

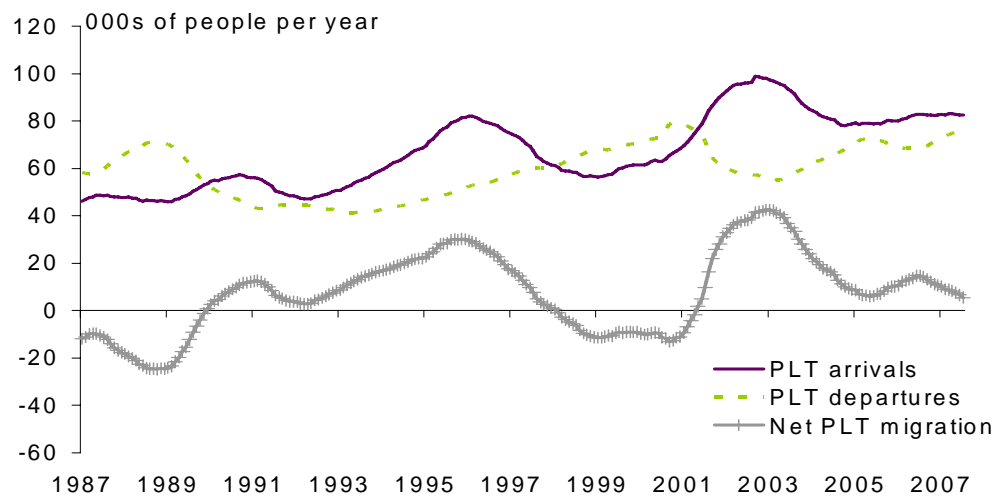


## Migration At a Glance

### Summary

- There was a net migration inflow of 5,500 in the year to December 2007, down from 14,600 a year earlier.
- Net migration is characterised by a large inflow of non-New Zealanders, which offsets a net outflow of New Zealand citizens.
- Annual net migration gains have been falling for over a year, from a peak of 14,800 in November 2006.
- The fall in net migration was mainly driven by more departures of New Zealand citizens, notably to Australia, as well as fewer New Zealand citizens returning from overseas. This was partially offset by a small increase in arrivals of non-New Zealanders over the same period.

PLT total arrivals, departures, and net migration, 1987-2007



Source: External Migration, Statistics New Zealand

- Departures of New Zealand citizens to Australia have risen in the last year, and are up nearly 70% over the last four years.
- We expect that net migration will continue to decline in the short-term as the underlying factors driving departures are unlikely to change.
- A special topic on the labour market outcomes of recent migrants to New Zealand is included in this Quarterly Migration Update.



## QUARTERLY MIGRATION UPDATE - DECEMBER 2007

### Introduction

This report examines trends in permanent and long-term (PLT) migration using data collected by Statistics New Zealand from arrival and departure cards. These data cover migrants intending to stay or leave for a year or more. This analysis is supported by data from the Household Labour Force Survey and 2006 Census of Population and Dwellings about labour market outcomes of recent migrants to New Zealand.

### Large decline in net migration inflows

Net migration for the year to December 2007 has declined to 5,500, after reaching a peak of 14,800 in the year to November 2006. This figure is also much lower than net migration figures a year ago of 14,600.

The decrease in annual net migration inflows over the last 12 months primarily resulted from more departures of New Zealanders<sup>1</sup> (up 8,000), notably to Australia (up 7,100), and fewer arrivals of returning New Zealanders (down 1,000). This increase in outflow has been partially off-set by an increase in the inflow of non-New Zealanders (up 900).

Net migration inflows have now been falling for more than a year, following a gradual rise in the 13 months prior to that. It is also currently the lowest since late 2001. As net migration inflows are influenced by volatile trends in arrivals and departures, they fluctuate considerably and tend to have long cycles. As shown in Figure 1, current net migration trend is similar to other points in the migration cycle over the past 20 years.

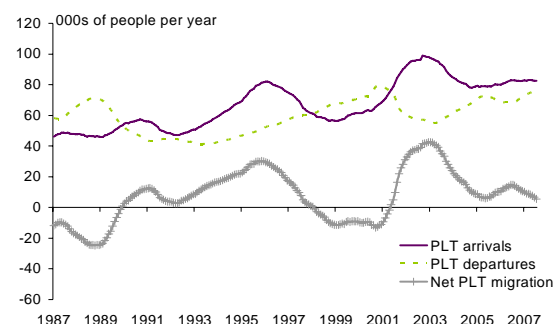
Net migration inflows are currently below the long-term average of around 10,000. The underlying factors driving increased departures, particularly to Australia, are likely to persist in the coming months. Therefore, it is possible that net migration will continue to decline in the year ahead.

### Slight rise in arrivals of non-New Zealanders

Compared to other OECD countries, New Zealand's migration trends are characterised by large volumes of departures (notably of New Zealanders) and arrivals (notably of non-New Zealanders).

In the year to December 2007, there was a net outflow of 32,700 New Zealanders, which was offset by a net inflow of 38,800 non-New Zealanders.

Figure 1: PLT total arrivals, departures, and net migration, 1987-2007



Source: External Migration, Statistics New Zealand

<sup>1</sup> In this report 'New Zealanders' refers to New Zealand citizens, regardless of the country of birth.



The number of returning New Zealanders was fairly steady over time. However, it fell slightly to 23,000 in the year to December 2007, from 24,000 in the year before.

Arrivals of non-New Zealanders increased over the same period. The increase was due mainly to increased arrivals from Asia. In particular, arrivals from South Asia, notably from India, were strong, rising by 49% to 4,800 in the year to December 2007 from 3,200 a year before.

### **Increase in departures of New Zealanders to Australia**

Departures of New Zealanders to Australia constitute 67% of total departures in the year to December 2007. Departures of New Zealanders to Australia increased sharply to 37,100 in the year to December 2007, up from 30,000 a year earlier. The net outflow to Australia for the year to December 2007 was also the highest for a December year since 1988.

Of the total departures to Australia in the year to December 2007, 81% of departures were made by those born in New Zealand. Departures of people not born in New Zealand were born in a variety of countries. The skill level of New Zealanders departing to Australia is broadly representative of the New Zealand workforce, while the skill levels of arriving immigrants tend to be higher than the national average. This means that, should current trends persist, migration may contribute to an increase of the average skill level of the labour force over time. The trends and drivers of New Zealanders migrating to Australia is explored in the special topic of the Quarterly Migration Update for September 2007.

Departures of New Zealanders to United Kingdom/Ireland constitute 16% of total departures in the year to December 2007. Departures to the United Kingdom/Ireland also experienced a slight increase to 9,000 in the year to December 2007, up from 8,800 a year before.

Departures of non-New Zealand citizens increased marginally over the past year. This was mainly due to a small increase in departures of non-New Zealand citizens to Australia and United Kingdom/Ireland.

### **Labour market outcomes of recent migrants to New Zealand**

Migrants make up an increasing proportion of new entrants into the New Zealand labour market, making up 13% of New Zealand's labour force in the year to December 2007. The Household Labour Force Survey provides information on the labour force status of all people who were born overseas and who have been resident in New Zealand for 10 years or less. This is a wider group than permanent and long term migrants who have come to New Zealand through specific immigration programmes.

On average between 2001 and 2007, the labour force participation and employment rates of recent migrants have been increasing, particularly for new migrants who have been in New Zealand for 0-2 years. There was also a corresponding fall in the unemployment rates of recent migrants over the past 6 years, particularly for migrants who have been in New Zealand for 0-2 years.



In the year to December 2007, the average labour force participation rate for recent migrants<sup>2</sup> was 67.8%, slightly below the annual average labour force participation rate for New Zealand as a whole (68.6%). Recent migrants also had a higher unemployment rate (5.2%) compared to the annual average rate for New Zealand as a whole (3.6%). Although the labour market outcomes of new migrants tend to be below that of the New Zealand average, outcomes quickly improve to be similar to the New Zealand average with length of time in New Zealand.

Migrant labour market outcomes differ depending on length of time in New Zealand. As shown in Table 1, participation in the labour force is highest for migrants who have been in New Zealand for 3-5 years. The unemployment rate is also considerably lower for migrants who have been in New Zealand for 3 years or more than for migrants who have been in New Zealand for 2 years or less. This suggests that migrants take some time to adjust to the New Zealand labour market. Previous studies showed that this differed by migrants' country of origin due to factors such as qualifications, proficiency in English language and transferability of their skills<sup>3</sup>. In addition, labour market outcomes tend to be particularly strong for skilled migrants, with surveys by the Department of Labour showing very high job uptake by skilled migrants (90% for principal applicants).

Table 1: Labour force status of recent migrants by years of arrival in New Zealand

Year to December 2007	Years since arrival in New Zealand			0-10 Years	New-Zealand average
	0-2 Years	3-5 Years	6-10 Years		
Unemployment Rate (%)	7.9	4.5	3.7	5.2	3.6
Labour Force Participation Rate (%)	65.0	71.2	66.5	67.8	68.6
Employment Rate (%)	59.9	68.1	64.0	64.3	66.1

Source: Household Labour Force Survey, Statistics New Zealand

The 2006 Census<sup>4</sup> provides information on the labour force status of migrants born in different regions. In 2006, migrants born in sub-Saharan Africa<sup>5</sup> had the highest labour force participation rate of any migrant group at 78%, which is also above the participation rate for New Zealand as a whole. Migrants born in North-East Asia<sup>6</sup> had the lowest labour force participation at 51% in 2006. This may be due to the large proportion of people from this region who come to New Zealand to study.

In 2006, migrants born in North Africa and Middle East<sup>7</sup>, and North-East Asia had unemployment rates that were considerably higher than the rate for New Zealand as a whole, at 13.2% and 11.5% respectively. On the other hand, migrants born in North-West Europe had an unemployment rate of 3.1% in 2006, lower than the national average. This may be due to the difference in migrant pathways for migrants born in different regions. Some

<sup>2</sup> In this report 'recent migrants' refers to those born overseas who have been resident in New Zealand for ten years or less.

<sup>3</sup> Boyd, Caroline. March 2003. *Migrants in New Zealand: An Analysis of Labour Market Outcomes for Working Aged Migrants Using 1996 and 2001 Census Data*.

<sup>4</sup> Data from the 2006 Census covers all migrants regardless of length of time in New Zealand.

<sup>5</sup> Typically, a large proportion of migrants from Sub-Saharan Africa are from South Africa (over 70%), followed by Zimbabwe and Somalia.

<sup>6</sup> Typically, just under half of migrants from North-East Asia are from People's Republic of China. Other countries immigrants typically come from include Republic of Korea, Hong Kong Special Administrative Region, Taiwan and Japan.

<sup>7</sup> Countries of origin for migrants from North Africa and Middle East Region include Iraq, Iran, Egypt and Israel, among others.



migrants born in Africa and Middle East may come from refugee pathways and will take longer to attach to the labour market.

The unemployment rate is much lower for those who have been in New Zealand between 3-5 years, compared to those who have been in New Zealand for less than 2 years, regardless of the region of origin. However, differences in labour market outcomes by length of time in New Zealand were seen for migrants born in different regions. While the labour force participation rates of migrants from North Africa and the Middle East, Sub-Saharan Africa and all the Asian regions increased with length of time in New Zealand, it decreased for migrants from North-West Europe and The Americas.

The 2006 Census also provides information on the occupations in which migrants were employed. On average, a larger proportion of migrants from North-West Europe and The Americas were employed in more highly-skilled occupations such as Managerial and Professional occupations in 2006, than migrants from other regions as well as the New Zealand average.

The occupational profile of migrants by length of residence in New Zealand differs for migrants born in different regions. The proportion of migrants from North Africa and the Middle East, Sub-Saharan Africa and all the Asian regions employed in highly-skilled occupations (such as Managers and Professionals) tended to increase with length of time in New Zealand. The opposite trend appears to be the case for migrants from North-West Europe and The Americas where the proportion of migrants employed in highly-skilled occupations decreased with length of residence in New Zealand.

Overall labour market outcomes for migrants are very good and have been improving over time. On average between 2001 and 2007, the labour force participation and employment rates of recent migrants increased, particularly for new migrants. This is significant for the labour market given migrants' contribution to the working-age population and the labour force.



## APPENDIX: PLT MIGRATION DATA

**Table 1: Permanent and long-term migration by region and country of last/next permanent residence (number of people)**

Years to December	PLT arrivals		PLT departures		Net PLT migration	
	2006	2007	2006	2007	2006	2007
<b>Oceania</b>	<b>19,499</b>	<b>19,548</b>	<b>35,790</b>	<b>43,436</b>	<b>-16,291</b>	<b>-23,888</b>
Australia	13,306	13,636	34,015	41,634	-20,709	-27,998
Fiji	2,590	2,786	333	276	2,257	2,510
Samoa	1,569	1,450	446	494	1,123	956
Tonga	921	711	229	194	692	517
<b>Asia</b>	<b>20,487</b>	<b>22,939</b>	<b>9,104</b>	<b>9,306</b>	<b>11,383</b>	<b>13,633</b>
China, PR	4,271	4,207	2,443	2,391	1,828	1,816
India	2,743	4,232	618	656	2,125	3,576
Japan	3,192	2,659	1,404	1,440	1,788	1,219
Korea, Republic of	1,896	2,068	1,825	1,861	71	207
Malaysia	1,413	1,547	462	524	951	1,048
Philippines	2,533	3,374	134	148	2,399	3,226
Singapore	612	631	383	437	229	194
Taiwan	818	902	326	321	492	581
Thailand	920	1,004	385	376	535	628
<b>Europe</b>	<b>30,262</b>	<b>26,888</b>	<b>15,627</b>	<b>16,448</b>	<b>14,635</b>	<b>10,440</b>
France	799	894	448	538	351	356
Germany	2,283	2,447	773	797	1,510	1,650
Ireland	1,227	1,214	970	898	257	316
United Kingdom	22,695	19,381	11,760	12,276	10,935	7,105
<b>Americas</b>	<b>6,422</b>	<b>6,550</b>	<b>4,758</b>	<b>4,769</b>	<b>1,664</b>	<b>1,781</b>
Canada	1,615	1,569	1,440	1,542	175	27
United States	3,636	3,540	2,596	2,494	1,040	1,046
<b>Other<sup>a</sup></b>	<b>6,062</b>	<b>6,647</b>	<b>2,844</b>	<b>3,122</b>	<b>3,218</b>	<b>3,525</b>
South Africa	1,850	2,127	380	330	1,470	1,797
<b>Total</b>	<b>82,732</b>	<b>82,572</b>	<b>68,123</b>	<b>77,081</b>	<b>14,609</b>	<b>5,491</b>

Source: External Migration, Statistics New Zealand

Notes: <sup>a</sup> includes those whose country of last/next permanent residence was not stated