

Submission by [REDACTED] National Director, Unite Union

Unite Union believes it is necessary to review the entire system of temporary work visas under the essential skills category with a view towards its elimination.

Anyone currently employed on a temporary visa in a position under the essential skills category should have the right to apply for permanent residence.

No employer should have the right to apply for a temporary visa in the future.

We believe that the vulnerable, precarious status of temporary visa workers under the essential skills system has been used to undermine wages and conditions of workers in this country. This can only be prevented if all workers have full legal rights as workers, including the right to change their jobs.

The current proposal simply entrenches the worst aspects of the current system and will lead to even worse abuses in the future. They will create serious injustices in this country that we have a moral duty to try and stop happening.

We are a union of 7000 financial members. We estimate that up to one-third of our members could be on a temporary work visa.

We cover workers in fast food, hospitality, hotels, and security. We also have members in English Language Schools.

It is our belief that tens of thousands of workers and students in this country have been brought here under false pretences.

Many students have been conned into paying thousands of dollars towards courses that they hoped would open the door to jobs and the chance for permanent residence.

The promises have proved to be nothing more than a fraud perpetrated by the government.

These students and workers are having the rules changed on them after they arrived. Many have studied and worked here for up to a decade.

Increasing the points required to get permanent residence under the skilled worker category and imposing a minimum income requirement of \$49,000 will ensure that many will not be able to meet the new requirements. Those who don't will have a maximum of three years before they are kicked out.

At the same time, the government is proposing to continue bringing temporary work visa holders under the essential skills categories for lower skilled and lower paid occupations but for a maximum of three years and no right to bring family members.

This will most likely lead to either a massive drop in numbers coming as either students or on temporary work visas or those who do come being so desperate they will be wide open to even worse abuse and exploitation than currently.

In their plan, the government has made a proposal for what they have called an "amnesty" for a group of workers in the South Island as a one-off pathway to residency for around 4,000 temporary migrant workers and their families.

In the words of Immigration Minister Michael Woodhouse:

“Many of these migrants are already well settled in New Zealand and make a valuable contribution to their communities.

“It will also enable employers to retain an experienced workforce that has helped meet genuine regional labour market needs.

“My National colleagues in the South Island have advocated strongly on behalf their constituents throughout the development of this policy, so I’m pleased the Government has been able to deliver on our commitment to enable this cohort of migrant workers to remain in their communities.”

I understand that many of these workers will be working on dairy farms run by friends of the National Party who have lobbied their MP’s to keep these workers in the country.

At the very least, the “Amnesty” being allowed these workers from the requirement to meet the new points or income thresholds for permanent residence should be extended to the whole country.

We believe that we could go even further in our humanitarianism.

We believe that as a country we can and should be more generous to the group of people who have come under the old rules and hoped to be able to transition to permanent residence.

How this is done is a practical matter. The following are some suggestions.

We should do a register of those who are here studying and working who would like to be able to apply for permanent residence. Anyone who could have gained residence under the old criteria should be put on a register. Employers who already have staff working in essential skills categories will be offered the chance to offer permanent ongoing jobs. Employers should be banned from employing anyone on a temporary visa until the existing pool of those who are here have been employed and gained residency.

The problems associated with the abuse and exploitation of migrant workers could be fixed by improving their legal status as permanent residence applicants. They should also be allowed to change employers. There should be a legal requirement for all hours worked to be recorded, wages and salaries to be paid into a bank account and a printed or electronic payslip provided each worker recording hours worked, pay rate, allowances and wages paid.

Over this last few years, there has been a surge in net arrival numbers for the category of people who tick a box saying they are going to stay for a year or longer versus those who say they are going to leave for a year or longer. This is not a particularly scientific number but it does give a picture of population flows. It has recorded a net gain of over 70,000 a year for the last year or so.

Parties that want to reduce the number of permanent and long-term (PLT) net arrivals to New Zealand from the current 70,000 plus number can also support this humanitarian policy towards those already here.

We have 150,000 workers here at any one time on a temporary work visa. We have 100,000 fee-paying students. The government issues 250,000 temporary work and student visas a year.

It makes no sense to throw out people who want to stay and have invested a significant part of their lives to creating homes in this country while continuing to bring in people on temporary

visas only to throw them out again after three years.

New Zealand usually loses a portion of its residents each year. This has averaged around 20,000 net loss since the mid-1980s. Non-New Zealand residents averaged a net gain of 30,000. The overall net gain for most of the past several decades was around 10,000.

There have been three main drivers of the increase in net PLT arrivals over departures. One was a relatively sudden swing around from average net losses of New Zealanders of around 20-30,000 a year over several decades. However, New Zealand resident movements rose to a net loss of around 40,000 in 2012 and then dropped to near zero in 2016.

Second, was the government's desire to boost the so-called export education sector which they did by loosening entry restrictions and allowing the students greater work rights once here. 2012 to 2016 saw student visas grow from 60 to 80,000 a year.

Third, was an expansion of temporary work visas for relatively unskilled work. The temporary work visa numbers went from 120,000 to 170,000 over the same period.

It has little to do with the intake of permanent residents which has been in the 40-50,000 category for over 15 years. This was true also during the period when New Zealand First leader Winston Peters was in government from 1999-2008 despite his reputation for being less friendly to immigration.

The failure to distinguish between those being admitted as permanent residents, those who come as students or temporary workers and those who come and go on a permanent or long-term basis, has been one of the means that anti-immigrant sentiment is promoted.

In October last year, the government announced their goal was to reduce the overall permanent residence number from 100,000 over two years to 95,000. To achieve that 5% reduction they added 20 points to the skilled work visa number required, increased the English Language requirement, and stopped new parental visas for two years.

These changes, however, will have an almost negligible impact on the PLT flow number.

It is actually difficult to change this permanent residence number much from year to year. It is made up of skilled workers who qualify – as well as refugees, family reunification, parents, investors, Pacific quota, Samoan quota, and a dozen more categories.

Because it has many parts, it can't actually be changed very much in the short term. It is certainly difficult to reduce it significantly without impacting on the key variable which is the skilled worker category.

To achieve the 5% overall reduction the changes did eliminate significant categories of semi-skilled workers who were able to access residency in the past in these roles. I will leave aside the value judgements being made around the skill of a low-paid nurse aid in aged care versus a high paid advertising executive.

The changes already made will result in thousands of workers who are here as chefs, nurse aids, hospitality and retail workers being stopped from ever getting the chance to access permanent residence. For example, it eliminated 90% of the people working here as chefs from being able to access permanent residence.

Thousands of people who had relocated to the country in the belief they would be able to get residence feel betrayed.

The additional requirement that all jobs must meet the additional \$49,000 income threshold to qualify for permanent residence will lead to an additional significant barrier for those who have come under the old rules. Most workers in many of the categories currently using large numbers of migrant workers would never pay \$49,000. Most current essential skills visa holders in jobs in New Zealand won't ever qualify for permanent residence.

However, if chefs and other less skilled workers can no longer have the possibility of transitioning to permanent residence there will inevitably be a collapse in the number of these people coming to New Zealand and an exodus of many already here.

I have seen this in one Chinese family I have close contact with. One young man who has done a two-year chef's course at a cost of \$50,000 lost the chance to a permanent residence when the points were lifted last year. He was considering doing a degree in hotel management to get the extra points. That is now ruled out as a possibility as the wage for a new graduate is well below \$50,000. He is returning to China. Another young woman was doing a translation course and planned to do a post graduate degree here but the new system means she will give up on New Zealand and do the degree in Australia.

The government appears to be adopting a policy that simply sees these workers as labour input digits, not human beings.

New Zealand has been able to use a privileged position internationally to attract students to study and work in this country. We are a developed, English-speaking country that has had a net migration loss of its own residents over several decades.

New Zealand has used the fact that we usually lose one percent of the population each year to Australia and elsewhere to have a category of visas that allowed permanent residence after studying and working in New Zealand.

The hope of eventually getting permanent residence was critical to the operation of the system.

Around 20% of those who start as students or on a temporary work visa managed to obtain permanent residence eventually. Points were awarded for studying here and getting job offers. Almost half of the skilled worker category of around 20,000 a year who transition to permanent residence were former students. The percentage of former students qualifying was increasing as a percentage of the total while the skill level was declining.

The desperation of many to achieve that goal allowed employers and shoddy educational institutions to take advantage of them.

That is what makes it a system of exploitation. The export education and temporary work visa system needed the possibility of permanent residence for some to make the system of exploitation work.

We are also fearful that large parts of the private export education sector will collapse. If there is no chance of using the qualifications obtained in more modestly paid work then all incentives to study here will be eliminated. Whilst many of these providers have proved to be crooks that is not true of all of them and many thousands of workers are employed in this industry and their jobs will be put at risk.

The growth the PLT net arrivals has been used by politicians to blame "immigrants" for social problems that exist in society.

What the surge in PLT net arrivals was a sign of was the fact the government actually had no overall plan for the country. They appeared to simply want to let the market work whatever miracles it could without consequences being considered. The education sector wants students – let them come. Bosses want cheap labour – let it come. Tourism wants a boost - relax visa controls. The economy needs a boost – remove all controls on foreign capital.

This surge in net gains has coincided with a property boom in Auckland in particular. Transport also seems almost permanently gridlocked in Auckland as well. It is easy to blame “uncontrolled” migration as at least in part causing these problems.

The fundamental cause of these problems is that property is simply a speculators playground and public transport has been starved of meaningful funding (except for an addiction to motorways) for decades.

Migrants are not to blame for either situation. The government simply refused to “plan” for the future of Auckland because any form of planning is an example of socialism. They waited for “the market” to perform its miracles. But the market produces property bubbles and motorways for trucks and cars, not public housing and public transport which is what was needed in massive quantities.

Total PLT gain is only around 1.5% of the total population. Problems accessing health, education, housing, jobs or the transport gridlock in Auckland are signs of much deeper failures in the economic system and government policy over decades. By pointing the finger of blame on the migrant, the failures of the capitalist system to deliver decent housing, jobs, health care and public transport can be ignored.

But the government is looking like it has lost control over key issues that are concerning people in Auckland in particular in the lead up to the election.

That is why they are trying to appear to be doing something. But they have no idea what the exact impact will be of the changes they have introduced.

The problem for the government, however, is that they appeared to be simply reacting to events. They appeared to have no plan for the country. Social problems associated with low pay, poverty, lack of housing were just accumulating.

The government appears to have decided that they need to deflect the attacks they have received or “not controlling” migration. Doing something on migration can also avoid the responsibility of doing something meaningful on other matters.

The government seems to have accepted that the permanent or long-term (PLT) visitor net flows inwards has to be reduced.

It is this number the government appears to be targeting with the most recent changes announced for this consultation.

There will be significant falls in the number coming on student and temporary work visas. If there is almost no chance of accessing permanent residence then why bother. There probably will be a fall of “tens of thousands” in the PLT net arrival number.

This is connected to the student flows because the right to work for a few years following graduation is an integral part of attracting students. They get a work visa for a few years that then allowed them the chance of getting work with the points needed for permanent residence.

Another change to the system is that the maximum period of a work visa that does not pay \$49,000 or more will be three years. The worker must leave for at least a year before being able to access a work visa again. Nor will they be allowed to bring a spouse or children like they can now. Those already in the country will get a maximum three-year extension before being forced to leave.

Being only being able to come for three years and then leave for a year will be a huge additional barrier for many. Why waste your time.

Those coming under that temporary category would probably be from places where workers are so poor and desperate that even three years may seem to be worthwhile. But creating a system of indentured labour where businesses are recycling people every three years is just extraordinarily inhumane. The probability that workers brought here under such systems will be exploited mercilessly because they are so desperately vulnerable should be obvious.

Canada has just abandoned such a system for those reasons. They had one based on being able to work four years and then leaving for four years. A parliamentary inquiry recommended it be abandoned and it was late last year. The parliamentary report also recommended eliminating employer specific visas and offering a pathway to residence for less skilled workers.

Adopting the worst features of a failed Canadian programme is not a way forward.

By allowing those already here to stay up to another three years it creates a cushion for the policy to take effect.

There will be tens of thousands of people here working in lower wage sectors on temporary visas who have had their dreams smashed but the government knows that they will have little choice but to remain in servitude for another three years to get the maximum benefit out of the investment they have made.

There is a huge sense of betrayal from these people. There is no question that the government and their employer mates were using the desperate plight of people to improve the lives of themselves and their families to create an export education sector and use temporary work visas to prop up low-wage sectors of the economy like aged care and agriculture.

It is cruel and inhumane to simply throw these people out.

The government has changed the rules on people after they have invested their lives in the search for a decent education and jobs in this country.

It is a betrayal of the promises, implied and direct, that were made to them. People came here to work on visas that under the old rules would have given them a chance at permanent residence.

Why not simply give it to them if they want to stay. They already have jobs. Often the bosses desperately want them to stay. They have often already established relationships and thrown down roots. Children may be going to schools.

Why throw people out and simply replace them with another less skilled temporary migrant. That makes no economic sense.

Giving them the status of permanent residents will mean they can also stand up and fight for their rights. It is their deliberate employment in a status as dependent workers that allows the abusive forms of exploitation that is too often reported in the media to happen.

The government policy will also see a huge jump in the number of people inflating their salaries by refunding the boss in some way to pretend they are an “executive chef” or whatever.

The system being proposed appears to be a bureaucratic dream which will become a nightmare for temporary migrant workers.

It appears that someone at MBIE realised that they could achieve their skilled migrant category for permanent residence with a relatively high number of points and a high associated salary.

They no longer would have to consider the thousands of applications each year from the hopeful tens of thousands of people brought here who they never wanted to acquire residency rights.

These workers would only ever have the hope of being indentured labour tied to employers who sponsor them. They would be in a completely dependent position and open to exploitation and abuse.

I actually think the government’s system is rather neat in the way it achieves the objectives it wants to achieve. They will deflate the numbers coming here. They will keep a “temporary” system for low wage sectors where the workers will be even more vulnerable than they are now because of the fear of losing the one chance of a three-year visa.

But they will “succeed” at the price of substantial misery for those already here and those brought here as temporary slaves in the future.

Why not let them stay? What harm would it do?

As a first step, all “temporary” workers who are in New Zealand should have full legal rights – including the right to change jobs.

Those already here should be given first preference for staying.

Under the government announcement, this has been allowed for 4000 workers in the South Island who have been here five years or more.

Why restrict to that right to Bill English’s dairy farmer mates?

The government should abandon the institutionalisation an endless cycle of three-year permits that force people to leave for at least a year at end of each cycle. This is just nuts. Just when people begin to get good at the jobs they have, form friendships and relationships, they are told they must leave. That is a form of indentured servitude.

The scandals and horrors we have seen in workplaces and private training establishments over recent years will continue.

The number of permanent residence numbers could be increased significantly and still bring down the net PLT flows if that is considered necessary.

Whatever the number that is being allocated for permanent residence each year, priority should be given to those who are here working and studying.