

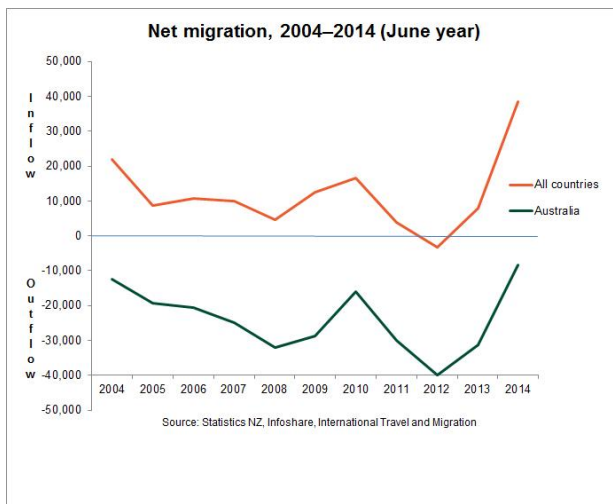


Immigration

Migration trends are crucial to New Zealand's development. New Zealand is a very mobile society and is particularly dependent on global travel and migration flows. The annual combined totals of short-term visitors entering and New Zealanders leaving the country matches the country's population. In the 2000s, in terms of residence, New Zealand experienced both the highest rate of immigration and the highest rate of emigration within the developed world.

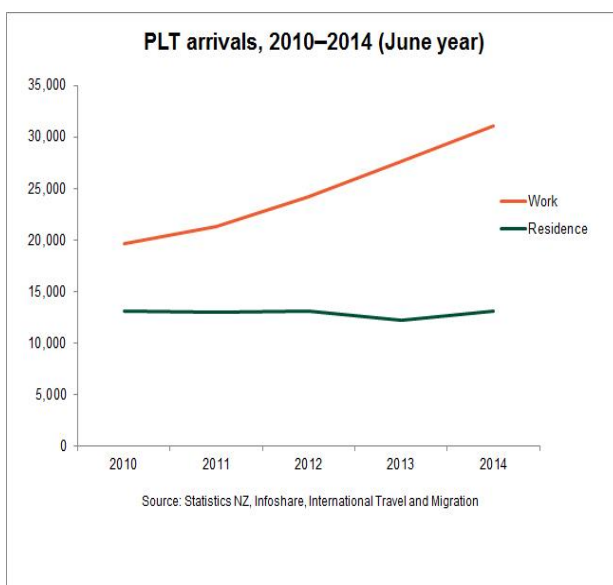
Trends

Vital recent developments are that the net outward flow to Australia has diminished greatly and immigration from Asian countries, and particularly from China and India, has strengthened considerably. This is against a background in recent years of static numbers of those arriving for residence combined with substantial increases in those arriving on longer-term work visas.

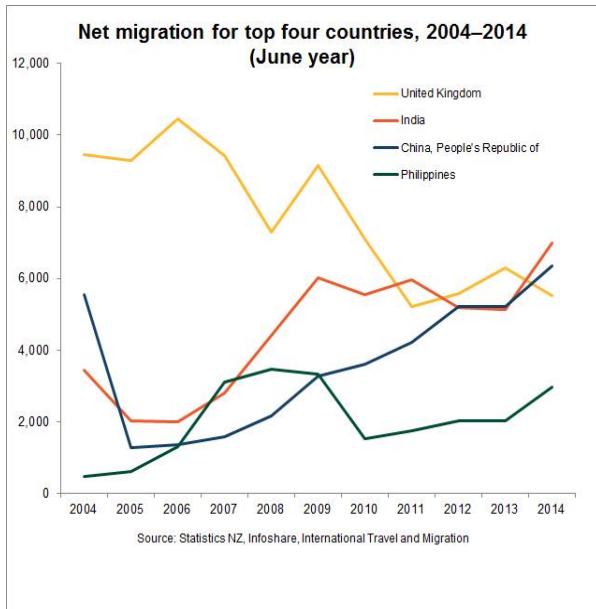


The [Migration Trends](#) report summarises the current situation. In the year to June 2014 more than 100,000 (100,800) people migrated to New Zealand, a figure not attained before. Departures declined substantially to 62,400. The overall net gain of 38,300 was the largest since 2003 and is above current Reserve Bank projections.

The annual net loss to Australia declined to a low level (8,300) and is expected to become a net gain before too long. For the month of June 2014 Australia–New Zealand outward and inward flows were in balance.



The substantial net migration in recent months has caused the highest population growth in the last decade. There have been strong inflows in the 20 to 34 year age group and for those on temporary work visas. The numbers on long-term (12 months or more) temporary work visas have increased markedly while permanent and long-term residence arrivals have been flat. The United Kingdom, India and China are the leading countries on temporary work visas. Those on Working Holiday Scheme visas have increased markedly in the last decade, reaching 57,626 in 2013/14. The numbers on international student visas, having declined previously, rose considerably to 73,510. China (27%) and India (19%) are the largest contributing countries.



In the year to June 2014 India, China, the UK and the Philippines made the greatest net migration contribution to New Zealand. India and China have just overtaken the UK (see graph). The number of resident visas tapered off in recent years but has increased substantially to 44,008 in 2013/14, as indicated in the [Migrant Trends](#) report. More than half (52.1%) of the total are in the Skilled/Business stream and another 40.3% in the Uncapped and Capped Family Streams. The Skilled Migrant Category comprised 46.1% of the total. It experienced a substantial increase in the last year as a flow-on effect to residence of the increase in Essential Skills temporary workers. China has recently overtaken the UK as the largest source country overall (17%) with India at 14% and the UK at 12% of approvals.

Immigration policy

The parameters of policy set in the 2000s have been maintained, with some fine-tuning. There is now a two-year target of 90,000 to 100,000 places for residence, replacing the previous three-year target. There has been increasing emphasis on the Skilled Migrant Category, a tightening of the Family stream, and a rejuvenation of the Business scheme. However, immigration policy has a limited impact compared to varying economic conditions and fluctuating flows of migrants globally and between Australia and New Zealand. Permanent and long-term migration is greatly influenced by the movement of New Zealanders. Flows can change in scale and direction very quickly. If return migration gains momentum its implications will be “immense” because 15% of New Zealand’s population lives in Australia. It is especially important to understand these patterns and how they shape the economy and society.

The future

After a period during the recession when there was a net migration loss, New Zealand is now experiencing an increasing net migration gain. This change is expected to be reinforced by the need for skills for the Canterbury rebuild and by a trend towards New Zealanders returning from Australia. The forecast is for the net migration gain to increase as New Zealand recovers from the recession. The impact of these flows on the labour market may restrain wage growth.

Migration’s contribution to population growth is likely to increase in future as natural increase decreases steadily as New Zealand’s population ages. A substantial inflow of migrants will boost economic activity but will also increase inflationary pressure due to its impact on consumer demand and housing and house prices. It will also accelerate the rapidly developing diversity of society. One quarter of the population in 2013 was born in another country. New Zealand has been described as “increasingly, a country with multiple ‘national’ identities and values.” There remains a tension between New Zealand’s global migration integration and views about the development of New Zealand society.

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