



Low-Wage Migrant Labour in New Zealand

FIXNZ DATA & TRUTH

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Executive Summary

New Zealand has increasingly relied on migrant labour to fill jobs in construction, horticulture, hospitality, aged care, cleaning, transport and other labour-intensive sectors. Migration can relieve genuine shortages and add skills, but a system built around a continuous supply of low-paid or insecure workers can suppress investment, weaken bargaining power and create exploitation.

The policy issue is not whether migrants are beneficial or harmful as a group. It is whether visa settings, employer incentives and enforcement encourage a high-productivity economy or entrench a low-wage business model.

Core finding: migration should solve genuine skill shortages and raise national capability. It should not become a permanent substitute for training, technology, fair wages and secure employment.

1. Growth of Migrant Labour

The migrant share of New Zealand employment increased substantially during the decade before the pandemic. Source material for this report indicates that the proportion of recently arrived migrants in employment rose from about 6.8 percent in 2012 to about 13.7 percent in 2019.

- Construction expanded rapidly and drew heavily on migrant workers.
- Hospitality, horticulture, dairy farming, cleaning, care work and transport also became highly dependent on overseas recruitment.
- Many workers entered on temporary visas and had limited certainty about residence.
- Employers gained flexibility, while workers carried much of the immigration and employment risk.

The expansion was not inherently negative. The problem arose where labour supply grew faster than the systems for training, enforcement, infrastructure and long-term settlement.

2. Low-Wage Labour and Productivity

Treasury and former Productivity Commission research found that migration effects vary by industry, worker skill and firm behaviour. Migrant labour can complement capital and specialist skills, but abundant low-cost labour may reduce incentives to automate or redesign work.

- Firms can respond to shortages by raising wages, training workers, investing in machinery, changing processes or recruiting overseas.
- When overseas recruitment is the cheapest and fastest option, the other responses may be delayed.
- Low-productivity sectors can grow in size without improving output per hour.
- The economy may record higher total GDP while per-capita productivity gains remain weak.

The relevant test is therefore not how many jobs are filled, but whether migration raises output, wages, skills and investment per worker.

3. Construction as a Case Study

Construction illustrates the trade-off. The sector expanded from roughly five percent of real GDP to around seven percent during the long building cycle, while its use of migrant labour increased.

- Migration helped firms respond to a rapid increase in building demand.
- Project-based employment and subcontracting made workforce planning difficult.
- Some migrant construction workers experienced underpayment, unsafe conditions or visa dependence.
- Fragmented firms and weak standardisation limited productivity improvement.
- High demand for workers did not automatically produce a modern, highly capitalised construction system.

A sustainable construction strategy requires apprenticeships, transferable qualifications, prefabrication, better project pipelines and enforcement of minimum standards alongside selective migration.

4. Recognised Seasonal Employer Scheme

The Recognised Seasonal Employer (RSE) scheme allows horticulture and viticulture firms to recruit workers, mainly from Pacific countries, for seasonal work.

- The scheme supplies labour for harvest periods that are difficult to fill domestically.
- Remittances can provide significant income to workers' families and home communities.
- Workers may face deductions for accommodation, transport and other costs.
- Visa conditions and employer dependence can restrict bargaining power.
- Long periods away from family can create social costs in source countries.

The RSE model can support Pacific development, but only where net earnings, accommodation, worker mobility and recruitment practices are independently monitored.

5. Temporary Status and Unequal Bargaining Power

A worker whose visa depends on a particular employer is not bargaining on equal terms. Losing a job can also mean losing legal status, income, accommodation and a hoped-for residence pathway.

- Workers may tolerate unpaid hours, illegal deductions or unsafe work.
- Complaints can be delayed because workers fear dismissal or immigration consequences.
- Recruitment debt increases vulnerability.
- Employers who follow the law can be undercut by businesses using cheaper, non-compliant labour.

Worker protection is therefore also competition policy. Strong enforcement prevents abusive firms from gaining an advantage over responsible employers.

6. Should Low-Skill Work Visas Be Restricted?

The source report proposes sharply limiting work visas for jobs requiring no specialist training. The argument is that unrestricted access to low-cost labour can displace local workers and preserve low-productivity business models.

A complete prohibition, however, could create shortages in seasonal, remote or socially essential work. A more defensible framework would require employers to demonstrate genuine recruitment difficulty, fair wages, acceptable accommodation, training investment and a credible plan to reduce dependence over time.

Policy option	Potential benefit	Main risk
Ban visas for the lowest-skill jobs	Strong incentive to train, automate and raise wages	Severe shortages and business closure in some sectors
High wage threshold	Screens out the cheapest labour model	Can be manipulated through hours, deductions or nominal salary
Sector agreements and quotas	Allows targeted use where shortages are real	Risk of industry lobbying and permanent exception
Employer levy and training obligation	Funds domestic capability and prices in social cost	Administrative complexity and pass-through to consumers
Portable work visas	Reduces employer control and exploitation	Requires stronger compliance monitoring

7. Skills Verification and Occupational Certification

Where visas are granted for skilled work, qualifications and experience should be verified against the actual New Zealand occupation.

- Use independent trade tests or professional assessments where appropriate.
- Require documentary verification from recognised institutions.
- Distinguish formal qualifications from demonstrated competence.
- Ensure overseas experience maps to New Zealand safety and regulatory standards.
- Provide bridging programmes instead of forcing skilled migrants into low-paid unrelated work.

The objective should be accurate selection, not arbitrary exclusion. Genuine skill should be recognised quickly, while fabricated or irrelevant claims should not secure preferential access.

8. Criminality, Deportation and Public Safety

The source report considers whether non-citizens convicted of serious offences should be deported or transferred to serve sentences overseas. Such measures require due process, treaty arrangements and careful assessment of human rights and public safety.

- Serious offending can justify cancellation of immigration status under existing law.
- Prisoner-transfer arrangements depend on the consent and capacity of the receiving country.
- Deportation can move rather than solve risk.
- Australia's section 501 experience shows that large-scale deportation of people with weak ties to the receiving country can increase reintegration and gang problems.

Any policy should distinguish minor offending from serious or repeated crime, preserve appeal rights and ensure that risk is not transferred without a workable supervision and reintegration plan.

9. Cultural Integration and Social Cohesion

There is no reliable basis for treating a particular religion or nationality as generally unwilling to integrate. Official social-cohesion reporting indicates that most migrants feel welcome and develop a sense of belonging.

- The 2022 Migrant Survey reported that 91 percent felt quite or very welcome in their local community.
- Recent migrants reported a lower sense of national belonging than New Zealand-born residents, which is unsurprising early in settlement.
- Language, secure employment, housing and participation in community life are major integration factors.
- Integration is a two-way process requiring both adaptation by newcomers and fair inclusion by institutions.

Policy may legitimately require knowledge of the law, functional language ability and civic responsibilities. It should not use vague cultural tests that become proxies for race or religion.

10. Papatoetoe Local-Election Case Study

A 2025 local-board election in Papatoetoe was voided after a judicial inquiry found that 79 voting papers had been cast without the intended voters' knowledge. The High Court later upheld the decision requiring a new election.

The courts did not establish that an ethnic or religious community as a group was responsible, and subsequent reporting emphasised that the finding should not be converted into a racial allegation. The case is relevant because it exposed weaknesses in postal voting, identity assurance and ballot handling.

- The irregular ballots were sufficient to materially affect the result.
- The appropriate policy response concerns electoral administration, not collective blame.
- Potential reforms include stronger identity checks, secure ballot replacement procedures, chain-of-custody rules and better voter education.

A failure of electoral safeguards must be corrected as a system failure. It must not be used to stigmatise a community.

11. Citizenship and Equal Voting Rights

The source report considers whether voting power should vary according to tax paid. Such a system would depart from the democratic principle of one person, one vote.

- Tax-weighted voting would give greater political power to high-income and wealthy citizens.
- It would weaken equal citizenship and could conflict with New Zealand's constitutional and human-rights framework.
- People contribute through unpaid care, consumption taxes, community work and past taxation as well as current income tax.
- Disagreement about welfare or tax policy should be addressed through transparent budgets, not unequal votes.

Citizenship can reasonably require residence, good character, commitment to the law and a basic ability to participate. It should not create graded political citizenship based on wealth.

12. Face Coverings, Surveillance and Civil Liberties

12.1 Public Face-Covering Restrictions

The source report examines overseas laws restricting full-face coverings in public. Any New Zealand proposal would need to balance identification and security with freedom of religion, expression, privacy and disability needs.

- Targeted identification requirements are easier to justify than a general public ban.
- Exceptions would be needed for health, safety, weather, occupation, protest and cultural purposes.
- A law aimed in practice at one religious group would create serious rights and social-cohesion concerns.

12.2 CCTV and Artificial Intelligence

New Zealand already has extensive private and public CCTV coverage. Video analytics can accelerate the search for known vehicles or suspects, but more cameras do not automatically prevent crime.

- AI can reduce the time required to review large volumes of footage.
- False matches, demographic bias and function creep create legal and ethical risks.
- Clear warrants, retention limits, audit logs and independent oversight are essential.
- Facial recognition should not become continuous population tracking without explicit democratic authority.

Technology should support evidence-led investigations, not replace the presumption of innocence or normal legal safeguards.

13. Policy Framework

Objective	Recommended approach	Success measure
Reduce low-wage dependency	Tighten access where jobs require no training; require wage, training and productivity plans	Higher wages and capital investment per worker
Protect migrant workers	Portable visas, recruiter licensing, stronger labour inspection and accessible redress	Fewer exploitation findings and illegal deductions
Verify genuine skills	Independent occupational assessment and bridging pathways	More migrants working at their verified skill level
Support domestic workers	Apprenticeships, regional training, transport and childcare support	Higher local participation in shortage sectors
Improve integration	Language, civic education and community participation support	Higher belonging and participation indicators
Protect democracy	Strengthen postal-vote identity and chain-of-custody safeguards	Lower rate of irregular or disputed ballots
Use surveillance lawfully	Necessity tests, audit, retention limits and independent oversight	Effective investigations without systematic rights violations

Conclusion

Low-wage migrant labour is not primarily a question of nationality. It is a question of economic design. When employers can obtain insecure workers more easily than they can train local staff or invest in productivity, the system rewards dependence.

A better framework would welcome genuine skills, protect essential seasonal programmes, prevent recruitment debt and job-selling, allow workers to leave abusive employers, and require industries to build domestic capability. The goal is neither an open-ended labour supply nor blanket exclusion. It is migration that raises productivity, protects dignity and strengthens social cohesion.

References and Source Notes

1. New Zealand Treasury and former Productivity Commission research on immigration, labour markets and productivity.
2. Construction industry and migration case study published through the Treasury.
3. Recognised Seasonal Employer scheme material from New Zealand government and Pacific development sources.
4. Immigration New Zealand material on work visas, skills settings and employer accreditation.
5. Employment New Zealand, labour inspectorate and Human Rights Commission material on migrant exploitation.
6. Ministry of Social Development, Social Cohesion in Aotearoa New Zealand 2024.
7. *Bhalla v District Court* [2026] NZHC 472 and public reporting on the Papatoetoe local-election rerun.
8. New Zealand citizenship, electoral and human-rights legislation.
9. Public-sector guidance concerning CCTV, algorithmic tools, privacy and law-enforcement use.
10. The Chinese-language source edition from which this English publication was translated and editorially reconstructed.

Editorial Note

This English edition preserves the source report's economic, immigration, integration, electoral and public-safety analysis while correcting overbroad group attribution. The Papatoetoe election case is described at institutional level without identifying candidates or attributing conduct to an ethnic or religious community. Potentially defamatory or privacy-sensitive personal claims have been removed, anonymised or qualified rather than used as a reason to delete substantive policy content. Time-sensitive visa, legal and court information should be checked against current primary records before republication.