Outline

- Economic context
- Unemployment
- Policy responses
- Temporary applications
- Permanent applications
- PLT migration flows
Recurrences: Past and present

- The previous 5 recessions (since 1960s) have shown us that:
  - On average, unemployment doubles
  - Disproportionate impact on certain groups
  - Net migration affected
  - Wages and flexible work practices
GDP comparison

Figure: GDP quarterly change in selected countries

Source: OECD
Unemployment rate comparison

Figure: Quarterly unemployment rates in selected countries

Unemployment rate (%)

Australia  New Zealand  United Kingdom  United States

Source: OECD
NZ-born vs overseas-born

Figure: Unemployment rate or NZ- and overseas-born

Source: Statistics New Zealand
## Restrictive policy measures

<table>
<thead>
<tr>
<th>Policy change</th>
<th>Country</th>
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</thead>
<tbody>
<tr>
<td><strong>Temporary migration</strong></td>
<td></td>
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<tr>
<td>Adjusting numerical limits</td>
<td>Austria, Belgium, Canada, Denmark, Germany, Ireland, Italy, Portugal, Spain, United Kingdom, South Korea, United States</td>
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<tr>
<td>Limiting possibilities to change/renew permits</td>
<td>Canada, Ireland, Italy, Malaysia, Spain, United Kingdom, United States</td>
</tr>
<tr>
<td>Promoting return migration</td>
<td>Czech Republic, Japan, Norway, Spain</td>
</tr>
<tr>
<td>Strengthening labour market tests/reviewing shortage lists</td>
<td>New Zealand, Australia, Canada, Ireland, Italy, Spain, Sweden, United Kingdom, United States</td>
</tr>
<tr>
<td>Changing permanent migration policy</td>
<td>Australia, Spain, United Kingdom, Italy</td>
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## Facilitative policy measures/change of focus

<table>
<thead>
<tr>
<th>Policy change</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>New schemes to attract skilled/entrepreneur migrants</td>
<td>Czech Republic, Germany, Lithuania, New Zealand, Norway</td>
</tr>
<tr>
<td>Seasonal employment/labour migration schemes</td>
<td>Australia, Finland, New Zealand, Poland</td>
</tr>
<tr>
<td>New policies to retain international graduates</td>
<td>Canada, Czech Republic, Finland, Germany, United Kingdom.</td>
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<tr>
<td>Improved employment conditions/provisions for unemployed migrants</td>
<td>Australia, Japan, Ireland, New Zealand, Norway, United States.</td>
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</table>
New Zealand’s policy responses

- No immediate response to reduce labour supply
- Current and future need for skilled migrants
- ‘New Zealanders first’ principle
  - Review of Essential Skills in Demand lists
  - Sensitivity of demand-driven policy settings
Changes to temporary numbers 08/09 to 09/10

- Students – little change
- Visitors – 2% down (overall)
- Temporary workers – down 5%
Components of temporary work policy

Figure: Number of temporary workers in the three main policy groups

Source: Department of Labour
Responsive policies

**Figure: Essential Skills policy applications and decline rate**

- **Applications**
  - Jul-07: 6,000
  - Jan-08: 4,500
  - Jul-08: 3,500
  - Jan-09: 3,000
  - Jul-09: 2,500
  - Jan-10: 2,000

- **Decline rate (%)**
  - Jul-07: 0%
  - Jan-08: 5%
  - Jul-08: 10%
  - Jan-09: 15%
  - Jul-09: 20%
  - Jan-10: 25%

Source: Department of Labour
Skilled jobs still in demand

Figure: Proportion of approved Essential Skills applicants that were high skilled

Source: Department of Labour
Skill shortages: Summary of reviews

- 2 lists – Immediate skill shortage list and the Long term skill shortage list
- Bi-annual reviews

<table>
<thead>
<tr>
<th>Review and focus</th>
<th>Immediate Skill Shortage List</th>
<th>Long-Term Skill Shortage List</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Added</td>
<td>Removed</td>
</tr>
<tr>
<td>R1 2009 – Mainly lower skilled</td>
<td>-</td>
<td>44</td>
</tr>
<tr>
<td>R2 2009 – Agriculture, Construction and Manufacturing</td>
<td>10</td>
<td>15</td>
</tr>
<tr>
<td>R1 2010 – Occupations not already reviewed*</td>
<td>2</td>
<td>13</td>
</tr>
</tbody>
</table>
Permanent Migration: New Zealand Residence Programme

![Chart showing the number of people approved for Permanent Migration from 2002/03 to 2009/10 by stream, with lines indicating the New Zealand Residency Programme (NZRP) minimum and maximum. The chart includes the following streams:

- Skilled/Business Stream
- Uncapped Family Sponsored Stream
- Parent Sibling Adult Child Stream
- International/Humanitarian Stream
- NZRP minimum
- NZRP maximum]
Impacts on PLT flows

Figure: Monthly PLT arrivals and departures by citizenship (seasonally adjusted)

Source: Statistics New Zealand. Seasonal adjustment by Department of Labour
Discussion and future implications

- Immigration firmly in the economic agenda
- Demand-led temporary migration picking up
- Downstream impacts on skilled migration?
- Fewer NZ departures have had the biggest impact on PLT flows
Questions/ Discussion
Regional differences: PLT arrivals

Figure: Previous region of residence: Non-NZ PLT arrivals

Source: Statistics New Zealand
Regional differences: PLT departures

Figure: Next region of residence: Non-NZ PLT departures

Source: Statistics New Zealand