

Migrant workers destitute after collapse of Buildhub in New Zealand

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About 145 migrant workers, mainly from Chile, Peru, Argentina and Colombia, lost their jobs last month with the liquidation and closure of New Zealand construction recruitment company Buildhub.

The company collapsed after being investigated by Immigration New Zealand (INZ) when several workers complained last year about its practices. They said they had moved to New Zealand to take up jobs that were different from what had been offered to them, or that did not provide enough hours of work to make ends meet.

This was one of several cases of alleged exploitation committed under the Accredited Employer Work Visa (AEWV) scheme, introduced by the then Labour Party-led government in 2022 to ramp up immigration with very minimal oversight of employers. Labour claimed the AEWV would stop migrant workers being exploited, but Labour leader Chris Hipkins admitted to Radio NZ on February 28 that “details in the way it was implemented meant that it actually had the reverse effect.”

Labour’s Kris Faafoi, Michael Wood and Andrew Little, who all held the position of immigration minister between 2022 and 2023, have since left parliament. Labour suffered a crushing defeat in the October 2023 election amid soaring social inequality, out-of-control COVID-19 and a crisis in social services.

Under the AEWV, scores of people paid thousands of dollars to move to New Zealand, only to be left without work, or with low-paid jobs, sometimes living in overcrowded and unsanitary conditions. Because visas were tied to employers, workers often felt they could not speak out for fear of losing their jobs and being deported.

In February, INZ cleared Buildhub of claims that it breached the conditions of the AEWV, following what

it described as a thorough criminal investigation. In an email to workers, cited by the *New Zealand Herald*, INZ said: “A high threshold needs to be met for criminal prosecution and, taking into account all the information and evidence available, the threshold for taking the matter further has not been reached.”

Despite this finding, however, dozens of workers applied for and received Migrant Exploitation Protection Visas (MEPV) from INZ, entitling them to minimal payments and to remain in New Zealand for a short period while looking for another job.

A worker who spoke to the *World Socialist Web Site* said: “It’s all very disheartening, especially when in any email, they acknowledge the exploitation, but claim it doesn’t meet the threshold for prosecution. It’s like saying you were hit, but not hard enough to kill you.”

The worker spoke on condition of anonymity, saying that workers had received threats for speaking out. Last August the *NZ Herald* interviewed workers who said they “had been threatened with deportation and sacking by Buildhub” for discussing their plight in a private WhatsApp group.

The worker told the WSWWS he had been recruited a year ago as a civil engineer, with experience in Chile’s mining industry, and had signed up with Buildhub expecting to receive a job that matched his qualifications and experience. “Buildhub’s presentation in Latin America said it was the most important construction company in New Zealand, and I would have no problem getting a job,” he said.

He said he spent about \$US20,000 (about \$NZ33,000) to move to New Zealand with his wife and their child, only to discover that Buildhub was providing lower-paid jobs such as carpentry and gardening. “As a civil engineer, I personally would never have come to New Zealand to work as a gardener

or carpenter,” he said.

He added that many workers had made far greater sacrifices to come to New Zealand. “You have to understand that for me, in Chile, I had a reasonable wage. There are people from Colombia who would have found it very hard.

“The majority of workers have returned to Latin America, others have found very precarious work in New Zealand, and others like myself are trying to learn English, to not return home empty-handed.”

He denounced the meagre support payments for migrants left without work, “which is not enough for anything.” In December last year, three months after they had initially complained to INZ about Buildhub, the worker said he was able to receive payments of just \$300 a week, for a family of three people. He said Minister Little and the Labour government had hoped that this would “shut people up.”

Workers had tried to get justice, the worker said, but it was “like a battle between David and Goliath. While the business has the best legal team, we migrants fight and knock on doors, hoping that someone will translate and represent us out of charity.”

The worker also criticised the murky way in which Buildhub had liquidated its business soon after the INZ investigation, despite being officially cleared of the allegations of exploitation. Workers who had spent tens of thousands to move to New Zealand received no redundancy pay and were thrown on the scrap-heap.

According to the *NZ Herald*, Buildhub had “\$2.2 million in liabilities which include a \$1.3m debt to Inland Revenue and \$219,391 wages and holiday pay owed to employees.” One worker told the *Herald*: “The company directors can just resign, move on, and start new companies doing the same thing, but we are stuck in the predicament they left us in.”

In a notice sent to workers on February 16 about the liquidation, management made sweeping and unsubstantiated allegations that workers had “stolen hours,” and shared information “with a view to harm the reputation of the company.”

The worker who spoke with the WSWS pointed out that in an earlier statement dated February 2, posted on Buildhub’s website, the company also accused a separate company, ChiwiBuilder, of “stealing” over \$450,000. Aside from this bare mention, no details have been made public about the nature of

ChiwiBuilder’s relationship with Buildhub and how it may have contributed to the latter’s collapse. Chiwi Construction Group Holdings Limited was officially placed into liquidation at the same time as Buildhub, on February 22.

The entire Buildhub case is a graphic example of how vulnerable migrant workers are treated as disposable and their livelihoods are wrecked by companies as well as governments of all stripes. The attacks on these workers’ conditions and basic rights are then used to set a benchmark for ratcheting up the exploitation of the entire working class.

Workers must come to the defence of immigrants, including their right to stay in New Zealand without restrictions, and with the same entitlements as citizens. This will involve a political struggle against all the capitalist parties, including Labour and the trade union bureaucracy, which are all complicit in enabling the exploitation of migrants while routinely promoting nationalist chauvinism to scapegoat foreigners for low wages and other attacks on living standards.



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