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By invitation only? Selecting skilled migrants downunder

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Themes

- **Recent developments in immigration policy in NZ and Australia: some contextual remarks**
- **NZ's 'by invitation' skilled migrant selection system introduced in December 2003**
- **Australia's SkillSelect approach to migrant supply introduced in July 2012**
- **NZ's 'by invitation only' approach to selecting parents of migrants introduced in July 2012**
- **A caution: towards different experiences of citizenship?**

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Fine-tuning immigration policy

- In July 2012 NZ and Aust adopted strategies to reduce queues in specific residence migration categories
- NZ extended its well-established “Expression of Interest” (EOI) approach to selecting skilled migrants to admitting parents in the family sponsorship category
- Australia introduced an EOI approach to the selection of some of its skilled migrants (SkillSelect)
- Both were attempts to regulate supply-driven migration flows in countries with strong demand-driven temporary migration and transition to residence policies

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Meeting local demand for labour

- Aust and NZ have relied on international flows of labour to meet demand in their economies since the two countries were settled by Europeans
- Initially state-sponsored settlement migration contributed to meeting demand for skilled as well as unskilled migration
- Since the 1950s a mix of ‘temporary’ and ‘permanent’ migration flows have contributed to meeting demand
- Over the past decade numbers admitted on temporary work visas have grown sharply to meet demand for particular skills
- Transitioning from temporary work to residence has been facilitated where employers provide long-term employment

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Responding to supply-driven flows

- **Both countries have become attractive destinations for increasing numbers of potential immigrants, especially Aust. Policies to encourage tourism, international education and working holidays have contributed to supply-driven migration**
- **Both use points systems to select the types of migrants they want, sometimes actively seeking migrants from particular regions within the wider framework of policies that do not discriminate on the basis of migrant source country**
- **Both have shifted from an ‘auto pass’ approach when applying the points system to what might be termed a ‘by invitation’ approach to those who meet the required number of points**

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Targets and priorities

- **Both countries have had notional upper limits, or ‘targets’, for the numbers admitted for residence (all categories)**
- **In NZ’s case an annual target of 45-50,000 residence approvals has applied for the past decade (equiv. to +1% of total pop.)**
- **In Australia’s case the target has been in the range of 110,000 - 220,000 residence approvals in most years since 2000**
- **Both have 3 broad categories of residence approvals – skilled and entrepreneur/business migrants; family sponsored migrants and international/humanitarian migrants.**
- **Both countries have similar priorities for the 3 main streams: skilled/business (60 %), family (30%); humanitarian (10%)**

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Some differences

- **NZ has four basic types of visa: residence, temporary work, student, visitor. There are also visa-waiver treaties or agreements with 50+ countries which allow citizens to visit short-term without visas. In NZ temporary work visa policy addresses a wide-range of particular skill/occupation demands as well as wider strategic and foreign objectives (e.g. “sweeteners” in free trade agreements)**
- **Australia has a much more complex system of specific visas for particular purposes, including State and Regional Sponsored Migration Streams that are not part of NZ’s policy framework. Australia does not have a comprehensive visa-waiver system – only New Zealanders can turn up at the border with just their passport and be allowed to stay indefinitely**

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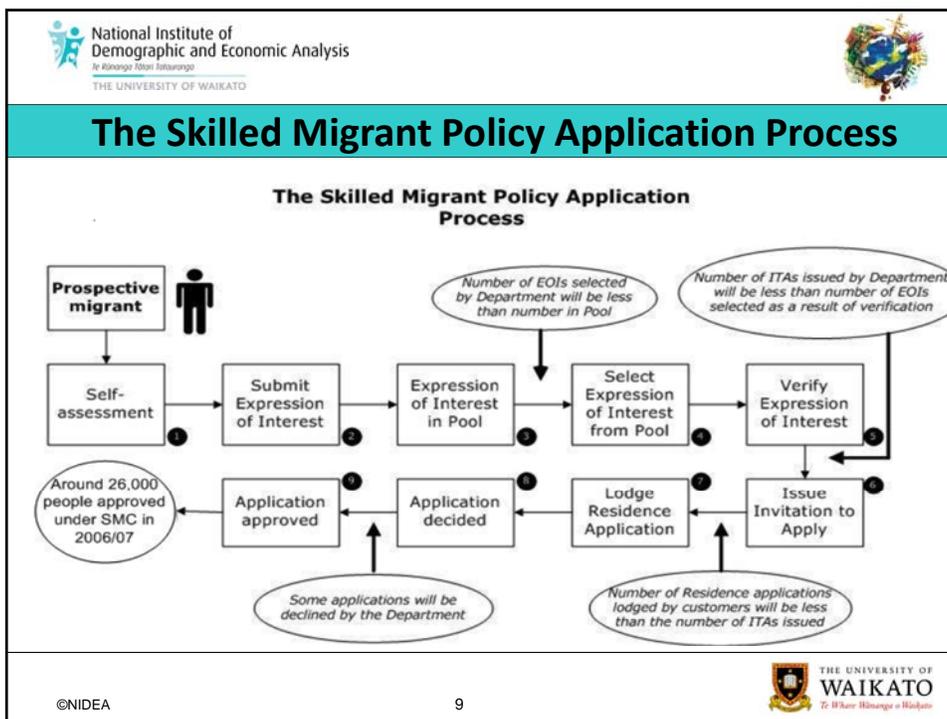

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Points of convergence

- **Both countries actively encourage transition to residence from temporary work and study visas. 80% of applications for residence in NZ are made on-shore and 95% of skilled migrant principal applicants have had at least one temporary visa in NZ before**
- **Both countries have problems with queues in their skilled migrant and family sponsorship categories (especially parents). NZ introduced the EOI approach to selection of skilled migrants late in 2003 and adopted this approach for parents in July 2012**
- **Australia introduced an EOI approach to selection of skilled migrants not already approved for entry under State/Regional or Employer Sponsored migration streams in July 2012. The EOI approach applies to only a small part of skilled migration in Aust.**

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- ### Early performance of the NZ scheme, 2004-05
- The background to the scheme and its early operation are described in a paper available on request
 - Important to appreciate that it required a transition period to implement because of the backlog of applications under the previous General Skills Category
 - The scheme started with a very high points threshold (195 out of a maximum possible of 230) and this was progressively reduced over 9 months to the level that existed before the EOI system was introduced – i.e. 100 points
 - Selection threshold held at 100 points until December 2005 when the scheme was reviewed and amended.
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Nationality of EOI PIs, 2004-05 (%)

Nationality	Feb-July 2004	Aug-Dec 2004	Jan-Dec 2005
Great Britain	38.2	31.5	27.5
Sth Africa	8.0	8.1	6.7
China	7.8	8.7	15.2
India	9.3	10.0	8.6
Philippines	3.5	9.8	12.7
5 main sources	66.7	68.1	70.7
Other sources	33.3	31.9	29.3

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Some outcomes for the “100” points migrants

- **NZ’s only longitudinal survey of immigrants involved 7,100 of the migrants selected for residence using the EOI system between Nov 2004 and Oct 2005. Interviewed at 6, 18 and 36 months after taking up residence (5,000 survivors at wave 3)**
- **Of those selected through the EOI system (skilled migrant principal applicants aged 16 years and over):**
 - **93 % were in employment after 6 months of arrival**
 - **87% rated themselves as satisfied with living in NZ**
 - **74 % had worked in NZ before gaining permanent residence**
 - **70% had advanced vocational or university degrees**
 - **70 % regarded English as the language they spoke best**

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Key finding of comparative A/NZ analysis

- **Leslyanne Hawthorne (2010) did extensive analysis of labour market outcomes for migrants interviewed in comparable Aust and NZ surveys and concluded:**
“skilled migrants in NZ were more likely to be working and, if working, were more likely to be earning more than in Australia. NZ’s choice of relatively more mature skilled migrants seems to have been immediately beneficial in terms of labour market integration.”
- **NZ’s migrants had greater work experience and greater proficiency with English– two things Australia considered when introducing their SkillSelect policy in July 2012**

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The selection system 2006-12

- **Late in 2005 the Dept of Labour undertook a major review of the EOI selection system. A backlog was building again.**
- **Six tiers introduced to assist with selection in January 2006. Points threshold for automatic selection raised to 140 and officials given 5 priorities for selection between 100 and 139 points based on job offers, previous work experience and qualifications in areas of absolute skill shortage. None with less than 100 pts to be selected**
- **Tiered points system gave those responsible for selecting from the pool more flexibility when managing numbers to be selected. In some selections only the first two tiers were used (points 140 and above; points of at least 100 plus either having or having an offer of skilled employt in NZ)**

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The selection tiers, 2006-12

1. 140 + points (64% of 108,000 EOI selected, 2006-12)
2. 100-139 pts with work in skilled job or with a skilled job offer (16%)
3. 100-139 pts incl. 15 for wrk experience in area of absolute skill shortage (ASS) (9%)
4. 100-139 pts incl. 10 for wrk experience in area of ASS (4%)
5. 100-139 pts incl. 10 pts for qualification in area of ASS (4%)
6. 115-139 pts but no job offer or wrk experience or qualification in areas of ASS (3%). These applications ranked in descending order of points.

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Trends in selection, 2006-12 (%)

Year	Cat. 1+2	Cat. 3+4	Cat. 5	Cat. 6
2006	77.0	16.0	4.2	2.8
2007	78.0	13.2	5.7	3.0
2008	73.7	11.1	7.1	8.0
2009	73.0	12.2	8.0	6.8
2010	85.1	14.7	0.1	0.0
2011	85.8	13.1	1.1	0.0
2012	93.4	6.6	0.0	0.0

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Changes in nationality of EOI PIs, 2006-12

1 st August EOI	Grt Britain	China	India	Philippines
2006	22.0	22.5	10.5	6.6
2007	17.5	21.0	8.7	10.2
2008	17.0	17.1	10.5	9.7
2009	15.3	13.1	13.7	10.9
2010	15.9	7.9	19.3	10.8
2011	12.3	7.8	22.7	9.4
2012	12.3	7.7	31.6	8.0

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EOIs selected and nos. remaining in the pool

Year	Total EOIs selected	Av. selected/draw	Av. left/draw
2007	19,144	766	837
2008	19,357	774	510
2009	17,740	710	437
2010	13,916	579	1,049
2011	14,175	567	940
2012*	9,408	627	1,281
* 7 months			

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Conversion of invitations to residence, 2005-9

Nationality	Invitations 2005-8 (Dec. years)	Applications 2006-9 (%) (June yrs)	Approvals 2006-9 (%) (June yrs)
Grt Britain	18,230	75.4	71.8
China	14,025	78.0	65.9
Sth Africa	6,590	80.5	71.6
India	6,570	69.6	51.1
Philippines	7,580	64.4	42.0
5 main sources	52,995	74.4	63.4
Others	34,765	73.9	59.0
Total	87,760	74.2	61.7

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Australia's SkillSelect system

- A web-based interface that enables skilled workers interested in migrating to Australia to record their details to be considered for a skilled visa through an Expression of Interest
- Australian employers or state and territory govts can find intending migrants through SkillSelect and nominate workers to apply for specific classes of skilled visas in three streams (direct entry, temporary residence transition, and the agreements stream (regional migration or labour agreements))
- An EOI may increase the chances of a skilled worker finding an employer who is willing to nominate them for migration for a skilled visa
- Applicants remain on the database for up to 24 months

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Demand and supply-driven routes to residence

- **Very important to appreciate the extent to which immigration of skilled migrants seeking residence is *demand-driven* in Australia**
- **In 2010-11 66,900 migrants seeking residence came through the demand-driven route either directly or from temporary work visas, compared with 34,900 via the supply-driven route (essentially applications by self-selected migrants under the points system)**
- **From July 2012 the latter will invited to apply for a skilled migrant visa on the basis of a points score for an EOI**

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Doing away with queues

As Mark Cully (2012) points out in his recent review of Australia's skilled migrant selection policies:

“In effect, the points test pass mark from one year to the next will serve as a kind of equilibrium price, with the volume of invited applications roughly balancing the volume of these skilled visas allocated by the government on an annual basis”

Using this approach there will not be more applicants invited than places available for skilled migration, thus dispensing with a queue.

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A 'by invitation' approach to migrants' parents

- In May 2012 NZ's capped parents, siblings and adult children category in family policy was closed
- From July a two-tier 'by invitation' system for application for entry of parents came into operation based on income of the applicant or the sponsoring adult child in New Zealand
- Migrants in NZ can no longer sponsor siblings or adult children under the family policy – these people now have to make application under other entry streams
- Parents of migrants seeking approval to reside in New Zealand must now submit an EOI and await an invitation to apply for residence approval

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What does this mean for migrants?

- To get an invitation applicants need to meet minimum lifetime income or asset thresholds and agree not claim NZ's government superannuation – they will not have to satisfy the current 'centre of gravity' principle that applies in family policy as far as the location of their children is concerned
- Those parents who cannot meet the requirements for a guaranteed invitation will have to prove they have a sponsoring adult family member in NZ who does meet minimum income thresholds, and they must have NO children living in the country where they are currently resident

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Which groups will be most negatively affected?

- Applicants from countries in the Pacific Islands will find it very difficult to meet Tier 1 criteria and, in many cases will not qualify for entry under Tier 2 criteria (minimum income of adult child in NZ and no children living in the country where they currently reside)
- Applicants seeking to join their children in NZ who have been admitted as refugees may find it very difficult, especially if their sponsors in NZ have low-earning jobs
- 46% of the 4,036 parents granted residence approval in the year ended July 2011 were Chinese nationals; 37% were Fiji nationals; 13% were UK nationals

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A broader question

- What does the policy change mean for the concept of New Zealand citizenship, especially as this applies to long-established overseas-born migrants who have been tax payers and good citizens for many years?
- Are we creating a two-tier concept of citizenship based on birth place when it comes to the right to care for your parents in the country you have chosen to make your home?
- This seems to be an undesirable social outcome of a policy initiative that is specifically designed to reduce the fiscal costs of migration for the host society

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