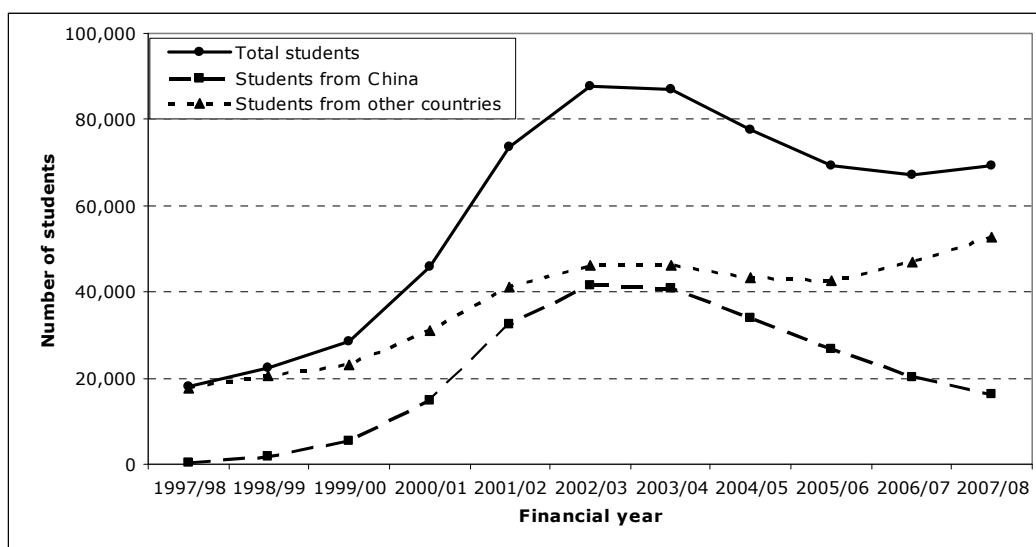
In July 2005, several policy changes came into effect, some of which were enhanced in November 2007. These changes are listed below (and see Appendix A). The aim of the changes is to make New Zealand a more competitive destination for international students by easing the work restrictions for students and their partners.

- International students who graduate with a qualification eligible for points under the Skilled Migrant Category (SMC) are eligible for a six-month open work permit (the 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 increased the duration to three years for graduates who require three years' work experience in New Zealand to qualify for membership or registration with professional bodies.
- The pool of students eligible to work part time while studying was expanded to include Year 12 and Year 13 school students and some English language students, provided certain conditions, including English language standards, are met.
- Eligible students may apply to work for up to 20 hours a week during term (the previous limit was 15 hours).
- Anyone undertaking a course of 12 months' or longer duration may apply to work full time over the summer holidays.
- Partners of students studying in areas with skill shortages and partners of postgraduate students may apply for an open work permit that is valid for the duration of the student's course of study.

### **5.3.1 Student approval numbers**

New Zealand's international student population has been declining since 2002/03 but increased in 2007/08. However, the number of students coming from China (New Zealand's main source country) is still in decline. Figure 5.6 shows the growth in international student numbers since 1997/98.

**Figure 5.6** Number of principal applicants granted student permits, 1997/98–2007/08



In 2007/08, 69,193 people from outside New Zealand were approved to study in New Zealand. This was a 3 percent increase from 2006/07. The number of student permits approved from China decreased by 3,861 over the same period, but this reduction was offset by more permits from other source countries. Table H1 in Appendix H shows the top source countries of people approved a student permit since 1998/99.

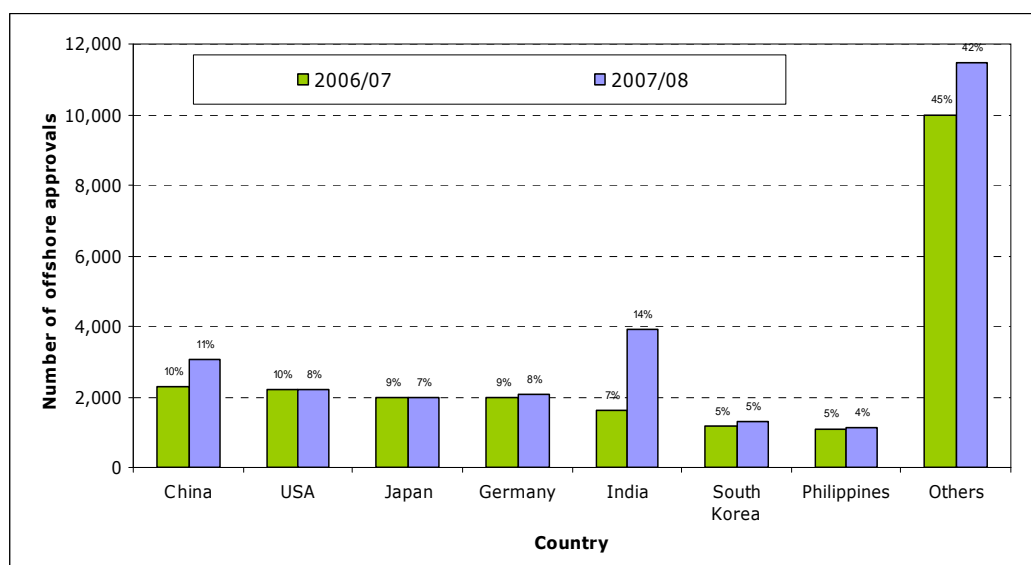
In 2007/08, China is still the major source country for international students, accounting for 24 percent of those issued a student permit, followed by South Korea (16 percent). India replaced Japan as the third-highest source for international students in 2007/08, almost doubling its number of international students to 8 percent.

### 5.3.2 Students approved offshore

The number of international students approved offshore for a student visa is a partial indicator of the number of new students coming to study in New Zealand. Offshore approval numbers decreased steadily from 2001/02, but since 2004/05 have increased. In 2007/08, there were 27,025 offshore student approvals, which was a 21 percent increase from 2006/07.

India recorded the largest relative increase in offshore student approvals from 2006/07 to 2007/08, by more than doubling the number of approvals to 3,889. India has overtaken China as the largest source country for offshore student approvals. Figure 5.7 shows the number of students approved offshore among the top seven source countries.

**Figure 5.7** Number of students approved offshore for the top seven source countries, 2006/07 and 2007/08



Note: the percentages show the proportion of all students approved offshore by country and fiscal year.

### 5.3.3 Age and gender of international students

In 2007/08, more males than females were issued a student permit, although the ratio varies considerably among source countries. India had the lowest proportion of females compared with males. Females outnumbered males from Japan and the United States. Table 5.2 details international students' gender ratio by age group and nationality in 2007/08. See Table I1 in Appendix I for more information.

**Table 5.2** Ratio of females to males by age group and source country for student approvals, 2007/08

Source country	Age group (years)				All ages
	0-15	16-19	20-29	30 and over	
China	0.79	0.82	0.79	1.51	0.82
India	0.85	0.21	0.25	0.57	0.30
Japan	1.58	1.82	1.26	1.34	1.56
South Korea	0.84	0.93	1.03	1.07	0.93
United States	1.19	1.71	1.30	0.96	1.33
Other	0.97	0.93	0.84	0.98	0.92
<b>Overall ratio</b>	<b>0.95</b>	<b>0.91</b>	<b>0.77</b>	<b>1.02</b>	<b>0.86</b>
Total number of approvals	17,778*	15,579	31,187	4,648	69,192*

Note

\* Excludes one person of unspecified gender.

### 5.3.4 Student transitions to work

Internationally, foreign students have become an increasingly important target of immigration policies that aim to attract and retain talented migrants.<sup>54</sup> For many students, the prospect of gaining residence in the host country plays a role in their decision to study abroad.<sup>55</sup> The New Zealand student policy changes introduced from July 2005 were intended to facilitate the transition from study to work and residence by creating more opportunities for students to work while studying and allowing them greater access to work permits after study.

In 2007/08, 5,133 students were issued a graduate job search work permit,<sup>56</sup> a 15 percent increase from 2006/07. Of the 5,133 students, 67 percent were from China and 14 percent were from India.

Some students were issued a two-year work permit to obtain practical experience relevant to their course or qualification.<sup>57</sup> Of the 3,528 students issued a two-year work permit, 69 percent were from China and 13 percent were from India.

## 5.4 Transitions from temporary permits 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 workers and students are likely to settle well and contribute to the country. Research shows a positive link between migrants' work experience in New Zealand before residence and their employment outcomes after gaining residence.<sup>58</sup> This section examines the cohort of people approved for permanent residence in 2007/08 and identifies the previous temporary permits these migrants held.

In 2007/08, 46,077 people were approved for residence, 81 percent of whom previously held a temporary permit (90 percent of principal applicants and

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<sup>54</sup> B Suter and S Jandl. 2006. *Comparative Study on Policies towards Foreign Graduates: Study on Admission and Retention Policies towards Foreign Students in Industrialised Countries*. Vienna: International Centre of Migration Policy Development. Available at <http://www.imiscoe.org/news/newsletters/documents/ComparatovestudyICMPD.pdf>.

<sup>55</sup> C Ward and A Masgoret. 2004. *The Experiences of International Students in New Zealand. Report on the Results of the National Survey*. Wellington: Ministry of Education. Available at <http://www.educationcounts.govt.nz/publications/international/14700>.

<sup>56</sup> Applicants for the graduate job search work permit are not required to have a job offer, but they must have completed a New Zealand qualification that would qualify for points under the SMC, and they must apply within three months of the end date of their student permit for that qualification.

<sup>57</sup> Applicants for this type of work permit must have completed a minimum three-year course or a qualification that would qualify for points under the SMC, and must have a job offer relevant to their course of study.

<sup>58</sup> Statistics New Zealand. 2008. *Longitudinal Immigration Survey: New Zealand (LisNZ) – Wave 1*. Hot Off The Press. Wellington: Statistics New Zealand. Available at <http://www.stats.govt.nz/NR/rdonlyres/4816641F-FF8A-401D-99E8-E73BEBB88125/0/longitudinalimmigrationsurveyNZmay08hotp.pdf>.

71 percent of secondary applicants). Across the four residence streams, the Skilled/Business Stream had the highest rate of applicants with a previous temporary permit (85 percent), followed by the combined Uncapped Family Sponsored and Parent Sibling Adult Child Streams (83 percent), then the International/Humanitarian Stream (46 percent).

#### 5.4.1 Most recently held temporary permit

The most recently held temporary permit was identified for migrants who had held a visitor, student, or work permit before residence. Three-quarters of principal applicants had recently held temporary work permits. Secondary applicants were equally distributed across the three types of temporary permit (visitor, work, and student).

Table 5.3 highlights the differences between principal and secondary applicants, as well as the various streams and types of temporary permit. Many secondary applicants were dependent children, which explains the much lower proportion of secondary applicants who held a work permit before residence compared with principal applicants.

**Table 5.3** Type of temporary permit most recently held by people granted permanent residence, 2007/08

New Zealand Programme Residence stream	Applicant type	Number of residence approvals 2007/08	Percentage who held temporary permit (%) <sup>*</sup>	Most recent temporary permit (row %)		
				Student	Visitor	Work
Skilled/Business	Principal	12,014	94	2	11	87
	Secondary	15,289	78	34	28	39
	Subtotal	27,303	85	18	20	62
Uncapped Family Sponsored and Parent Sibling Adult Child	Principal	11,202	89	4	35	61
	Secondary	3,434	63	24	70	6
	Subtotal	14,636	83	8	41	52
International/Humanitarian	Principal	1,505	65	2	32	65
	Secondary	2,633	35	31	47	22
	Subtotal	4,138	46	16	39	44
<b>Total</b>	<b>Principal</b>	<b>24,721</b>	<b>90</b>	<b>3</b>	<b>23</b>	<b>75</b>
	<b>Secondary</b>	<b>21,356</b>	<b>71</b>	<b>32</b>	<b>35</b>	<b>33</b>
	<b>Total</b>	<b>46,077</b>	<b>81</b>	<b>9</b>	<b>22</b>	<b>69</b>

Note

\* The proportion of approvals who held a temporary permit at some point in 2007/08.

For more information about residence approvals by NZRP stream in 2007/08, see Table J1 in Appendix J.

## 6 PERMANENT RESIDENCE APPROVALS

### Highlights

- In 2007/08, 46,077 people were granted permanent residence in New Zealand: 59 percent through the Skilled/Business Stream; 32 percent through the family-sponsored streams, and 9 percent through the International/Humanitarian Stream.
- An increasing proportion of people are living and working in New Zealand before applying for residence. In 2007/08, 81 percent of approved applications were made in New Zealand (77 percent in 2006/07).
- The largest source countries in 2007/08 were the United Kingdom (22 percent), China (13 percent), and South Africa (9 percent). The Philippines is growing in significance, increasing from 2 percent of residence approvals in 2005/06 to 8 percent in 2007/08.
- The average age of people approved for residence was 30 years; principal applicants, 35 years (with two-thirds aged 20–39), secondary applicants, 23 years (more than half aged under 20), Skilled/Business Stream migrants, 27 years, Uncapped Family Sponsored Stream migrants, 28 years, Parent Sibling Adult Child Stream migrants, 51 years, and International/Humanitarian Stream migrants, 24 years.

### 6.1 Introduction

This section overviews immigration trends since 1998/99 and describes the characteristics of people approved for residence in 2007/08. Further information about the characteristics of approvals in each residence stream is in chapters 7–9.

### 6.2 Residence approvals by New Zealand Residence Programme stream

In 2007/08, 46,077 people were approved for residence in 24,722 applications. Across the four streams:

- 27,303 people were approved through the Skilled/Business Stream (59 percent of individuals approved for residence)
- 9,460 people were approved through the Uncapped Family Sponsored Stream (21 percent)
- 5,177 people were approved through the Parent Sibling Adult Child Stream (11 percent)
- 4,137 people were approved through the International/Humanitarian Stream (9 percent).

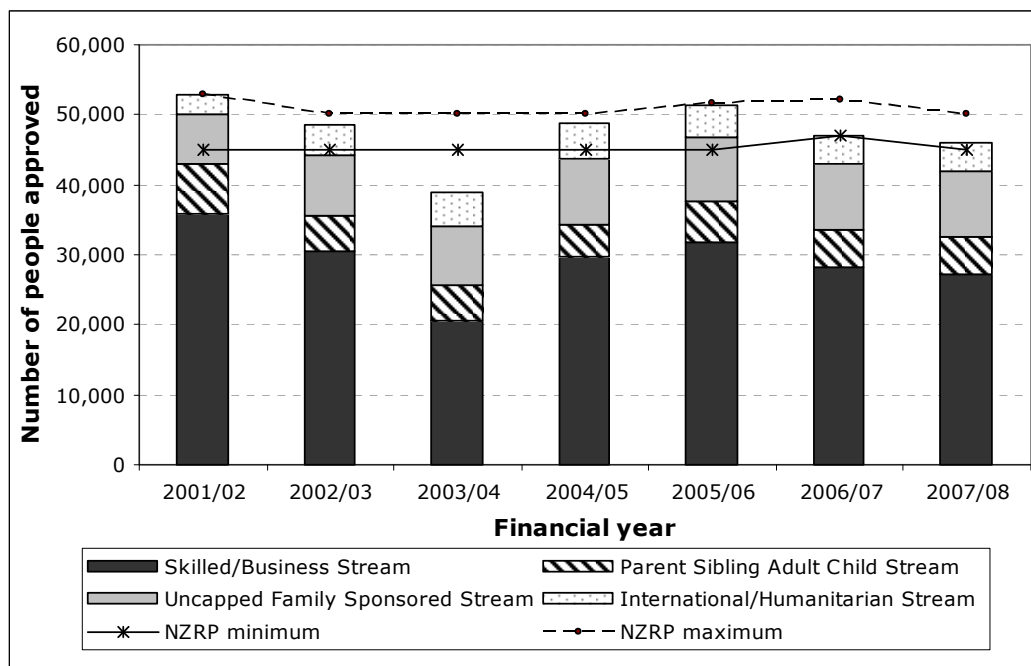
Figure 6.1 shows the number of people approved for residence through the streams compared with planned levels under the New Zealand Residence Programme (NZRP) from 2001/02 to 2007/08.<sup>59</sup>

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<sup>59</sup> The NZRP was formerly known as the New Zealand Immigration Programme.



**Figure 6.1** Number of people approved for residence compared with the New Zealand Residence Programme planning level, 2001/02–2007/08



Note: Policies before 2007/08 have been grouped to match the streamed approach to the New Zealand Residence Programme in 2007/08. The programme's planning level is a range, so its minimum and maximum are shown.

### 6.3 Location of residence approvals

In 2007/08, 81 percent of approved applications were made in New Zealand, an increase from 77 percent in 2006/07. The proportion of onshore applications has increased significantly over the five years to 2007/08. This increase reflects the growing proportion of people living and working in New Zealand before applying for residence, and the immigration policies that support this transition.<sup>60</sup>

Table 6.1 shows the proportion of approved applications made onshore for all NZRP streams in the decade to 2007/08.

<sup>60</sup> These policies include the Long Term Business Visa, Work to Residence, and Study to Work Policies for foreign graduates.

**Table 6.1** Proportion of approved applications made onshore by New Zealand Residence Programme stream, 1998/99–2007/08

Year	New Zealand Residence Programme stream				Total (%)
	Skilled/ Business (%)	Parent Sibling Adult Child (%)	Uncapped Family Sponsored (%)	International/ Humanitarian (%)	
1998/99	47	43	68	56	<b>55</b>
1999/00	48	41	67	70	<b>55</b>
2000/01	42	41	70	65	<b>52</b>
2001/02	40	42	71	67	<b>49</b>
2002/03	39	37	71	90	<b>54</b>
2003/04	60	45	68	87	<b>64</b>
2004/05	75	44	71	67	<b>70</b>
2005/06	73	39	77	79	<b>71</b>
2006/07	79	45	82	95	<b>77</b>
2007/08	83	49	85	96	<b>81</b>

#### 6.4 Number of people per approved application

An average 1.9 people were approved per residence application in 2007/08. This average has changed very little since 1998/99.

From 1998/99 to 2007/08, the average family size in the:

- Skilled/Business Stream decreased from 2.6 to 2.3 people per application
- International/Humanitarian Stream fluctuated from 1.8 to 2.7 people per application, although in 2006/07 and 2007/08 it stayed at 2.7.

Table 6.2 shows the average number of people per approved residence application by the different NZRP streams in the decade to 2007/08.

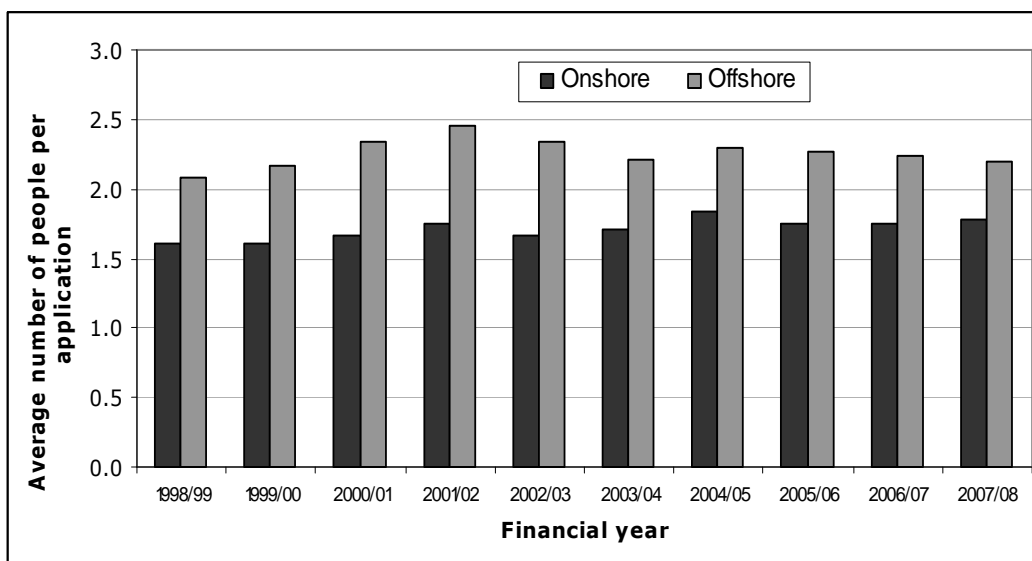
**Table 6.2** Average number of people per approved residence application by New Zealand Residence Programme stream, 1998/99–2007/08

Year	New Zealand Residence Programme stream				Total
	Skilled/ Business	Parent Sibling Adult Child	Uncapped Family Sponsored	International/ Humanitarian	
1998/99	2.6	1.7	1.1	2.2	<b>1.8</b>
1999/00	2.6	1.8	1.1	2.3	<b>1.9</b>
2000/01	2.6	1.7	1.1	2.3	<b>2.0</b>
2001/02	2.6	1.8	1.1	2.3	<b>2.1</b>
2002/03	2.5	2.1	1.1	1.8	<b>2.0</b>
2003/04	2.5	2.0	1.1	1.9	<b>1.9</b>
2004/05	2.5	2.0	1.1	2.5	<b>2.0</b>
2005/06	2.3	1.8	1.1	2.5	<b>1.9</b>
2006/07	2.3	1.8	1.1	2.7	<b>1.9</b>
2007/08	2.3	1.9	1.1	2.7	<b>1.9</b>

The average family size is higher for approved offshore applications than for approved onshore applications. In 2007/08, the average family size for approved onshore applications was 1.8 people per application compared with 2.2 for offshore applications. The average family size has implications for the NZRP because it affects the number of applications needed to meet the required number of approvals.

Figure 6.2 shows the onshore and offshore average number of people per approved residence application in the decade to 2007/08.

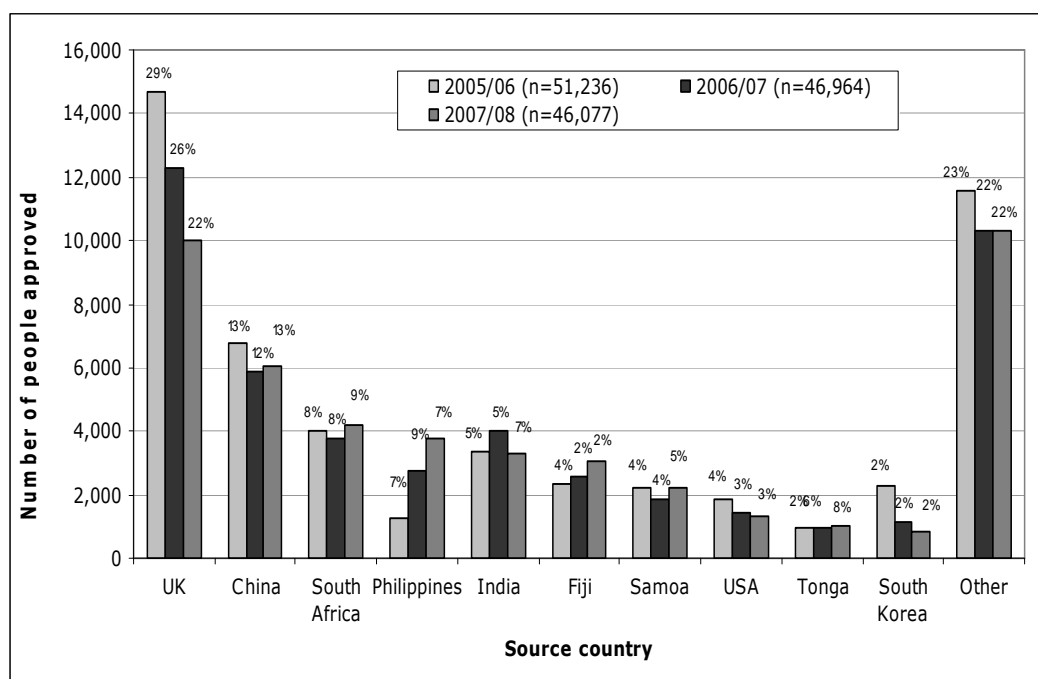
**Figure 6.2** Average number of people per approved residence application, 1998/99–2007/08



## 6.5 Nationality of residence approvals

Figure 6.3 compares the nationalities of people approved for residence in 2005/06–2007/08. The United Kingdom is the largest source country of residence approvals (22 percent). The proportion from the United Kingdom increased significantly in the first half of the decade (from 14 percent in 2002/03 to 29 percent in 2005/06) but has decreased since then. China is the second largest source country (13 percent), followed by South Africa (9 percent) and the Philippines (8 percent).

**Figure 6.3** Comparison of residence approvals by largest source countries, 2005/06–2007/08



Note: The percentages show the proportion of all approvals for each source country.

### 6.5.1 Nationality by residence stream

The United Kingdom is the largest source country of Skilled/Business Stream migrants (28 percent), followed by South Africa and China (both 13 percent), and the Philippines (12 percent).

The United Kingdom (16 percent) and China (14 percent) were the largest source countries of Uncapped Family Sponsored Stream migrants.

China (23 percent) and India (20 percent) were the largest source countries of Parent Sibling Adult Child Stream migrants.

The three largest source countries of International/Humanitarian Stream migrants were Pacific nations, reflecting the high proportion of approvals in this stream through the Samoan Quota and the Pacific Access Category (PAC). Samoa was the largest source country (30 percent), followed by Tonga (12 percent), then Fiji (11 percent).

Table K1 in Appendix K shows residence approvals in 2007/08 by nationality and NZRP stream.

## 6.6 Gender and age of residence approvals

### 6.6.1 Gender by stream

Five percent more females than males were approved for residence in 2007/08.

The Skilled/Business and International/Humanitarian Streams had smaller proportions of females than males (48 percent female in each group).

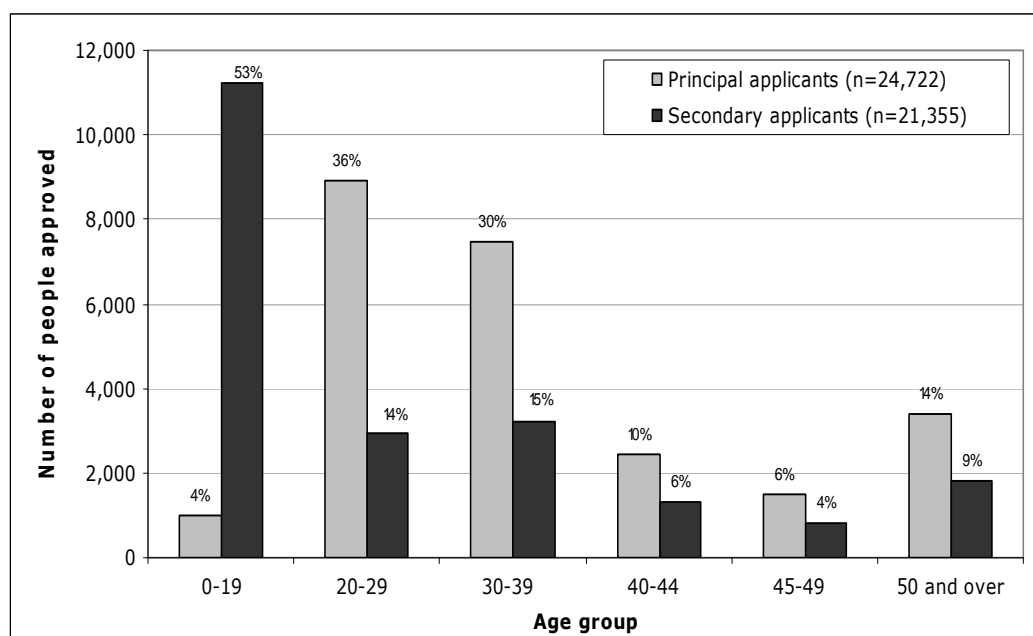
The Parent Sibling Adult Child and Uncapped Family Sponsored Child Streams had larger proportions of females than males (54 percent and 60 percent respectively).

### 6.6.2 Age by applicant type

The average age of people approved for residence in 2007/08 was 30 years. The average age for principal applicants was 35 years, with 66 percent aged 20–39 years. The average age for secondary applicants was 23 years, with 53 percent aged under 20 years.

Figure 6.4 shows the number and proportion of principal and secondary applicants by age group for all people approved for residence in 2007/08.

**Figure 6.4** Age of people approved for residence by applicant type, 2007/08



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

Table L1 in Appendix L shows the ratio of females to males granted residence by age and source country in 2007/08.

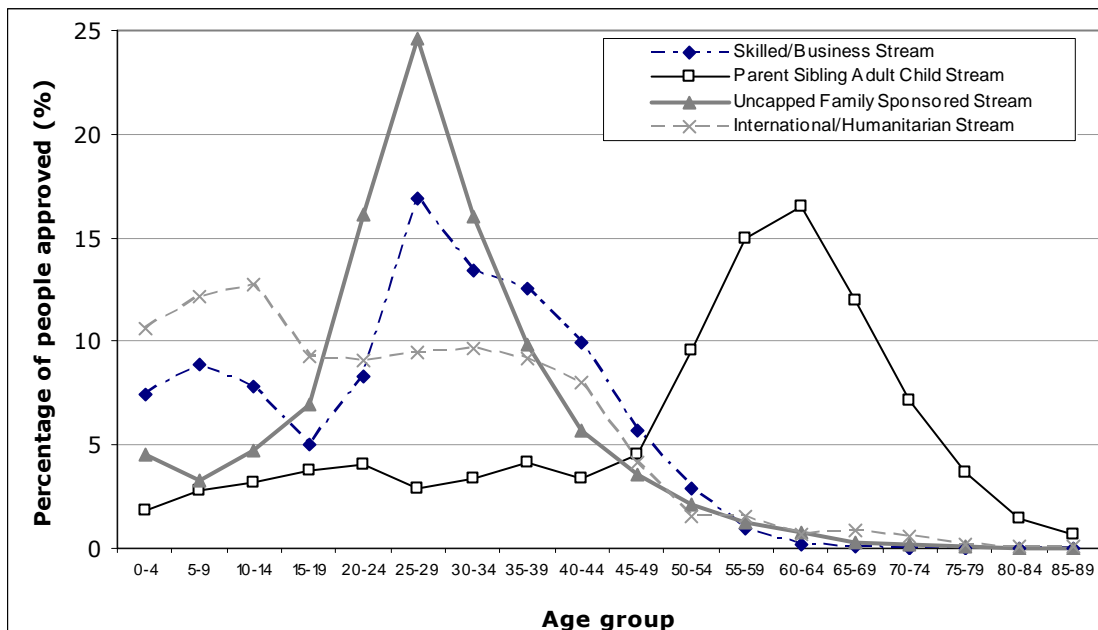
### 6.6.3 Age by New Zealand Residence Programme stream

In 2007/08, the average age of:

- Skilled/Business Stream migrants was 27 years, with 80 percent aged under 40 years
- Uncapped Family Sponsored Stream migrants was 28 years, with 86 percent aged under 40 years
- Parent Sibling Adult Child Stream migrants was 51 years, with 66 percent aged 50 years and over
- International/Humanitarian Stream migrants was 24 years, with 63 percent aged under 30 year.

Figure 6.5 shows the proportion of all people approved for residence by age group and NZRP stream in 2007/08.

**Figure 6.5** Age of people approved for residence by New Zealand Residence Programme stream, 2007/08



## 7 SKILLED/BUSINESS STREAM

### Highlights

- The Skilled Migrant Category (SMC) makes up most of the Skilled/Business Stream and is the largest residence category in the New Zealand Residence Programme (NZRP), with 25,434 people (55 percent of the NZRP) approved for residence through this category in 2007/08.
- The United Kingdom remains the largest source country of SMC approvals (27 percent), followed by South Africa, China, and Philippines (all 13 percent). SMC approvals from the Philippines increased strongly from 808 in 2005/06 to 3,233 in 2007/08.
- The number of approvals through the business categories dropped substantially from 3,793 in 2002/03 to 689 in 2007/08.
- A large proportion (65 percent) of people granted a work to residence permit under the talent work policies and the Long term Skills Shortage List went on to gain permanent residence through the SMC.

### 7.1 Introduction

The importance of skilled migrants has increased in recent years, reflecting the impact of New Zealand's tight labour market. New Zealand needs skilled migrants to contribute to growth in professional skills and growth in information and communications technology.

In 2007/08, 27,303 people (59 percent of residence approvals through the New Zealand Residence Programme (NZRP)) were approved for residence through the Skilled/Business Stream.<sup>61</sup> Of these people, 25,434 (93 percent) were approved through the Skilled Migrant Category (SMC), 1,163 (4 percent) through the Residence from Work Category, and 689 (3 percent) through the Business Immigration Policy.

This chapter reports the analysis of residence approvals through the Skilled/Business Stream in 2007/08.

### 7.2 Skilled Migrant Category approvals

The SMC is the main category in the Skilled/Business Stream. It is a points-based system designed to ensure that people migrating to New Zealand have the skills, qualifications, and work experience New Zealand needs.

A person who is interested in applying for residence through the SMC must first submit an expression of interest. Points are awarded for employability and capacity-building factors, including skilled employment, relevant 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, having employment outside of Auckland, or having a New Zealand qualification. An expression of interest is entered into a

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<sup>61</sup> The Skilled/Business Stream categories are described in section 1.6.1.

pool if the applicant meets prerequisites for health, character, and English language proficiency, and has 100 or more points.<sup>62</sup> (The numbers of expressions of interest and people selected in 2007/08 are shown in Table M1 in Appendix M.)

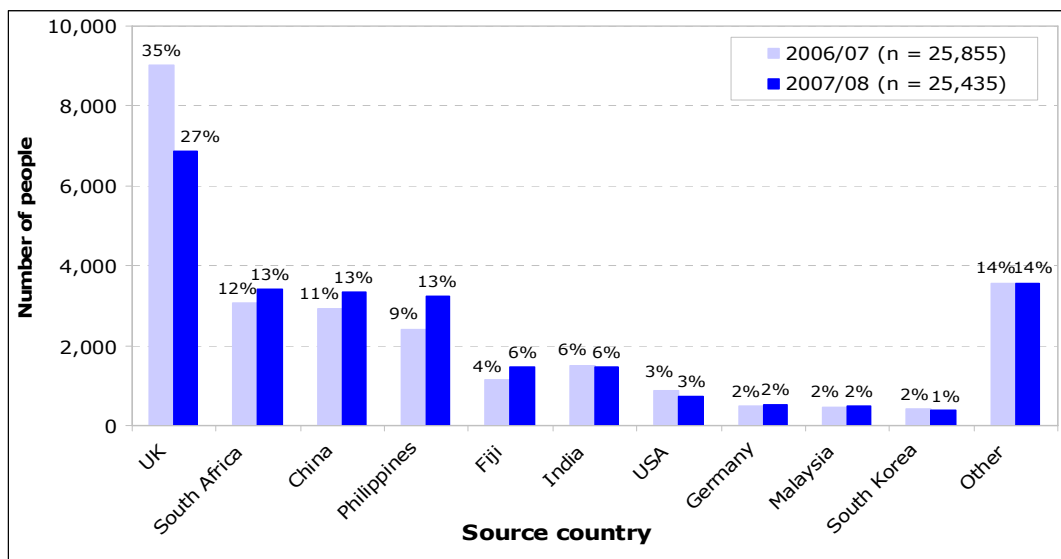
In July 2007, the SMC was changed to improve its competitiveness and to align the characteristics of migrants more closely with New Zealand’s skill needs.

### 7.2.1 Nationality of Skilled Migrant Category approvals

In 2007/08, 25,434 people were approved for residence through the SMC. SMC approvals accounted for 55 percent of all residence approvals in 2007/08, which was unchanged from 2006/07, but up slightly from 54 percent in 2005/06.

Figure 7.1 shows that the United Kingdom remains the largest source country of skilled migrants (27 percent), although the proportion from the United Kingdom decreased from 2006/07 to 2007/08. South Africa, China, and Philippines were the next largest source countries (13 percent each). SMC approvals from the Philippines increased strongly from 808 in 2005/06 to 3,233 in 2007/08.

**Figure 7.1** Skilled Migrant Category approvals by source country, 2006/07 and 2007/08



### 7.2.2 Age and gender of Skilled Migrant Category approvals

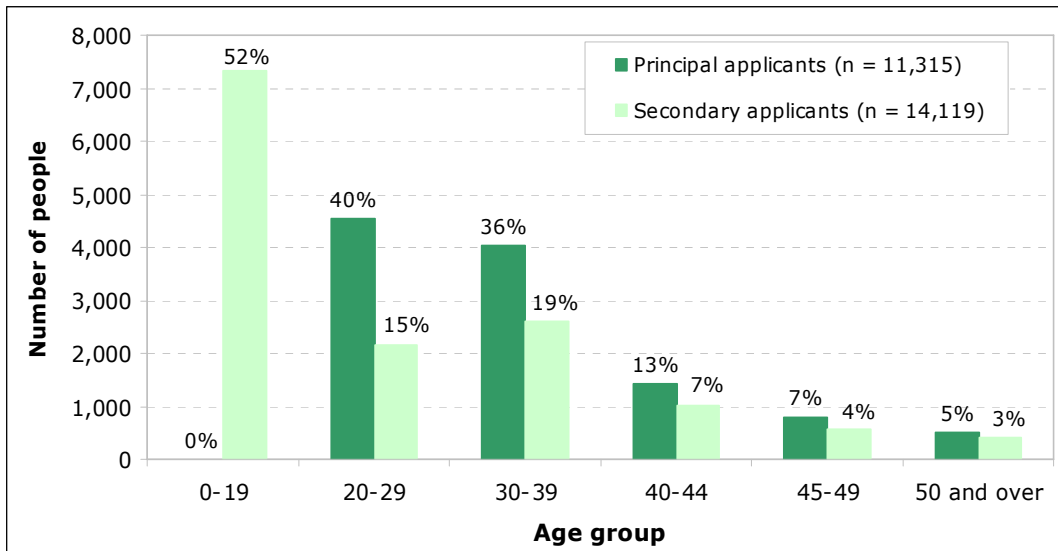
Principal applicants aged 20–29 years gain the maximum points for age (30 points). Figure 7.2 shows that most principal applicants were aged 20–39

<sup>62</sup> Expressions of interest that have 140 or more points are selected automatically from the pool. Expressions of interest that have 100 or more points but less than 140 points are selected in sufficient numbers to meet the requirements of the Skilled/Business Stream.



years (76 percent) in 2007/08. Of these applicants, 40 percent claimed the maximum points for age. The small proportion of principal applicants aged over 50 (5 percent) reflects the maximum age limit of 55 under the SMC. Just over half the secondary applicants were aged under 20.

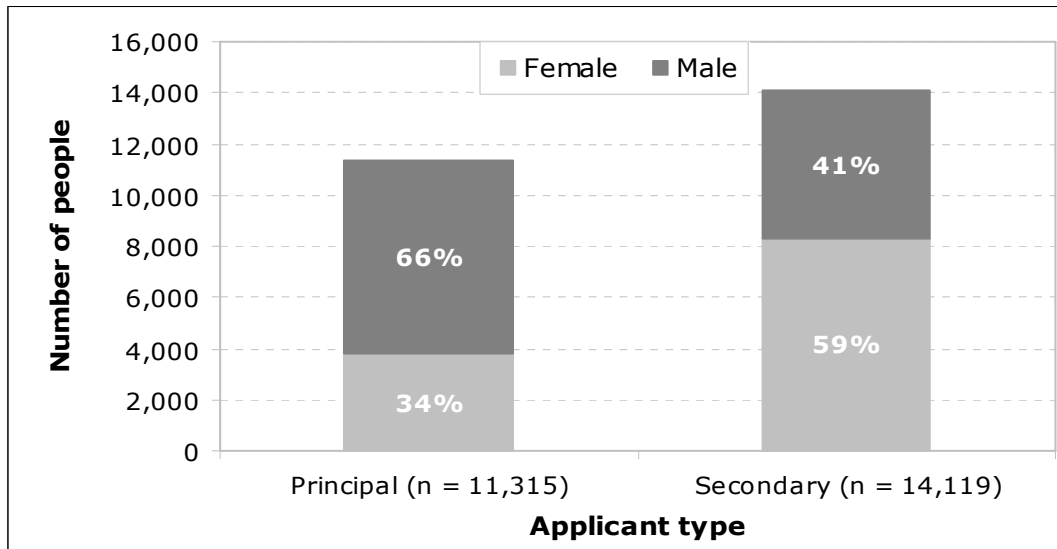
**Figure 7.2** Age of approved Skilled Migrant Category principal and secondary applicants, 2007/08



The average age of principal applicants through the SMC was 33 years in 2007/08, which was unchanged from 2006/07, but a decrease from 35 years in 2004/05. The major reason for this decrease is the increase in young Chinese migrants (former international students) gaining residence over the period. Of the 4,516 Chinese SMC principal applicants approved in 2006/07 and in 2007/08, 91 percent were aged 20–29 years; in comparison, in 2004/05, 88 percent of Chinese SMC principal applicants approved were aged 20–29 years (862 out of 984 Chinese principal applicants).

In 2007/08, 12,145 females (48 percent) and 13,289 males (52 percent) were approved under the SMC. Two-thirds of approved principal applicants were male; in comparison, 59 percent of approved secondary applicants were female (see Figure 7.3).

**Figure 7.3** Gender of Skilled Migrant Category approvals by applicant type, 2007/08



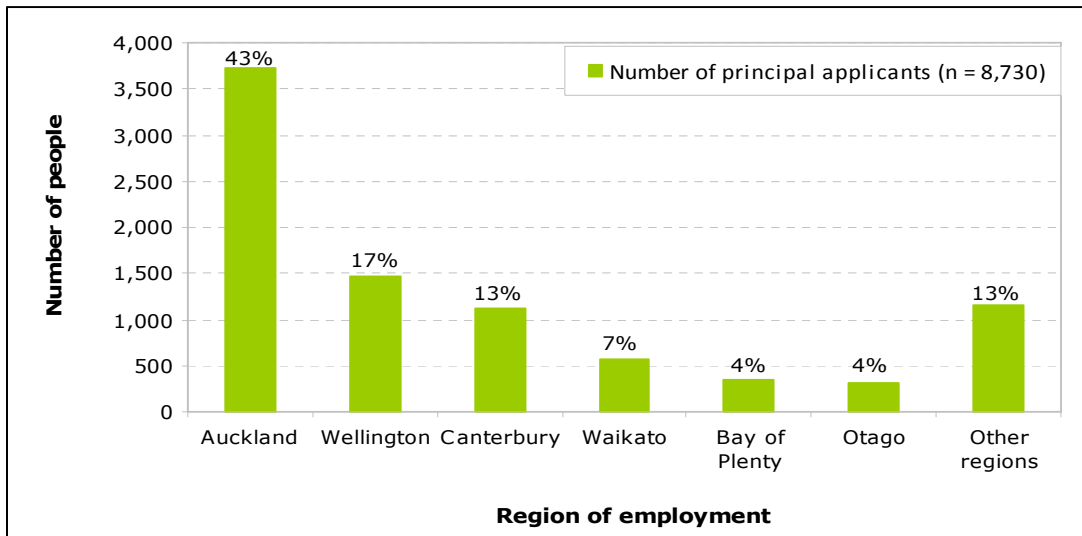
### 7.2.3 Points claimed by Skilled Migrant Category principal applicants

Table 7.1 shows the points SMC principal applicants were awarded in 2007/08. Different criteria operate within each point factor. For more information about the SMC, see the Immigration New Zealand website ([www.immigration.govt.nz/skilledmigrant](http://www.immigration.govt.nz/skilledmigrant)).

Sixty-nine percent of principal applicants gained points for their current employment and 15 percent had an offer of skilled employment. In total, 9,506 SMC principal applicants (84 percent) were awarded points for a job or offer of skilled employment in New Zealand, a similar level to that in 2006/07 (85 percent). In 2007/08, 16 percent of principal applicants were not awarded points for a job or offer of skilled employment.

More than half of all principal applicants (57 percent) claimed bonus points for a job or a job offer outside the Auckland region, up slightly from 56 percent in 2006/07. Auckland, Wellington, and Canterbury were the main regions of skilled employment (see Figure 7.4).

**Figure 7.4** Region of skilled employment for Skilled Migrant Category principal applicants, 2007/08



Note: The table excludes principal applicants with an unknown region of employment.

Most principal applicants (67 percent) gained points in 2007/08 for relevant work experience; 18 percent gained bonus points for New Zealand work experience; and 20 percent gained additional bonus points for work experience in an identified future growth area, an identified cluster area, or an area of absolute skills shortage. Sixteen percent claimed bonus points for a job or job offer in an area of absolute skills shortage.

**Table 7.1** Points claimed by Skilled Migrant Category principal applicants, 2007/08

Factor	Percent gaining points (%)
Skilled employment	
Current skilled employment in New Zealand for 12 months or more	24
Current skilled employment in New Zealand for less than 12 months	45
Offer of skilled employment in New Zealand	15
Bonus points for employment or an offer of employment	
Identified future growth area	5
Identified cluster area*	< 1
Area of absolute skills shortage	15
Region outside Auckland	57
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	12
4 years	4
6 years or more	2
Additional bonus points for work experience	
Identified future growth area	3
Identified cluster area (2–5 years)*	< 1
Identified cluster area (6 years or more)*	< 1
Area of absolute skills shortage (2–5 years)	6
Area of absolute skills shortage (6 years or more)	10
Qualifications	
Recognised basic qualification	69
Recognised postgraduate qualification	10
Bonus points for qualifications	
Recognised New Zealand qualification	25
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	17
Close family support in New Zealand	7

<b>Factor</b>	<b>Percent gaining points (%)</b>
Age (20–55 years)	
20–29 years	43
30–39 years	35
40–44 years	12
45–49 years	7
50–55 years	4
<b>Total principal applicants</b>	<b>11,315</b>

Note

\* Points are no longer awarded to people applying after July 2007.

In recent years, New Zealand has strengthened policy to encourage international students to stay and work in New Zealand. Students who have obtained New Zealand qualifications are facilitated entry as skilled migrants. In 2007/08, 79 percent of SMC principal applicants had New Zealand-recognised qualifications (69 percent with a basic qualification and 10 percent with a postgraduate qualification). The percentage of principal applicants who gained bonus points for a recognised New Zealand qualification increased considerably from 17 percent in 2006/07 to 25 percent in 2007/08. Principal applicants claiming bonus points for qualifications in an identified future growth area, identified cluster area, or area of absolute skills shortage increased slightly to 35 percent in 2007/08 from 32 percent in 2006/07 and 31 percent in 2005/06. Most of those with recognised New Zealand qualifications were aged 20–29 years and were typically from China, India, or South Korea.

In 2007/08, 9,281 principal applicants (82 percent) were approved onshore. Of the onshore applicants, 87 percent had a job offer or current skilled employment in New Zealand; in comparison, 2,034 were approved offshore (18 percent). Of the offshore applicants, 69 percent had a job offer or current skilled employment in New Zealand.

#### **7.2.4 Occupation of Skilled Migrant Category principal applicants**

The major occupational group Professionals continues to be the most common occupation group of SMC principal applicants (39 percent in 2007/08 and 38 percent in 2006/07) (Table 7.2).

**Table 7.2** Main occupation\* of Skilled Migrant Category principal applicants, 2006/07 and 2007/08

Major group <sup>†</sup>	2006/07		2007/08	
	Number	Percent (%)	Number	Percent (%)
Professionals	4,273	38	3,994	39
Technicians and Associate Professionals	2,109	19	1,998	19
Legislators, Administrators and Managers	1,979	18	1,764	17
Trades Workers	1,496	13	1,411	14
Service and Sales Workers	685	6	628	6
Agriculture and Fishery Workers	196	2	205	2
Plant and Machine Operators and Assemblers	182	2	157	2
Clerks	203	2	144	1
Elementary Occupations (including residuals) <sup>‡</sup>	31	< 1	32	< 1
<b>Total<sup>§</sup></b>	<b>11,154</b>	<b>100</b>	<b>10,333</b>	<b>100</b>

Notes

- \* Main occupation is the job the applicant spent the most hours doing in the past 12 months.
- † Major group is coded to the New Zealand Standard Classification of Occupations.
- ‡ Elementary Occupations (including residuals) includes elementary occupations and occupations not listed in the New Zealand Standard Classification of Occupations.
- § This table includes all principal applicants, not just those with a job or job offer as in previous reports. Applicants whose occupation was classified as 'Not Stated' are excluded from the total.

The SMC attracted skilled migrants in a broad range of sectors in 2007/08, but the most common occupations included registered nurse, chef, secondary school teacher, book-keeper, and restaurant manager.

The proportions of people classified in each occupation group in 2007/08 were similar to proportions in 2006/07.

### 7.2.5 Residence from Work Category

For migrants, working temporarily in New Zealand can be a step towards gaining residence and settling in New Zealand permanently. Principal applicants, who are qualified in occupations that are in demand in New Zealand or have exceptional talent in the arts, sports, or culture, may get a temporary work permit as a step towards gaining permanent residence in New Zealand through the Residence from Work Category.<sup>63</sup>

<sup>63</sup> The Residence from Work Category is for applicants who are already in New Zealand on a work to residence permit and want to apply for residence.

The Residence from Work Category includes the Talent (Accredited Employers),<sup>64</sup> Talent (Arts and Culture), and Talent (Sports) Work Policies<sup>65</sup> and the Long Term Skill Shortage List.<sup>66</sup>

As at 30 June 2008, 9,134 principal applicants have been issued a work to residence permit through the talent work policies and the Long Term Skill Shortage List. Of these applicants, 4,009 (44 percent) have been granted residence through the residence categories (see Table 7.3). A large proportion (65 percent) of people granted a work to residence permit under the talent work policies and the Long Term Skill Shortage List went on to gain permanent residence through the SMC, and one-third were granted residence through the Residence from Work Category.

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<sup>64</sup> To qualify for residence through the Talent (Accredited Employers) Work Policy, principal applicants must have held a work visa or permit for at least 24 months with an accredited employer and received a minimum base salary of NZ\$45,000 per year (if the associated work to residence permit or visa application was made before 30 July 2007) or NZ\$50,000 per year (if the associated work to residence permit or visa application was made between 31 July 2007 and 28 July 2008).

<sup>65</sup> To qualify for residence through the Talent (Arts and Culture) and Talent (Sports) Work Policies, principal applicants must have held a work visa or permit granted for at least 24 months; have been actively engaged in their declared field of art, culture, or sport throughout during the currency of that visa or permit period in New Zealand; and be sponsored by a New Zealand organisation of national repute in the declared field.

<sup>66</sup> To qualify through the Long Term Skill Shortage List, a suitably qualified applicant must have an offer of at least two years' employment in New Zealand in an occupation on the list with a minimum base salary of NZ\$45,000 per year. After two years, the permit holder may apply for residence if they continue to meet the policy's requirements.

**Table 7.3** Residence categories through which talent work policies and Long Term Skill Shortage List permit holders were granted residence, as at 30 June 2008

Residence category	Work to residence permit			Total	
	Talent (Accredited Employers)	Long Term Skill Shortage List	Talent (Arts and Culture) and Talent (Sports)	Number	Percent (%)
1995 General Skills Category	40	45		85	2
Skilled Migrant Category	1,636	956	21	2,613	65
Long Term Skill Shortage List	8	193		201	5
Talent (Accredited Employers) Work Policy	912	7	2	921	23
Talent (Arts and Culture) Work Policy			21	21	1
Talent (Sports) Work Policy			44	44	1
Partnership Policy	55	19	9	83	2
Other	24	11	6	41	1
Total who gained residence	2,675	1,231	103	4,009	100
Total work to residence permits granted	6,318	2,587	229	9,134	
Percentage converted to residence (%)	42	48	45	44	

As shown in Table 7.4, 1,163 people gained residence through the Residence from Work Category in 2007/08, up from 897 people in 2006/07. Most were approved through the Talent (Accredited Employers) Work Policy (77 percent of principal applicants). About 18 percent of principal applicants approved for residence through the Long Term Skill Shortage List recorded their main occupation as registered nurse. Occupations such as secondary school teacher, anaesthetic technician, electrician, and university lecturer were also prominent.

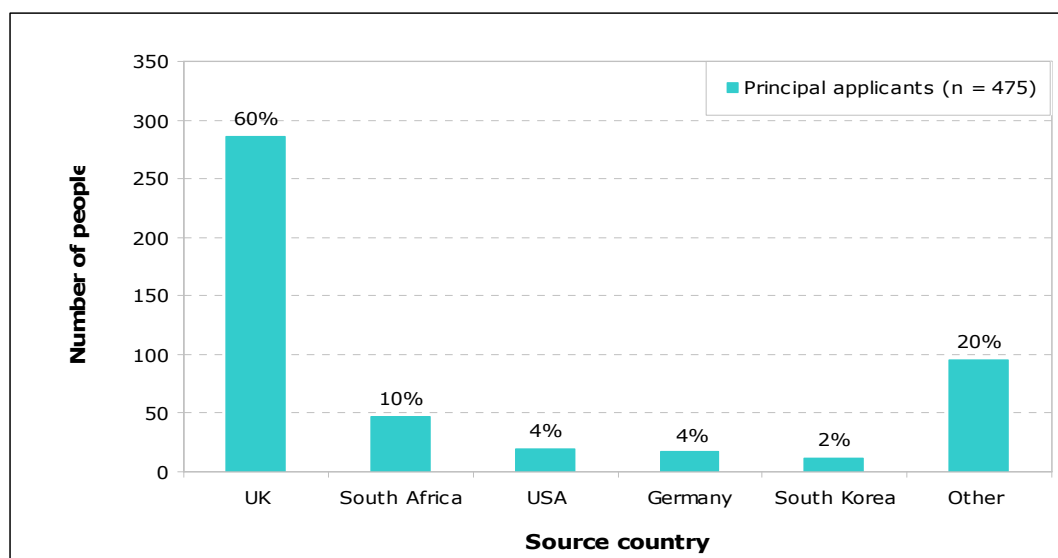


**Table 7.4** Number of people granted residence through Residence from Work Category, 2006/07 and 2007/08

Residence from Work category	2006/07		2007/08		Total
	Principal	Secondary	Principal	Secondary	
Long Term Skill Shortage List	70	106	87	125	<b>388</b>
Talent (Accredited Employers) Work Policy	281	417	367	536	<b>1,601</b>
Talent (Arts and Culture) Work Policy	4	6	2	2	<b>14</b>
Talent (Sports) Work Policy	8	5	19	25	<b>57</b>
<b>Total who gained residence</b>	<b>363</b>	<b>534</b>	<b>475</b>	<b>688</b>	<b>2,060</b>

In 2007/08, the 1,163 people approved through the Residence from Work Category came from 48 countries. The main source countries of the 475 principal applicants were the United Kingdom (60 percent), South Africa (10 percent), and the United States (4 percent). Figure 7.5 shows the top five nationalities of Residence from Work Category approvals in 2007/08.

**Figure 7.5** Source countries of approved Residence from Work principal applicants, 2007/08



### 7.3 Business Immigration Policy

The Business Immigration Policy aims to contribute to New Zealand's economic growth by increasing New Zealand's levels of human and investment capital, encouraging enterprise and innovation, and fostering international links.

The Business Immigration Policy comprises three categories: the Entrepreneur Category, Employees of Relocating Business Category, and Active Investor Migrant Policy.<sup>67</sup>

From 2002/03 to 2007/08, 16,400 people (4,961 principal applicants) were approved for residence through the Business Immigration Policy. The main source countries were China (5,684), South Korea (4,187), and the United Kingdom (2,002). Business migrants in 2007/08 represented 3 percent of Skilled/Business Stream approvals (689 out of 27,303 people). Table 7.5 shows the composition of Business Immigration Policy approvals from 2002/03 to 2007/08.

**Table 7.5** Business Immigration Policy approvals, 2002/03–2007/08

Category	2002/03 (%)	2003/04 (%)	2004/05 (%)	2005/06 (%)	2006/07 (%)	2007/08 (%)
Entrepreneur	7	43	61	84	90	87
Investor*	93	57	39	16	10	13
<b>Total number who gained residence</b>	<b>3,751</b>	<b>3,701</b>	<b>3,493</b>	<b>3,440</b>	<b>1,257</b>	<b>689</b>

The number of Investor Category approvals decreased steadily from 2002/03 to 2006/07, but until 2005/06 this decrease was offset by the growth in Entrepreneur Category approvals. Since 2005/06, the overall number of approvals through the Business Immigration Policy have dropped substantially (from 3,440 to 689).

Eighty-seven people were approved residence through the Investor Category in 2007/08. Table 7.6 compares the nationalities of Investor Category approvals from 2002/03 to 2007/08. In 2007/08, the United Kingdom was the largest source country of approvals (55 percent), followed by China (14 percent), then the United States (10 percent). While the total number of approvals has fallen since 2002/03, the decrease has been most significant for approvals from China.

**Table 7.6** Nationality of Investor Category approvals, 2002/03–2007/08

Nationality	2002/03 (%)	2003/04 (%)	2004/05 (%)	2005/06 (%)	2006/07 (%)	2007/08 (%)
United Kingdom	6	20	28	36	19	55
China	56	34	40	8	33	14
United States	2	5	7	10	10	10
Other	35	41	25	45	37	21
<b>Total number who gained residence</b>	<b>3,495</b>	<b>2,101</b>	<b>1,361</b>	<b>538</b>	<b>129</b>	<b>87</b>

<sup>67</sup> The Active Investor Migrant Policy comprises three subcategories: General (Active) Investor, Professional Investor, and Global Investor.

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

In 2007/08, 202 principal applicants were granted a long-term business visa, a slight increase from 170 in 2006/07 and 153 in 2005/06. Since the Long Term Business Visa Policy was introduced in March 1999, 5,149 principal applicants have been granted a long-term business visa. The number of long-term business visas granted has decreased considerably since the peak of 1,807 principal applicants in 2001/02.

Table 7.7 details the residence categories through which long-term business visa holders converted to residence. By 30 June 2008, 61 percent (3,117 principal applicants) had converted to residence. Of these conversions, 2,597 principal applicants (83 percent) converted through the Entrepreneur Category.

**Table 7.7** Residence categories through which long-term business visa holders were granted residence, as at 30 June 2008

<b>Residence category</b>	<b>Number of principal applicants</b>	<b>Proportion of conversions (%)</b>	<b>Proportion of long-term business visa principal applicants (%)</b>
Entrepreneur Category	2,597	83	50
1995 General Skills	118	4	2
Partnership Policy	114	4	2
Skilled Migrant	88	3	2
Investor Category	73	2	1
Other	127	4	2
<b>Total conversions to residence</b>	<b>3,117</b>	<b>100</b>	<b>61</b>
<b>Total long-term business visa principal applicants</b>	<b>5,149</b>		<b>100</b>

The rates of conversion to residence differ across the main nationalities of long-term business visa holders. Table 7.8 shows conversion rates to residence for the top 10 countries, with South Korea, China, and the United Kingdom the top three source countries. Fiji, however, had the highest conversion rate (79 percent), followed by South Korea (65 percent), then China (63 percent).

**Table 7.8** Rates of conversion to residence by nationality for long-term business visa holders, as at 30 June 2008

Nationality	Number of long term business visa principal applicants	Conversions to residence	
		Number	Percentage (%)
South Korea	1,654	1,078	65
China	1,440	901	63
United Kingdom	635	337	53
Fiji	224	176	79
United States	149	54	36
India	149	78	52
South Africa	116	60	52
Malaysia	67	38	57
Japan	65	39	60
Hong Kong	55	31	56
Other	595	325	55
<b>Total</b>	<b>5,149</b>	<b>3,117</b>	<b>61</b>

There were 602 people granted residence through the Entrepreneur Category in 2007/08. Table 7.9 compares the nationalities of people approved through the Entrepreneur Category in the six financial years to 2007/08. South Korea and China were the largest source countries in 2007/08 (23 percent), followed by the United Kingdom (21 percent) and Fiji (7 percent).

**Table 7.9** Nationality of Entrepreneur Category approvals, 2002/03–2007/08

Nationality	2002/03 (%)	2003/04 (%)	2004/05 (%)	2005/06 (%)	2006/07 (%)	2007/08 (%)
South Korea	22	49	46	41	23	23
China	20	19	27	32	29	23
United Kingdom	14	4	4	7	15	21
Fiji	5	7	7	4	7	7
India	1	2	2	2	5	9
Other	38	18	13	13	22	17
<b>Total number who gained residence</b>	<b>256</b>	<b>1,600</b>	<b>2,132</b>	<b>2,902</b>	<b>1,128</b>	<b>602</b>

## **8 UNCAPPED FAMILY SPONSORED AND PARENT SIBLING ADULT CHILD STREAMS (FAMILY-SPONSORED MIGRANTS)**

### **Highlights**

- The Uncapped Family Sponsored and Parent Sibling Adult Child Streams allow New Zealand citizens and residents to sponsor family members to live in New Zealand under some circumstances.
- Across both streams, 17,903 applications were accepted in 2007/08, an increase from 16,410 in 2006/07. Most of the increase was the result of increased applications through the Uncapped Family Sponsored Stream.
- China, the United Kingdom, India, Fiji, and Samoa have been the largest source countries of family-sponsored migrants in recent years. China and the United Kingdom accounted for more than one-third of approvals in 2007/08.

### **8.1 Introduction**

This chapter describes the characteristics of migrants approved through the Uncapped Family Sponsored and Parent Sibling Adult Child Streams.<sup>68</sup> These streams allow New Zealand citizens and residents to sponsor family members to live in New Zealand under some circumstances.

Demand for places in these streams remains high. Applicants under these streams are also encouraged to submit an expression of interest for the Skilled Migrant Category (SMC) where an applicant appears to meet SMC criteria.

### **8.2 Uncapped Family Sponsored Stream approvals**

Demand for places in the Uncapped Family Sponsored Stream has trended slightly upward in recent years: 10,117 applications were accepted for processing under this stream in 2007/08 compared with 9,845 in 2006/07.

In 2007/08, 9,460 people (65 percent of residence approvals in the two streams) were approved for residence through the Uncapped Family Sponsored Stream, an increase from 9,296 in 2006/07.

#### **8.2.1 Nationality of Uncapped Family Sponsored Stream approvals**

The United Kingdom, China, Samoa, India, and Fiji have been the largest source countries of approvals through the Uncapped Family Sponsored Stream since 2005/06. The United Kingdom and China combined accounted for around 30 percent of approvals in this stream in 2007/08.

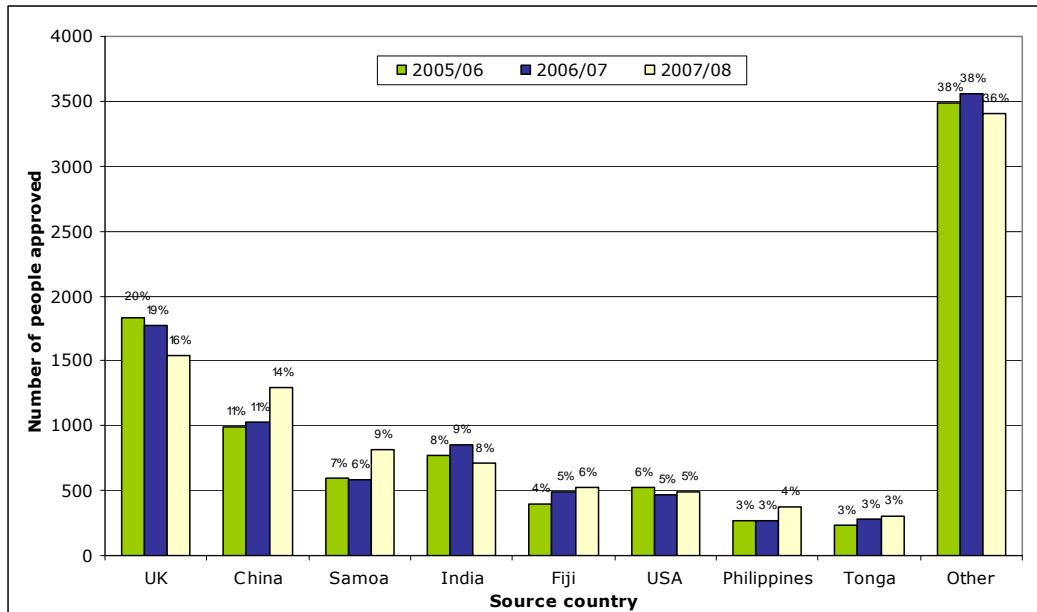
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<sup>68</sup> Before 2006/07 the relevant stream was the Family Sponsored Stream. For more information about changes to the streams, see section 1.6.2.

The numbers of approvals from China and Samoa have increased since 2005/06. The proportion of Chinese approvals increased from 11 percent in 2005/06 to 14 percent in 2007/08, while Samoan approvals increased from 7 percent to 9 percent over the same period.

Figure 8.1 compares the number of Uncapped Family Sponsored Stream approvals by nationality since 2005/06.

**Figure 8.1** Source country of family-sponsored approvals, 2005/06-2007/08

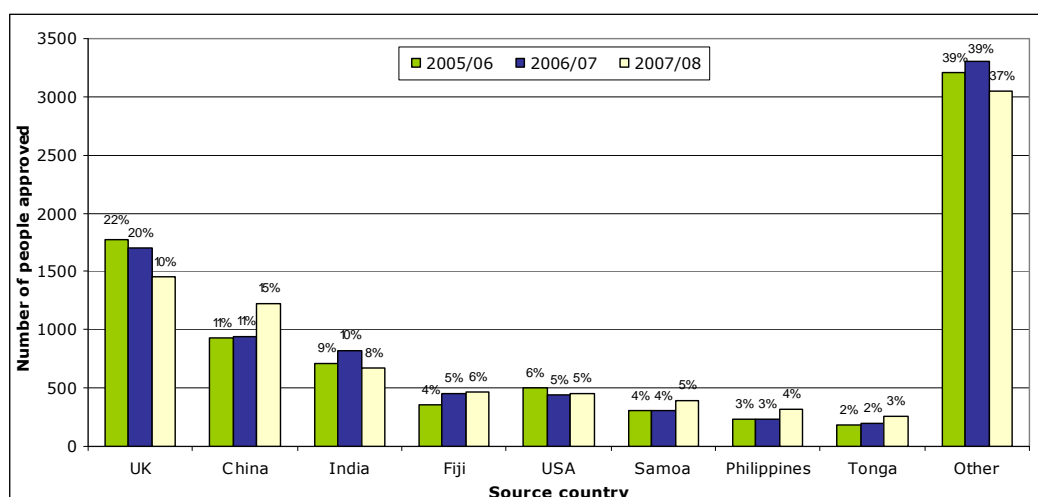


### 8.2.2 Partnership approvals

Partnership approvals made up 88 percent of the Uncapped Family Sponsored Stream in 2007/08 (8,300 people) and have remained at this level since 2005/06. The three largest source countries (the United Kingdom, China, and India) have remained constant since 2000/01. Those three source countries accounted for 40 percent of partnership approvals in 2007/08. The proportion of approvals from China increased from 11 percent to 14 percent from 2006/07 to 2007/08.

Figure 8.2 compares the nationalities of people approved through partnership policies from 2005/06 to 2007/08.

**Figure 8.2** Nationality of Partnership Policy approvals, 2005/06–2007/08



Note: This chart combines partnership, marriage, and family de facto approvals.

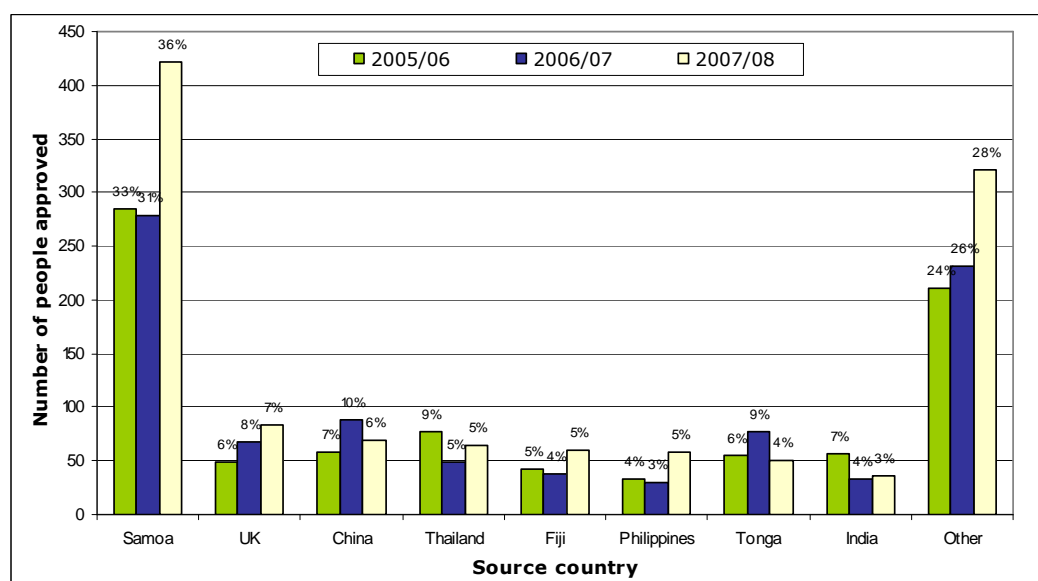
### 8.2.3 Dependent Child approvals

Approved through the Dependent Child Policy in 2007/08 were 1,164 people compared with 891 in 2006/07. This category accounts for 12 percent of Uncapped Family Sponsored Stream approvals in 2007/08.

Since 2006/07 applications through this category have been prioritised where the child's sponsor is a New Zealand citizen or the holder of an indefinite returning residence visa and has been absent from New Zealand for at least two years before the date of the application being made.

Since 2005/06, Samoa has been the largest source country of approvals in this category (34 percent), followed by the United Kingdom and China (7 percent each). Figure 8.3 compares the nationalities of Dependent Child Category approvals from 2005/06 to 2007/08.

**Figure 8.3** Nationality of Dependent Child approvals, 2005/06–2007/08



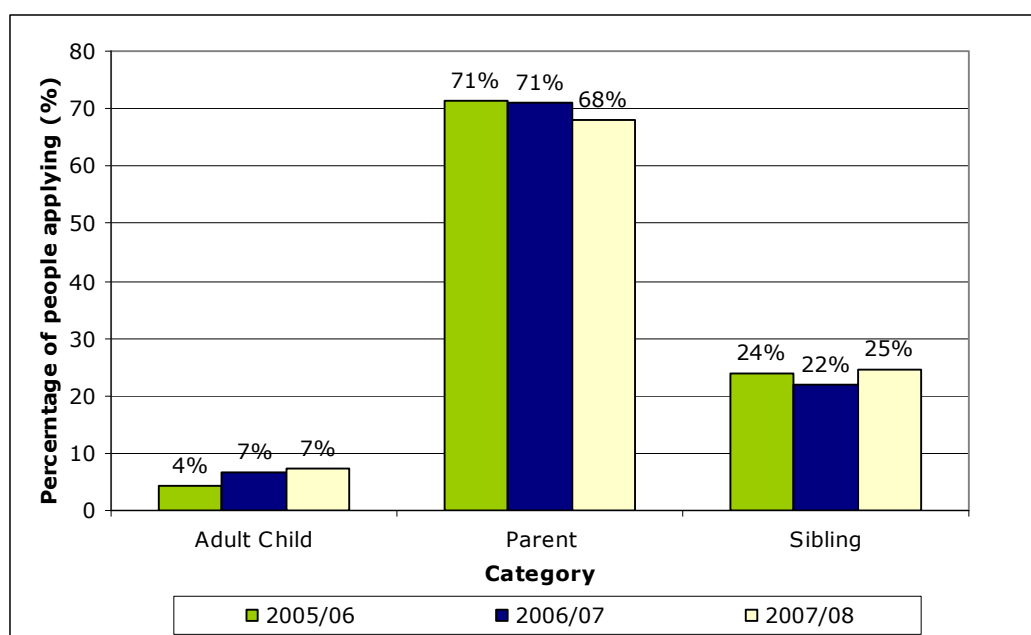
### 8.3 Parent Sibling Adult Child Stream approvals

Following a large spike in applications through the Parent Sibling Adult Child Stream in 2001/02, demand for places in this stream has remained relatively steady. In 2007/08, 7,786 applications were accepted for processing under this stream compared with 7,565 in 2006/07.

In 2007/08, 5,177 people (35 percent of residence approvals from the two family-sponsored streams) were approved for residence through the Parent Sibling Adult Child Stream, down slightly from 5,409 in 2006/07 and 5,876 in 2005/06. More than 70 percent of all approvals in 2007/08 through the Parent Sibling Adult Child Stream were through the Parent Category.

Figure 8.4 compares the categories in the Parent Sibling Adult Child Stream through which people were approved from 2005/06 to 2007/08. Parent Category approvals accounted for around 75 percent of approvals over that period. The number of people approved through the Parent Category remained high in 2007/08, but has trended slightly downward since 2005/06. Sibling approvals accounted for more than 20 percent of approvals, and Adult Child approvals accounted for at least 4 percent of approvals in 2005/06 to 2007/08.

**Figure 8.4** Applicants in family-sponsored stream categories, 2005/06–2007/08



#### 8.3.1 Nationality of Parent Sibling Adult Child Stream approvals

China, India, the United Kingdom, Fiji, and South Africa have been the largest source countries of approvals through the Parent Sibling Adult Child Stream in recent years. China and India accounted for about 43 percent of approvals in this stream (23 percent and 20 percent respectively) in 2007/08.

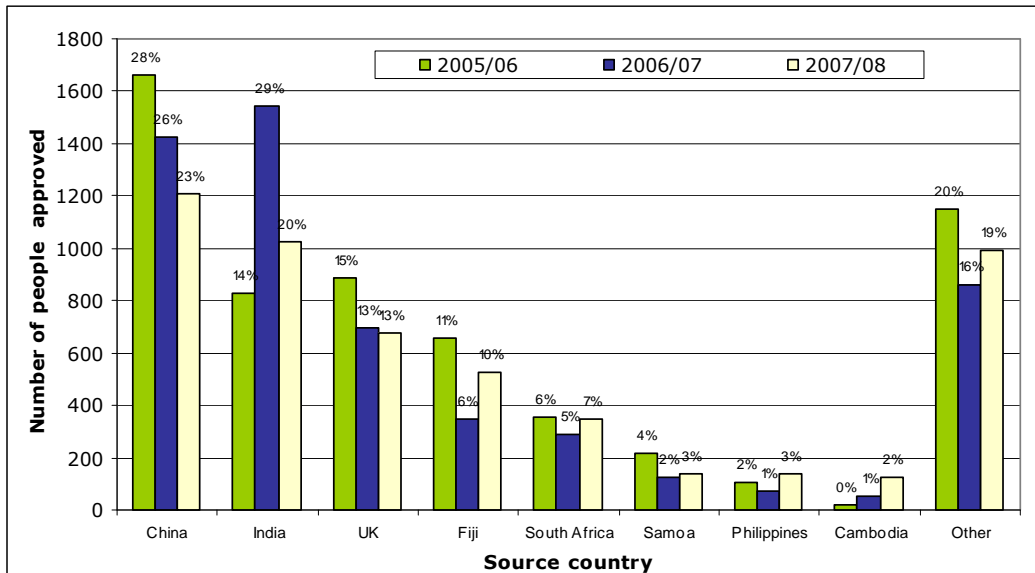
The proportion of Chinese approvals decreased slightly from 28 percent in 2005/06 to 23 percent in 2007/08. Although Indian approvals increased from 14 percent in 2005/06 to 29 percent in 2006/07, they fell to around



20 percent in 2007/08. Approvals from the United Kingdom remained at about 13 percent in 2006/07 and 2007/08, whereas approvals from Fiji increased from 6 percent to 10 percent over the same period.

Figure 8.5 compares the number of Parent Sibling Adult Child Stream approvals by nationality from 2005/06 to 2007/08.

**Figure 8.5** Number of Parent Sibling Adult Child Stream approvals by source country, 2005/06–2007/08



### 8.3.2 Parent Category approvals

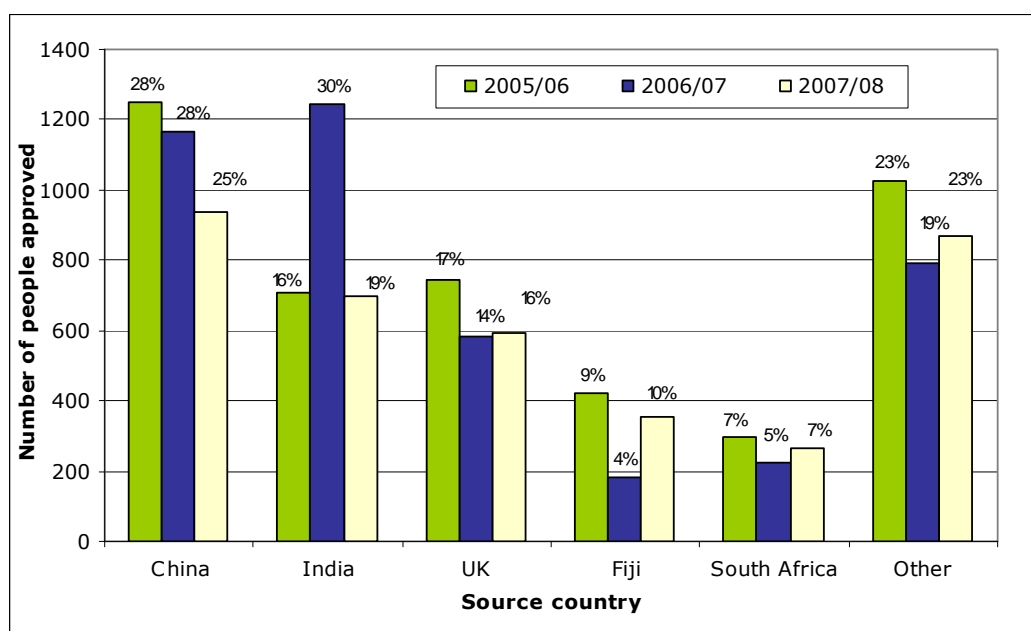
Approved through the Parent Category in 2007/08 were 3,723 people (72 percent of the Parent Sibling Adult Child Stream), a slight decrease from 4,194 approvals in 2006/07.

In 2007/08, the main source countries of Parent Category approvals were China (25 percent), India (19 percent), and the United Kingdom (16 percent). The top five source countries have remained the same in recent years, although the proportions of approvals from each have changed.

The proportion of Parent Category approvals from China decreased from 28 percent in 2005/06 to 25 percent in 2007/08. The proportion of such approvals from India was largest in 2006/07. Approvals from Fiji increased from 4 percent in 2006/07 to 10 percent 2007/08.

Figure 8.6 shows the top source countries of approvals through the Parent Category from 2005/06 to 2007/08.

**Figure 8.6** Nationality of Parent Category approvals, 2005/06–2007/08



Demand for places in the Parent Category has been high over the past few years. The total flow in 2007/08 (3,124 applications) was up slightly from 2006/07 (3,111 applications).

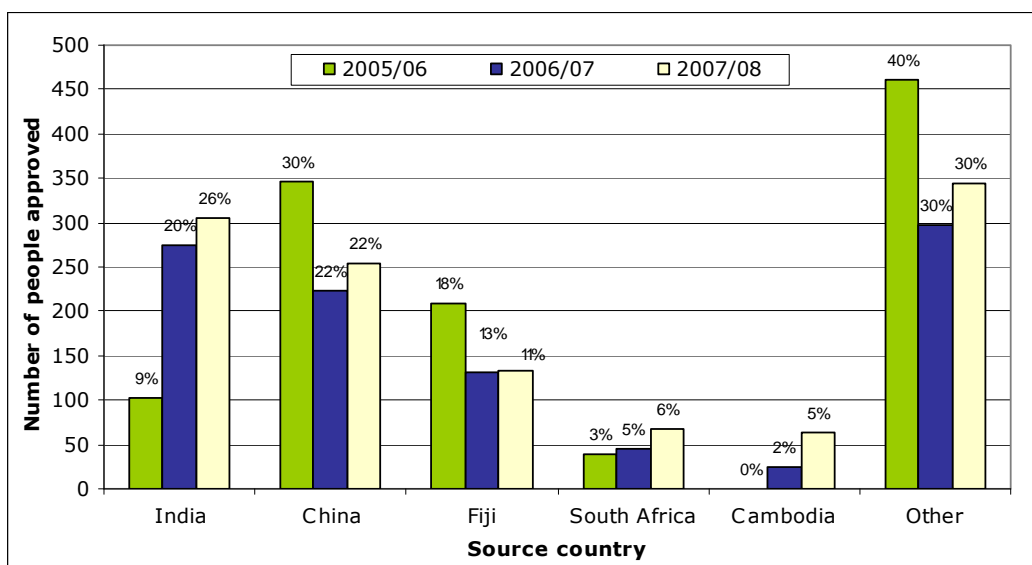
### 8.3.3 Family Sibling Category approvals

Family Sibling Category approvals accounted for 23 percent of people approved through the Parent Sibling Adult Child Stream in 2007/08 (1,166 people). The top three source countries have remained the same in recent years, although their shares have varied. The largest proportions of approvals in this category in 2007/08 came from India and China. Approvals from India increased from 102 approvals in 2005/06 to 305 approvals in 2007/08. Since August 2006, principal applicants through the Family Sibling Category have been subject to an age limit of 55 years.<sup>69</sup>

Figure 8.7 compares the nationalities of approvals through the Family Sibling Category from 2005/06 to 2007/08.

<sup>69</sup> This age limit of 55 years has also applied to principal applicants through the Adult Child Category since August 2006.

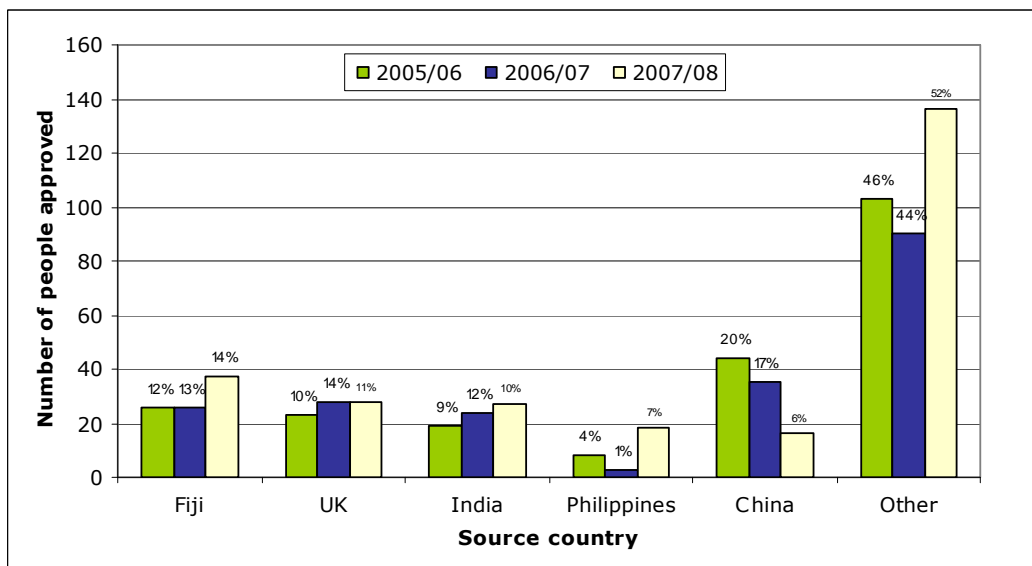
**Figure 8.7** Nationality of Family Sibling Category approvals, 2005/06–2007/08



### 8.3.4 Adult Child Category approvals

Approved through the Adult Child Category in 2007/08 were 262 people compared with 206 in 2006/07. The Adult Child Category accounts for 5 percent of the Parent Sibling Adult Child Stream. Fiji is the largest source country of approvals in this category (14 percent), followed by the United Kingdom (11 percent), then India (10 percent). Figure 8.8 compares the nationalities of approvals in the three financial years to 2007/08.

**Figure 8.8** Nationality of Adult Child Category approvals, 2005/06–2007/08



## 9 INTERNATIONAL/HUMANITARIAN STREAM

### Highlights

- In the five years to 2007/08, more than 3,600 people from more than 50 countries (including Myanmar, Afghanistan, Eritrea, Sudan, Iraq, Iran, and Bhutan) have been accepted through the Refugee Quota, including 795 people in 2007/08.
- The number of people seeking and making successful claims for asylum in New Zealand is decreasing steadily (as it is internationally). Eighty-one successful refugee status claims occurred in 2007/08.
- In 2007/08, 213 successful refugee status claimants were approved for residence. 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.

### 9.1 Introduction

The International/Humanitarian Stream includes the Refugee Quota and refugee-linked categories (such as the Refugee Status and Refugee Family Support Categories), categories such as the Pacific Access Category and the Samoan Quota, ministerial exceptions to policy, and other miscellaneous policies. Applications through refugee policy are prioritised over other categories in the International/Humanitarian Stream, to reflect the Government's commitment to international refugee conventions.

### 9.2 Refugee Quota approvals

New Zealand is a signatory to the 1951 United Nations Convention and the 1967 Protocol Relating to the Status of Refugees, so accepts an annual quota of refugees. The United Nations High Commission for Refugees mandates refugees as people in need of resettlement.

#### 9.2.1 Numbers and composition of Refugee Quota

Accepted for resettlement to New Zealand under the Refugee Quota in 2007/08 were 795 people. An average of three people were approved per application. Table 9.1 shows the composition of the Refugee Quota.

**Table 9.1** Composition of the Refugee Quota, 2007/08

Refugee Quota subcategory	Number of people	Percentage of quota (%)
Refugee Emergency	2	0
Refugee Family	136	17
Refugee Medical	57	7
Refugee Protection	416	52
Refugee Women at Risk	184	23
<b>Total</b>	<b>795</b>	<b>100</b>

### 9.2.2 Nationalities of Refugee Quota refugees

Since 2003/04, more than 3,600 people from more than 50 different countries have been accepted through the Refugee Quota. The main source countries over that period were Afghanistan, Myanmar, Sudan, Iraq, and Iran. In 1999, a special exercise allowed the resettlement of 404 Kosovo Albanians in addition to the quota, and in 2003/04, there was a large increase in refugees from Afghanistan.

**Figure 9.1** Nationality of Refugee Quota approvals, 2005/06–2007/08

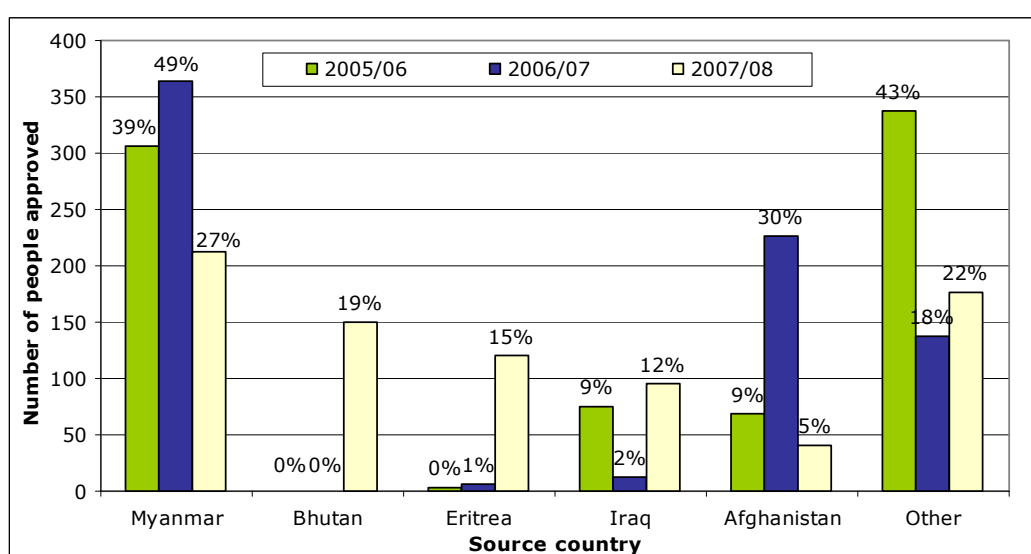


Figure 9.1 compares the main source countries of Refugee Quota approvals since 2005/06, with Myanmar the largest source country since 2006/07. In 2007/08, the largest source countries were Myanmar (27 percent), Bhutan (19 percent), and Eritrea (15 percent).

No Bhutanese quota refugees came to New Zealand before 2007/08. Refugees from Eritrea increased significantly from 2005/06 to 2007/08.

### 9.3 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. Successful refugee status claimants who

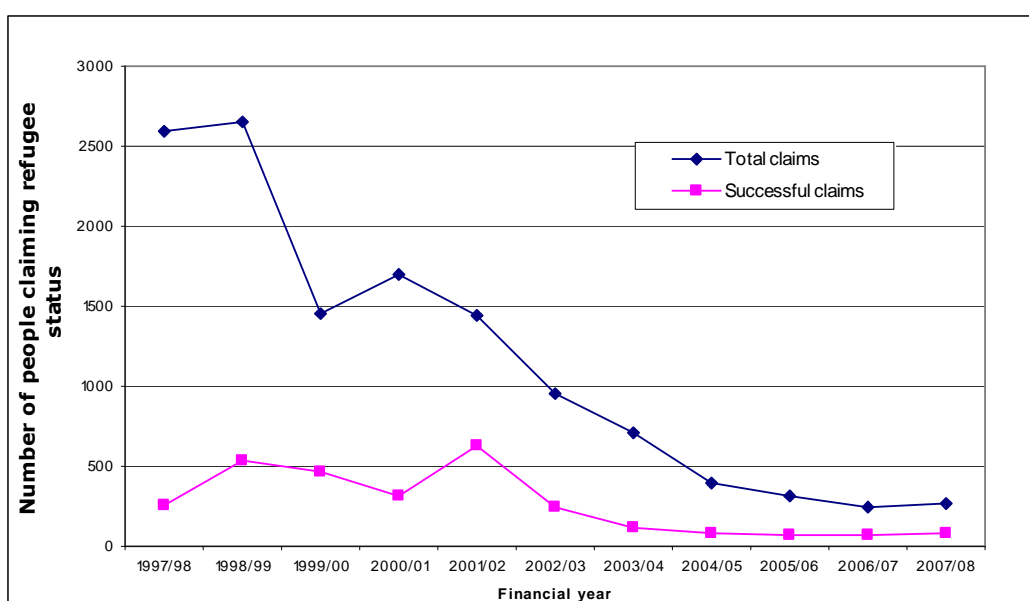
wish to stay in New Zealand permanently must subsequently apply for permanent residence.

### 9.3.1 Successful refugee status claimants

There were 81 successful refugee status claimants in 2007/08, up slightly from 62 in 2006/07. The number of successful claimants, however, has decreased significantly since 2001/02 and at the same time the number of people claiming refugee status has fallen. The falling number of asylum seekers is consistent with international trends.

Figure 9.2 shows that the number of people claiming refugee status has fallen steadily over the decade to 2007/08.

**Figure 9.2** Number of people claiming refugee status and successful claims, 1997/98–2007/08



Note: The year the claim for refugee status was made may not coincide with the year in which the decision was made.

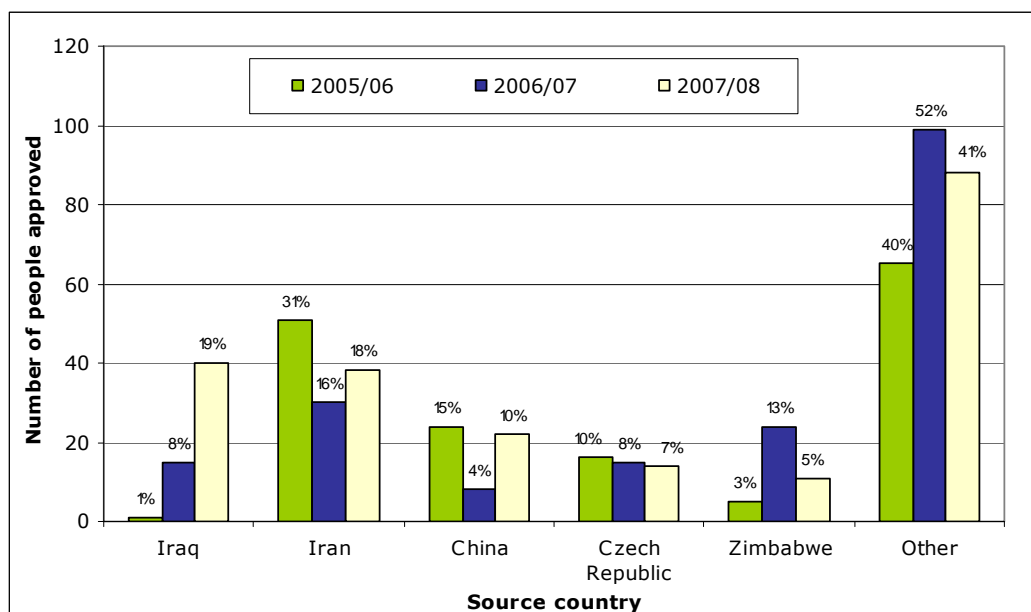
### 9.3.2 Successful refugee status claimants granted residence

Permanent residence is approved separately from refugee status. In 2007/08, 213 successful refugee status claimants were approved for residence compared with 191 in 2006/07 and 162 in 2005/06. 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.

### 9.3.3 Nationality of refugee status claimants granted residence

Figure 9.3 compares the nationality of refugee status claimants approved for residence since 2005/06. Iran made up the largest proportion of approvals in 2005/06 and 2006/07. Iraq, however, represented the largest number of approvals in 2007/08.

**Figure 9.3** Source country of refugee status claimants granted residence, 2005/06–2007/08



#### 9.4 Samoan Quota and Pacific Access Category approvals

The Samoan Quota was established in 1970. It is founded on the spirit of close friendship embodied in the 1962 Treaty of Friendship between New Zealand and Samoa. The 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 for Pacific countries with which New Zealand has close cultural and historical ties (Tonga, Tuvalu, and Kiribati).<sup>70</sup> The annual quotas for the three countries are, respectively, 250, 75, and 75.

Applicants selected to apply for residence under the Samoan Quota and PAC must first be selected from a random ballot draw, and then must meet requirements under immigration policy to be granted residence.

In 2004/05, the policies underlying the Samoan Quota and PAC were changed to increase the take-up of available quota places while maintaining positive settlement outcomes for migrants from these Pacific nations.

If the annual quota of places available under the Samoan Quota and PAC is not filled by applicants drawn from the ballot, the places may be offered as residual places. Immigration New Zealand sometimes calls for applications within a specified period. The Residual Places Policies have criteria similar to those of the Samoan Quota and PAC.

<sup>70</sup> Fiji has been suspended from participating in the PAC since April 2007.

#### 9.4.1 Samoan Quota approvals

Approved for residence through the Samoan Quota in 2007/08 were, 1,202 people, including 82 approved under the Samoan Quota Residual Places Policy).

#### 9.4.2 Pacific Access Category approvals

Approved for residence through the PAC in 2007/08 were 1,117 people, including 578 people approved under the PAC Residual Places Policy.

Table 9.2 shows the number of people approved for residence through the PAC subcategories in 2007/08.

**Table 9.2** Pacific Access Category residence approvals, 2007/08

<b>Pacific Access Category subcategory*</b>	<b>Number approved</b>
Tonga	284
Fiji <sup>†</sup>	92
Kiribati	86
Tuvalu	77
Residual places	578
<b>Total</b>	<b>1,117</b>

Notes:

\* Not all people in these subcategories are approved for residence in the same year in which they are drawn in the ballot. The table includes people who were successful in the 2008 ballot as well as those successful in earlier ballots.

<sup>†</sup> Fiji has been suspended from participating in the PAC since April 2007.



## 10 CONCLUSIONS

Migration is of critical importance to New Zealand. New Zealand has one of the highest per capita inflows of migrants, particularly permanent migration, in the OECD. New Zealand also has one of the highest outflows of citizens per capita.

Migration provides employers with access to the skills and talents needed to grow New Zealand businesses. However the level of contribution that migrants make to the New Zealand workforce depends upon both the quantity and quality of these migrants. New Zealand's residence policy aims to contribute to economic growth through enhancing the overall level of human capability in New Zealand, encouraging enterprise and innovation, and fostering international links, while maintaining a high level of social cohesion.

New Zealand also expresses many of its international obligations and relationships through immigration policy; such as our commitment to refugee resettlement and our long-standing relationships with our Pacific neighbours.

It remains vital to monitor trends in migration to New Zealand as well as understand the global environment that migration takes place in. This monitoring enables an understanding of the success of current policies, the responsiveness of migrant behaviour to changes in New Zealand's immigration policy, the wider environment in which this migration takes place and possible consequences global trends may have for New Zealand.

In this report we have seen that New Zealand is a successful migrant-receiving country with increases in migrant flows. Migrants continue to come to New Zealand for a variety of reasons including study, travel, work, and a new life. The majority of permanent migrants were accepted under the Skilled/Business Stream. Although the global environment is competitive, especially for highly skilled migrants, opportunities exist for New Zealand in the current economic climate if New Zealand's economy is more resilient or less negatively affected than other potential destination countries.

## APPENDIX A: TIMELINE OF IMMIGRATION POLICY CHANGES

This section features an update of the timeline of immigration policy changes reported in Migration Trends 2007/08. Table A1 details the major policy and legislative changes in 2008.

**Table A1** Immigration policy changes, 2008

Mar-08	Temporary	Working Holiday Schemes	<p>The Mexico Working Holiday Scheme is introduced. The requirement for an applicant to be ordinarily resident in their home country is removed from the:</p> <ul style="list-style-type: none"> <li>• Chile Working Holiday Scheme</li> <li>• France Working Holiday Scheme</li> <li>• Argentina Working Holiday Scheme</li> <li>• Uruguay Working Holiday Scheme</li> <li>• Czech Working Holiday Scheme</li> <li>• Estonia Working Holiday Scheme.</li> </ul>
Mar-08	Pacific Access	Samoan Quota Scheme	<p>The minimum income requirement in the Samoan Quota Scheme is amended to reflect the increase in the unemployment benefit rate. The gross minimum income requirement is \$29,897.92, which is based on the unemployment benefit (married and civil union rate) plus the maximum accommodation supplement (as set by the Government).</p>
Mar-08	International/Humanitarian	Special Zimbabwe Residence Policy	<p>The Special Zimbabwe Residence Policy ceased to be effective from 31 March 2008.</p>
May-08	Skilled	Residence Policy	<p>The annual salary requirement under the Residence Policy for holders of work permits granted under the Talent (Accredited Employers) Work Policy increases to \$55,000 if the work to residence permit or visa application is made on or after 28 July 2008.</p>

Jul-08	Residence Programme		<p>Policy is amended to reflect Cabinet's agreement to:</p> <ul style="list-style-type: none"> <li>• maintain the NZRP in 2008/09 at the current level of 45,000–50,000 places</li> <li>• increase the annual allocation for Parent, Adult Child and Adult Sibling Policies from 10 percent to about 11 percent</li> <li>• decrease the annual allocation for Partner and Dependent Child Policies from 21 percent to about 20 percent (note that because these policies are uncapped this percentage is for planning purposes only).</li> </ul>
Jul-08	Residence Programme	Skilled Migrant Expression of Interest Pool; Skilled/Business	<p>Additional selection criteria maintained for the six months from 1 August 2008 to 31 January 2009 are:</p> <ol style="list-style-type: none"> <li>Expressions of Interest that include 15 points for work experience in an area of absolute skills shortage (in descending order of their points total)</li> <li>Expressions of Interest that include 10 points for work experience in an area of absolute skills shortage (in descending order of their points total)</li> <li>Expressions of Interest that include 10 points for work a qualification in an area of absolute skills shortage (in descending order of their points total)</li> <li>The points total of Expressions of Interest not meeting any of the criteria in (i)–(iii) (in descending order).</li> </ol>
Jul-08	International/ Humanitarian	PAC	<p>Applicants who are waiting for a decision under the Residual Quota Places Policy or Residual Pacific Access Category Place Policy application are granted further work permits that are valid to 30 September 2009.</p>
Jul-08	Skilled Migrant	Essential Skills	<p>The Essential Skills Work Policy is introduced to replace the General Work Policy.</p>

Source: Immigration New Zealand. *Operations Manual*. Wellington: Immigration New Zealand Operations Manual. Available at: <http://www.immigration.govt.nz/migrant/general/generalinformation/operationsmanual> (version as at 13 January 2008).

## APPENDIX B: METHODOLOGY

### B1 Introduction

*Migration Trends and Outlook 2007/08* is based on an analysis of variables from the Department of Labour's Management Information System (MIS). MIS is a subset of the Immigration New Zealand database, the Application Management System (AMS).

Data for this report was generated using SAS (statistical software) to query MIS on the variables of interest. The MIS data was extracted in the week starting 7 July 2008. The data covers the period from 1 July 2007 to 30 June 2008. Further data analysis was carried out using SAS and Microsoft Excel.

### B2 Glossary

The glossary below describes the key immigration terms used in this report.

For descriptions of the New Zealand Residence Programme and residence streams and categories, see Appendix C.

Term	Definition
application	<p>An application may be an incoming application for residence that is not yet determined or an approved application for residence. To distinguish these two forms of application, incoming applications are referred to as <i>application inflows</i> and approved applications for residence are referred to as <i>approved applications</i>.</p> <p>An application consists of a principal applicant and, if any, secondary applicant(s), so both application inflows and approved applications are a count of principal applicants.</p> <p>An application is <i>decided</i> when a decision is made to approve or decline the application. An application is <i>completed</i> when the visa or permit label is issued in the applicant's passport.</p>
Application Management System (AMS)	AMS is the Immigration New Zealand database that staff use to assess applications and enter application details into.
approval	An approval is an individual (a principal or secondary applicant) who has been approved for residence.
financial year	A financial year runs from 1 July in one year to 30 June in the following year. The data in this report is up to the 2007/08 financial year (1 July 2007 to 30 June 2008).
Management Information System (MIS)	MIS is the database of Immigration New Zealand applications. It is used as the source of reporting on many aspects of the business's performance.

<b>Term</b>	<b>Definition</b>
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, the term 'permit' is used throughout this report to denote both permits and visas.
principal applicant	The principal applicant is the key person who is assessed against the policy criteria. Other people in an application (secondary applicants) are also assessed against various criteria.
New Zealand Residence Programme (NZRP)	People wishing to migrate to New Zealand may gain residence through the NZRP. 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 (as secondary applicants). All applicants must meet health and character requirements.
residence stream	In selected analyses in this report, data is broken down by the four residence streams: the Skilled/Business, Uncapped Family Sponsored, Parent Sibling Adult Child, and International/Humanitarian Streams. These streams are described in Appendix C.
visa	A visa indicates that the issuing officer knows of no reason why the visa holder should not be granted a corresponding permit on their arrival in New Zealand.

### **B3 Limitations to the data**

The data reported relates to the number of people approved for residence rather than the number of migrants who arrived 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.<sup>71</sup>

The data used in this report relates to the date the residence application was decided. The 'date decided' is the date the decision was made to approve a person for residence. The 'date completed' is the date the visa or permit label was issued and endorsed in the applicant's passport. A small number of decided applications may not be completed. The date decided is used in this report for consistency with other Department of Labour reports.

<sup>71</sup> 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 in the database incorrectly, so creates a new application with the corrected surname. Duplicate client codes were removed before the data was analysed for this report.

## **B4 Data analysis**

Percentages in this report have been rounded to the nearest whole number, so may not always sum to 100 percent.

## APPENDIX C: DESCRIPTION OF TEMPORARY AND PERMANENT RESIDENCE CATEGORIES

This appendix describes the key features of the temporary and permanent residence categories. For a comprehensive outline of specific requirements, see the Immigration New Zealand website ([www.immigration.govt.nz](http://www.immigration.govt.nz)).

### C1 Temporary categories

**Table C1** Description of temporary work policies

<b>Visitor Policy</b>
<p>The aim of the Visitor Policy is to facilitate the entry of genuine visitors (that is, people who will not work illegally, commit crime, or overstay their permits) to benefit New Zealand's economy.</p> <p>The nationals of 55 countries do not need to apply for a visa before travelling to New Zealand, so are granted a permit on their arrival as long as they:</p> <ul style="list-style-type: none"><li>• have sufficient funds to cover their stay</li><li>• 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 United Kingdom)</li><li>• do not represent a character risk to New Zealand.</li></ul> <p>Australian nationals are treated as New Zealanders (unless they have criminal convictions), and Australian permanent residents are treated as New Zealand permanent residents. Other nationals must apply in advance, demonstrate they meet the tests, and obtain a visa to travel to New Zealand.</p>
<b>Student Policy</b>
<p>The aim of the Student Policy is to facilitate the entry into New Zealand of foreign students, with a focus on attracting and developing students who have the skills and talent New Zealand needs. International students help to 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' duration.</p>
<b>Work Policy</b>
<p>The aim of the Work Policy is to contribute to building New Zealand's human capability base. This is done by 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.</p> <p>A wide variety of people may be granted open work permits, usually with conditions relating to the amount of time they can work. They include:</p> <ul style="list-style-type: none"><li>• people on Working Holiday Schemes</li><li>• students who have completed a degree (for up to two years) or who are undertaking long-term study, so are allowed to work part time</li><li>• refugee status applicants who have been granted a work permit while their application is being determined</li><li>• spouses and partners of a principal applicant (who are entitled to a work permit).</li></ul>

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## Work to Residence Policies

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Work to Residence Policies are temporary work policies that provide a pathway to residence for temporary migrants. 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 the:

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

## C2 New Zealand Residence Programme

In planning the desired level of immigration, the Government approves an annual immigration programme (the New Zealand Residence Programme (NZRP)), which places an upper limit on the number of people who may be approved for residence in a financial year. The importance of stability in immigration flows is one factor taken into account when setting the NZRP levels. Tables C2, C3 and C4 describe the NZRP categories.

### C2.1 General rules

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

Everyone intending to 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). Since November 2005, the definition of an 'acceptable standard of health' has been based on significant cost and demand thresholds for publicly funded health and special education services.

In 2004, immigration health screening changed to reduce risks to public health. In April 2004, TB screening became mandatory for every student with TB risk factors (that is, 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 people with TB risk factors intending to stay in New Zealand for more than six months, and from April 2005, the screening policy was extended to working holidaymakers.

In August 2005, a medical and chest x-ray certificate was issued to support the new health screening framework. New requirements included additional compulsory blood tests for applicants aged 15 years and over to include HIV, Hepatitis B, a full blood count, serum creatinine, and liver function; an



assessment for critical developmental delay, particularly in children; and an assessment for impaired cognitive performance, with compulsory screening for applicants aged 70 or over. Since November 2005, all people entering New Zealand for longer than 12 months have been required to complete the medical and chest x-ray certificate dated August 2005.

**Table C2** Key policy features of the 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 the Minister of Immigration sets. After initial verification, applicants are invited to apply through the Skilled Migrant Category.
General Skills Category	The General Skills Category was closed on 12 November 2003.
Entrepreneur Category	The Entrepreneur Category 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 (under the Work to Residence Policy).
Investor Category	The Investor Category was closed on 26 November 2007 and replaced by the Active Investor Migrant Policy.
Active Investor Migrant Policy (effective from 26 November 2007)	<p>The Active Investor Migrant Policy is segmented into three subcategories on the basis of the migrant's potential contribution and the assessed level of risk.</p> <ul style="list-style-type: none"> <li>• Global Investor Category: The highest priority category for high-value investors investing \$20 million (including at least \$5 million in active investment) in New Zealand.</li> <li>• Professional Investor Category: The second priority category for migrants investing \$10 million (including at least \$2 million in active investment) in New Zealand.</li> <li>• General (Active) Investor Category: A category for people investing a minimum of \$2.5 million in New Zealand.</li> </ul> <p>Applicants are selected through a points system.</p>
Employees of Relocating Businesses Category	The Employees of Relocating Businesses Category 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.
Residence from Work Category	The Residence from Work Category is for people who are already in New Zealand on a work to residence permit for at least two years and want to apply for residence through the relevant work policy: the Talent (Accredited Employers) Work Policy, Long Term Skill Shortage List, Talent (Arts and Culture) Work Policy, or Talent (Sports) Work Policy.

**Table C3** Key policy features of the Uncapped Family Sponsored and Parent Sibling Adult Child Streams

Category	Key policy features
Partnership	The Partnership Category enables the partner (including spouse, de facto, civil union partner or 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	The Parent Category enables the parent(s) of a New Zealand citizen or resident to apply for residence if 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	The Family Sibling Category 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 category is 55 years.
Dependent Child	The Dependent Child Category 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	The Adult Child Category enables the 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 operated only when there were sufficient places in the family-sponsored streams (that is, at times of low demand). No places have been offered since 2003.
October 2000 Transitional Policy (now closed)	The October 2000 Transitional 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 streams. The remainder were counted through the International/Humanitarian Stream.
Humanitarian (now closed)	The Humanitarian Category allowed people to enter New Zealand when serious humanitarian circumstances existed and there was a close family connection with New Zealand.

**Table C4** Key policy features of International/Humanitarian Stream

<b>Category</b>	<b>Key policy features</b>
Refugee Quota	Under the Refugee Quota, New Zealand provides assistance to mandated refugees (people the United Nations High Commission for Refugees has determined to be refugees before their arrival in New Zealand). The Government sets the number of places available for mandated refugees under the Refugee Quota (currently 750 people 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 lawfully or unlawfully. Successful refugee claimants (that is, refugees under the 1951 United Nations Convention and the 1967 Protocol Relating to the Status of Refugees) may apply for residence.
Refugee Family Support (July 2007)	The Refugee Family Support Category was formerly called the Refugee Family Quota. It 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 are called for from those who meet tier two criteria, and are balloted to fill the remaining places. Each year, 300 places are available.
Samoa Quota	The Samoa Quota allows 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, 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, 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 or give reasons for any decision on it, other than that sections 7(4) and 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 of Immigration is required to consider any request made.
Victims of Domestic Violence Policy	A person may be granted residence under the Victims of Domestic Violence 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.

Category	Key policy features
Special Zimbabwe Residence Policy (now closed)	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 for the applicant to be of an acceptable standard of health. The closing date for applications under this policy was 28 February 2007.

## APPENDIX D: PEOPLE ISSUED WITH ONE OR MORE WORK OR STUDENT PERMITS IN 2007/08

**Table D1** Number of people issued with one or more work or student permits by source country, 2007/08

Country	Work	Student	Total
Afghanistan	104	4	108
Albania	5	1	6
Algeria	15	0	15
American Samoa	9	5	14
Angola	1	1	2
Argentina	1,470	76	1,546
Australia	5	1	6
Austria	214	106	320
Azerbaijan	6	3	9
Bahrain	4	74	78
Bangladesh	168	80	248
Barbados	6	3	9
Belarus	19	12	31
Belgium	349	65	414
Belize	0	1	1
Bermuda	0	1	1
Bhutan	0	4	4
Bolivia	21	13	34
Bosnia and Herzegovina	7	1	8
Botswana	7	5	12
Brazil	3,108	1,014	4,122
Brunei Darussalam	11	55	66
Bulgaria	86	26	112
Burundi	1	0	1
Cambodia	300	219	519
Cameroon	5	4	9
Canada	3,028	581	3,609
Cayman Islands	1	1	2
Chad	1	1	2
Chile	1,789	300	2,089
China	14,966	16,366	31,332
Colombia	127	238	365
Congo	2	2	4
Costa Rica	15	11	26
Croatia	80	8	88

<b>Country</b>	<b>Work</b>	<b>Student</b>	<b>Total</b>
Cuba	11	1	12
Cyprus	6	0	6
Czech Republic	1,515	45	1,560
Democratic Republic of Congo	2	5	7
Denmark	481	113	594
Djibouti	1	0	1
Dominica	1	3	4
Dominican Republic	1	0	1
East Timor	1	2	3
Ecuador	16	11	27
Egypt	79	24	103
El Salvador	9	4	13
Eritrea	8	2	10
Estonia	57	5	62
Ethiopia	24	2	26
Federated States of Micronesia	1	1	2
Fiji	5,579	2,759	8,338
Finland	323	73	396
France	2,877	532	3,409
French Polynesia	0	2	2
Gambia	0	2	2
Georgia	7	2	9
Germany	8,016	2,695	10,711
Ghana	15	9	24
Great Britain	20,431	2,277	22,708
Greece	18	2	20
Guatemala	7	4	11
Guinea	1	0	1
Guyana	2	2	4
Haiti	1	0	1
Honduras	3	1	4
Hong Kong	650	958	1,608
Hungary	324	66	390
Iceland	24	20	44
India	7,107	5,778	12,885
Indonesia	1,332	389	1,721
Iran	161	104	265
Iraq	200	41	241
Ireland	2,780	66	2,846
Israel	235	51	286

<b>Country</b>	<b>Work</b>	<b>Student</b>	<b>Total</b>
Italy	667	175	842
Jamaica	35	5	40
Japan	5,454	3,459	8,913
Jordan	78	23	101
Kazakhstan	11	37	48
Kenya	66	45	111
Kiribati	274	100	374
Kuwait	0	2	2
Kyrgyzstan	5	5	10
Laos	15	41	56
Latvia	32	9	41
Lebanon	31	17	48
Lesotho	0	2	2
Liberia	1	1	2
Libya	1	0	1
Liechtenstein	1	1	2
Lithuania	27	5	32
Luxembourg	6	3	9
Macau	6	20	26
Macedonia	68	16	84
Madagascar	3	0	3
Malawi	9	13	22
Malaysia	3,413	1,983	5,396
Maldives	9	63	72
Mali	1	1	2
Malta	12	1	13
Marshall Islands	1	4	5
Mauritius	63	35	98
Mexico	174	105	279
Moldova	3	1	4
Mongolia	49	14	63
Morocco	20	0	20
Mozambique	2	2	4
Myanmar	57	32	89
Namibia	7	6	13
Nauru	38	1	39
Nepal	145	79	224
Netherlands	1,371	157	1,528
New Caledonia	1	0	1
Nicaragua	3	0	3

<b>Country</b>	<b>Work</b>	<b>Student</b>	<b>Total</b>
Nigeria	53	50	103
North Korea	1	0	1
Norway	149	154	303
Oman	5	177	182
Pakistan	269	250	519
Palau	2	1	3
Palestine	10	4	14
Panama	1	5	6
Papua New Guinea	87	110	197
Paraguay	11	22	33
Peru	85	27	112
Philippines	5,849	1,786	7,635
Poland	312	34	346
Portugal	55	24	79
Puerto Rico	1	0	1
Romania	194	34	228
Russia	540	618	1,158
Samoa	2,203	419	2,622
San Marino	0	1	1
Saudi Arabia	18	1,387	1,405
Senegal	1	1	2
Serbia	1	0	1
Serbia & Montenegro	5	3	8
Seychelles	11	18	29
Sierra Leone	6	2	8
Singapore	310	226	536
Slovakia	115	26	141
Slovenia	41	12	53
Solomon Islands	241	88	329
Somalia	30	1	31
South Africa	5,279	2,016	7,295
South Korea	4,987	11,023	16,010
Spain	198	100	298
Sri Lanka	855	382	1,237
St Vincent and the Grenadines	0	3	3
Stateless	7	2	9
Sudan	12	2	14
Suriname	0	1	1
Swaziland	0	1	1
Sweden	876	227	1,103



<b>Country</b>	<b>Work</b>	<b>Student</b>	<b>Total</b>
Switzerland	417	184	601
Syria	28	1	29
Taiwan	1,201	1,316	2,517
Tajikistan	2	0	2
Tanzania	8	14	22
Thailand	2,083	1,997	4,080
Timor Leste	2	12	14
Tonga	2,171	410	2,581
Trinidad and Tobago	12	7	19
Tunisia	0	1	1
Turkemenistan	2	0	2
Turkey	147	85	232
Tuvalu	227	111	338
Uganda	11	1	12
Ukraine	233	52	285
United Arab Emirates	1	42	43
United Nations	1	0	1
United States	7,851	2,730	10,581
Uruguay	340	36	376
Uzbekistan	19	5	24
Vanuatu	1,597	51	1,648
Venezuela	26	23	49
Vietnam	322	846	1,168
Yemen	3	9	12
Yugoslavia	45	13	58
Zambia	27	32	59
Zimbabwe	468	178	646
Unknown	3	4	7
<b>Total</b>	<b>130,462</b>	<b>69,193</b>	<b>199,655</b>

## APPENDIX E: WORK PERMIT CRITERIA

**Table E1** Summary of work permit criteria

<b>Labour market-tested work permits</b>	
Approved in principle	Machinery installer/servicer
Business – short term	Recognised seasonal employer
Crew of foreign fishing vessel	Seasonal labour pilot
General	Specialist skills
Japanese interpreter	Transitional Recognised Seasonal Employer
<b>Working Holiday Schemes</b>	
Argentina	Malaysia
Belgium	Malta
Canada	Mexico
Chile	Netherlands
Czech Republic	Norway
Denmark	Singapore
Estonia	South Korea
Finland	Sweden
France	Taiwan
Germany	Thailand
Hong Kong	United Kingdom
Ireland	United States
Italy	Uruguay
Japan	Working holiday schemes extension
<b>Partnership Policies</b>	
De facto partner of New Zealand citizen/resident	Partnership
Partner of worker	Partnership deferral
Partner of NZAID student	Spouse of New Zealand citizen/resident
Partner of student	Spouse/partner of worker
<b>Work post-study (Study to Work)</b>	
Graduate Job Search	Practical experience post study
<b>Work to Residence Policies</b>	
Job Search	Talent (Arts and Culture)
Long Term Business Visa	Talent (Sports)
Long Term Skill Shortage List	Talent (Accredited Employers)
Skilled Migrant	

<b>Specific purposes – short-term work permits</b>	
Entertainer/performing artist and support	New Zealand racing conference apprentice
Exchange (work), private	Show judge/sports referee
Medical and dental trainee	Specific purpose or event
Minister/missionary/pastor	Sports player/professional coach
<b>Other work permit types</b>	
Asylum seeker	Reconsideration
BIC residence direct investor	Section 35A request
Chef from Thailand	Victims of domestic violence
Domestic staff for consular personnel	Work experience for student
Normal	

## APPENDIX F: NATIONALITY OF PEOPLE APPROVED A WORK PERMIT FROM 1998/99 TO 2007/08

**Table F1** Number of people approved a work permit by source country, 1998/99–2007/08

Country	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
United Kingdom	8,366	8,785	12,475	15,114	17,473	19,185	19,346	18,659	18,696	20,431
China	1,420	1,120	1,955	3,156	3,618	4,023	6,953	11,954	14,889	14,966
Germany	612	725	1,116	1,923	2,601	3,530	3,971	6,241	7,302	8,016
United States	2,629	2,621	2,803	3,201	3,990	4,504	5,146	6,327	7,185	7,851
India	978	1,281	2,233	3,639	3,450	3,659	4,473	4,889	5,659	7,107
Philippines	540	473	636	805	812	913	1,175	2,176	3,666	5,849
Fiji	730	798	1,410	1,779	1,534	1,680	2,214	3,278	4,427	5,579
Japan	4,891	5,545	6,074	6,716	7,664	6,957	6,664	6,142	5,803	5,454
South Africa	1,168	1,278	1,632	2,509	2,861	3,062	3,314	3,420	3,985	5,279
South Korea	603	694	1,431	2,587	2,768	3,311	3,615	4,063	4,785	4,987
Malaysia	474	513	617	686	708	962	936	1,657	3,026	3,413
Brazil	25	43	71	122	237	451	685	1,823	3,009	3,108
Canada	1,307	1,367	1,422	1,812	2,121	2,427	2,619	3,042	3,016	3,028
France	370	569	669	909	1,262	1,471	1,637	2,135	2,249	2,877
Ireland	549	761	1,235	1,543	2,403	2,609	2,833	2,921	2,596	2,780
Samoa	240	218	898	873	325	417	813	1,060	1,376	2,203
Tonga	266	221	1,150	902	418	424	803	912	1,243	2,171
Thailand	730	789	1,180	1,205	946	990	1,173	1,338	1,861	2,083

<b>Country</b>	<b>1998/99</b>	<b>1999/00</b>	<b>2000/01</b>	<b>2001/02</b>	<b>2002/03</b>	<b>2003/04</b>	<b>2004/05</b>	<b>2005/06</b>	<b>2006/07</b>	<b>2007/08</b>
Chile	25	37	63	155	400	405	563	948	1,392	1,789
Vanuatu	10	8	16	12	23	16	24	29	118	1,597
Other	5,587	6,229	7,516	9,500	11,213	12,591	13,540	16,660	19,174	19,894
<b>Total</b>	<b>31,520</b>	<b>34,075</b>	<b>46,602</b>	<b>59,148</b>	<b>66,827</b>	<b>73,587</b>	<b>82,497</b>	<b>99,674</b>	<b>115,457</b>	<b>130,462</b>

## APPENDIX G: RATIO OF FEMALES TO MALES BY AGE AND NATIONALITY FOR WORK PERMIT HOLDERS APPROVED IN 2007/08

**Table G1** Ratio of females to males (f/m) by age and nationality for work permit holders approved, 2007/08

Country	Age group (years)												Total	
	0-19		20-29		30-39		40-44		45-49		50 and over			
	n	f/m	n	f/m	n	f/m	n	f/m	n	f/m	n	f/m	n	f/m
United Kingdom	1,452	0.61	10,832	0.87	4,515	0.72	1,427	0.59	920	0.54	1,285	0.52	20,431	0.75
China	91	0.72	11,429	1.05	2,228	0.96	569	0.81	332	0.82	317	0.68	14,966	1.01
Germany	1,961	2.65	4,693	1.20	909	0.87	214	0.44	129	0.54	110	0.51	8,016	1.31
United States	292	0.59	3,876	1.05	1,798	0.39	541	0.34	437	0.37	907	0.39	7,851	0.66
India	91	0.72	4,042	0.61	2,236	0.35	376	0.33	177	0.44	185	0.26	7,107	0.49
Philippines	10	0.67	1,524	1.11	2,714	0.82	842	0.85	496	0.75	263	1.19	5,849	0.90
Fiji	65	1.41	2,261	0.96	1,759	0.77	692	0.70	477	0.68	325	0.64	5,579	0.82
Japan	120	1.55	2,951	2.04	1,649	1.56	318	0.77	195	0.76	221	0.24	5,454	1.56
South Africa	49	0.58	1,410	0.96	2,183	0.86	738	0.73	455	0.69	444	0.80	5,279	0.84
South Korea	78	2.12	2,595	1.27	1,179	1.32	593	1.03	374	0.66	168	0.42	4,987	1.16
Malaysia	113	0.40	1,878	0.96	787	0.76	240	0.73	197	0.91	198	0.85	3,413	0.86
Brazil	100	0.96	2,070	0.70	692	0.60	136	0.70	55	0.72	53	1.04	3,106	0.69
Canada	340	1.30	1,868	1.41	492	0.89	105	0.28	86	0.54	137	0.51	3,028	1.14
France	138	0.89	2,291	0.74	335	0.68	54	0.46	25	0.56	34	0.26	2,877	0.73
Ireland	73	0.40	2,187	0.93	426	0.83	41	0.24	27	0.35	26	0.73	2,780	0.87
Samoa	66	0.35	946	0.33	778	0.26	216	0.28	118	0.48	79	0.32	2,203	0.31
Tonga	36	0.16	900	0.39	791	0.34	226	0.29	113	0.45	105	0.44	2,171	0.36
Thailand	11	1.20	558	1.39	895	0.88	320	0.73	172	0.69	127	1.31	2,083	0.97

Country	Age group (years)												Total	
	0-19		20-29		30-39		40-44		45-49		50 and over			
	n	f/m	n	f/m	n	f/m	n	f/m	n	f/m	n	f/m	n	f/m
Chile	52	0.33	1,281	0.71	337	0.52	59	0.44	28	0.75	32	0.88	1,789	0.65
Vanuatu	12	0.00	575	0.28	566	0.23	199	0.43	132	0.45	113	0.33	1,597	0.29
Other	952	1.15	11,178	0.97	5,143	0.59	1,191	0.52	708	0.53	721	0.42	19,893	0.79
<b>Total</b>	<b>6,102</b>	<b>1.14</b>	<b>71,345</b>	<b>0.96</b>	<b>32,412</b>	<b>0.69</b>	<b>9,097</b>	<b>0.60</b>	<b>5,653</b>	<b>0.60</b>	<b>5,850</b>	<b>0.53</b>	<b>130,459</b>	<b>0.82</b>

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

## APPENDIX H: PEOPLE APPROVED A STUDENT PERMIT BY NATIONALITY IN 1998/99–2007/08

**Table H1** Number of people approved a student permit by source country, 1998/99–2007/08

Country	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
China	1,851	5,566	14,655	32,424	41,598	40,748	34,070	26,661	20,227	16,366
South Korea	2,627	3,892	7,216	12,510	15,590	13,729	11,346	10,091	11,148	11,023
India	149	256	727	1,834	2,076	2,174	2,208	2,370	3,085	5,778
Japan	3,255	3,586	4,060	4,529	4,770	4,608	4,297	3,955	3,670	3,459
Fiji	776	766	1,167	1,254	1,117	1,142	1,298	1,702	2,094	2,759
United States	1,024	1,151	1,360	1,657	2,211	2,740	2,858	2,662	2,736	2,730
Germany	601	666	1,007	1,180	1,483	1,953	2,057	2,421	2,611	2,695
United Kingdom	459	543	681	961	1,499	2,330	2,714	2,103	2,131	2,277
South Africa	516	506	583	843	966	1,114	1,181	1,137	1,513	2,016
Thailand	1,412	1,569	2,076	2,475	2,474	2,256	1,947	1,708	1,820	1,997
Malaysia	1,685	1,363	1,250	1,194	1,230	1,350	1,494	1,745	2,049	1,983
Philippines	151	156	250	213	213	263	320	794	1,466	1,786
Saudi Arabia	1	1	28	68	110	134	223	306	668	1,387
Taiwan	1,362	1,476	1,656	1,832	1,672	1,493	1,356	1,308	1,349	1,316
Brazil	424	420	670	912	864	678	553	616	858	1,014
Hong Kong	981	1,099	1,292	1,392	1,374	1,316	1,090	1,031	978	958
Vietnam	337	303	598	910	920	978	801	773	749	846
Russia	95	135	146	225	344	414	448	535	533	618
Canada	267	253	327	354	502	579	603	570	523	581
France	172	209	244	302	385	403	419	429	500	532
Other	4,275	4,629	5,826	6,454	6,440	6,673	6,280	6,306	6,439	7,072



<b>Country</b>	<b>1998/99</b>	<b>1999/00</b>	<b>2000/01</b>	<b>2001/02</b>	<b>2002/03</b>	<b>2003/04</b>	<b>2004/05</b>	<b>2005/06</b>	<b>2006/07</b>	<b>2007/08</b>
<b>Total</b>	<b>22,420</b>	<b>28,545</b>	<b>45,819</b>	<b>73,523</b>	<b>87,838</b>	<b>87,075</b>	<b>77,563</b>	<b>69,223</b>	<b>67,147</b>	<b>69,193</b>

## APPENDIX I: RATIO OF FEMALES TO MALES BY AGE AND NATIONALITY FOR STUDENTS APPROVED IN 2007/08

**Table I1** Ratio of females to males (f/m) by age and nationality for students approved, 2007/08

Country	Age group (years)										Total	
	Under 16		16–19		20–29		30–39		40 and over			
	n	f/m	n	f/m	n	f/m	n	f/m	n	f/m	n	f/m
China	428	0.79	3,047	0.82	12,130	0.79	427	1.24	334	1.98	16,366	0.82
South Korea	4,813	0.84	2,205	0.93	3,166	1.03	490	0.98	348	1.20	11,022	0.93
India	510	0.85	1,010	0.21	3,753	0.25	425	0.55	80	0.70	5,778	0.30
Japan	710	1.58	1,577	1.82	952	1.26	156	1.64	64	0.83	3,459	1.56
Fiji	1,528	0.91	602	0.80	514	1.09	85	1.83	30	0.50	2,759	0.93
United States	381	1.19	420	1.71	1,825	1.30	68	1.06	36	0.80	2,730	1.33
Germany	501	1.74	1,227	1.66	843	1.06	111	0.82	13	1.60	2,695	1.40
United Kingdom	1,652	1.00	224	1.00	289	0.57	59	1.03	53	1.52	2,277	0.95
South Africa	1,678	0.98	261	0.76	63	1.10	10	1.00	4	3.00	2,016	0.95
Thailand	636	0.85	580	0.83	598	1.40	140	2.11	43	2.58	1,997	1.07
Malaysia	265	1.09	379	1.06	1,157	1.24	134	1.48	48	1.18	1,983	1.19
Philippines	1,400	0.90	173	0.86	107	1.38	74	1.96	32	1.29	1,786	0.95
Saudi Arabia	60	0.94	328	0.07	910	0.08	82	0.05	7	0.17	1,387	0.10
Taiwan	196	0.70	349	0.75	629	1.28	113	2.14	29	3.83	1,316	1.08
Brazil	211	1.05	406	1.02	301	0.78	66	1.28	30	1.73	1,014	0.98
Hong Kong	141	0.78	385	0.58	358	0.63	32	3.57	42	6.00	958	0.73
Vietnam	96	0.71	328	0.77	388	0.70	31	0.94	3		846	0.74
Russia	105	0.78	180	1.28	267	1.19	45	1.05	21	1.63	618	1.13
Canada	130	1.10	102	1.62	301	1.76	35	0.75	13	3.33	581	1.49

Country	Age group (years)										Total	
	Under 16		16–19		20–29		30–39		40 and over			
	n	f/m	n	f/m	n	f/m	n	f/m	n	f/m	n	f/m
France	87	0.81	138	1.16	282	0.92	20	1.86	5	4.00	532	0.99
Other	2,251	0.99	1,658	1.00	2,354	0.81	640	0.53	170	0.65	7,072	0.87
<b>Total</b>	<b>17,779</b>	<b>0.95</b>	<b>15,579</b>	<b>0.91</b>	<b>31,187</b>	<b>0.77</b>	<b>3,243</b>	<b>0.92</b>	<b>1,405</b>	<b>1.30</b>	<b>69,192</b>	<b>0.86</b>

Note: Ratios were not computed for cells containing less than one record. Gender was not recorded in one instance.

## APPENDIX J: RESIDENCE APPROVALS BY CATEGORY IN 2007/08

**Table J1** Residence approvals by New Zealand Residence Programme (NZRP) stream, 2007/08

NZRP stream	Category	Approved applications	Approved people	Proportion of people (%)
Skilled/ Business 27,000–29,500 (60% of NZRP)	Entrepreneur Category	188	602	
	Investor Category	5	15	
	Investor Category 2005	23	72	
	<b>Business total</b>	<b>216</b>	<b>689</b>	<b>1.5</b>
	1995 General Skills	5	12	
	Long Term Skill Shortage List Occupation	87	212	
	Skilled Migrant	11,315	25,434	
	Skills/Business deferral	3	5	
	Talent (Accredited Employers)	367	903	
	Talent (Arts and Culture)	2	4	
	Talent (Sports)	19	44	
	<b>Skilled total</b>	<b>11,798</b>	<b>26,614</b>	<b>57.8</b>
	<b>Stream total</b>	<b>12,014</b>	<b>27,303</b>	<b>59.3</b>
International/ Humanitarian 4,050–4,500 (9% of NZRP)	Refugee Emergency	1	2	
	Refugee Family	58	171	
	Refugee Family Quota	50	174	
	Refugee Medical	12	57	
	Refugee Protection	138	416	
	Refugee Women at Risk	59	184	
	<b>Refugee Quota total</b>	<b>318</b>	<b>1,004</b>	<b>2.2</b>
	Pacific Access Category (PAC) Residence Fiji	37	92	
	PAC Residence Kiribati	21	86	
	PAC Residence Tonga	84	284	
	PAC Residence Tuvalu	24	77	
	PAC Residual Places	209	578	
	<b>Pacific Access total</b>	<b>375</b>	<b>1,117</b>	<b>2.4</b>
	Samoan Quota	353	1,120	
	Samoan Residual Places	24	82	
	<b>Samoan Quota total</b>	<b>377</b>	<b>1,202</b>	<b>2.6</b>
	1995 Refugee Status	105	213	
	Ministerial Direction	207	375	
	October 2000 Transitional	4	4	
	Section 35A	28	35	
	Victims of Domestic Violence	14	20	
	Zimbabwe Policy	77	167	
	<b>Other total</b>	<b>435</b>	<b>814</b>	<b>1.8</b>
<b>Stream total</b>	<b>1,505</b>	<b>4,137</b>	<b>9.0</b>	

<b>NZRP stream</b>	<b>Category</b>	<b>Approved applications</b>	<b>Approved people</b>	<b>Proportion of people (%)</b>
Parent Sibling Adult Child 4,450–5,000 (10% of NZRP)	Humanitarian	6	26	
	Adult child	104	262	
	Parent	2,171	3,722	
	Sibling	448	1,166	
	October 2000 Transitional Policy	1	1	
	<b>Stream total</b>	<b>2,730</b>	<b>5,177</b>	<b>11.2</b>
Uncapped Family Sponsored 9,500–11,000 (21% of NZRP)	Dependent child	1,164	1,164	
	October 2000 Transitional Policy	1	1	
	Partnership	7,308	8,209	
	<b>Stream total</b>	<b>8,473</b>	<b>9,460</b>	<b>20.5</b>
<b>2007/08 total</b>		<b>24,722</b>	<b>46,077</b>	<b>100</b>

## APPENDIX K: PEOPLE GRANTED PERMANENT RESIDENCE IN 2007/08 BY NATIONALITY AND STREAM

**Table K1** Number of people granted permanent residence by source country and New Zealand Residence Programme stream, 2007/08

Country	New Zealand Residence Programme stream				Total
	Skilled/ Business	International/ Humanitarian	Parent Sibling Adult Child	Uncapped Family Sponsored	
Afghanistan		53	27	27	107
Albania				1	1
Algeria		6		3	9
American Samoa	1	5	1	2	9
Argentina	39		2	23	64
Armenia		6			6
Australia	6				6
Austria	49		3	15	67
Azerbaijan	5				5
Bahrain	1	1			2
Bangladesh	24	5	7	13	49
Belarus	3	1	6	13	23
Belgium	28	2	1	10	41
Bhutan		150			150
Bolivia		4		2	6
Bosnia and Herzegovina			5	1	6
Botswana	2			2	4
Brazil	113	3	2	104	222
Brunei Darussalam	3				3
Bulgaria	22	6	4	16	48
Burundi		1			1
Cambodia	15	12	122	162	311
Cameroon	1				1
Canada	244	5	22	165	436
Chile	67	3	5	48	123
China	3,506	61	1,209	1,294	6,070
Colombia	19	29	1	15	64
Costa Rica	2				2
Croatia	3		3	5	11
Cyprus	2			1	3
Czech Republic	40	17	2	36	95
Dem. Republic of Congo		25		2	27
Denmark	17			20	37
Djibouti		3			3
Ecuador		2		2	4
Egypt	30	1	10	9	50

Country	New Zealand Residence Programme stream				Total
	Skilled/ Business	International/ Humanitarian	Parent Sibling Adult Child	Uncapped Family Sponsored	
El Salvador				2	2
Eritrea		125		5	130
Estonia	4				4
Ethiopia		85	8	22	115
Fiji	1,555	441	526	521	3,043
Finland	11			14	25
France	128		1	76	205
Georgia				6	6
Germany	558	4	16	176	754
Ghana	12			16	28
Great Britain	7,738	78	675	1,541	10,032
Greece			1	3	4
Guatemala	1			1	2
Guinea	1				1
Guyana				1	1
Hong Kong	42	5	46	40	133
Hungary	39	2	1	12	54
Iceland	1			1	2
India	1,526	28	1,027	712	3,293
Indonesia	75	8	16	68	167
Iran	22	66	21	14	123
Iraq	4	140	55	32	231
Ireland	204	9	14	108	335
Israel	23	1	3	13	40
Italy	50		2	28	80
Jamaica	1				1
Japan	180	1	2	220	403
Jordan	17	8	5	12	42
Kazakhstan	2			5	7
Kenya	23		3	14	40
Kiribati	2	129	1	17	149
Kosovo				2	2
Kyrgyzstan	5	4	2	4	15
Laos				7	7
Latvia	3			3	6
Lebanon	10	1	7	7	25
Liberia				3	3
Libya	1			2	3
Liechtenstein	1				1
Lithuania	5			5	10
Macau	1		2	3	6
Macedonia	17		11	9	37
Malawi	7			2	9
Malaysia	508	7	33	128	676
Maldives	8			2	10
Mali		1			1

Country	New Zealand Residence Programme stream				Total
	Skilled/ Business	International/ Humanitarian	Parent Sibling Adult Child	Uncapped Family Sponsored	
Malta	8				8
Mauritania		10			10
Mauritius	50	3	2	1	56
Mexico	10			17	27
Moldova	2		2	2	6
Mongolia	3	4		2	9
Morocco	2			9	11
Myanmar	12	219	1	14	246
Namibia	8				8
Nauru	1				1
Nepal	35	8	4	23	70
Netherlands	248	1	17	61	327
Nigeria	40			7	47
Norway	10	1		4	15
Not recorded	40	2		1	43
Pakistan	64	9	10	64	147
Palestine	1	18			19
Panama				1	1
Papua New Guinea	4			8	12
Paraguay	2				2
Peru	7		6	10	23
Philippines	3,259	14	136	378	3,787
Poland	27		9	34	70
Portugal	9	4	3	5	21
Romania	120	1	16	22	159
Russia	130	6	61	110	307
Rwanda		8			8
Samoa	30	1,225	141	816	2,212
Saudi Arabia	7			1	8
Serbia and Montenegro			1	1	2
Seychelles	1				1
Sierra Leone	1	1			2
Singapore	170		3	27	200
Slovakia	13	6		11	30
Slovenia	2			1	3
Solomon Islands	15	2		8	25
Somalia		44		23	67
South Africa	3,562	26	350	228	4,166
South Korea	549	10	89	202	850
Soviet Union	1				1
Spain	8		1	19	28
Sri Lanka	232	27	33	54	346
Stateless		1		1	2
Sudan		32	1	2	35



Country	New Zealand Residence Programme stream				Total
	Skilled/ Business	International/ Humanitarian	Parent Sibling Adult Child	Uncapped Family Sponsored	
Suriname				1	1
Sweden	31		6	37	74
Switzerland	40	1	1	28	70
Syria	1	6	2	3	12
Taiwan	64	3	21	73	161
Tajikistan	4				4
Tanzania				2	2
Thailand	81	8	22	281	392
Tonga	70	510	117	307	1,004
Trinidad and Tobago	5			1	6
Tunisia				1	1
Turkey	24	5	3	12	44
Tuvalu		105	9	22	136
Uganda	9	1			10
Ukraine	29	2	20	30	81
United Nations				1	1
United States	784	38	33	484	1,339
Uruguay	44		1	6	51
Uzbekistan	12			10	22
Vanuatu	1			5	6
Venezuela	4			3	7
Vietnam	42	55	71	80	248
Yemen		1		2	3
Yugoslavia	13		6	5	24
Zambia	18	3		6	27
Zimbabwe	317	173	69	45	604
<b>Total</b>	<b>27,303</b>	<b>4,137</b>	<b>5,177</b>	<b>9,460</b>	<b>46,077</b>

## APPENDIX L: RATIO OF FEMALES TO MALES GRANTED PERMANENT RESIDENCE BY AGE AND NATIONALITY IN 2007/08

**Table L1** Ratio of females to males (f/m) granted permanent residence by age and nationality, 2007/08

Country	Age group (years)												Total	
	0-19		20-29		30-39		40-44		45-49		50 and over			
	n	f/m	n	f/m	n	f/m	n	f/m	n	f/m	n	f/m	n	f/m
United Kingdom	2,729	0.86	1,222	1.22	2,791	0.99	1,282	0.84	714	0.72	1,294	0.92	10,032	0.93
China	344	1.00	3,888	1.10	585	1.34	163	1.23	98	1.39	992	1.15	6,070	1.13
South Africa	1,444	0.91	523	1.35	1,066	0.99	393	0.94	278	0.81	462	1.14	4,166	0.99
Philippines	1,493	0.85	434	1.58	1,148	1.25	396	1.06	184	0.96	132	1.32	3,787	1.07
India	543	0.75	1,145	0.96	738	0.69	130	0.59	92	1.09	645	1.19	3,293	0.88
Fiji	893	1.07	884	1.15	562	0.90	216	0.98	175	1.06	313	1.11	3,043	1.05
Samoa	1,089	0.91	479	0.84	379	0.75	118	0.53	57	0.50	90	1.50	2,212	0.84
United States	330	0.90	284	1.99	308	1.22	126	1.38	84	0.95	207	1.05	1,339	1.21
Tonga	400	0.93	224	0.81	205	0.92	68	0.70	35	0.84	72	1.32	1,004	0.90
South Korea	253	0.78	164	1.41	162	1.57	90	2.00	93	0.75	88	1.26	850	1.15
Germany	123	1.05	170	1.98	265	1.21	84	0.75	53	1.04	59	0.97	754	1.21
Malaysia	223	0.97	160	1.58	124	1.70	47	1.14	59	1.11	63	1.25	676	1.26
Zimbabwe	230	1.00	106	1.36	133	0.93	50	0.67	16	0.60	69	1.30	604	1.02
Canada	88	0.80	112	3.00	130	1.50	37	1.06	26	1.36	43	0.79	436	1.40
Japan	43	0.65	118	4.36	201	3.67	16	2.20	8	7.00	17	1.13	403	2.84
Thailand	104	0.93	96	2.56	97	4.71	46	2.07	19	2.17	30	3.29	392	2.11
Sri Lanka	97	0.67	56	1.00	99	1.11	28	0.87	17	0.42	49	1.45	346	0.92
Ireland	62	1.38	72	1.48	140	0.97	20	0.67	19	0.73	22	1.20	335	1.11
Netherlands	86	0.91	55	1.20	99	0.90	40	0.90	18	0.38	29	1.64	327	0.96

Country	Age group (years)												Total	
	0-19		20-29		30-39		40-44		45-49		50 and over			
	n	f/m	n	f/m	n	f/m	n	f/m	n	f/m	n	f/m	n	f/m
Cambodia	78	0.56	139	2.76	32	0.68	13	0.63	13	2.25	36	1.25	311	1.32
Other	1,583	1.00	1,535	1.48	1,422	1.16	387	0.94	243	1.23	527	1.43	5,697	1.19
<b>Total</b>	<b>12,235</b>	<b>0.90</b>	<b>11,866</b>	<b>1.23</b>	<b>10,686</b>	<b>1.07</b>	<b>3,750</b>	<b>0.92</b>	<b>2,301</b>	<b>0.89</b>	<b>5,239</b>	<b>1.13</b>	<b>46,077</b>	<b>1.05</b>

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

## APPENDIX M: EXPRESSION OF INTEREST POOL SELECTIONS IN 2007/08

Twenty-five expression of interest pool selections occurred in 2007/08. From the pool, 19,482 expressions of interest (44,668 people) were selected, a moderate increase from 17,930 (39,753 people) in 2006/07. Of the principal applicants selected from the pool in 2007/08, 77 percent claimed points for a job or job offer, an increase from 71 percent in 2006/07.

Selected expressions of interest undergo an initial verification process. If it is successful, the applicant is issued an invitation to apply for residence under the Skilled Migrant Category.

**Table M1** Number of expressions of interest and people selected, 2007/08

<b>Date of selection</b>	<b>Number of expressions of interest selected</b>	<b>Number of people selected</b>
4 July 2007	760	1,713
18 July 2007	783	1,740
1 August 2007	782	1,737
15 August 2007	724	1,625
29 August 2007	791	1,685
12 September 2007	777	1,832
26 September 2007	806	1,894
10 October 2007	809	1,931
24 October 2007	773	1,790
7 November 2007	793	1,821
22 November 2007	760	1,760
5 December 2007	794	1,564
19 December 2007	799	1,685
17 January 2008	853	1,908
30 January 2008	773	1,730
14 February 2008	769	1,814
27 February 2008	818	1,756
12 March 2008	793	1,861
26 March 2008	766	1,897
9 April 2008	760	1,958
23 April 2008	788	1,885
7 May 2008	777	1,768
21 May 2008	776	1,776
4 June 2008	723	1,788
18 June 2008	735	1,750
<b>Total</b>	<b>19,482</b>	<b>44,668</b>

Since 4 February 2008, the following criteria have been used to select additional expressions of interest from the pool. Where these criteria have been used for selection, they have been applied in the following order.

- 1 An expression of interest that includes 15 points for work experience in an area of absolute skills shortage (in descending order of their points total).
- 2 An expression of interest that includes 10 points for work experience in an area of absolute skills shortage (in descending order of their points total).
- 3 An expression of interest that includes 10 points for a qualification in an area of absolute skills shortage (in descending order of their points total).
- 4 The points total of an expression of interest not meeting any of the above three criteria (in descending order).

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