BRIEFING

Immigration Policy Priorities, and Data and Evidence

Date:	9 November 2017	**Priority:**	Medium
Security classification:	In Confidence	**Tracking number:**	0902 17-18

Action sought		
	Action sought	**Deadline**
Hon Iain Lees-Galloway **Minister of Immigration**	**Discuss** your priorities and timing preferences on further policy briefings with officials.	14 November 2017
Hon Kris Faafoi **Associate Minister of Immigration**	**Copy** attached for your information.	14 November 2017

Contact for telephone discussion (if required)				
Name	**Position**	**Telephone**		**1st contact**
Ruth Isaac	General Manager, Labour and Immigration policy	04 901 3883	s 9(2)(a) [redacted]	
Siân Roguski	Manager, Immigration Policy	04 901 3855		✓

The following departments/agencies have been consulted

Minister's office to complete:

- ☐ Approved
- ☐ Noted
- ☐ Seen
- ☐ See Minister's Notes
- ☐ Declined
- ☐ Needs change
- ☐ Overtaken by Events
- ☐ Withdrawn

Comments

MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

BRIEFING

Immigration Policy Priorities, and Data and Evidence

Date:	9 November 2017	**Priority:**	Medium
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Purpose

Attached are two documents which build on the introductory briefing on the Immigration Portfolio you received on 26 October.

(1) *Immigration Policy Priorities,* which sets out the range of outcomes sought from the immigration system, key challenges, and our initial assessment of how we can support you to develop and implement your policy priorities. It also sets out a proposed sequencing of policy briefings for your agreement.

(2) *Introduction to the Immigration System - Data and Evidence,* which provides background information on visa approval data and trends, labour market data and trends, and detail on how the immigration system is funded.

These documents are intended to provide you with further detail on the immigration system, to support a discussion with you on your priorities and direction for the immigration policy work programme.

Recommended action

The Ministry of Business, Innovation and Employment recommends that you:

a **Discuss** your priorities and timing preferences on further policy briefings with officials.

Agree/ Disagree

Ruth Isaac
General Manager
Labour and Immigration policy

9 / 11 / 17

Hon Iain Lees-Galloway
Minister of Immigration

..... / ...... / ......

Attachment One: Immigration Policy Priorities

MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HIKINA WHAKATUTUKI

SUPPORTING YOU TO IMPLEMENT YOUR IMMIGRATION POLICY PRIORITIES

DISCUSSION WITH THE MINISTER OF IMMIGRATION

November 2017

The Purpose of this Slide Pack

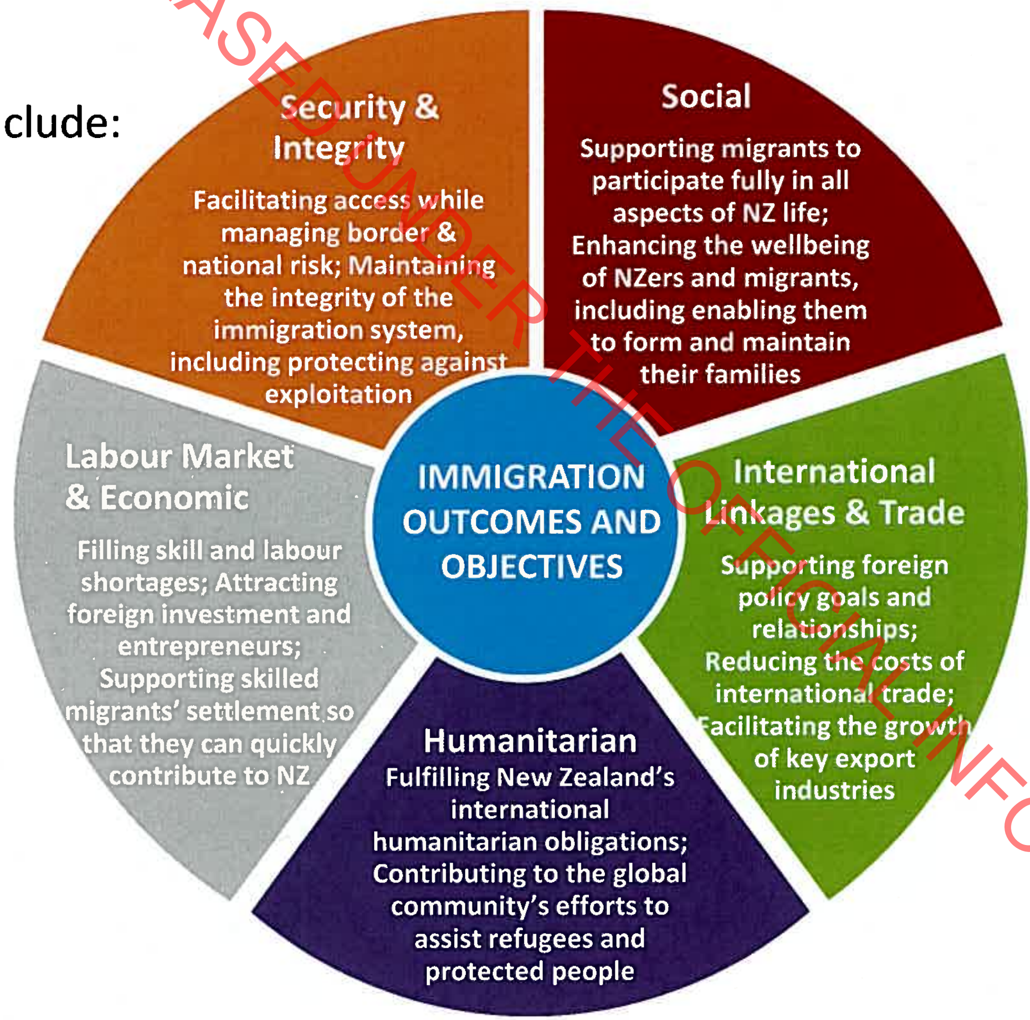
This pack is intended to support a discussion with you about your priorities for the policy work programme with a focus on:

- **the range of outcomes sought from the immigration system and objectives that are balanced to achieve these**
- **key challenges and opportunities**
- **how we can support you to develop and implement your policy priorities, and**
- **policy work underway that may support your policy priorities.**

An accompanying slide pack, *Introduction to the Immigration System – Data and Evidence*, provides background information on visa approval data and trends, labour market data and trends, and detail on how the immigration system is funded.

There is a broad set of desired immigration outcomes

These include:



- These multiple objectives need to be balanced to ensure that they do not work against each other, or against wider objectives, for example, by managing impacts on infrastructure and housing and ensuring that New Zealand workers are not disadvantaged.

- Getting the settings right – so that they adjust and balance the various objectives optimally and effectively – is a challenge which requires ongoing monitoring and review.

- New Zealand's attractiveness as a destination for migrants is influenced by a host of settings wider than immigration policy, for example the strength of the economy and access to quality health and education.

There are challenges across the immigration system...

- **Managing local impacts and attitudes towards immigration**

New Zealanders generally support immigration but there are **some indications that public acceptance of immigration has reduced**. This is partly driven by concerns that the **rapid growth in immigration may leave public services and wider infrastructure struggling to keep up with demand**. The labour market has absorbed increases in labour supply brought about by immigration, but **infrastructure investment can be slow to adjust.** Difficulties in effectively absorbing population growth, including consequential impacts on transport and housing, may be impacting particularly on Auckland. Public acceptance of (or the "social licence" for) immigration policy settings is critical to be able to continue to attract skilled labour, capital and entrepreneurial skills, and pursue FTAs and multilateral treaties to benefit New Zealand exporters and investors. Maintaining the social licence is likely to require **ensuring that immigration does not unduly disadvantage specific groups of New Zealanders, or specific regions, by managing the local impacts.**

- **Ensuring that the inflow of international students does not undermine wider immigration policy objectives**

The number of international students seeking to work and live in New Zealand has increased significantly in recent years. Many study sub-degree courses that allow both in-study and post-study work rights, and have poor employment outcomes that do not improve over time. This large injection of lower-skilled labour, without the checks and balances that exist for other foreign workers, has the potential to **crowd out younger New Zealanders or those on the edge of the labour market, create a large group of workers who are particularly vulnerable to exploitation, and take places in the residence programme at the expense of more skilled workers.**

- **Managing security and compliance risks in the changing global context**

The system has managed well to-date with pressure on visa and border processing capability from increasing passenger volumes and changes in the make-up of visitors, driven by the strong tourist market in particular. The Vision 2015 business transformation programme has provided technology and business processes to deliver a more customer-focused service to visa applicants, and a biometric capability. **New Zealand needs to remain responsive to current and emerging issues, given unprecedented people movement, displaced people and illegal migration, and people trafficking globally.** There are opportunities to improve the regulatory system to better manage risk, ensure compliance and make the most of new technology. Regular review is needed to ensure that the system is properly funded to deliver immigration services and ensure compliance into the future.

...and particular challenges relating to skills

- **Mitigating the downward drift in skill levels of both permanent and temporary migrants**

The composition of migrants matters for delivering good economic outcomes. While migrants to New Zealand are relatively skilled compared to migrants in other OECD countries, the number of temporary migrants who have the ability to work in New Zealand has increased significantly in recent years and most of this growth has been in people working in lower-skilled and lower-paid sectors (including farming, tourism, hospitality and retail). Recent changes to the Skilled Migrant Category and temporary work visa settings were aimed at preventing workers with no pathway to residence becoming settled in New Zealand, but will not affect the volume of migrants in other categories, in particular working holiday makers. **Attracting highly-skilled migrants is essential to maximise the labour market benefits of migration and to ensure a net benefit to New Zealanders from migration in the long-term.**

- **Coordinating the immigration, education and welfare systems to address skill mismatches and skill and labour shortages**

The immigration system is not as well aligned with the wider skills and welfare system as it could be. For example, adding an occupation to the immigration skill shortage list does not trigger a specific response from either industry, or the welfare or education systems, to develop the pipeline of New Zealanders for these roles. Operationally, improvements could be made to the process for labour market testing, including the Skills Match Report (a frontline tool for labour-market tested visa applications, which operates between MSD and Immigration New Zealand).

- **Balancing the need for migrants to fill labour and skills shortages in particular regions and sectors, with ensuring New Zealand workers are not disadvantaged**

Due to both labour and skills shortages, some regions and sectors have had to rely on migrant labour to grow. **High reliance on migrants could blunt the usual labour market signals** (e.g. reduce the incentives on employers to increase wages and employ and train locals, and could support unproductive business models) and a long-term dependence on migrant labour could potentially impact New Zealand's economic resilience. **Working with sectors, regions and cities towards sustainable solutions to labour and skill needs will be required to address these issues.**

You have a range of levers to influence the system

Some levers have immediate effects on the number and types of people who can be granted visas. Other levers, such as settlement services and compliance activities, have impacts that are harder to measure. It is important to ensure that the different settings complement each other and that the integrity of the wider system is taken into account when deciding whether to use a particular lever.

Primary legislation, for example:
- Creating or amending immigration offences and penalties for individuals, employers and education providers

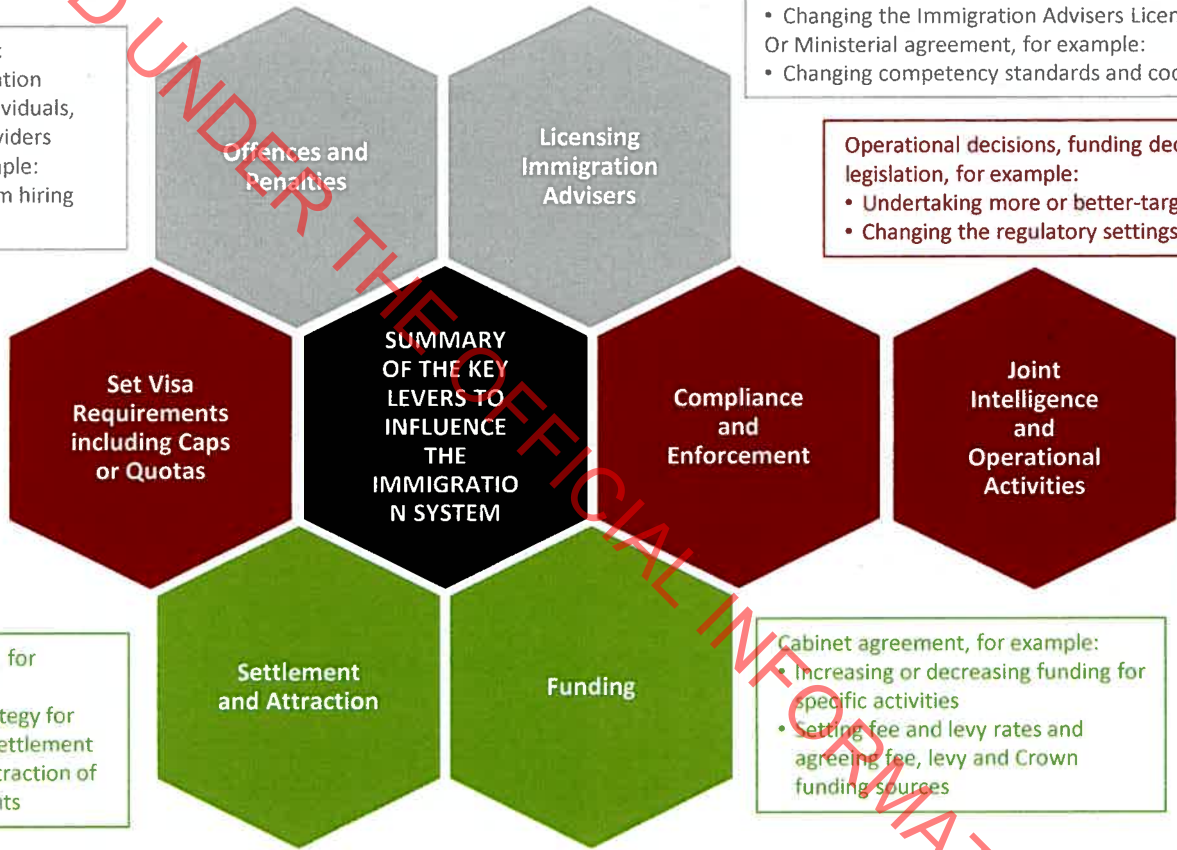
Or Cabinet agreement, for example:
- Standing down employers from hiring foreign workers

Primary legislation, for example:
- Changing the Immigration Advisers Licensing Act

Or Ministerial agreement, for example:
- Changing competency standards and codes of conduct under the Act

Operational decisions, funding decisions or changes to legislation, for example:
- Undertaking more or better-targeted activities
- Changing the regulatory settings for compliance

Immigration Instructions, following Cabinet agreement, for example:
- Requirements for grant of a visa
- Conditions on visa holders
- Requirements on sponsors or employers
- New Zealand Residence Programme planning range



Primary legislation, for example:
- Changing information-sharing protocols

Operational decisions, for example:
- Making a judgment on applications where a potential risk to national security has been identified

Cabinet agreement, for example:
- Changing the strategy for the provision of settlement services or the attraction of high-value migrants

Cabinet agreement, for example:
- Increasing or decreasing funding for specific activities
- Setting fee and levy rates and agreeing fee, levy and Crown funding sources

A wider set of levers need to be aligned on some issues

For some areas in particular, government agencies need to coordinate operational and policy activities (driven by joint decisions by Ministers), so that there is a common focus and consistent approach and levers across government are used to maximum effect.

This is the case for achieving many border and national security interests, including countering human trafficking and migrant exploitation, and for international education. This will be critical for delivering on KiwiBuild.

We work closely with other portfolios such as Workplace Relations and Safety, Employment, and Tourism and other agencies such as the Ministries of Education, Social Development, Foreign Affairs and Trade, Justice, and the Treasury, as well as Border Agencies.

We are ready to support you to implement your priorities

We understand that your manifesto and coalition agreement commitments seek to:

- **Cut down on low-quality international education courses**
- **Ensure work visas issued reflect genuine skills shortages**
- **Make changes to resident visa settings, the refugee intake and Pacific migration, and**
- **Take serious action on migrant exploitation**

We can advise you on options and impacts, and develop any required changes for Cabinet agreement in the first instance and consequential amendments to Immigration Instructions.

The following slides step through our understanding of your immigration policy commitments, including providing some preliminary policy questions and matters to consider ahead of further policy development. We are particularly interested in understanding whether there are some commitments that you want to prioritise for development in the immediate term, over others for development in the medium term.

Changes to settings for international students

Your specific commitments include:

- Stop issuing student visas for courses below a bachelor's degree which are not independently assessed by the TEC and NZQA to be of high quality
- Limit the ability to work while studying to international students studying at Bachelor-level or higher. Those below that level will have the ability to work only if it is approved as part of their course
- Limit the "Post Study Work Visa - Open" after graduating from a course of study in New Zealand to those who have studied at Bachelor-level or higher.

We understand that the intent of the changes is to ensure that the international education system is focused on quality education for genuine students and does not provide a back door to residence for lower-qualified international students.

These changes would potentially impact on the viability of some tertiary providers, including some Crown-owned institutions, and may impact New Zealand's international competitiveness in this market. Technically, the changes to post-study work visas could be implemented relatively easily through changes to immigration instructions. The proposed changes to quality and in-study work rights settings will need to be carried out in close consultation with education agencies, including the Ministry of Education and the New Zealand Qualifications Authority, which is responsible for the quality assurance of courses and providers.

To make progress on your priorities, we will need to work through with you a number of policy questions, including:

- How do the current forecasts for declining student numbers impact on the extent of further changes required?
- What should the definition of 'high quality' include - just the educational capability of the provider, as currently, or a wider assessment of a course or provider's quality, explicitly related to international education?
- To what extent, if at all, do Ministers want to mitigate the impacts on different groups e.g. current students, or certain types of providers e.g. Polytechnics?

A briefing will be provided on International Education settings and your immigration policy choices in the week of 20 November.

Changes to settings for temporary workers

Your specific commitments include:

- Actively manage the Essential Skills in Demand Lists with a view to reducing the number of occupations included on those lists and requiring industries to have a plan for training people
- Develop regional skill shortage lists in consultation with regional councils and issue visas that require the visa holder to live and work within a region that is relevant to their identified skill
- Implement a KiwiBuild visa for the construction industry
- Ensure visas are only issued when a genuine effort has been made to find Kiwi workers and require employers to have offered rates of pay and working conditions that are at least the market rate
- Review the accredited employers system to make sure it is operating properly

We understand that the intent of these changes is to reduce the numbers of migrants coming to fill underpaid low-skilled jobs, and to focus on genuine regional and sectoral skills needs. We understand that you have some concerns about the recent Essential Skills visa changes.

We would like to discuss the Essential Skills visa changes implemented in August 2017. These changes were intended to be the first tranche of wider work planned to reform the Essential Skills visa category, the largest category to which the labour market test (LMT) applies. Work currently underway is looking at the immigration needs for specific sectors and regions.

To make progress on your priorities, we will need to work through with you a number of policy questions, including:

- How should we balance policy settings to manage long-term settlement expectations of temporary migrants?
- Do you intend to institute changes to the LMT only as it applies to Essential Skills visa applicants, or more widely?
- How can we improve the process for establishing skills shortage lists and how they are used?
- What is the role of the education and welfare systems in responding to skill and labour shortages?
- How will the KiwiBuild visa interface with existing temporary work pathways for construction workers?

A briefing will be provided on the settings for temporary work visas in the week of 20 November. Briefings on the KiwiBuild visa will be provided alongside other aspects of the KiwiBuild policy, expected in November.

Changes to the refugee quota and Pacific migration

Your specific commitments include:

- Increase the refugee quota to 1500 over three years and review, and adequately fund and support, the family re-unification scheme for refugees
- Establish a Pacific Immigration Pacific Plan that recognises people who have been displaced by climate change to ensure they have options for mobility across the region
- Review the family reunification categories and Pacific quota and establish a Ministerial Advisory Group to examine the outstanding immigration issues with Pacific countries.

We understand that the intent of these changes is to increase New Zealand's contribution to global and regional humanitarian and development efforts.

Some aspects of an increased refugee quota can be implemented relatively easily; the Mangere Refugee Resettlement Centre has been rebuilt and additional accommodation capacity is already planned. Providing settlement services is an all-of-government activity which makes it more challenging.

The Immigration Pacific Plan and Pacific labour mobility proposals involve complex issues. We will need to work in partnership with the Ministry of Foreign Affairs and Trade as we develop a response to these issues.

To make progress on your priorities, we will need to work through with you a number of policy questions, including:

- How to stage the increase to the refugee quota and whether to consider alternative resettlement regions within New Zealand which may be necessary, bearing in mind current challenges with locating adequate housing in particular?
- What should be the design, membership and scope of the Ministerial Advisory Group on Pacific migration?
- To what extent should New Zealand's response be aligned to international and regional dialogues, such as those around climate mitigation and planned resettlement?

Briefings will be provided on increasing New Zealand's contribution to global humanitarian efforts in the week of 20 November, and Pacific migration by March 2018.

Changes to settings for residence migrants

Your specific commitments include:

- Introduce an Exceptional Skills Visa
- Make changes to the Skilled Migrant Category points for study and work in New Zealand and for age
- Increase the minimum investment required to $5 million for the Investor Visa and $15 million for the Investor Plus Visa and require investment in Government-issued infrastructure bonds
- Double the minimum investment period to 8 years for the Investor Visa and 6 years for the Investor Plus visa with residence only available after that period if investment criteria are met
- Offer faster pathways to residence for investors who make additional productive investments that help to grow businesses and create jobs.
- Establish a fit-for-purpose settlement programme based on international best practice and which is designed with local communities and government agencies and which will be required to address the adjustment needs of migrant as well as local communities.

We understand that the intent of these changes is to ensure that residence settings are focused on the skills, people and investment we need to make New Zealand more prosperous.

Changes to the Investor Category and Skilled Migrant Category have recently been implemented that increase the level of investment required, incentivise more active investment and increase the skill level of skilled migrants. Further changes could be implemented through changes to immigration instructions.

To make progress on your priorities, we will need to work though with you a number of policy questions, including:

- What are the specific issues which the Exceptional Skills visa is intended to address i.e. what skills or barriers would be the focus?
- How to manage the risks that changes to investor settings deter potential investors and to ensure that we do not crowd out other forms of active investment?
- When should changes be brought in and how will this impact the size and composition of the residence programme?

Initial advice on how these commitments could be progressed will be provided by February 2018.

Changes to prevent migrant exploitation

Your specific commitments include:

- Increase the number of, and resourcing for, Labour Inspectors who are responsible for enforcing employment law and prosecuting breaches
- Ensure that Labour Inspectors are located in areas with high levels of migrant labour.
- Review the system of cost deductions from migrants' wages and ensure that the rules are rigorously enforced.

We understand that the intent of these changes is to ensure that migrant workers are effectively protected from bad employers.

There are a number of current initiatives to prevent migrant exploitation. These are coordinated through the cross-MBIE Migrant Exploitation Prevention Strategy and include Immigration New Zealand's Employer Investigation Unit, which is focused on investigating claims of exploitation and working to educate employers on their obligations.

Labour and Immigration Policy are working with Employment Services (Labour Inspectorate) and Immigration New Zealand to strengthen the current approach to the prevention of migrant exploitation. Work underway to support your objectives includes:

- Implementing your commitment to ensure that all foreign workers in New Zealand are covered by New Zealand employment law
- Development of budget bids for Budget 2018 looking at options for increasing compliance, including more employer-focused resources and services across Immigration New Zealand and Employment Services, and
- Revising and expanding the Plan of Action to Prevent People Trafficking.

To make progress on your priorities, we will need to work through with you a number of policy questions, including:

- What should the particular areas of focus or priority be e.g. international students?
- What is the role of enforcement versus changes to policy and regulatory settings?

A briefing will be provided on the prevention of migrant exploitation by March 2018 (this will be informed by any decisions taken prior to this on relevant budget initiatives).

Proposed sequencing of policy briefings

Further information and advice on specific parts of the immigration system could be provided rapidly, to support initial discussions on your coalition commitments and wider immigration policy priorities.

We would also like to engage with you on work which is underway, to determine if this should progress and, if so, with what scope and timing.

A schedule of briefings is proposed on the following slides for your agreement.

Proposed briefings – highest priority

Briefing	Timing to test with you
1. Review of Immigration Funding Good regulatory practice is for third party (fees and levies) funding levels to be reviewed on a periodic basis (every two to three years), to confirm the funding principles for activities and ensure that these are sustainably funded through an appropriate mix of Crown and third party revenue. Funding for the immigration system, which predominantly comes from fees and levies, was last reviewed in 2015. [redacted] s 9(2)(f)(iv)	**Week of 13 Nov**
2. International Education: immigration and labour market considerations This briefing will provide evidence on the impacts of international students on the immigration system and the labour market and support an initial discussion on the scope of a review of work rights and post study work settings for international students.	**Week of 20 Nov**
3. Changes to settings for Temporary Workers In August 2017, changes were implemented to the Skilled Migrant Category (residence) and Essential Skills temporary work visa policy. Officials have been working on a second phase of reviewing the Essential Skills visa to continue to improve the contribution that temporary migration makes to the labour market. We would like to engage with you as to whether you wish to continue with this work, either within the current scope or an amended scope to support your immigration policy priorities. There are also decisions required on the Recognised Seasonal Employers Scheme cap for 2017/18.	**Week of 20 Nov**
4. Increasing New Zealand's contribution to global humanitarian efforts This briefing will set out New Zealand's current refugee and humanitarian-focused policies and support an initial discussion about the current three-year Refugee Quota Programme (2016/17-2018/19), the reallocation of the 150 refugee places within the 2017/18 Refugee Quota which Australia has indicated they do not wish to utilise and on increasing the size of the refugee quota. We would also like to engage with you on the implementation of the pilot of Community Organisation Refugee Sponsorship Category (MBIE is running a Cabinet-mandated Request for Applications process for selection of community organisations to become sponsors of refugees and support their settlement, closing in November).	**Week of 20 Nov**
5. Immigration international and trade update This briefing will provide context for New Zealand's previous free trade agreement-related immigration commitments, and provide an update on current negotiations.	**Week of 27 Nov**

Proposed briefings – second tranche

Briefing	Timing to test with you
6. Reviews of family residence categories We are currently reviewing the Parent, Partnership and Dependent Child policies. The reviews are intended to ensure that the family categories enhance the wellbeing of New Zealanders, while managing any social, fiscal and operational risks. This briefing will test whether you wish to continue with this work, either within the current scope or an amended scope to support your immigration policy priorities.	**Dec 2017**
7. Border security: context and strategic direction This briefing will provide context for any future decisions relating to the border system, Border Sector Governance Group, Border 5 (including Australia, UK, US, Canada), the New Zealand Border operating model, or related issues.	**Dec 2017**
8. Regulatory stewardship and compliance This briefing will provide an overview of the immigration regulatory system, including the current compliance strategy.	**Dec 2017**
9. Changes to settings for residence migrants This briefing will provide initial advice on how any outstanding commitments (i.e. not already being addressed through work relating to international education or temporary workers for example) could be progressed.	**Feb 2018**
10. Changes to settings for Pacific migration This briefing will provide initial advice on your Pacific focus manifesto commitments, including regionally-focused migration solutions to climate change issues.	**Mar 2018**
11. Preventing migrant exploitation This briefing will provide an overview of current work to prevent migrant exploitation and provide initial advice on how these efforts could be ramped up.	**Mar 2018**

Attachment Two: Introduction to the Immigration System – Data and Evidence

Introduction to the Immigration System – Data and Evidence

Immigration Briefing for the Incoming Minister, November 2017
Supporting document

MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

Contents

MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

New Zealand immigration system and appropriation

Immigration New Zealand business activity 2016/17

[1,893 staff, including 547 offshore]

INZ processes visa applications . . .

In 2016/17, INZ decided around **800,000** visa applications involving **1.09 million*** people, including:

- 32,000 residence visa applications (89% approved)
- 402,000 visitor visa applications (92% approved)
- 242,000 work visa applications (93% approved)
- 118,000 student visa applications (90% approved)

* Most visa applications can include secondary applicants.

INZ also received 1.5 million phone and email enquiries to the Contact Centre (over 4,100 per day on average).

. . . and controls New Zealand's borders

During the same financial year, INZ also:

- Prevented 3,578 people from boarding aircraft for New Zealand due to various immigration concerns
- Denied entry to 1,207 individuals at New Zealand's border because they did not meet entry criteria
- Deported 737 people, with a further 1,437 departing voluntarily
- Resettled 1,017 mandated refugees in New Zealand

Immigration Appropriation 2017/18

$305.6m

Regulation of immigration advisors $2.6m

Policy advice and related services $7.5m

Immigration services $295.5m

• Assessment and processing services	208.7m
• Integrity and security of the NZ Immigration system	42.0m
• Settlement and integration of refugee and other immigrants	35.2m
• Services for the attraction of immigrants	9.6m

Migrants fund most of the appropriation

Revenues from application fees and levies (most paid by migrants, a small portion paid by employers) will contribute around $236.8 m to 2017/18 immigration system costs—around 77% of total costs.

Immigration data – measures and trends

There are 3 commonly used data measures

Visa holders: a measure of individuals in the immigration system
Source: MBIE

- Total number of visa holders of a particular type of visa in the system.
- Some kind of time frame (a number of years) is often used to avoid counting immigrants who have been in NZ for a very long time.

Visa approvals: a measure of INZ operational activity
Source: MBIE

- This measure captures the number of visa approvals granted in a given time period (usually calendar or financial year).
- Visa approval figures may count visas and thus include only principal visa applicants (one person per visa), or approval figures may be given for the total number of people covered by approved visas, which would include secondary applicants—usually partners or dependent children.
- Visa approval settings can be a strong policy lever to manipulate certain categories of inflow, though there is often a time-lag before changes are seen.

Net Permanent and Long Term (PLT) Migration
Source: Statistics New Zealand, published monthly

- PLT net migration measures the number of international travellers (including NZ citizens) who:
  - Arrive in NZ and intend to stay for 12 months or longer and have most recently resided outside NZ for 12 months or more
  - Depart from NZ and intend to stay outside NZ for 12 months or more and have most recently resided in NZ for 12 months or more
- Because PLT migration is based on intention (as stated on departure and arrival cards), it is only indicative.
- Government has only limited control of the flows measured by PLT, as most cannot be easily manipulated through immigration policy settings.

High-level trends

Population

- 25% of people in New Zealand are foreign-born; 40% of those living in Auckland are foreign-born; approximately 50% of PLT migrants settle in Auckland
- Only 80% of people born in New Zealand stay here
- Net PLT Migration is higher than it's ever been, and one of the highest per capita in the OECD

Source countries

- Our top 3 source countries for residence visas and temporary work visas are China, India and the UK, with a steady decline of over 50% from the UK over the past decade
- Our top 3 source countries for temporary student visas are China, India and South Korea
- Of the $3.94 billion invested in NZ by migrants since 2009, 58% was from China, 13% from the US, and 5% from the UK
- 47% of visitors were from China (19%), USA (16%), and the UK (12%)

Workforce

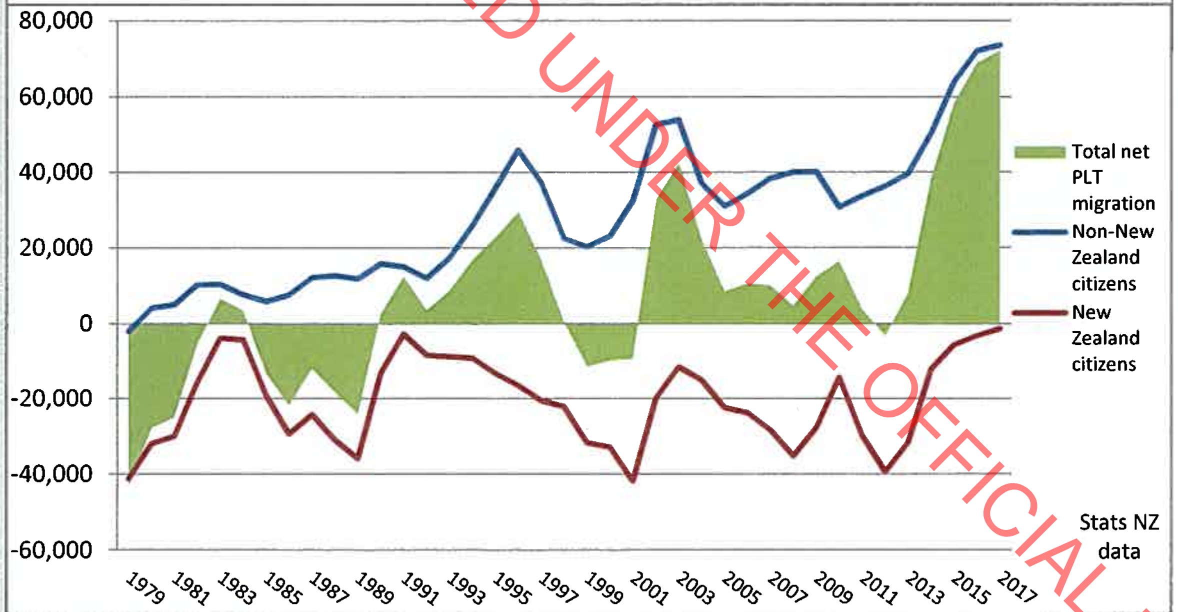
- 27% of the workforce are foreign born; 43% of the Auckland workforce are foreign born
- We currently have around 50,000 international students in the country with limited work rights (usually 20 hours per week)
- Around 20% of work visas currently require Labour Market Testing (Essential Skills and Recognised Seasonal Employment)

New residents

- 70% of immigrants gaining residence are already in the country when they apply
- The New Zealand Residence Programme sets a range for new residence approvals in a two-year band. The target range for 1 July 2016 31 June 2018 is 85,000 to 95,000.

Net PLT migration trends

Annual Net Permanent and Long Term (PLT) Migration (1979 – 2017 – June Years)



The Government's ability to control net PLT migration flows is limited

- The Government cannot control the flows of NZ citizens, or Australian citizens due to the Trans-Tasman Travel Arrangement (free movement).
- The immigration system controls the flows of non-New Zealand citizens, with some medium-to-long-term constraints on that control arising from international and trade commitments the government has agreed to (e.g. working holiday schemes).
- There is generally a lag between changing visa settings and seeing the impact on net migration which makes it difficult to manage net migration to a specific target (because changes generally affect new visas issued, rather than those already issued).

Trends in net PLT migration are related to economic conditions

- Since 2012 high levels of net PLT migration have been driven both by high inflows of non-NZ citizens, and high numbers of returning New Zealanders.
- Net PLT migration tends to be cyclical, and is influenced by relative economic conditions (such as wage differentials) in NZ and Australia.
- When the Australian economy is strong compared to NZ's, there tends to be a large net loss of New Zealanders.
- Unlike many OECD countries, the net migration of NZ citizens has a significant impact on total net PLT migration in NZ. The average net outflow since 1979 of New Zealanders is around 21,000 per year.

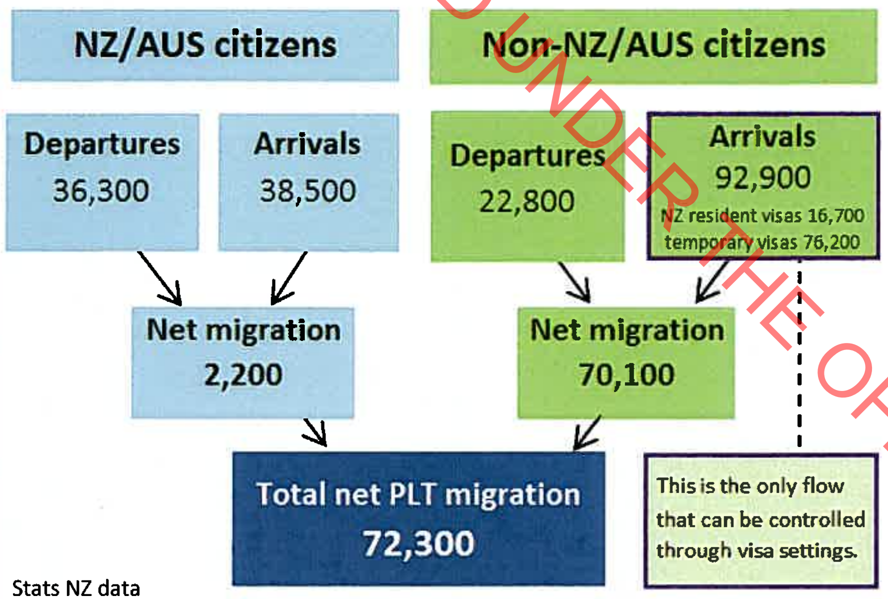
Net PLT migration does not tell the whole story

Net PLT migration is only a partial measure of activity in the immigration system. For example, it does not capture:

- short-term visas granted for less than 12 months-- including most visitor visas and many temporary work and student visas
- most immigrants granted residence in the year residence was granted, as most of them (77% in 2016/17) are already in New Zealand (residents may or may not have been captured in earlier PLT figures)
- the total number of all temporary migrants (including short-term students and workers); these numbers are growing and provide an important additional perspective on the impact of immigration on the NZ population.

Net PLT migration 2016/17

Net PLT migration, year ended June 2017



Stats NZ data

Net PLT migration is currently high, with fewer leaving and more arriving

- In the year to July 2017, net PLT migration was 72,400, the highest recorded, and one of the highest rates per capita in the OECD.
- A quarter of all PLT migrant arrivals were New Zealanders returning from an overseas stay of 12 months or more, and more than half of PLT departures were NZ citizens going overseas for 12 months or more.
- The current high net migration is driven by a number of related factors:
  weaknesses in the current Australian labour market
  - strong NZ labour market (including on-going construction boom)
  - increase in the total inflow of foreign nationals, many of whom are student and work visa holders.
- Only a limited number can be manipulated through changes to immigration policy settings.

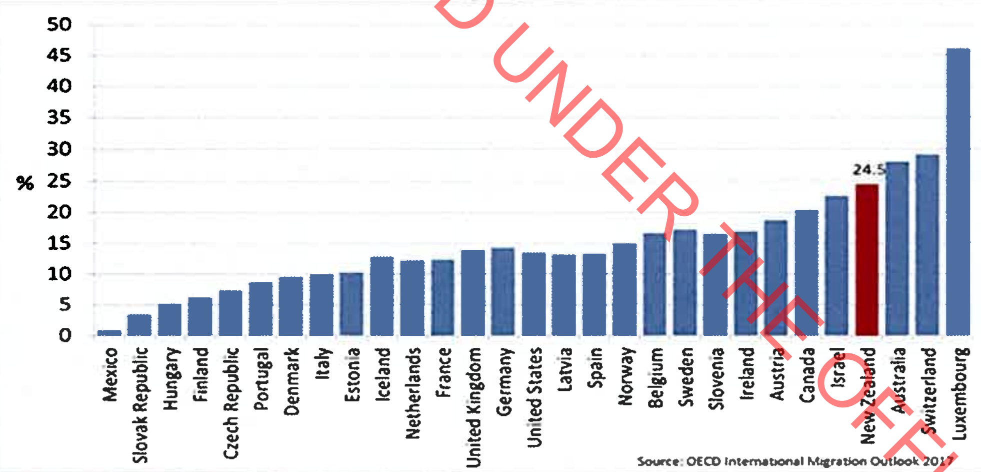
Among 2016/17 non-citizen PLT arrivals, work visa holder numbers show the highest growth rate, while student arrival numbers have fallen

- Work visa arrivals have risen steadily, with 45,000 in the year to June 2017 (up 6,000 from the previous year).
- Residence visa arrivals (16,700) show a small increase from the previous year.
- Student visa arrivals fell after strong growth in 2014 and 2015 (now 24,000, down 3,500 from the previous year).
- China, the United Kingdom and India were the top source countries for net PLT migration. Net migration from India dropped 32 percent on the previous year (driven by fewer students).

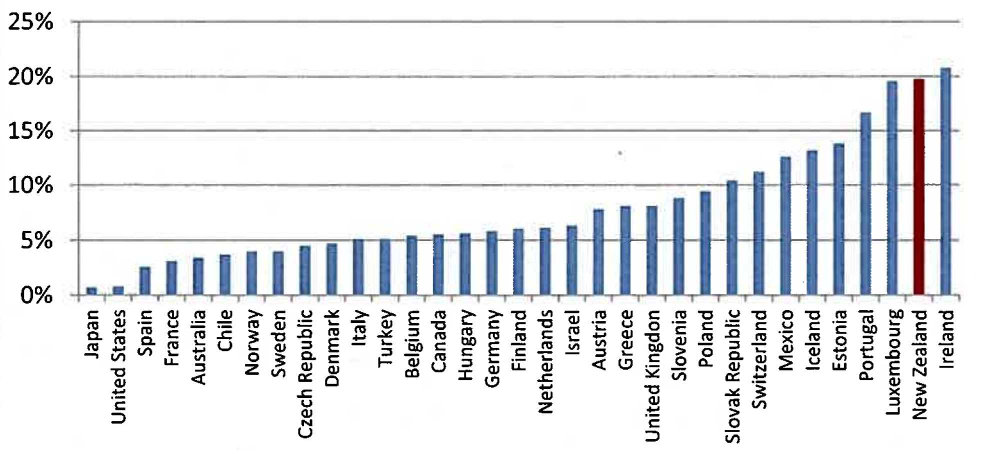
[Note that visa arrivals is not the same figure as visas granted, as many visa applicants are already in the country at the time of application.]

Comparison with other countries—OECD data

Foreign-born share of total population, 2015



Size of diaspora, 2010/11



New Zealand is unique in having both high inflows and high outflows of migrants

Compared with other OECD countries, NZ has a

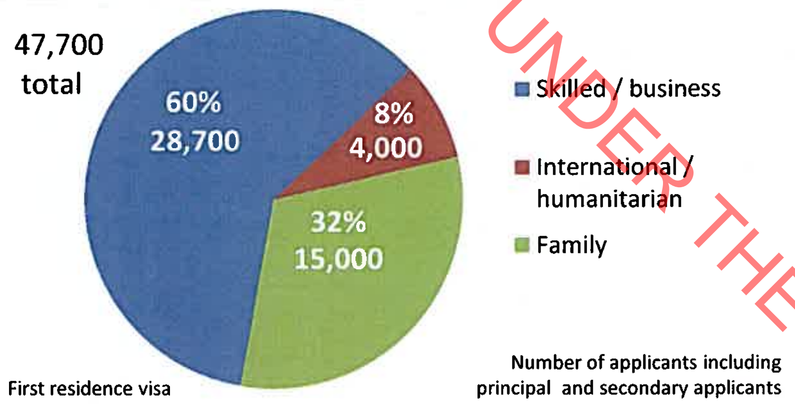
- high rate of foreign-born share of total population
- Large diaspora

Residence class visas overview

There are 3 residence visa streams: business/skilled; family; and international/humanitarian

See Annex 1 for detail on each stream

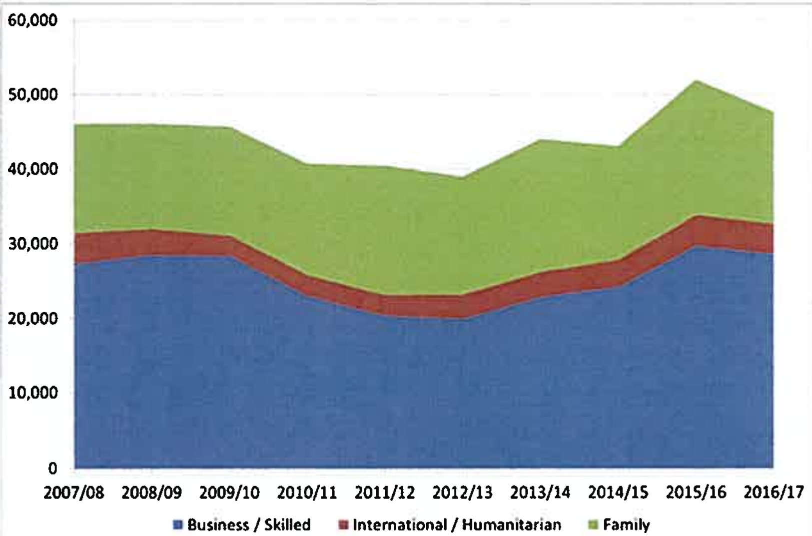
Distribution of 3 residence streams 2016/17



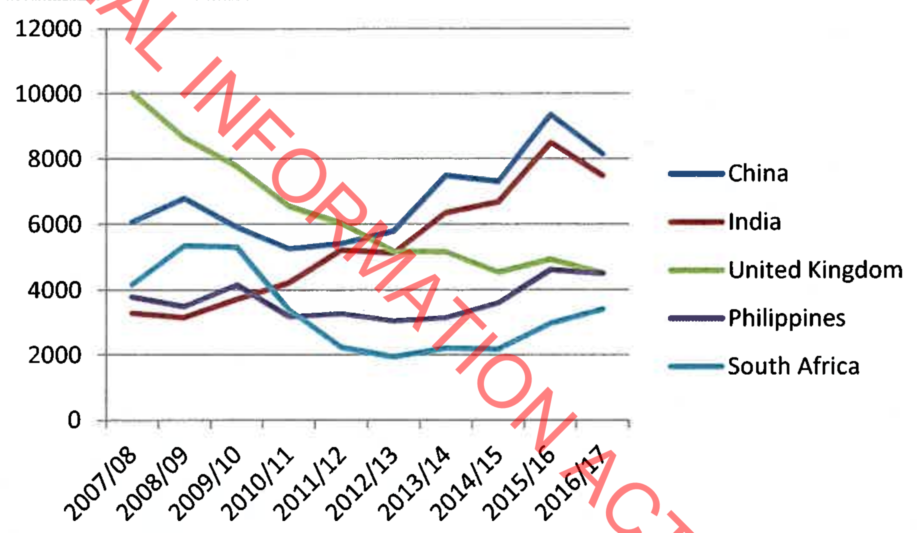
New Zealand Residence Programme (NZRP)

- The NZRP sets a planning range for the total level of residence approvals over a two-year period, as well as a level in each of the three residence streams . The planning range for the period 1 July 2016 to 30 June 2018 is 85,000 to 95,000 (down from 90,000 to 100,000 for the previous two-year period).
- There was a reduction in approvals in all residence categories in the past year, following the changes to planning range and targeted changes to visa settings.
- NZRP does not have a direct link to net PLT migration numbers, as over 70% of residence visas were granted this year to people who were already in NZ.
- Over the past 10 years, around 10% of residents in all resident categories have left NZ within 5 years of gaining residence. In the Skilled/Business category, the rate has fallen steadily within the last 5 years from 23.6% to 10.4%.
- There has been a steady decline in residence approvals from the UK, with increases from all other main source countries over the past three years.

Residence approvals by stream last 10 years



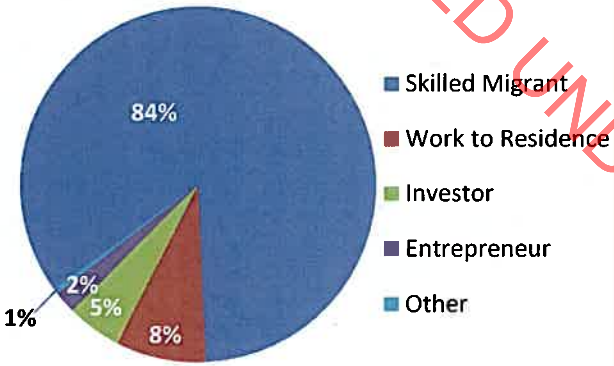
Residence approvals by source country last 10 years



Skilled / Business residence stream

Skilled/Business stream 2016/17

Total: 28,600



2016/17

people approved: 28,600
(down by 3% from last year)

60% of total residence approvals in 2016/17

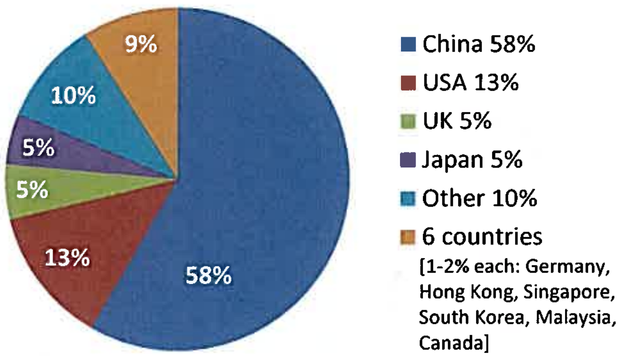
total visa holders: 106,600
(last 5 years)

Top source countries: India (18%), China (17%), Philippines (12%), South Africa (11%), UK (10%)

Investor Category

Committed investment capital by country
since the programme started in 2009

Total $3.94 billion



- To date over 2,100 investors have committed over $6 billion in capital as part of their applications. The total value of investment is much higher if follow-on investment is included (ie, investment not associated with the visa application).
- Committed investment capital includes completed transfers invested in NZ, capital approved for transfer, capital under or awaiting assessment , follow-on investment that can be measured.

Work to Residence Category

- Up 21% from 2015/16, and 37% from 2014/15
- Top occupations recorded in 2016/17 were Chef, University Lecturer and Truck Driver (General).

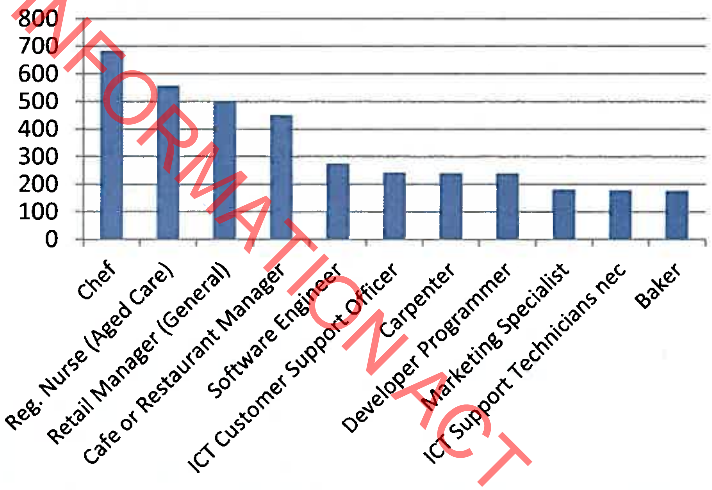
Entrepreneur Category

- Down 30% from 2015/16 numbers, due primarily to tightening of quality control around business plans.

Skilled Migrant Category

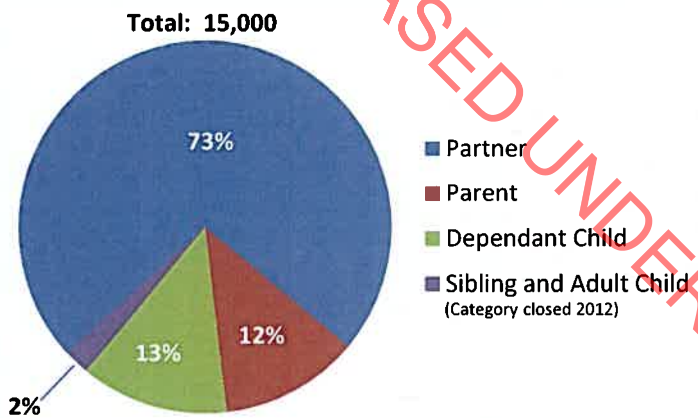
- 89% were already in NZ when they were approved
- 87% had a current skilled job in NZ, and 8% a job offer in NZ (of which 42% were in Auckland)
- 45% of principal applicants had previously held a student visa
- 89% had previously held a work visa, including 53% who held an Essential skills visa

Skilled Migrant Category top ten occupations 2016/17



Family and International/Humanitarian residence stream

Family Stream 2016/17



Note: Because figures include secondary applicants in the category of the principle applicant, the "partner" category also includes the partner's dependent children (11-12% of the category for 2016/17).

2016/17 people approved: 15,000
total visa holders: 62,000 (last 5 years)

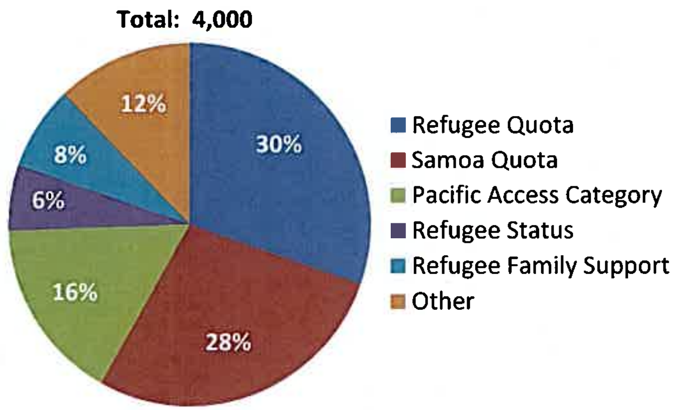
32% of residence approvals in 2016/17

Top source countries: China (21%), India (15%), UK (10%), Samoa (9%)

Stream approvals down by 17% from 2015/16

- Highest ever approvals in Partnership category (up 1% from 2015/16), driven mostly by increase since 2012/13 in skilled migrant approvals
- Significant decreases from 2015/16 in 3 categories:
  - Parent approvals fell by 63% (related to temporary closure of the category)
  - Sibling and Adult Child approvals fell by 57%
  - Dependent Child approvals rose by 17%

International / Humanitarian Stream 2016/17



2016/17 people approved: 4,000
total visa holders: 15,000 (last 5 years)

8% of residence approvals in 2016/17

Top source countries: Samoa (29%), Syria (10%), Myanmar (8%), Fiji (8%), Tonga (8%),

Most stream approvals are capped, with the maximum number approved each year

- Refugee Quota cap: 750 (plus an additional emergency intake of 250 Syrians)
- Samoa Quota cap: 1,100
- Pacific Access cap: 650
- Refugee Family Support cap: 300

Refugee Status and Other categories are not capped.
Some fluctuations occur year to year to adjust delays in processing.

Temporary entry visas overview

There are 3 main categories of temporary visa: work, student, and visitor

See Annex 2 for detail on each category

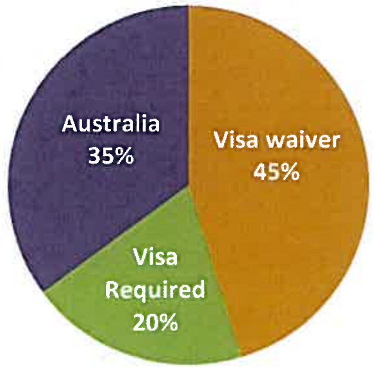
Temporary visa approvals 2016/17

Category	Visas approved	People approved
Work	226,500	209,200
Student	106,700	91,600
Visitor	370,500	641,900
Totals	703,700	942,600*

* Numbers do not add up due to rounding

- Visas approved is the number of applications approved (principle applicants only), and people approved is the number of people approved under the category, including secondary applicants.
- There are many more people than visas in the visitor category due to secondary applicants (including family members and groups such as schools, etc). With workers and students, the people figure is slightly smaller as some will have had more than one visa this year.

Visitor arrivals by permission category 2016/17

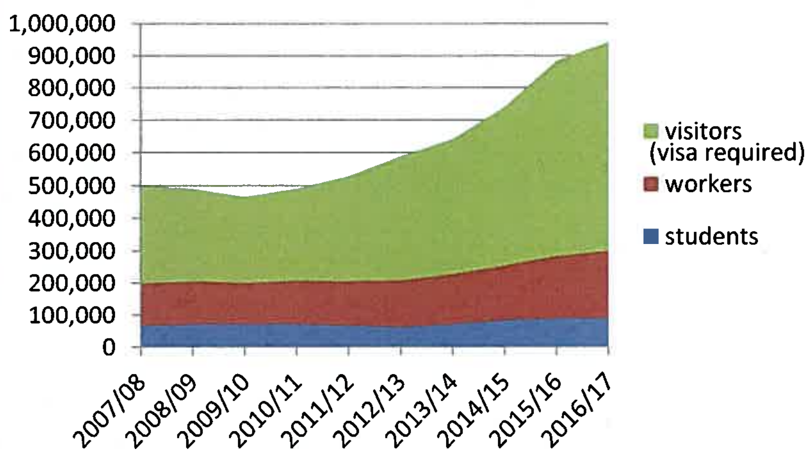


3 million visitors

(excludes New Zealanders who live abroad and come home to visit)

People granted temporary visas by category, last 10 years

including principle and secondary applicants



The vast majority of people entering and leaving NZ are making short trips, and most do not need a visa

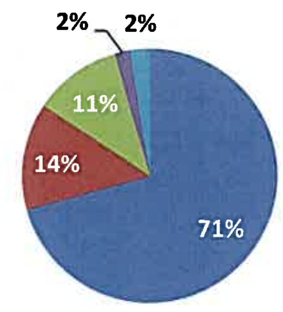
In 2016/17:

- 93% of total arrivals were visitors
- Only 20% of non-NZ visitors needed to apply for a visa
- 47% of non-Australian visitors were from 3 countries: China (19%), USA (16%), UK (12%)
- Australian citizens and residents get a *Resident Visa* on arrival, but are counted in the short-term/visitor statistics (as in pie chart above)

Temporary international student visas

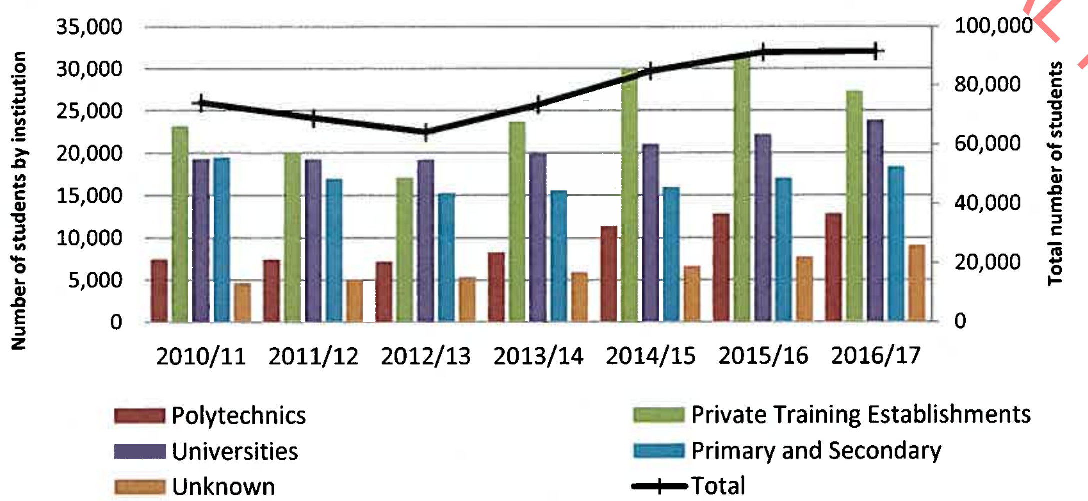
The number of international students in NZ has grown substantially, with almost half coming from China and India

- In 2016/17, 91,600 people were granted student visas; 71% were full fee paying students (FFPs).
- A third (29%) of FFPs granted visas in 2016/17 were studying at private training establishments (PTEs), followed by universities (32%), polytechnics (18%), and schooling (21%).
- New Zealand's largest markets for International Students are China (35%) and India (20%), with much smaller numbers from South Korea, the Philippines, and Japan. China is the primary source country for students in universities and schools, while India has the highest numbers in polytechnics and PTEs.
- In 2016/17, Auckland hosts 53% of all of New Zealand's international students, with Canterbury, Wellington and Waikato combined accounting for 19%.
- New student visas issued for study at PTEs declined in 2016/17 due to increased compliance and policy changes (e.g., English language requirements).
- International education is currently New Zealand's fourth largest export industry, with earnings of $4.6b in 2016.

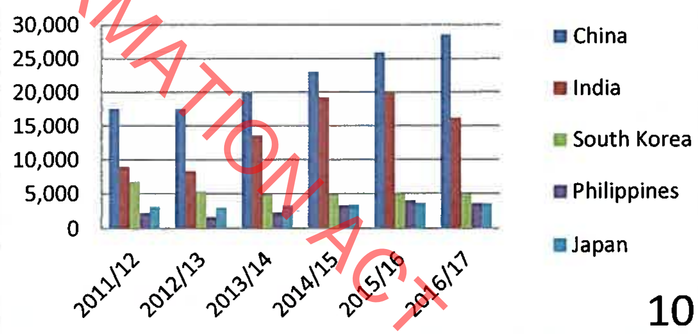


Most students have limited work rights

- If they meet certain requirements, students can work up to 20 hours per week, and full-time during scheduled holidays.
- Just under 50,000 student visa holders have limited work rights: 73% of university students, 87% of PTE students, and 92% of polytechnic students have work rights, though not all will be working.

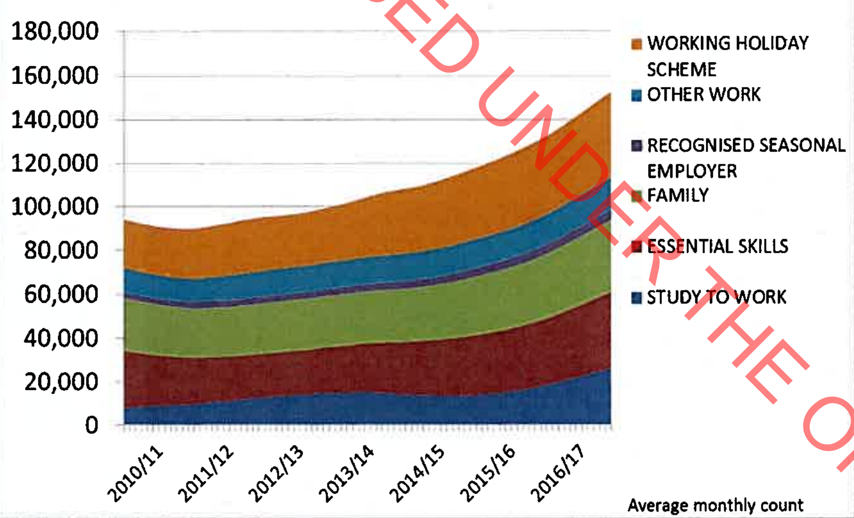


Excludes short-term students on a visitor visa



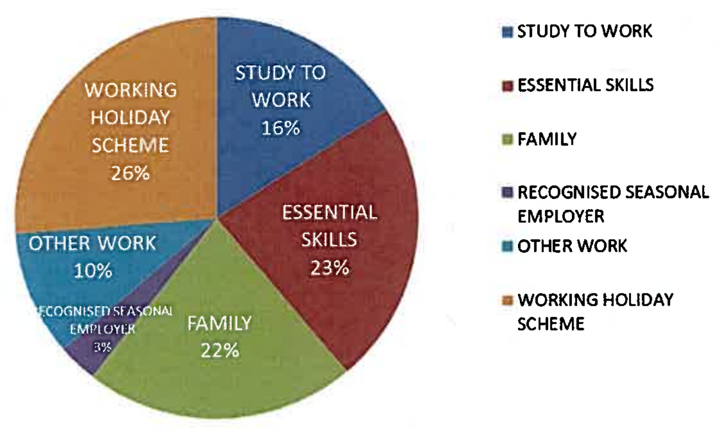
Temporary work visas

People on temporary work visas by category last 7 years



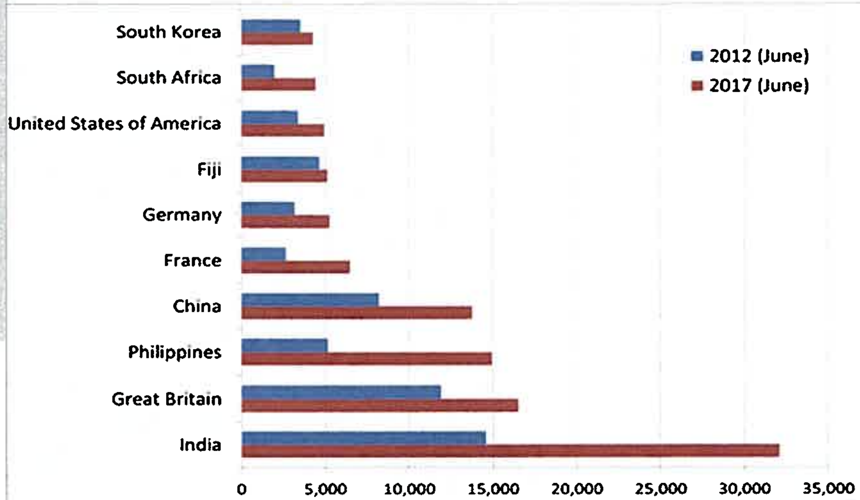
Average monthly count

People on temporary work visas by category 2016/17



Average stock for 2016/17

People granted temporary work visas by top 10 source countries last 5 years



Numbers in all work visa categories are steady or increasing

- Post-study work visas have doubled in just the past two years.
- Working holiday scheme visas have doubled in the last ten years. Surveys indicate these visa holders have a positive net impact on the economy as they spend more money than they earn.
- There has been steady growth in Essentials Skills visa approvals over the past ten years, with the Philippines dominating other source countries during that period, followed by India, the UK and China.
- India dominates other source countries in both new approvals (17% of total in 2016/17) and in total visa holders (see chart at left).

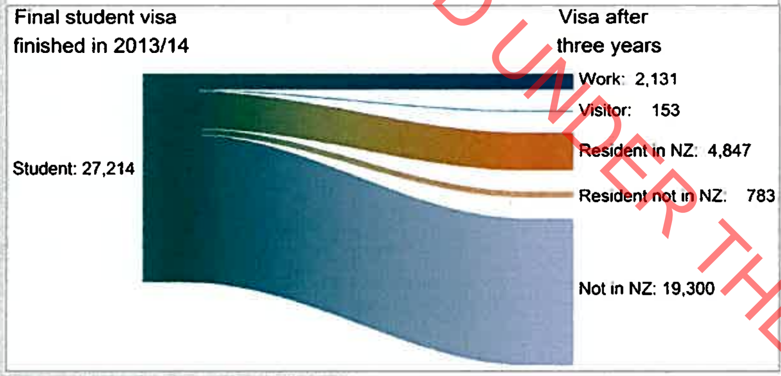
Labour Market Testing

- Around 20% of work visas (Essential Skills and the Recognised Seasonal Employment) require Labour Market Testing to ensure there are no NZ workers available.
- Most work visas have 'open' work conditions, meaning the holder may work in any job.

Just under 50,000 student visa holders, excluded from the statistics on this page, also hold limited work rights (see international student slide).

Temporary visa transitions

Transitions 3 years following final student visa (full fee-paying students)

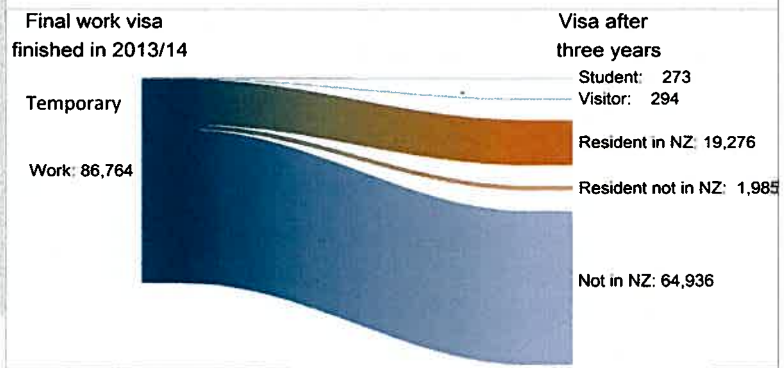


Students transitioning to other visas

In 2016/17, in the 3 years since they ceased holding a student visa:

- 71% were no longer resident in NZ
- 18% had transitioned to a residence visa
- 8% had transitioned to a work visa
- 3% held a valid residence visa but were no longer resident in NZ
- <1% were in NZ on a visitor visa

Transitions 3 years following final temporary work visa

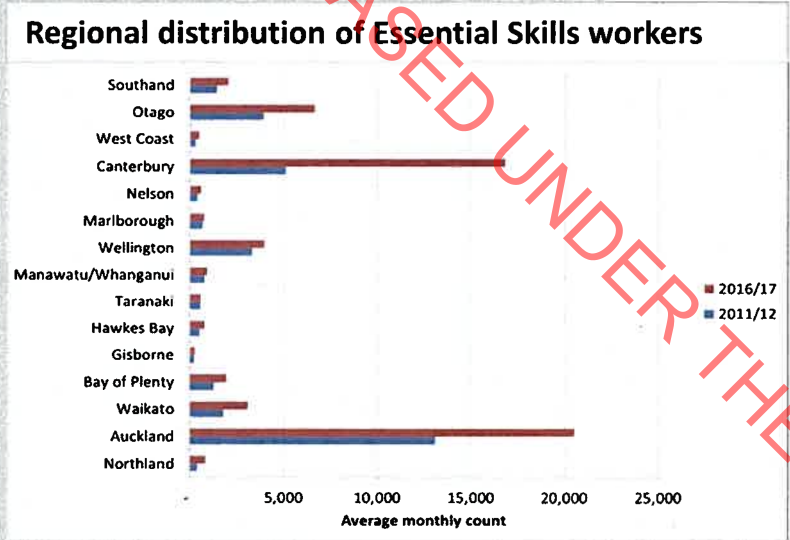


Temporary work visa holders transitioning to other visas

In 2016/17, in the 3 years since they ceased holding a temporary work visa:

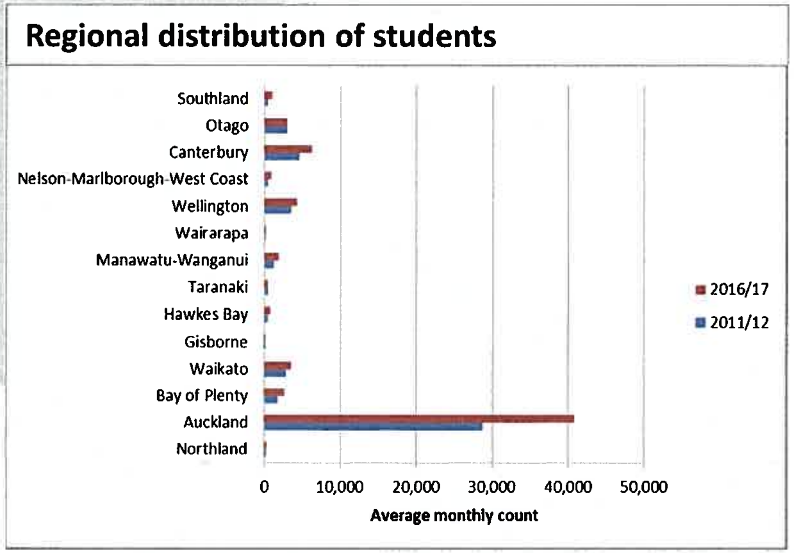
- 75% were no longer resident in NZ
- 22% had transitioned to a residence visa
- 2% held a valid residence visa but were no longer resident in NZ
- <1% had transitioned to a student visa
- <1% were in NZ on a visitor visa
- Just over half of Essential Skills visa holders transition to residence
- <2% of Working Holiday Scheme visa holders transition to residence

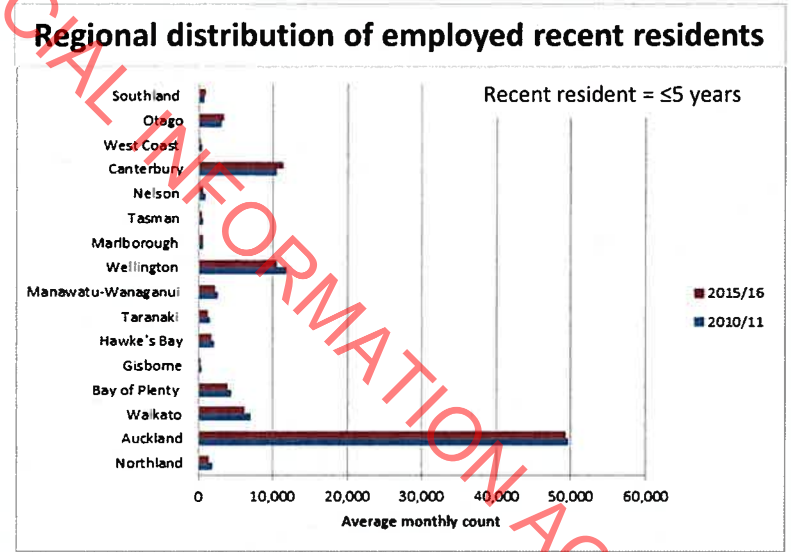
Regional distribution of immigrants



Main regions of settlement vary by visa type

- The highest numbers of Essential Skills work visas are in Auckland and Canterbury (driven by the Canterbury/Christchurch rebuild)
- Almost 50% of all student visa holders are in Auckland
- Half of recent residents are in Auckland, with a further 22% in Wellington and Canterbury combined
- MBIE does not hold information on the regional destinations of visitors to NZ.

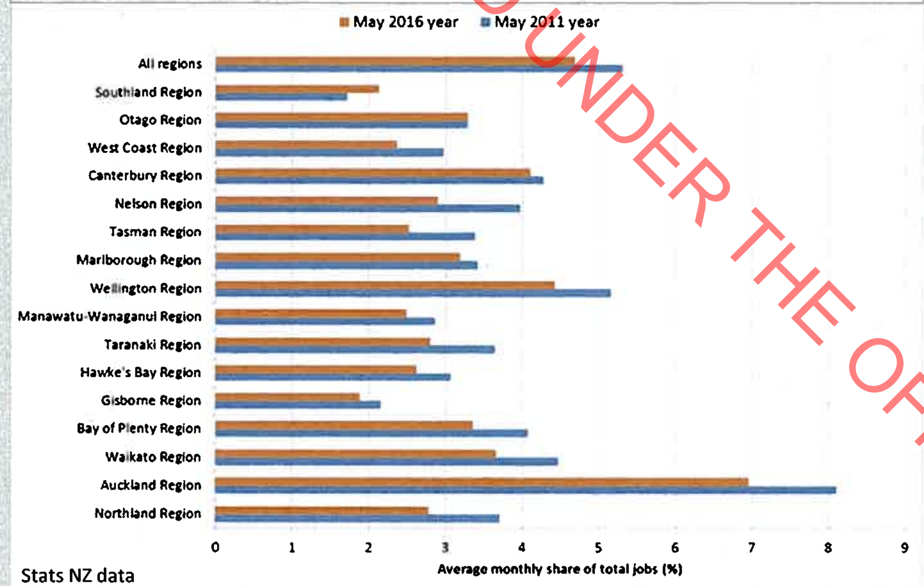




Labour market impacts of recent resident migrants

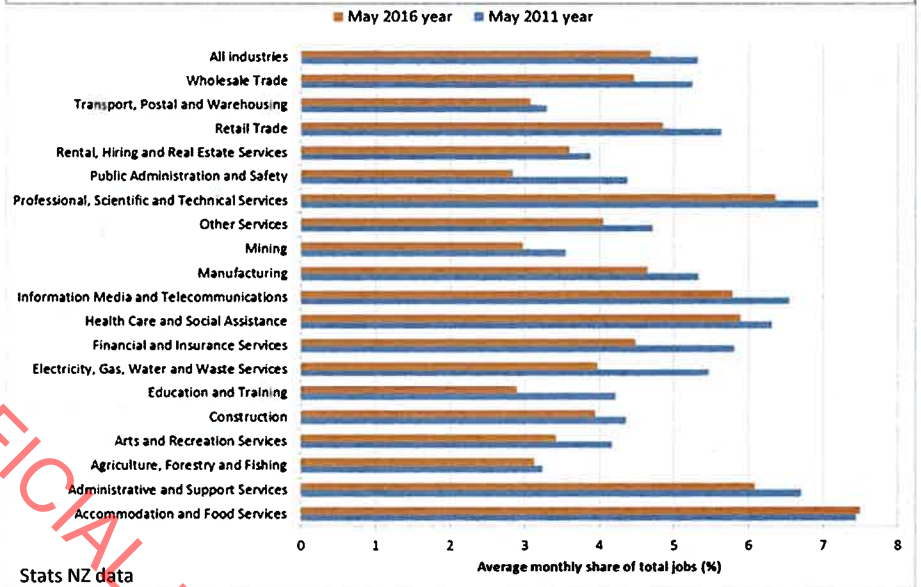
recent residence = ≤5 years, figures exclude self-employed

Percentage of jobs held by recent residents by region



Stats NZ data

Percentage of jobs held by recent residents by sector



Stats NZ data

The share of jobs held by recent residents has decreased over the past five years

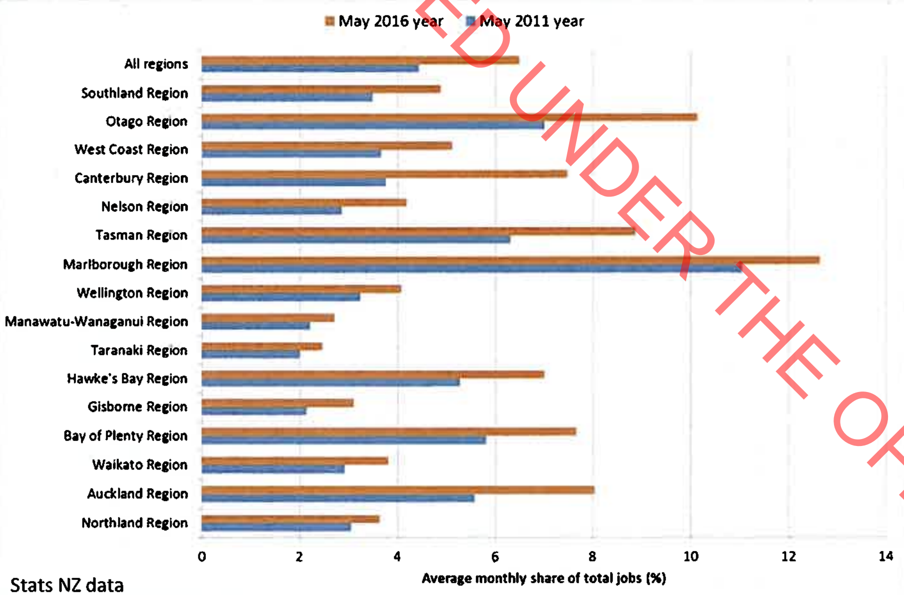
- This decrease in share is the result the increase in the total number of jobs in the economy (around 12%) being larger than the increase in recent residents (around 1%) over the period.
- The regions where migrants hold the highest share of jobs in 2016 are Auckland, Wellington, and Canterbury.
- Migrant workers are found across a range of sectors, but have higher concentrations (over 5%) in only a few sectors.
- The main sectors for resident visa holders are: accommodation and food services; professional scientific and technical services; and administrative and support services. The relatively large share of professional services occupations reflects the large percentage of residents approved under the Skilled Migrant Category.

There is evidence that the skill levels of skilled migrants has reduced over time

- The top five occupations of SMC migrants approved in 2016/17 were chef, aged care nurse, retail manager, café or restaurant manager, and software engineer
- Chefs, retail and café and restaurant managers were amongst the lowest earning occupations in the SMC (around 50% of migrants approved in those occupations in 2012/13 earned less than $35,000 in their first year) There was a 10 per cent drop in the median earnings of SMC migrants from 2003 to 2013 (not inflation adjusted).
- The changes in the occupation and earnings of skilled migrants has been driven by an increase in the number of former international students being approved under the SMC (many international students complete generic business diplomas and are less experienced than other skilled migrants)

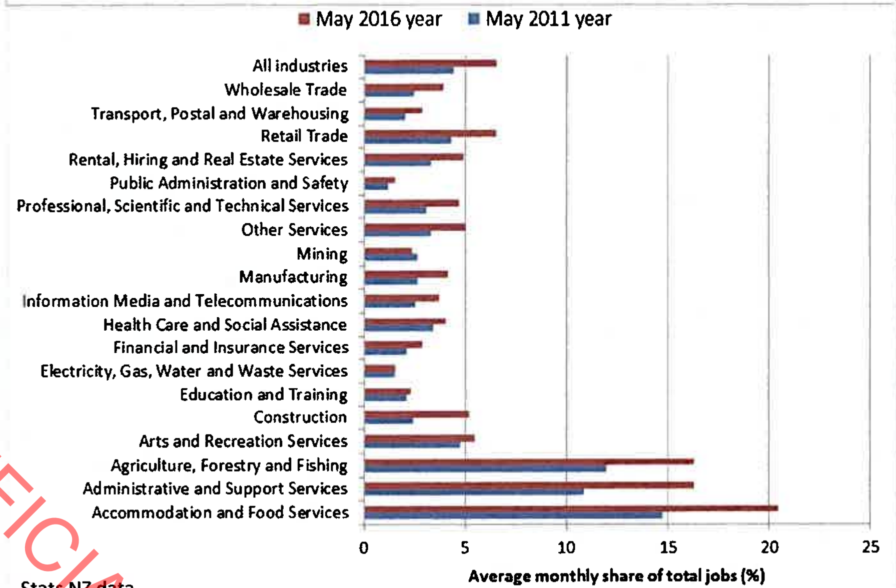
Labour market impacts of temporary migrants

Percentage of jobs held by temporary immigrants by region



Stats NZ data

Percentage of jobs held by temporary immigrants by sector



Stats NZ data

The share of jobs held by temporary migrants has increased over the past five years, particularly in lower-skilled, lower-paid sectors

- The share of temporary workers is particularly high in a few generally lower-wage lower-productivity sectors, including accommodation and food services (21%), administrative and support services (17 %), and agriculture, forestry and fishing (17%), and, in a few regions, especially Marlborough , Otago, and Tasman.
- This long-standing supply of migrant labour to generally lower paid sectors creates risks of:
  - a reduction in the attractiveness to employers of New Zealanders, including beneficiaries and school leavers
  - a reduction to the incentives on employers to offer better wages and/or terms and conditions, including training, and
  - the embedding of low-cost labour models and disincentives to shift to potentially more productive ways of organising businesses,
- While New Zealand research has found no conclusive evidence that migrant workers are displacing local labour or suppressing wages at an aggregate level, there is a possibility that there are some negative impacts at a local and sectoral level. We also cannot definitively say that that migrant workers are not restricting changes to employment that could lead to higher-paid jobs.

We maintain Skill Shortage Lists to help assess when sectors need to call on immigrant skills and labour

There are 3 Essential Skills in Demand lists to facilitate the entry of migrants to fill skill shortages (all lists exempt applicants from a labour market test):

- **Immediate Skill Shortage List (ISSL):** shortage occupations are assessed and listed regionally; no direct pathway to residence.
- **Long Term Skill Shortage List (LTSSL):** occupations are highly-skilled and in global shortage; can provide a pathway to residence.
- **Canterbury Skill Shortage List (CSSL):** developed in response to the changing labour market requirements of the Canterbury rebuild;.

Wider economic impacts of immigration

New Zealand and international evidence on the economic impacts of immigration suggests that:

Immigration increases GDP growth
The increased population caused by immigration results in a larger economy and labour market (i.e. both demand and supply effects)

- In a recent cross -country study the International Monetary Fund (IMF) has estimated that a net migration flow of 1 percent of total population is associated with an increase in output of nearly 1.5 – 2 percent.
- New Zealand research on the macro economic impacts of migration estimated that an average net inflow 20,000 migrants per year (the historical average) would add 437,000 people to the population and increase GDP by $28 billion over the 15 year study period.

However, if demand impacts hit earlier than supply, the resulting inflationary pressure can place upward pressure on interest rates and the exchange rate.

There is no strong evidence that immigration has improved long-run productivity in New Zealand

- The IMF cross-country study found that migration increased output, employment and had little impact on hours worked per person. Output per hours worked (productivity) stayed the same. There was some evidence of a negative impact on capital deepening in New Zealand.
- Research commissioned by MBIE has found a positive correlation between the employment of skilled migrants and a firm's propensity to innovate. However, no direct casual relationship could be established.

Immigration has a positive impact on trade

- At an aggregate level more migrants from a specific country is correlated with increase two-way trade (with a larger impact on imports). However, the evidence at a firm-level is more mixed.

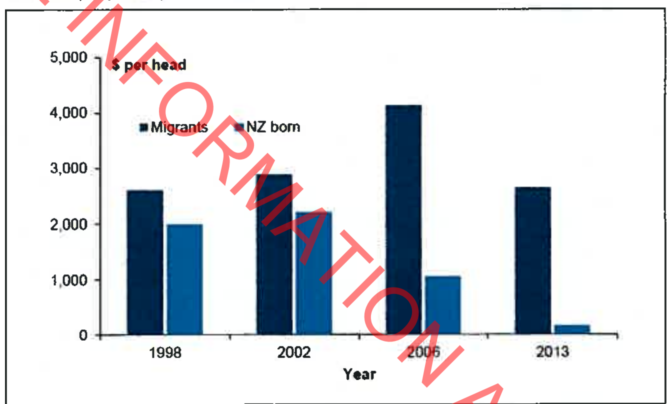
Immigration has a modest positive impact on GDP per capita
Migrants boost demand (i.e. through consumption of goods and services) and are more likely to be working age than locals.

- New Zealand research found that an average net inflow 20,000 migrants per year increased GDP per capita by around 1.8% in total over the 15 year study period. This is consistent with overseas evidence (IMF evidence).

Immigration generally has a positive fiscal impact

- Research commissioned by MBIE on the 2013 census found that migrants' net fiscal impact in 2013 totalled $2.9 billion. This impact was the equivalent of $2,653 per migrant (in contrast the average impact of a New Zealand born person was $172).
- This difference is largely explained by the different age profile of migrants. In 2013, 60 percent of the migrant population was part of the 26 to 64 years age group who tend to be more fiscally positive. For the New Zealand born population this age group comprised 47 percent.

Net fiscal impact per head, in real 2013 $s



Housing market impacts of immigration

Migration can impact New Zealand's infrastructure by influencing the size and distribution of the population

- New Zealanders emigrating tend to leave from locations around the country, whereas immigrants are more likely to move to major centres, particularly Auckland.
- There is limited research on the impact of immigration on infrastructure (of all types, including housing), both in New Zealand and internationally.
- Migrants, like the rest of the population, represent a stream of income for local government, either directly through paying property rates or indirectly as renters. Whether this offsets costs for infrastructure incurred by local authorities has not been established.
- NZIER (Lees, 2014) found that positive net migration "lowers average per capita costs of high fixed cost physical infrastructure (such as motorways) and institutional infrastructure (such as a central bank)."
- Reddell (2013) hypothesises that population growth through immigration has led to increased demand for infrastructure in New Zealand and speculates that this has had negative macroeconomic impacts. According to the hypothesis, increased demand for infrastructure has meant that capital expenditure has been diverted to this sector rather than to other, potentially more economically productive, sectors. This hypothesis is difficult to test empirically.

Migration flows increase demand for housing, but the impact on house pricing and investment is unclear

- In a supply-constrained housing market such as Auckland, demand for housing driven by incoming migrants will contribute to rising prices, but it is unclear by how much.
- The impact of migration on house prices (or rents) depends on migrants' income and household size, as well as the supply elasticity of housing.
- MBIE-commissioned research (Cochrane & Poot, 2016) found that visa-controlled immigration into New Zealand, and specifically into Auckland, in the recent past is likely to have had a relatively small impact on house prices compared to other demand factors, including:
  - the strongly cyclical changes in the emigration of New Zealanders
  - low interest rates
  - investor demand and capital gains expectations.
- Increased housing demand as a result of high inward migration may have crowded out more productive forms of investment. However, causality is difficult to determine.
- The historical volatility of migration flows in New Zealand may slow the investment response due to uncertainties around whether the population increase is temporary or permanent.

Migrants contribute to the supply of housing as part of the construction workforce

- 10,717 temporary work visas were approved for construction-related occupations for 2016/17. Temporary visas can be granted for as little as a few days or up to five years. Workers may be granted more than one visa in a 12 month period. This means that visa data is not comparable with other data sources which estimate the overall stock of people with construction-related skills or in construction-related jobs in the economy. MBIE is currently working to refine its data in this area. Published data could understate the actual numbers of temporary migrants employed in construction occupations, because it does not include people working while on student visas, working holiday visas, or (illegally) on visitor visas. Nor does not include people granted resident visas each year on the basis of construction-related jobs.
- Stats NZ data (see slides 16 and 17) links individuals to employers and counts as working in construction all employees of construction companies (including those in an administrative role) but not employees of professional services companies (such as architects or engineers), or labour supply companies. By this measure, close to 4% construction jobs were held by recent residents and just over 5% by temporary migrants, in 2016.
- Between 1 July 2011 and 31 Dec 2016, 11,089 temporary work visas linked to the Canterbury rebuild were approved. The top three nationalities were: Philippines (4,659), Great Britain (2,189) and Ireland (1,329).

Annex one – Key residence visa categories

	Visa Category	Description	Number in NZ [approved in the last 5 years; in NZ on 30 June 2017]	Approved in 2016/17	Trends and caps
Total visas	All residence categories	All residence categories as described below.	186,200	47,700 ↓ 8% on 2015/16	The New Zealand Residence Programme (NZRP) for 2016/17 – 2017/18 was set at 85,000 – 95,000. (2016/17 was expected to be 45-50,000 and 2017/18 is expected to be 40-45,000)
Skilled / Business	Skilled Migrant Category (SMC)	A points based system, with points awarded for age, qualifications, work experience and skilled employment or offer of employment in New Zealand. Applicants need 160 points to be selected.	94,500	24,100 people (includes family) ↓ 6% 2015/16	Policy changes 2016/17 increased the selection point and introduced a salary threshold; 89% were living in NZ when approved.
	Residence from Work	For people who have held a work to residence visa for two years under Talent (Arts, Culture and Sports), Talent (Accredited Employer), Long Term Skill Shortage List, or South Island Contribution	7,000	2,400 people (includes family) ↑ 21% on 2015/16	Changes to SMC and the essential skills work visa have made the work to residence/residence from work pathway more attractive
	Investors	Two categories of investors: Category 1 requires investment of $10 million for three years; Category 2 is a points system that requires a minimum investment of $3 million for 4 years.	2,000	1,400 people (includes family) ↑ 30% on 2015/16	Investor 2 cap increased to applications 400 in early 2017 (from 300) and minimum investment criteria raised and changed; only 24% in NZ when approved
	Entrepreneurs	For people who have successfully run a business in New Zealand for two years that has benefited New Zealand (a pilot Global Impact Visa has also been introduced).	2,800	600 people (includes family) ↓ 30% on 2015/16	Small numbers, relatively stable. 92% are living in NZ when approved.
Family	Partnership	For partners of New Zealand citizens and residents where there is a genuine relationship and the couple have lived together for 12 months.	43,000	10,900 people ↑ 1% on 2015/16	Increasing numbers of younger SMC migrants subsequently support partners (rather than including them in an SMC application); 83% are living in NZ when approved
	Parent	For parents of New Zealand citizens and residents who have resided as resident for at least three years. Parent must be able to support themselves. Currently suspended.	12,700	1,800 people ↓ 63% on 2015/16	Capped at 4,000 over two years for 2015/16–2016/17 and closed to new applications (previously capped at 11,000 over two years) Only 22% are in NZ when approved.
	Dependent Child	Dependent children up to 24 years old of New Zealand citizens and residents	6,300	1,900 people ↑ 17% on 2015/16	Uncapped but fairly small and stable Only 35% are approved from within New Zealand
International / Humanitarian	Samoan Quota	Applicants who are citizens of Samoa can be granted residence through the ballot provided they have a job in New Zealand	4,100	1,100 people (includes family) ↑ 24% on 2015/16	Capped at 1,100 per year
	Pacific Access	Applicants who are citizens of target countries can be granted residence through the ballot provided they have a job in New Zealand	2,300	700 people (includes family) ↓ 4% on 2015/16	Capped: 250 citizens of Fiji, 250 citizens of Tonga, 75 citizens of Tuvalu, and 75 citizens of Kiribati; some spillover between years
	Refugees	Includes: Refugee Quota, Refugee Family Support Category, and successful asylum claimants.	Approx. 6,000	Approx. 1,700 people	Capped or stable categories: Refugee Quota (1,000 Refugee Family Support Category (300 places)
	Other	Includes victims of domestic violence, victims of people trafficking.			

Annex Two – Key temporary visa categories

	Visa Category	Description	Number in NZ (on 30 June 2017)	Approved in 2016/17	Trends
Total visas	All temporary categories	All temporary categories as described below. (Note: some small work categories included in the total are not listed below.)		942,600 ↑ 6% on 2015/16	↗ The number of people granted temporary visas has almost doubled in the last ten years.
Work	Essential Skills	Migrants can be granted a visa if the job is on a skill shortage list or the employer can demonstrate through a labour market test that there are no suitable domestic workers available or trainable and that they are paying the market rate. 2017 changes introduced salary thresholds and time limits and family restrictions for lower-skilled workers.	36,700 ↑17%	33,000 ↑ 4% on 2015/16 9,700 new workers	↑ Demand for labour is likely to continue to be strong and recent changes may increase the number of visa applications (but not the number in NZ)
	Work to Residence	Workers with: • an accredited employer earning $55,000pa+ • an international reputation in certain fields • a job on the Long Term Skill Shortage List earning $45,000pa • 5 years in the South Island on Essential Skills	5,400 ↑35%	4,500 ↑ 42% on 2015/16 2,297 new workers	↑ Demand is increasing as the changes to Essential Skills make this a more attractive route. The South Island contribution policy is limited and closes in 2018
	Recognised Seasonal Employer	Seasonal work in horticulture and viticulture. Employers must be accredited. Preference for recruiting from the Pacific.	5,100 ↑19%	11,300 ↑ 14%on 2015/16	↔ Currently capped at 10,500 people per year.
	Post Study Work	Open to students who have completed a qualification in NZ taking 2 years at levels 4-6, or 1 year at level 7 or above. PSW is a 1 year open work visa, then a 2 year employer-assisted work visa with a job relevant to their study.	28,900 ↑34%	27,900 ↑26% on 2015/16 18,900 new workers	↑ Flow-on from student enrollments, may increase over two years, then decrease
	Working Holiday Schemes	Available to young people (age 18 to 30 for most countries) to holiday and work in NZ. Most are for up to 12 month. NZ has 44 schemes, 14 are uncapped.	32,800 ↑8%	70,000 ↑7% on 2015/16 only granted once	↑ Increased around 8% or more per year over recent years, mainly from uncapped countries.
	Specific Purpose or Event	Facilitates entry for a specific purpose or event where there is no risk of a negative impact on opportunities for New Zealand citizens or residents. Common purposes include: entertainers, actors, musicians, and support staff; sports people; seconded business people; installers of equipment	3,700 ↑16%	17,700 ↑1%	↔
	Partner of a NZ Citizen or Resident	For partners of New Zealand citizens and residents where there is a genuine relationship, who do not qualify for residence or wish to stay in NZ for less than 2 years. Can work full time in any employment.	10,600 ↓5%	13,800 ↓ 3% on 2015/16	↑ Similar to partnership residence, new SMC migrants supporting partners use this visa to meet residence requirements
	Partner of a Worker or Student	The partners of some work (excluding RSE, WHS and low earning Essential skills migrants) and some student visa holders (those sponsored by the NZ aid programme or studying postgraduate qualifications or degrees in skill shortages) are able to obtain an open work visa for the same length as their partner's visa. No requirement to have lived together prior to the application.	23,200 ↑21%	22,000 ↑14% on 2015/16	↔ Likely to remain steady while transitional arrangements for Essential Skills are in place then reduce.
Study	Dependant students	For dependent children of workers. Must be in compulsory education and in some cases their parent must earn over a threshold.	14,300 ↑20%	12,500 ↑ 15% on 2015/16	↔ Likely to remain steady while transitional arrangements for Essential Skills are in place then reduce.
	International Students	International students can be granted a visa provided they have an: • offer of place at NZ institution that is signatory to the Code of Practice • sufficient funds to support themselves, and • meet any course prerequisites Most tertiary students allowed to work for 20 hrs per week while they study.	59,500 ↓5%	74,900 ↓ 1% on 2015/16	↔ Down on the 2015/16 peak, but still at historically high levels (26% ↑on 2010/11)
	Other students	Exchange students, students granted visas under section 61, dependants of NZ citizens.	1,800	4,100 ↓ 4%on 2015/16	↔ Not affected by recent policy changes
Visitor	Visitor	Available for up to 9 months in an 18 month period.		641,891	↑ The number of people granted visitor visas has increased by 114% in the last 10 years.