

# Migrant worker exploitation escalates in New Zealand

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The New Zealand Public Service Commission released a report on February 27 into the Accredited Employer Work Visa (AEWV) scheme, which was initiated last year following a series of scandals about the widespread exploitation of migrant workers.

The AEWV scheme was introduced by the previous Labour government in July 2022, after COVID-19 border closures led to worker shortages. To reduce visa processing times, the number of checks required by immigration officers was reduced. The scheme has since faced a raft of criticisms for not protecting workers.

The inquiry was a damage control exercise. Labour's then Immigration Minister Andrew Little set it up last August, claiming to have received an anonymous letter from an internal whistleblower alleging that some checks on employers were not being made.

In fact, the government's hand was forced by media revelations of dozens of migrant workers crowded into squalid conditions in rental homes across Auckland. The workers, from India, China and Bangladesh, had paid thousands of dollars for employment agreements with local recruitment contractors, but after three months had received no work or pay. The men called police when their food ran out and they had to resort to begging.

Little limited the inquiry to checking that the "rules" for processing applications were "being done thoroughly"—i.e., not to investigate the scheme itself. The review, led by career bureaucrat Jenn Bestwick only looked at whether Immigration New Zealand (INZ) had "mitigated the risk" of migrant exploitation "appropriately."

INZ officials told the inquiry that their bosses didn't take seriously concerns about "modern day slavery," migrants being forced to pay illegal premiums and employers applying with false information. Their reports were "swept under the carpet." Bestwick found that while INZ's decision to reduce the checks was "reasonable," it

did not adequately assess "the risk and impact" the speed-up to processing times would have on "visa abuse."

The inquiry noted that as of August 14, 2023, INZ had approved 80,576 AEWV applications from immigrant workers with 27,892 accredited employers—who were allowed to get temporary work visas for as many staff as they wanted.

By February this year the Ministry for Business, Innovation and Employment (MBIE) had received 2,107 complaints against employers. Currently 174 employers are being investigated, 145 have had accreditation revoked, 53 have had accreditation suspended and 48 are under assessment to have their accreditation revoked. So far, just one immigration advisor is being prosecuted.

In response to the report, Deputy Public Service Commissioner Heather Baggott said INZ should have "done more" to minimise risk of abuse of the visa system. "While it was unscrupulous employers who exploited migrants coming into the country, Immigration New Zealand could have, and should have, done more to minimise the risk of that happening," she declared. INZ and MBIE have now promised to improve their processes.

This will do nothing to improve the lot of tens of thousands of immigrant workers who are being brought into the country to work as virtual slave labour. Nor is it a matter of a minority of "unscrupulous" employers exploiting an otherwise healthy system.

Migrant exploitation is an entrenched feature of New Zealand capitalism. Economics commentator Bernard Hickey has described New Zealand as the "Dubai of the South Pacific" for allowing "fraudulent agents and fly-by-night firms to bring in desperate and poor workers with suggestions of high-paid jobs and residency, only to pull the rug out from under their feet and leaving them indebted and even more desperate."

After the height of the pandemic, migrants were recruited with promises of good employment and

improved living standards. The year to October 2023 saw the highest migration figures on record with 245,600 migrant arrivals and a net migration gain of 128,900. The long-term average for the period 2002–2019 was 120,500 migrant arrivals and 91,900 departures per year.

When migrants arrived, many were not paid the wages they had been promised, were forced to live in overcrowded and dangerous conditions, and in some cases had no job, despite paying for work. Some paid \$30,000 in illegal premiums for non-existent jobs.

Migrant workers are among the most vulnerable sections of the working class. Five days before last Christmas, labour hire and recruitment firm ELE Holdings went into liquidation, leaving up to 500 migrant workers, 60 percent of its workforce, unemployed. Many were forced into precarious situations, with no income and unable to pay rent, sleeping in cars while living off noodles and donated food.

In mid-January the workers protested outside the Auckland and Christchurch offices of liquidator Deloitte and the Philippines Embassy in Wellington, demanding their overdue final payments. Because all AEWV visas tie workers to one particular employer, once they lose their jobs they are left in limbo and face the threat of deportation.

Another group is facing a similar situation with the collapse last month of labour hire firm Buildhub. In January, Buildhub posted on its website that INZ had decided not to pursue charges against it after a group of South American migrants made complaints about not getting the jobs they had signed up for. One worker, Alfredo, told Radio NZ that he was a civil engineer but was only given work as a carpenter.

A handful of egregious cases, doubtless the tip of the iceberg, have eventually come to court. Last month Tauranga kiwifruit contractor Jafar Kurisi admitted to exploiting four illegal migrant workers from Indonesia and Malaysia. One lived in a crowded garage with 19 others for four months with no heating or insulation. Some slept on the garage floor because there were not enough mattresses. Kurisi underpaid the men thousands of dollars in wages and charged them \$100 rent a week and travel costs to get to and from work.

The new far-right National Party-led coalition government is currently preparing an expansion of another highly exploitative work program, the Recognised Seasonal Employer (RSE) scheme. Introduced by a Labour government in 2007, the RSE scheme brings Pacific Island workers in annually on temporary visas for

the horticulture industry. The NZ Human Rights Commission reported in 2022 that the Pacific workers were systematically subjected to conditions akin to “modern slavery.”

Prime Minister Christopher Luxon has pledged to double the RSE intake from the current 19,500 per annum, while coalition partner ACT wants the cap on numbers lifted completely. Although Pacific Island governments initially welcomed the income, they now increasingly view both the New Zealand and Australian schemes as a neo-colonial drain. Over the last decade Samoa, Tonga and Vanuatu have lost nearly 20 percent of their productive male populations to the two regional powers.

Successive New Zealand governments have for many years used low-paid migrant workers, tightly controlled by oppressive rules and regulations, not only to fill “gaps” in the labour market as demanded by business, but as an integral part of the assault on jobs, wages and conditions of the entire working class.

The ruling class has zero concern for the rights of migrant workers. It pursued a racist “White New Zealand” policy for much of the past century, with the support of the trade unions. Parties including Labour, the right-wing NZ First and the trade union bureaucracy regularly demand new restrictions on migrants’ rights and seek to scapegoat migrants for low wages, unemployment and the housing crisis. The aim, in a country where approximately one in four people were born overseas, is to divide the working class and prevent any united struggle against the government and its austerity program.

The working class must oppose the reactionary contention that the right to immigrate should be dependent on the needs of the capitalist market. All working people should have the fundamental right to live and work wherever they want, with full citizenship rights.



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