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NEW ZEALANDERS IN AUSTRALIA: THE END OF AN ERA?

■ **Bob Birrell and Virginia Rapson**

The New Zealand and Australian governments have agreed to restrict the rights of New Zealand citizens who move to Australia after February 2001 to access social security benefits in Australia. This article explores the reasons for these reforms and their implications for the future movement of New Zealand citizens to Australia.

Changes to the Australia/New Zealand Social Security Arrangements announced on 26 February this year herald a new era in the relationship between the two countries. By the 1990s New Zealand citizens enjoyed a relatively privileged position in Australia. Unlike the citizens of all other nations, they were free to work in Australia and to access almost all the educational and welfare benefits available to permanent residents of Australia. In effect they were granted permanent residence without having to meet the standards required of citizens of other nations. During the 1990s these privileges (which are detailed below) have been gradually whittled away, most notably when New Zealand citizens were put on the same footing as all other permanent residents as regards the two year waiting period for welfare benefits. This was implemented on the 1 February 2000.

The 26 February 2001 joint announcement of the Australian and New Zealand Governments represents a further sharp contraction of these privileges. The official rhetoric is that the motive was solely to limit Australia's responsibilities for paying Social Security benefits to New Zealand citizens who move to Australia in the future. This article shows that there were other important motives involved, notably the Australian Government's desire to limit the influx of people who would not meet the standards set by the

official migration program.¹ Whether the new rules will actually achieve this goal is also explored.

The 2001 announcement discriminates between different types of New Zealand citizens — those who fit the Australian Migration Program criteria and those who do not. New Zealand citizens who apply and meet these criteria will be regarded as permanent residents and hence entitled to welfare benefits (after meeting the two-year waiting period). Those who do not, yet still come to Australia after 26 February 2001, will be consigned to the enduring status of a kind of 'indefinite temporary' resident — entitled to work in Australia but not to claim social welfare benefits. However, if they reside in Australia for ten years, there is a special contingency of a once-only resort to Newstart, Youth Allowance and Sickness Allowance for six months. This provision will not operate until at least 26 February 2011.²

There is no limit on the number of New Zealand citizens who can become permanent residents. They are not regarded as part of the formal migration program and therefore will not be affected by any caps on components of that program. However, they will have to pay the \$1,000 fee required of all applicants for permanent residence.

Full descriptions of the changes are available on internet sites such as

<http://www.nz-oz.gov.au>. Suffice it to say here that, apart from some transition policies, access to labour-market payments, such as Newstart, Youth Allowance and the Parenting Payment made to low income couple families, will be limited to those who successfully apply for permanent residence status. Those who do not meet the migration criteria, unlike other temporary residents,³ can still claim the Family Tax Benefit A and B (family allowance), rent assistance and a range of family-oriented allowances, as well as Medicare, public housing and education services. But they cannot apply for Australian citizenship or sponsor their non-New Zealand citizen family members for permanent residence in Australia.⁴

The status of pension age New Zealand citizens, whether parents of persons holding permanent residence in Australia or not, will not change much. New arrivals can live as 'indefinite temporaries' in Australia without penalty because their access to New Zealand age benefits will not be curtailed under the new agreement. In any case the movement of older persons to Australia from New Zealand has been, and is likely to continue to be, fairly low. In 1999-2000, 2.8 per cent of New Zealand settlers arriving in Australia were aged 65+, down from 4.7 per cent in 1997-98.

One group whose status changes dramatically (yet about which there has been no public comment) is sole parents. The sole parent payment will no longer be available to New Zealand citizens coming to Australia as sole parents unless they pass the permanent residence test.⁵ The options for those female 'indefinite temporary' residents who become sole parents after residing in Australia and bearing a child to an Australian father are not made clear in official statements to date.

BACKGROUND

In 1996 the New Zealand-born population living in New Zealand was 2.848 million. However, another 291,388 New Zealand-born persons were living in Australia at the time.⁶ Though New Zealanders have spread far and wide, the focal point of the diaspora is Australia. By 1996, nine per cent of New Zealand-born persons living in the Antipodes were in Australia.

This extraordinary dispersal is a reflection of the Trans-Tasman Travel Arrangement, which allows New Zealand citizens to move to Australia without restriction. The reverse is also possible. But, as of 1996, only 54.7 thousand Australian-born persons were living in New Zealand. Some 28 per cent of these were aged less than 15 years, indicating that many of these Australian-born persons were the children of New Zealand citizens who had returned from Australia.⁷

The impact of the Trans-Tasman Travel Arrangement is understated if only the numbers of the New Zealand-born residing in Australia are counted. Because the arrangement attaches to New Zealand citizens as well, it makes possible the Trans-Tasman movement of New Zealand residents who were born in a third country and who have taken out New Zealand citizenship (which requires three years residence on a permanent visa). This third-country movement to Australia has increased sharply during the 1990s, such that by 1999-2000 it constituted 30 per cent of the flow of all New Zealand citizens who indicated that their movement to Australia was permanent, compared with 12.7 per cent in 1991-92.⁸ The Department of Immigration and Multicultural Affairs (DIMA) estimates that at 30 June 2000 there were 435,000 New Zealand citizens present in Australia.⁹

Table 1: New Zealand citizens arriving and departing Australia by category, Australia, 1995-96 to 1999-2000

Category	Year of movement				
	1995-96	1996-97	1997-98	1998-99	1999-00
Settlers (permanent arrivals)	16,238	17,508	19,397	24,686	31,615
<i>(NZ citizens as % of all settler arrivals in Aust.)</i>	<i>(16.4)</i>	<i>(20.4)</i>	<i>(25.1)</i>	<i>(29.3)</i>	<i>(34.3)</i>
<i>(% of NZ citizen settlers born in third country)</i>	<i>(23.6)</i>	<i>(24.2)</i>	<i>(23.4)</i>	<i>(23.9)</i>	<i>(30.0)</i>
Residents returning after long term overseas	1,511	1,514	1,648	1,474	1,659
Visitors arriving for long-term stay in Australia	5,590	5,917	5,876	9,335	9,744
Total permanent long-term arrivals	23,339	24,939	26,921	35,495	43,018
Residents departing Australia permanently	7,083	6,668	6,736	4,305	5,208
Resident departing long-term overseas	1,483	1,417	1,638	1,711	1,900
Visitor departing after long-term Australia	2,897	2,962	3,233	5,011	5,840
Total permanent long-term departures	11,463	11,047	11,607	11,027	12,948
Net permanent long-term movements	11,876	13,892	15,314	24,468	30,070

Source: Department of Immigration and Multicultural Affairs, unpublished

Note: Category derives from intentions stated on arrivals card.

Long-term refers to intended stays of 12 months or more.

Category jumping can occur where migrants do not follow their stated intentions.

New Zealand researchers, Lidgard and Bedford, report that, since the early 1980s, net permanent and long-term (PLT) movement of Australian citizens to New Zealand has been remarkably consistent with somewhere between 1,500 and 2,500 movements to New Zealand a year.¹⁰ Other New Zealand research reports that the average annual net PLT movement for the six years from 1990 to 1995 was 1,690.¹¹ Compare these figures with the data for the arrival of New Zealand citizens in Australia as shown in Table 1 (and the Australian data for earlier years).¹² The overall conclusion has to be that traffic, while not uni-directional, is largely one way.

By 1999-2000, New Zealand citizens (including those born in New Zealand and third countries) constituted 34.3 per cent of the total permanent arrivals to Australia in that year (see Table 1). They were by far the largest single source country. This occurred in a context where the Australian Government (at least during the 1990s) has implemented a carefully structured immigration program which is designed to maximise Australian interests from migration, as the Govern-

ment defines them. These interests include restrictions on the inflow of family and humanitarian migrants in order to minimise settlement costs. The main objective is to maximise the skill inflow in occupations where shortages exist. By the end of the 1990s Australia's skill program was tightly targeted towards persons with professional and trade skills recognised in Australia, and vocational English capacity, who are in the young adult age group and hold occupations where there is evidence of undersupply.

The unregulated New Zealand citizen inflow subverted this management system because it allowed people to come to Australia without reference to these selection criteria. The problem from Australia's point of view is that the severe program of structural change implemented in New Zealand has produced many casualties, but without the compensating job growth that the proponents of this policy had expected. Australia now looks much more attractive, not just to well-trained New Zealanders looking for exciting career opportunities and higher pay than would

be received for similar work in New Zealand, but also for relatively low-skilled people. The latter are likely to compete in a tight labour market with similarly placed Australian residents.

Australia has also been a hostage to the vagaries of the New Zealand immigration selection system, as regards third-country movement, should a significant number of these migrants decide to move to Australia when they gain New Zealand citizenship. Part of the problem detailed below lies within the New Zealand skill selection system, especially as it operated in the early 1990s. In addition, by the late 1990s about half the New Zealand program was composed of family reunion and other non-skilled selected categories. The following section deals with the third-country issue.

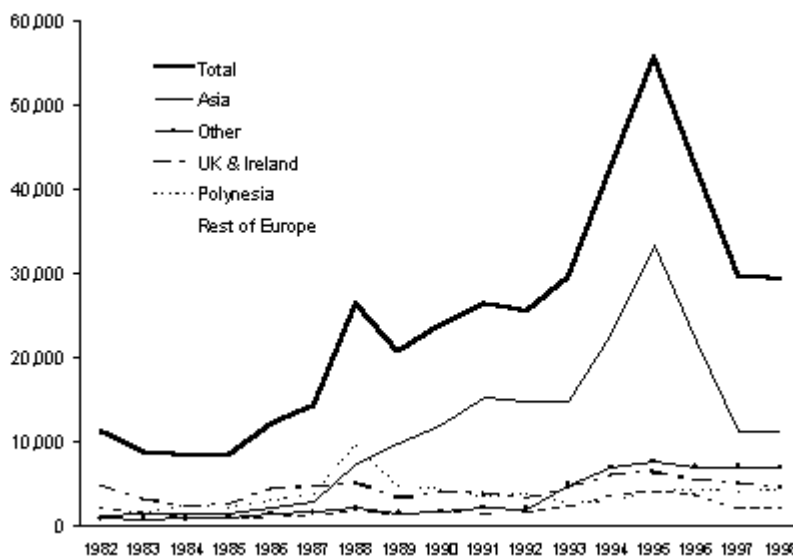
THE NEW ZEALAND MIGRATION SELECTION SYSTEM

The issue of third-country movement has become a serious one because the New Zealand Government has sought to

increase its migration intake since the mid 1980s. Before that time, the Government maintained a modest program largely directed at British migrants. Since then the New Zealand Government has employed migration as one of its economic levers in the belief that skilled and business migrants would complement its famous dry economic reforms. These migrant streams were expected to help catapult New Zealand into the global economy. All restrictions on migrants outside Britain were removed. Those with 'business skills' were encouraged — most coming from Taiwan, Korea and Hong Kong. A new skill selection system was also introduced which gave priority to persons with formal educational qualifications.

The points system introduced in 1991 differed from the Australian system at the time because a) it did not require that the migrant's credentials were recognised by the relevant occupational authority and b) because there were no caps on the approvals granted. The resultant increase

Figure 1: Persons approved for residence in New Zealand by nationality, 1982 to 1998



Source: See Table 2.

Table 2: People approved for residence in New Zealand by business year (ending 31 March) and nationality, 1982 to 1998

	Main events in New Zealand migration policy																			
	View that NZ had a limited capacity to absorb large numbers of new settlers				Opening up of immigration policies										Points system, pierceable target			English requirements extended, lower points		Abolished English bond
	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998			
Persons																				
South Africa	76	43	88	93	266	342	418	240	314	265	377	2,773	3,933	1,904	2,835	3,797	3,520			
Rest of Africa & Middle East	84	77	66	83	103	260	366	314	328	494	506	979	1,645	4,261	2,622	1,925	1,685			
UK & Ireland	4,912	3,370	2,305	2,656	4,505	4,705	5,305	3,407	3,983	3,941	3,320	4,671	6,074	6,550	5,505	5,194	4,605			
Rest of Europe	2,082	1,630	1,107	909	1,044	1,287	1,876	1,293	1,754	1,859	1,633	2,336	3,676	4,186	3,733	2,104	2,132			
Asia	1,349	1,492	1,475	1,630	2,211	2,943	7,569	9,824	12,092	15,279	14,816	14,878	22,738	33,362	21,983	11,314	11,308			
Nth America	693	705	706	709	1,011	896	1,027	771	907	985	850	904	1,047	1,023	1,279	968	1,102			
Polynesia	2,073	1,543	2,458	2,175	3,011	3,827	9,733	4,713	4,389	3,499	3,834	2,674	2,979	4,047	4,377	4,098	4,245			
Other	101	84	121	215	135	170	309	253	233	525	324	287	376	552	366	401	668			
Total	11,370	8,944	8,326	8,470	12,286	14,430	26,603	20,815	24,000	26,447	25,660	29,502	42,468	55,885	42,700	29,801	29,365			
Percentage																				
South Africa	0.7	0.5	1.1	1.1	2.2	2.4	1.6	1.2	1.3	1.0	1.5	9.4	9.3	3.4	6.6	12.7	12.0			
Rest of Africa & Middle East	0.7	0.9	0.8	1.0	0.8	1.8	1.4	1.5	1.4	1.9	2.0	3.3	3.9	7.6	6.1	6.5	5.7			
UK & Ireland	43.2	37.7	27.7	31.4	36.7	32.6	19.9	16.4	16.6	14.9	12.9	15.8	14.3	11.7	12.9	17.4	15.7			
Rest of Europe	18.3	18.2	13.3	10.7	8.5	8.9	7.1	6.2	7.3	5.5	6.4	7.9	8.7	7.5	8.7	7.1	7.3			
Asia	11.9	16.7	17.7	19.2	18.0	20.4	28.5	47.2	50.4	57.8	57.7	50.4	53.5	59.7	51.5	38.0	38.5			
Nth America	6.1	7.9	8.5	8.4	8.2	6.2	3.9	3.7	3.8	3.7	3.3	3.1	2.5	1.8	3.0	3.2	3.8			
Polynesia	18.2	17.3	29.5	25.7	24.5	26.5	36.6	22.6	18.3	13.2	14.9	9.1	7.0	7.2	10.3	13.8	14.8			
Other	0.9	0.9	1.5	2.5	1.1	1.2	1.2	1.2	1.0	2.0	1.3	1.0	0.9	1.0	0.9	1.3	2.3			
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0			

Source: New Zealand Immigration Service, http://www.immigration.govt.nz/research_and_information/

Note: For descriptions of the changes in New Zealand's policies, see R. Farmer, 'Economic deregulation and changes in New Zealand's immigration policy: 1986 and 199', *People and Place*, vol. 4, no. 3, 1996 pp. 55-63; R. Farmer, 'New Zealand's 'targeted' immigration policy 1991 to 1996', *People and Place*, vol. 5, no. 1, 1997, pp. 1-15; V. Rapson, 'New Zealand's migration policy: a revolving door?', *People and Place*, vol. 6, no. 4, 1998, pp. 52-62.

in the number of migrants (see Figure 1) subsequently led to a large flow on in downstream approvals in the family intake, particularly from Asian source countries (see Table 2 and Figure 1).

The fact that the Zealand selection system did not ensure that the selected migrants held qualifications which were acceptable to professional and trade accreditation authorities,¹³ and the lack of job opportunities generally in New Zealand,¹⁴ contributed to many of the new non-British stream finding employment hard to procure. As for business migrants, they, like their counterparts in Canada and Australia,¹⁵ found it difficult to set up successful businesses.¹⁶ New Zealand has also taken a share of recent humanitarian streams including people from Russia and the Balkans, as well as a flow of Polynesians pushed from their island homes by overpopulation and poor economic prospects. The outcome was a large number of unhappy migrants, and their families, looking for new opportunities. Australia, with its more rapid rate of economic growth in the second half of the 1990s offered a 'solution' which, as shown in Table 3, many have already taken up.

Meanwhile another part of the New Zealand story was unfolding, which again was to influence the flow to Australia. By the mid-1990s the sharp increase in the migration flow to New Zealand, the swing to immigrants of Asian origin and the tendency of the latter to concentrate in Auckland produced a political backlash of the sort Australian readers will be familiar with. In response, in late 1995, the New Zealand Government introduced new measures which put greater emphasis on competence in English and the possession of skills recognised in New Zealand.¹⁷ The result was a decline in the migrant intake, which shows up clearly in Table 2 and Figure 2. In effect there was something of

a harmonisation with Australia's selection system, where similar measures were implemented in the late 1980s and early 1990s.

But the legacy of the earlier, less carefully selected migrant intake remains. The disparity between economic opportunity in New Zealand and Australia in the late 1990s has contributed to the upsurge of leavers, both New Zealand-born and newly arrived settlers to New Zealand, as described above. The exodus has not been limited to occupations in demand in Australia. As shown in Table 3, there were almost as many doctors coming to Australia in 1999-2000 as computing professionals.

The scale of the out-migration to Australia and elsewhere has raised new concerns about the maintenance of population growth in New Zealand. The New Zealand stated goal is for a net migration intake of 10,000 per annum. Nevertheless, in a year like that in 1999-2000 when 36,296 left permanently or long-term to Australia, and 34,749 to other locations,¹⁸ there was a net loss of people in New Zealand (see Figure 2). The government has responded by lifting the intake with a focus on bringing in more skilled migrants in order to compensate. In February 2001, it announced an increase in its target for skilled and business migrants to 27,000, at the same time raising its overall target from 38,000 to 45,000 migrants for the year.¹⁹ In order to attract these numbers it has decided to dilute its selection system, particularly the English language requirements.²⁰ The trend towards harmonisation of entry criteria appears to be weakening.

THIRD COUNTRY MOVEMENT TO AUSTRALIA

If the circumstances in New Zealand encourage third-country movement to

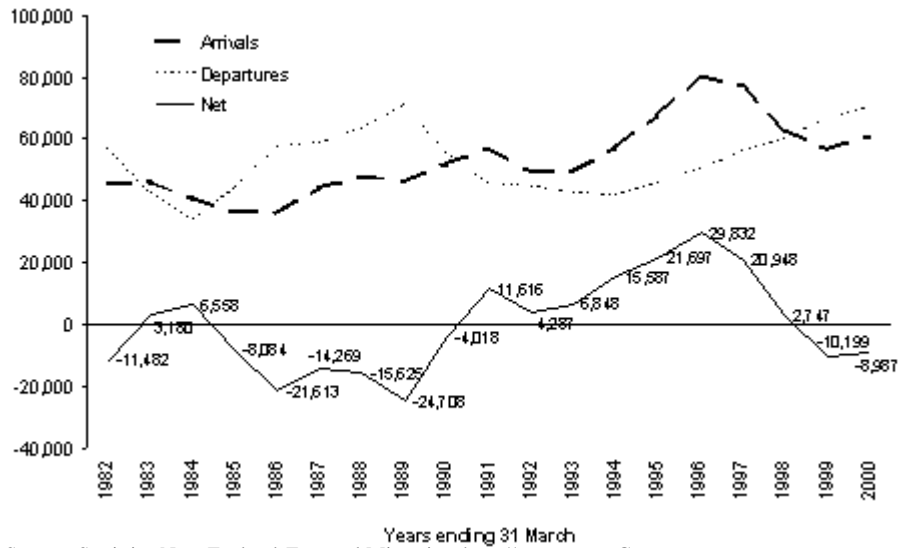
Table 3: Birthplace of New Zealand citizen settling in Australia, 1996-97 to 1999-2000; birthplace of New Zealand population 1996 and percentage of these migrating to Australia; recent arrivals in New Zealand as of 1996

Birthplace	No. settlers moving to Australia permanently				Total settling in Australia 1996-97 to 1999-2000	New Zealand population 1996	Per cent settling in Australia 1996-97 to 1999-2000	Residing in NZ for 3 years or less, 1996	
	1996-97	1997-98	1998-99	1999-2000				No.	% of birthplace
	<i>Australia</i>	198	181	136	271	786	54,708	1	12,015
<i>Pacific Islands</i>									
Cook Islands	293	228	207	200	928	13,755	7	786	6
Fiji	206	201	244	320	971	18,777	5	3,021	16
Niue	10	8	55	48	121	5,280	2	228	4
Western Samoa	897	979	1,122	1,042	4,040	42,174	10	4,173	10
Tokelau	7	12	19	19	57	1,506	4	201	13
Tonga	59	100	237	267	663	14,040	5	1,500	11
Other Pacific Islands	26	34	36	42	138	3,732	4	1,068	29
<i>Total Pacific Islands</i>	1,498	1,562	1,920	1,938	6,918	99,258	7	10,959	11
Total Oceania and Antarctica (exc NZ)	1,696	1,743	2,056	2,209	7,704	153,987	5	22,986	15
<i>United Kingdom and Ireland</i>	887	1,068	1,212	1,364	4,531	230,052	2	18,687	8
<i>Western Europe</i>									
Netherlands	63	63	66	78	270	23,430	1	1,158	5
Germany	16	21	27	35	99	7,071	1	1,668	24
Other Western Europe	25	30	24	38	117	5,505	2	1,233	22
<i>Total Western Europe</i>	104	114	117	151	486	36,003	1	4,077	11
<i>Northern Europe</i>	9	10	10	8	37	3,162	1	756	24
<i>Southern Europe</i>	49	107	234	425	815	9,294	9	3,894	42
<i>Eastern Europe</i>	48	45	48	79	220	4,761	5	879	18
<i>Former USSR and the Baltic States</i>	20	31	53	152	256	2,652	10	1,476	56
Total Europe and Former USSR	1,117	1,375	1,674	2,179	6,345	285,921	2	29,757	10
Middle East and North Africa	78	147	122	365	712	7,242	10	4,269	59
Cambodia	63	67	20	40	190	3,675	5	507	14
Indonesia	12	14	20	40	86	2,715	3	816	30
Malaysia	58	55	61	76	250	11,889	2	4,182	35
Philippines	61	76	117	205	459	7,005	7	2,286	33
Singapore	21	28	33	43	127	3,477	4	678	19
Vietnam	85	86	84	104	359	3,465	10	870	25
Other Southeast Asia	54	35	58	66	213	5,103	4	1,824	36
Total Southeast Asia	354	361	393	576	1,684	37,335	5	11,169	30
China, People's Republic	197	135	415	1,280	2,027	19,518	10	8,886	46
Hong Kong	126	79	119	228	552	11,763	5	5,937	50
Japan	8	5	20	14	47	6,498	1	3,906	60
South Korea	199	219	144	340	902	12,183	7	10,683	88
Taiwan, Province of China	326	139	244	583	1,292	10,932	12	6,879	63
Other Northeast Asia	3	1	1	3	8	285	0	147	52
Total Northeast Asia	859	578	943	2,448	4,828	61,176	8	36,450	60
India	61	74	152	497	784	12,807	6	4,050	32
Sri Lanka	43	65	94	233	435	4,017	11	1,926	48
Other Southern Asia*	27	41	123	627	818	2,460	33	1,572	64
Total Southern Asia	131	180	369	1,357	2,037	19,284	11	7,554	39
Canada	30	46	34	67	177	7,440	2	1,503	20
United States of America	49	68	79	61	257	11,628	2	3,951	34
Other Northern America	1	0	0	1	2	168	0	0	0
Total Northern America	80	114	113	129	436	19,230	2	5,466	28
South & Central America, & Caribbean	29	17	33	23	208	3,399	6	813	24
South Africa	91	157	254	306	808	11,334	6	5,955	53
Other Africa	36	40	78	144	298	6,105	5	2,244	37
Total Africa (excluding North Africa)	127	197	332	450	1,106	17,439	6	8,193	47
Total overseas	4,471	4,712	6,035	9,738	24,956	605,013	4	126,66	21
New Zealand	13,035	14,682	18,650	21,877	68,238	2,848,209	2		
Not specified	2	3	1	0	12	165,078	0	1,119	0
Total	17,508	19,397	24,686	31,615	93,206	3,618,306	3	127,77	0

Source: DIMA unpublished; Statistics New Zealand, 1996 Census, unpublished

* Bangladesh-born persons were the main component (503 of the 627) of the upsurge in Other Southern Asia-born persons in 1999-2000.

Figure 2: New Zealand permanent and long-term migration: arrivals, departures and net, 1982 to 1998



Source: Statistics New Zealand, External Migration, <http://www.stats.govt.nz>

Australia, we would expect to see some evidence of movements here on the part of the big cohort of migrants who had arrived in New Zealand prior to 1997. This is because, by 1999-2000, most of these pre-1997 migrants would have been able to take out New Zealand citizenship. If they did want to leave, they could move to Australia.

The movement data shown in Table 3 confirm that many people have taken up the opportunity. The table shows that there has been a sharp upsurge in third-country migration from Asian source countries in 1999-2000 and also from 'newer' sources of European migration — notably Russia and from Southern Europe (in this case meaning the Balkans). It is not possible to determine the arrival date in New Zealand of these movers to Australia. But the table shows that, as of 1996, most of the migrant communities in question were composed of persons who had only

recently arrived in New Zealand. For example, the table indicates that 60 per cent of the Northeast Asian group had been in New Zealand less than three years. These people are likely to have gained citizenship in the 1996-2000 period and, it is reasonable to suggest, figure prominently in the upsurge of Northeast Asian movers to Australia in 1999-2000.

Table 3 also gives an indication of the extent to which the stock of potentially eligible foreign-born New Zealand residents move to Australia. It provides a comparison of the number of movers over the four years from 1 July 1996 to 30 June 2000 by birthplace with the total stock of persons from the same birthplace resident in New Zealand at the time of the 1996 census. In a number of cases, including China, Taiwan, Sri Lanka, Vietnam and the former USSR, some ten per cent or more of this stock had moved to Australia over this four year period.

Table 4: New Zealand citizens arriving in Australia intending to settle permanently by occupation and percentage who were not New Zealand born, 1997-98 to 1999-2000

Workforce and occupational status	Total NZ citizens			% who were not NZ-born**		
	Year of movement			Year of movement		
	1997-98	1998-99	1999-2000	1997-98	1998-99	1999-2000
Not Working						
Retired	1,075	1,115	1,037	42	42	45
Pensioner (Other)	34	15	89	29	60	51
Home Duties	1,661	1,961	1,972	39	39	54
Student	655	952	1,657	37	41	53
Unemployed	326	767	725	32	32	38
Total*	10,056	12,377	14,628	25	25	33
Managers & Administrators	1,000	1,399	1,903	18	19	23
Professionals						
Building & Engineering Professionals	319	476	737	34	44	56
Accountants	146	244	369	28	32	47
Computing Professionals	159	218	334	31	33	55
Medical Practitioners	68	111	253	51	57	81
School Teachers	177	255	400	32	27	42
University Lecturers & Tutors	34	69	67	47	36	49
Professionals Total*	2,236	2,859	4,083	30	33	43
Associate Professionals	1,034	1,151	1,683	24	23	33
Tradespersons & Related Workers	1,387	1,880	2,209	23	21	22
Adv. Clerical & Service Wkrs	256	355	411	21	21	24
Intermediate Clerical, Sales & Service Workers	1,647	2,052	2,936	18	19	22
Intermediate Production and Transport Workers	756	1,045	1,076	21	23	24
Labourers & Related Workers	638	769	1,011	27	23	21
Total settlers	19,397	24,686	31,615	24	24	31
Total employed	9,341	12,309	16,987	23	24	29

Source: DIMA, unpublished overseas arrivals and departures

* Total includes all other occupations in that major group.

** Includes a small number of Australian-born — 786 over the three years, of whom 453 were not working.

The occupational pattern of movement is also consistent with the themes developed above. Table 4 shows the number of New Zealand citizen permanent movers to Australia, and the percentage who were not New Zealand-born, by occupation over the years 1997-98 to 1999-2000. The percentage of movers who were not New Zealand-born is much higher for the professional ranks than for the clerical and blue-collar groups. Indeed, more than 40 per cent of the movers with professional occupations are of third-country origin by 1999-2000. As professionals they are part of the group that Australia has been targeting in its migration program.

However, only a minority of third-country professionals would have met Australia's selection criteria. This is partly because the New Zealand system in the first half of the 1990s allowed entry to professionals who did not even meet the requirements of New Zealand professional organisations. Even if they had, to judge from the age distribution of third-country professionals moving to Australia over the three years to 30 June 2000, many would struggle to accumulate the 110 point passmark required by the Australian selection system. Over these three years, 66.5 per cent of third-country professionals arriving in Australia were

aged 35 or above (compared with 42 per cent of New Zealand-born professionals). The Australian selection system gives priority to persons in the younger age categories, such that any applicant older than 35 would normally have to gain bonus points for having worked for three out of the last four years in their occupation to gain selection.

A striking case in point stemming from the lack of compatibility of the New Zealand and Australian selection systems concerns doctors. Since the early 1990s the Australian Government has been trying to curb the inflow of overseas-trained doctors (OTDs). This is because of the Government's judgement that there are too many such doctors in Australia. Since mid-1999 doctors have been debarred from applying for selection in Australia's skilled program. Meanwhile New Zealand allowed their entry prior to 1996. There have since been bitter complaints from Asian and Middle Eastern doctors that they have been unable to gain accreditation in New Zealand.²¹ Many of these disappointed doctors are now on the move to Australia. In 1999-2000, 253 moved to Australia permanently, 204 of whom were third-country origin. Detailed examination of their birthplace shows that 114 were from Southern Asia.

There was also a movement of lower skilled persons to Australia who had been displaced through structural change in the New Zealand economy. Most of the persons in question are New Zealand born, though, as indicated in Table 4, around one fifth of persons with clerical and labouring occupations who moved to Australia over the three years to 30 June 2000 were overseas-born New Zealand citizens. For the future, almost none of these persons will be able to become permanent residents in Australia (unless they are spouses of more highly qualified

and relatively young principal applicants).

THE POLITICS OF TRANS-TASMAN MOVEMENT

The issues in question came to a head in late 2000. At the time there had been much publicity about the sharp increase in the overall movement of people from New Zealand to Australia, and about how New Zealand citizens composed one third of the permanent arrivals to Australia in 1999-2000. In this context, the fact that one third of these New Zealand citizen arrivals were of third-country origin attracted both public and political attention. The New Zealand government's decision in late 2000 to grant an amnesty to certain illegal entrants heightened all these concerns.²²

During the year 2000 the Australian and New Zealand governments had been renegotiating the existing Social Security Agreement. The Australian Government wanted New Zealand to shoulder more of the welfare benefit costs paid to New Zealand citizens in Australia. Australian concerns (cited above) about reaching a greater harmonisation of immigration rules became entangled in these negotiations.

The New Zealand Government responded by declaring that both the rules covering Trans-Tasman movements and the payment of social security benefits were up for review. Its willingness to rethink the way the Trans-Tasman flow was managed reflected its reluctance to bow to Australian pressure on its immigration policy. This was partly to protect New Zealand sovereignty. To allow Australia to dictate immigration policy would have been to abridge the freedom of action of the New Zealand government. We suspect that another motive was the New Zealand Government's

concern to put the brakes on the outward movement of its citizens. A third motive, made quite explicit in Prime Minister Clark's public comments, was her abhorrence at the possibility of having to pay compensation to the Australian Government for social security payments made to New Zealand citizens who had 'turned their backs on New Zealand'.²³

The Australian Government's willingness to truncate the existing Trans-Tasman arrangements is readily understandable. Ruddock had no trouble convincing the Howard Government Cabinet that some control over the rights of New Zealand citizens to become Australian permanent residents was required, given the concerns about the

scale and skill level of the New Zealand citizen flow to Australia.

Official comments at the time of the 26 February announcement emphasised that the renegotiation was all about the social security aspect. It was asserted that Australia would gain through projected lower social security costs and that New Zealand would gain through not having to compensate Australia for such costs. But this is hard to swallow because New Zealand was not actually paying the bill in question. For Australia's part, the New Zealand residents living and working here actually have a low social security dependence relative to other residents. Moreover, the rule implemented in early 2000 which made New Zealand citizens

Table 5: Number and percentage of people receiving welfare benefits* by age group and birthplace, 1996

Birthplace	Age group			
	15-24yrs	25-44yrs	45-64yrs	15-64 yrs
Social Security recipients, 1996				
Australia-born	335,736	630,567	647,934	1,614,237
New Zealand	8,915	19,452	11,894	40,261
UK excl. Ireland	5,781	40,338	92,572	138,691
Other overseas-born	28,832	127,472	260,082	416,386
Total overseas-born	43,528	187,262	364,548	595,338
Total	379,264	817,829	1,012,482	2,209,575
Persons counted in 1996 Census				
Australia-born	2,097,932	3,915,540	2,342,872	8,356,344
New Zealand	45,853	135,171	62,860	243,884
UK excl. Ireland	54,671	362,528	394,005	811,204
Other overseas-born	373,407	1,057,847	921,160	2,352,414
Total overseas-born	473,931	1,555,546	1,378,025	3,407,502
Total	2,571,863	5,471,086	3,720,897	11,763,846
Recipients as percent of population				
Australia-born	16.0	16.1	27.7	19.3
New Zealand	19.4	14.4	18.9	16.5
UK excl. Ireland	10.6	11.1	23.5	17.1
Other overseas-born	7.7	12.1	28.2	17.7
Total overseas-born	9.2	12.0	26.5	17.5
Total	14.7	14.9	27.2	18.8

Source: Centrelink and Australian Bureau of Statistics unpublished data files, 1996

* Includes labour market allowances as well as pensions such as Sole Parent and Disability payments.

Table 6: New Zealand citizens receiving labour market payments by birthplace, September 1997

Birthplace	Length of time in Australia*				Total
	< 2	2-5 yrs	5-10 yrs	Rest	
Australia	81	101	165	191	538
New Zealand	3,912	3,661	4,668	7,886	20,127
Polynesia	620	304	192	100	1,216
UK & Ireland	104	59	78	39	280
Asia	321	181	53	21	576
Other	136	84	45	39	304
Total	5,174	4,390	5,201	8,276	23,041
Percentages					
Australia	1.6	2.3	3.2	2.3	2.3
New Zealand	75.6	83.4	89.8	95.3	87.4
Polynesia	12.0	6.9	3.7	1.2	5.3
UK & Ireland	2.0	1.3	1.5	0.5	1.2
Asia	6.2	4.1	1.0	0.3	2.5
Other	2.6	1.9	0.9	0.5	1.3
Total	100.0	100.0	100.0	100.0	100.0

Source: Centrelink, unpublished

* Length of time in Australia is within three months of time stated.

** Six month waiting period applied to recent arrivals.

subject to the two-year waiting period will, to judge from the data shown in Table 6, prevent a sizeable number from receiving labour market payments.

As Table 5 indicates, the New Zealand-born welfare dependency rate is lower than both Australian-born and overseas-born residents. It is true that 16.5 per cent of the New Zealand-born aged 15 to 64 were in receipt of benefits in 1996. However, the cost of providing these welfare benefits was compensated by the relatively high proportion of all New Zealand-born persons who were employed (and thus taxpayers) in Australia. (Some 78 per cent were in the labour force in June 2000 compared with 67 per cent of Australian-born persons).²⁴

Data for the third-country New Zealand-migrants are more difficult to obtain, but Table 6 shows the total number of New Zealand citizens, by birthplace and length of time resident in Australia, who

were in receipt of labour-market payments (such as Newstart) as of September 1997. This table shows that as the number of third-country migrants increased so has their share of social security recipients. However, they do not appear to be accessing benefits beyond the rates of New Zealand-born persons in Australia.

CONCLUSION

It appears that the required legislation to enact the new rules will be passed through both parliaments. Soothing official talk at the time of the February announcements from both sides of the Tasman might imply that the Australian-New Zealand relationship is now on a more even keel. This is doubtful. Australia will be the main beneficiary of the legislation. Over the three years to 30 June 2000, New Zealand has supplied 23 per cent of the net flow of permanent and long-term professionals into and out of Australia.²⁵ The new arrangements mean that Australia continues to benefit from this flow, but place obstacles in the way of other less skilled movers from New Zealand. In other words, Australia is cherry-picking New Zealand's skills. This is hardly calculated to enhance Trans-Tasman harmony.

However, it is not at all clear that these new rules will limit the broader movement of New Zealand citizens to Australia. New Zealand citizens who do not meet Australia's selection criteria are still privileged relative to those from elsewhere in the world. Even if they cannot gain permanent residence, they can stay in Australia, work here and access some benefits not available to

other visitors. These benefits include Medicare, education for their children, family benefits, public housing and, in the long run, the Age Pension (albeit the cost will be shared by the Australian and New Zealand Governments). Also, if the disparity between the Australia and New Zealand employment circumstances continues, the motive to move to Australia is likely to remain strong.

Winners and losers

The Australian Government is a clear winner in that it has achieved effective 'harmonisation' of immigrant selection rules with New Zealand by not allowing New Zealand citizens who fail to meet Australian selection standards to become permanent residents of Australia.

New Zealand citizens are the emphatic losers because they have lost the privilege of enjoying many of the benefits of Australian residence whenever it suits them to move to Australia. The Australian Government was mainly concerned about third-country migrants, but the new rules affect all New Zealand citizens. All now have to apply for permanent residence and pay a fee for the privilege. By contrast, there is no change to the situation of Australian residents who move to New Zealand.

References

- ¹ See B. Lagan, 'Flight of the Kiwi', Sydney Morning Herald, 16 December 2000, <http://www.smh.com.au>; 'Education safe from new Aussie deal', INL Newspapers, 11 December 2000, <http://www.stuff.co.nz/inl>; 'Australian Immigration fears unfounded – Dalziel', *The Dominion*, 21 September 2000
- ² Glossary, <http://www.nz-oz.gov.au>
- ³ Department of Immigration and Multicultural Affairs (DIMA), Temporary Residence in Australia, Fact Sheet 53, <http://www.immi.gov.au/facts/53temres.html>
- ⁴ Are you thinking of moving to Australia?, <http://www.nz-oz.gov.au>, 27 February 2001
- ⁵ Thinking about living in Australia, <http://www.winz.govt.nz>, March 2001, p. 7
- ⁶ Australian Bureau of Statistics, Census of Population and Housing, *Selected Social and Housing Characteristics*, Australia, Cat. No. 2015.0, 1996, p. 38
- ⁷ Statistics New Zealand, 1996 Census, unpublished tables
- ⁸ DIMA, Overseas arrivals and departures 1999-2000 and 1991-92, unpublished
- ⁹ DIMA Fact Sheet 6, New Zealanders in Australia, <http://immi.gov.au/facts/06newz.htm>, 22 Feb., 2001
- ¹⁰ J. Lidgard and R. Bedford, 'New Zealand's international migration system at the end of the 20th century: review and prospect', *New Zealand Population Review*, no. 25, 1999, p. 49

It is hard to see that the New Zealand Government has made any compensating gains, including gains concerning its financial obligations to New Zealand citizens who move to Australia. It was not paying labour market benefits under the old agreement and this continues to be the case under the new one. All it has achieved is to deflect pressure from the Australian Government to 'harmonise' its immigration rules and/or make a contribution to the bill for future labour market payments made to New Zealand citizens in Australia.

Perhaps the New Zealand Government sees a benefit in staunching the flow of its citizens to Australia. If so, it is a mixed benefit. New Zealand only keeps those who cannot meet Australian selection standards. But if limiting the outflow was a goal, it is doubtful whether the new rules will achieve this aim because those who fail to obtain permanent residence can live and work in Australia in the marginal status of 'indefinite temporaries'.

Ironically it is those who find trouble gaining employment who are the most likely to return to New Zealand because that is where the social security safety net is.

- ¹¹ Calculated from Appendix 3, M. McKinnon, *Immigrants and Citizens: New Zealanders and Asian Immigration in Historical Context*, Institute of Policy Studies, Victoria University of Wellington, 1996, p. 85
- ¹² See V. Rapson, 'New Zealand's migration policy: a revolving door?', *People and Place*, vol. 6, no 4., 1998, p. 57
- ¹³ T. Beal and F. Sos, *Astronauts from Taiwan*, Asia Pacific Research Institute, Wellington, 1999, pp. 55-57
- ¹⁴ Lidgard and Bedford, op. cit., p. 51
- ¹⁵ B. Birrell, 'The Business Skills Program: is it delivering?' *People and Place*, vol. 8, no. 4, 2000, pp. 36-42
- ¹⁶ Beal and Sos, op.cit.; E. Ho and R. Bedford, 'The Asian crisis and migrant entrepreneurs in New Zealand; some reactions and reflections', *New Zealand Population Review*, no. 24, 1998, pp. 71-101
- ¹⁷ See R. Farmer, 'New Zealand's 'targeted' immigration policy, 1991 to 1996', *People and Place*, vol. 5, no. 1, 1997, pp. 1-15; V. Rapson, 'New Zealand's migration policy: a revolving door?', *People and Place*, vol. 6, no. 4, 1998, pp. 54-56
- ¹⁸ Statistics New Zealand, External Migration: June 2000, <http://www.stats.govt.nz>
- ¹⁹ 'Government to increase immigrant target', *NZ Newspapers*, 9 February 2001, <http://www.stuff.co.nz>
- ²⁰ H. Clark, Government to increase skilled migrant numbers, New Zealand Government Press Release, 9 February 2001
- ²¹ See for example, N. North, A. Trlin and R. Singh, 'Characteristics and difficulties of unregistered immigrant doctors in New Zealand', *New Zealand Population Review*, no. 25, 1999, pp. 133-143
- ²² Hansard, House of Representatives, 27 November 2000, p. 22,824; E. Wellwood, 'Overstayer amnesty outrage', (Top story), <http://www.stuff.co.nz>, 21 September 2000
- ²³ O. Alley, 'Aussie Kiwis "should not get a bean"', *The Dominion*, 9 December 2000, p. 2
- ²⁴ DIMA, New Zealanders in Australia, Fact Sheet 6, op. cit
- ²⁵ B. Birrell, I. R. Dobson and T. F. Smith, *Interim Report on Australia's 'brain drain'*, DIMA, forthcoming