

28 July 2025

Submission to: the Education and Workforce Committee

Re Immigration (Fiscal Sustainability and System Integrity) Amendment Bill

Please find here the submission of Citizens Advice Bureau | Ngā Pou Whakawhirinaki o Aotearoa (CABNZ) on the Immigration (Fiscal Sustainability and System Integrity) Amendment Bill. Please contact us if you have any questions or want any clarification about our submission.

Please note that we wish to appear before the Committee to speak to our submission.

Contact Person:

Louise May
National Policy Advisor
Citizens Advice Bureau

Phone: 04 471 2735

Email: louise.may@cab.org.nz

CAB submission on the Immigration (Fiscal Sustainability and System Integrity) Amendment Bill

Introduction

We are a nationwide, and locally based, community organisation that provides people with free, confidential, and independent information, advice, and advocacy. We are based in 80 locations around Aotearoa New Zealand and our service is provided by over 2,000 trained CAB volunteers.

In the past year, CABs helped with 336,000 client enquiries on everyday issues such as employment, housing, relationships, immigration, and consumer problems. We also use what we learn from our clients to speak out for fair laws, policies, and services - and to challenge those that harm people's rights or wellbeing.

Citizens Advice Bureau is one of the places that people in New Zealand on temporary work visas go to for help when they are being exploited by their employers. The mahi we do with these clients gives us insights into the exploitative practices within some workplaces and industries in New Zealand that the weaknesses within our visa system have allowed to take hold. It gives us insights into the significant and serious impacts these practices are having on migrant workers and their dependents. It shows us the barriers for people on temporary work visas in trying to get the help they need after experiencing exploitation.

Summary

The introduction of section 351A will send a stronger message that the charging of premiums for visas and jobs in New Zealand is not acceptable. However, because of the insights we have gained from our clients' experiences, we are uncertain of the extent to which this measure will, in practice, actually put a stop to the charging of premiums.

To end the ongoing financial (and other forms of) abuse against workers in New Zealand on temporary work visas, there are other changes – not included within this immigration (Fiscal Sustainability and System Integrity) Bill - that must be made to the immigration law, regulations and processes governing temporary work visas in Aotearoa New Zealand.

One of these changes is the untying of work visas from individual employers which, if implemented, would make the most significant and meaningful impact on the now-systemic problem of migrant exploitation in our country.

Other measures that have been taken, including section 351A of this Bill, are insufficient to address the problem of migrant worker exploitation we have in Aotearoa New Zealand.

We therefore ask for the untying of work visas in New Zealand so that people who are here on temporary work visas are no longer dependent on an individual employer for their legal immigration status in New Zealand.

Context: CAB client enquiries involving exploitation or trafficking of people on the Accredited Employer Work Visa

After the introduction of the Accredited Employer Work Visa (AEWV) scheme in 2022, our CABs noticed a very marked increase in the number of enquiries they were receiving from people in New Zealand on temporary work visas seeking the CAB's help because they were being exploited by their employer or the people involved in organising their visa.

By early 2023, after the first cohort of workers under the new AEWV scheme had been in New Zealand for some months, people on this visa began approaching our CABs with stories of mistreatment that included being:

- made to work excessive weekly hours
- being made to work seven days a week on an ongoing basis
- not allowed any breaks during the day, even to seek medical care
- given onerous or impossible job targets to meet that put their own health and the safety of others at risk
- underpaid or not paid at all or having their wages stolen back off them by the employer
- charged tens of thousands of dollars for their Accredited Employer Work Visa by the agent or employer who arranged the visa for them – and in some cases, only to find out when they got to New Zealand that the job did not exist
- moved from one part of the country to another by their employer without having any say in the matter
- housed in substandard, unhealthy and unsafe conditions
- sexually harassed, bullied, sexually abused, physically abused, stalked, surveilled
- dismissed from their job without notice or reason given, often after raising the mistreatment with their employer
- threatened by their employer that their visa status would be revoked, they would be deported, or their family in their home country would be harmed by associates or family of the employer if they dared to complain or report what was happening to them in New Zealand

Every time a CAB volunteer assists a client with their question or issue, the volunteer enters the detail of the enquiry, and the help they provided the client, into our enquiry database. This information gives us a rich insight into the issues impacting people across our society. In May 2024, our volunteers started tagging the client enquiries entered into our database where such

migrant exploitation – or people trafficking – may be occurring , so that we can more easily retrieve this data from our system and analyse the issues and trends these enquiries reveal.

Since we started tagging these enquiries and at the time of writing, we have recorded over 700 client enquiries where our volunteers have identified that migrant exploitation or people trafficking appears appears to have occurred. The number of these enquiries for the Year to June is around 550. The numbers have been fairly consistent since we started recording, with an average of around 44 every month.

It should be noted that many of our migrant clients in these situations tell us that their employers are treating their co-workers in the same way – especially if their co-workers are also on temporary work visas. They will also often tell us that their colleagues are scared of the employer and of the consequences if they complain, so they will not speak out or report their exploitation. Therefore, we know that many more people are experiencing exploitation than the cases we are seeing in our CABs and it is a much larger problem than the statistics would suggest.

Extracting premiums from people for an Accredited Employer Work Visa job

We are pleased to see the inclusion within the Bill of section 351A that will make it an offence for a New Zealand-based employer, their agent, or any person involved in the recruitment process or dealing with the intending worker, to charge a premium for employment regardless of whether the worker has started in the role and whether the payment is made offshore or in New Zealand.

Since the introduction of the Accredited Employer Work Visa scheme, we have seen many cases of clients being charged for their jobs under this visa by the sponsoring employers, agents, or other people acting on behalf of the employers to arrange the visas. We are continuing to see this happen today. Where a premium is charged, it is generally very high – usually at least \$15,000 and often in the \$30,000 to \$50,000 range.

Most clients have taken on debt to come up with the premium fee, and this may be from unsafe lending sources that pose the risk of physical harm to the client's family back home or to the client themselves when they return. Or the loan may be from a family member who risks financial and material hardship if the client is unable to pay back the loan – which is often the case when a client is the victim of migrant worker exploitation or trafficking here in Aotearoa New Zealand.

Some examples of recent CAB client cases:



The client was brought to New Zealand to work in the transport and logistics sector. He was required to pay \$40,000 for the job, and to give that money to the family of his NZ-based employer – the family live in the client's home country. The client's own family helped him get the money together to pay for the job. The client's employment contract is for 37 hours per week, but he is required to work between 50 and 60 hours. He is being paid less than the employment contract specifies. The employer has set required targets for the client which mean he can never take a break during the day and also has to regularly drive over the speed limit. The client's working conditions have led to a painful and persistent physical injury. When the client asked his employer if he could see a doctor, his employer told him no and made a veiled threat, so the client dropped the issue. However, things got worse so the client again asked if he could see a doctor. This time the employer's response was to dismiss him from his job. At that point the pain had become so bad, the client had to go to A&E.

The client was brought to New Zealand to work in retail. He was charged \$35,000 by his employer for arranging his Accredited Employer Work Visa, and he borrowed from his parents to pay this fee. The client was provided an employment contract, but the employer ignored the terms. The employer paid the client less than specified in the contract – at the minimum wage - only ever paid the client for 32 hours per week even though he was made to work between 60 and 70 hours per week, often made the client work seven days a week, moved him around the country from one store to another, and then eventually dismissed the client on short notice and without paying up the holiday pay owed. The client has not been able to find work since being laid off. This has meant he has been unable to continue paying off the money his parents loaned him for his visa, and this has damaged the relationship.

The client had to pay NZ \$40,000 to the construction company that brought him to New Zealand under the Accredited Employer Work Visa scheme. After raising concerns with his employer about his work hours and pay, he was instantly dismissed from his job. The client does not want to report his exploitation because he is scared about retribution from his former employer. He is currently unemployed and having real difficulty trying to find another job. He says that other workers at his former place of employment are experiencing the same things too.

The client was charged \$17,000 for his work visa for a 3-year employment contract in a construction role in New Zealand. He was dismissed only a few months into the job. He believes that his employer and the offshore agent he paid the \$17,000 fee to are running a scam together, providing a sham employment 'recruitment' process to extract money out of people.

The introduction of section 351A will send a stronger message that the charging of premiums for visas and jobs in New Zealand is not acceptable. However, because of what our clients tell us, we are uncertain of the extent to which this measure will, in practice, put a stop to the charging of premiums.

With many of the cases we see, the premiums do appear to have been paid offshore before the worker leaves for New Zealand, and the payment may not always be made, in the first instance, directly to the employer but to an offshore agent or other person, with whom the employer has some kind of relationship. This may include an associate or a family member of the New Zealand-based employer. Therefore, multiple people may be taking a cut of the premium, with the money changing hands a number of times before it reaches the employer.

In these cases, it would be difficult to find a paper trail or hard evidence of the employer receiving – or even requesting – or otherwise benefitting from a premium for the visa. New Zealand-based individuals who want to charge migrant workers premiums in return for sponsored work visas may find ways of continuing to do so, even after section 351A comes into effect, without the premium payments being traceable back to them.

We also note that the Departmental Disclosure Statement for this Bill says, “... although the new offence [under section 351A] and associated penalty is expected to deter bad actors from charging premiums just through its existence, the level of regulator effort put into securing compliance will impact the degree to which migrant exploitation of this nature reduces.”

We acknowledge the difficulty our system here in New Zealand would have in trying to combat these practices, especially when they largely take place within other jurisdictions – though we would certainly support efforts by our government and officials to address the problem to the extent that they are able to.

Regardless of the degree to which section 351A will reduce the charging of premiums for the Accredited Employer Work Visa, premiums are in fact just one of the ways in which unscrupulous New Zealand-based employers and businesses are maximising their profits through the money they make from the financial abuse of their AEVW workers. To end the ongoing financial (and other forms of) abuse against these workers, there are other changes – not included within this immigration (Fiscal Sustainability and System Integrity) Bill – that must be made to the immigration law, regulations and processes governing temporary work visas in Aotearoa New Zealand.

We will address one of those changes in this submission – untying work visas from individual employers – which, if implemented, would make the most significant impact on the now-systemic problem of migrant exploitation in our country.

Bonding workers to their employers through the Accredited Employer Work Visa

The Accredited Employer Work Visa is facilitating the exploitation – and in some cases, trafficking – of people coming into New Zealand on this visa. We see this very clearly through the client cases we are regularly encountering in our CABs every day, even after all of the changes that have been made to the visa and related policy settings since it was introduced.

We expect to continue to see such exploitation and trafficking cases coming to our CABs even after section 351A of this Bill comes into effect. This is because a key element – and a deeply problematic feature – of the Accredited Employer Work Visa which is facilitating the exploitation and abuse of migrant workers is the tying of the worker's visa to their employer. Until workers are no longer bonded to their employers in this way, other measures, such as section 351A, are really just tinkering around the edges of the fundamental problem.

The issue with tying a person's work visa to their employer is what it does to the power relationship between the two parties.

At the best of times, the overall power in an employment relationship tends to be skewed in the employer's favour (and even more so when jobs are scarce). The critical importance of the income derived from the work means that many employees hesitate to question or challenge their employer when the employer disregards employment (or other) law. This is something we regularly see in the employment-related enquiries we receive from workers from across the New Zealand workforce.

This is the general context within which the specific exploitation and abuse of people in New Zealand on the Accredited Employer Work Visa takes place. They, however, have a feeling of additional vulnerability due to their visa status and its dependence on their employer. AEWW employers know this, and it emboldens some to take full advantage of this sense of vulnerability and flout the law in the way they treat their migrant employees. The worker's sense of the additional control that their employer has over their fate often has a silencing effect on them when they are being mistreated.

It is common for our migrant clients experiencing exploitation and abuse at work to tell us they are scared to address the mistreatment for fear of the consequences for their visa. It is also common for these clients to tell us that their employers have explicitly used the client's visa status to threaten them into accepting illegal and exploitative terms and conditions, prevent them from leaving the job, and keep them from reporting how they are being treated. Employers may also use their connections back in the client's home country to make threats against the client's family if the client doesn't comply with their wishes.

Some examples of recent CAB client cases:



The client is working at a restaurant where most of the employees are migrant workers on temporary work visas. The employer is violating their employment agreements, for example giving fewer hours than agreed, and refusing to pay holiday pay or sick leave. The workers are struggling. However, they are too scared to complain because the employer has threatened that he will withdraw his support for their visas if they do so.

The client's employer expects her to work extra hours for no pay. When the client asked her employer to put his requests in writing, he became very angry and told her that he was "going to make things very difficult" for her. The client feels he is trying to force her out of her job so that she can be replaced with someone who will comply with the employer's demands for additional hours for no pay. The client says that the other workers are also being bullied and threatened by the employer.

The client's employer expects her to be permanently on call and often makes her work 7 days a week. She gets no breaks during the workday. The employer is from the same country as the client and has connections into a crime ring there. The employer has told the client that if they do not comply with their expectations they will organise for her family to be harmed. The client is very scared for her family and afraid about what will happen if he finds out she is seeking help.

The client was brought into New Zealand to work in the retail sector. The employer owned a few businesses, and after one of them went into liquidation he made some of the staff redundant and then told the other staff that he could no longer pay them but that they had to keep working for him because their visas relied on him. The client had been working full time for no pay whatsoever for a few months when the stress of the situation caused their mental health to break down.

The client was brought to New Zealand to work in the service sector (beauty and personal care). In the two years the client has been working in this job, they have not been able to take any leave at all. Their employer told them if they took any leave, their work hours will be reduced, and they will be on much lesser pay. Most of the client's co-workers are also on temporary work visas and working under the same conditions. They are all afraid of the employer, so nobody speaks up.

Some of the cases we see or hear about from our clients sound a lot like people trafficking, for example:

The client was deceived by the employer who brought him to New Zealand – the client was never given the role agreed and which was specified on his visa. Instead, he was made to do much less skilled work, including cleaning. Then the employer moved the client to another of the employer's businesses (which is not accredited), relocating him to a different part of the country. The client is being made to work seven days a week, and although he is working



excessive hours, is only being paid for 30 hours per week. He is not being paid any holiday pay, and – along with his co-workers – is being monitored at work by CCTV. The client is being housed in a storage container, which is he paying rent for to the employer. The employer frequently calls the client late at night, repeatedly until the client answers the phone.

Some of the cases point to the widespread nature of the exploitation that is now occurring and appearing to be taking root within some sectors and industries within New Zealand, for example:

The client works in the transportation sector and is extremely concerned at the practices he is seeing in the industry in terms of the gaming of the system that owners and employers are doing to get the cheapest possible labour. Workers are being brought into New Zealand ostensibly to work for a particular employer but are then being handed off to another employer who then pays them well below what the workers are supposed to be receiving according to their visa requirements – the client says they are typically receiving around half the pay that their New Zealand counterparts are getting. The workers are only able to survive because they have partners or spouses who are in paid employment. The client sees that some of these workers are not suitably qualified for the work they are doing, and there are safety implications for the workers and the public.

We believe that addressing the nature of the employment relationship between AEWV employers and their migrant employees - by discontinuing the tying of work visas to individual employers - is critical to preventing the ongoing exploitation and abuse of these workers and addressing the systemic nature of the problem in our country.

We therefore ask for the untying of work visas in New Zealand so that people who are here on temporary work visas are no longer dependent on an individual employer for their legal immigration status in New Zealand.