



**MINISTRY OF BUSINESS,  
INNOVATION & EMPLOYMENT**  
HIKINA WHAKATUTUKI

---

# **Temporary Migrants as Vulnerable Workers**

## **2015 Pathways, Circuits and Crossroads Conference**

---

Wendy Searle



# How are we doing this research?

- Phase 1 (2013/2014)
  - *Temporary Migrants as Vulnerable Workers: A literature review*
  - Aim was to help identify areas for further in-depth research
    - Hospitality
    - Canterbury Construction Industry
- Phase 2 (2014/2015)
  - Analysis of administrative data and IDI
  - Interviews with key informants
    - Government
    - Business
    - Other – NGO, unions, representatives from migrant communities

A photograph of two construction workers on a site. The worker on the left wears a blue hard hat with 'INDUCTION' and 'SUPERVISOR' labels, orange safety glasses, and a high-visibility yellow-green vest. The worker on the right wears a white hard hat, an orange safety vest over a green t-shirt with a logo, and is writing on a set of blueprints held by the first worker. The background shows a construction site with rebar, orange safety flags, and a crane under a clear sky.

# Vulnerable Temporary Migrant Workers: Canterbury construction industry



MINISTRY OF BUSINESS,  
INNOVATION & EMPLOYMENT  
HIKINA WHAKATUTUKI

In Confidence

# Research questions

- Characteristics of temporary migrants in the Canterbury construction industry?
- What is the nature and extent of temporary migrant worker vulnerability and exploitative?
- How does the increased need for labour in post-earthquake Christchurch impact on exploitative practices?
- What are some potentially effective interventions or policies to address vulnerability and exploitative practices?

# Definitions

Vulnerable worker:

- *‘...someone working in an environment where the risk of being denied employment rights are high and who does not have the capacity or means to protect themselves from that abuse’.*

Migrant worker:

- *‘....workers who have migrated to another country to take up work but who currently do not have a permanent status in the receiving country’.*



# Overview of temporary migrants in NZ

- Essential skills policy
- Recognised seasonal employer scheme
- Working holiday scheme
- International students
- Family stream
- Study to work policy





# Temporary migrants working in the Canterbury construction industry



# Temporary Migrants in Canterbury

## Trends

- Marked increase in temporary workers since 2012
- Most likely to be on essential skills or working holiday visas.

## Essential skills workers

- Philippines, Great Britain, Ireland top countries
- Top occupations - Carpenters and joiners and painting trades workers
- Almost all men

## Labour market outcomes

- Well paid in comparison with other essential skills workers



# Nature and extent of exploitative practices



# What did key informants say about the nature and extent of exploitative practices?

- Mixed perspectives on the extent

*It's very hard to say...a minority, but enough definitely to be a reasonably strong minority*

*Nobody really knows to be honest. We don't know what we don't know.*

- Types of practices
  - Money paid to agents
  - Contract substitution
  - Minimum employment standards not met
  - Issues concerning the 90 day trial
  - Poor employment practices
  - Deductions and withholding of wages



# What did key informants say about the nature and extent of exploitative practices?

- Impact of increased demand for workers?

- Small businesses

*Because they just don't have the resources in my view to be able to deal with it- and a lot of them are getting more workers than they have ever had in their lives.*

- Labour hire

*They get here and they've got a full time job but the nature of their job is that they only work when the agency can get them work, and if the agency can't get them work well...they don't get paid.*

- Self-employed contracts

*Filipinos don't understand what they're engaging in when they sign a subcontracting agreement, that they are responsible for their taxes, all they see is that its \$28 not \$22.*



# What did key informants say about the nature and extent of exploitative practices?

- Which migrants most vulnerable?
  - With poor English skills
  - In debt
  - Visa tied to job
  - From the Philippines



*“Anyone with a position of power is in a place where they can tell you what and how to do things. And you do not question anyone who is in a position of power.”*

*“A lot of them are too frightened to speak out because they are frightened they are going to lose their job, they’re going to lose their visa, they’re going to be sent back home... a lot of them have invested a lot of money. ”*



# Vulnerability re low pay

- Tested whether essential skills (ES) workers were earning less each month than a 30 hour minimum wage.
- Low pay less prevalent in construction occupations
  - Overall 3% of all ES workers paid less than a 30 hour minimum wage per month – only 2% in Construction in 2012 and 2013, 1% in 2014.
- ES construction workers who were more likely to be paid less than the full time minimum:
  - Women
  - Working for businesses with fewer than 5 employees
  - Working for migrant employer from same country
  - From Brazil



# Information sources and awareness of employment rights





# Information sources and awareness of employment rights

- Not well informed or aware

*[Talking about self-employed contracts] They don't understand that they have to pay their own tax, their own ACC, and they're actually in breach of their visa.*



- Informal networks crucial
  - Churches and migrant communities
- Small employers and sub-contractors – not well informed
- Migrant reluctant to report exploitation

*The desperation to keep the job is a big one, and the desperation to stay in New Zealand. And the thought process that “No job, no visa”.*

# Initiatives to mitigate vulnerability or prevent exploitative practices



# Key informants' suggestions on effective initiatives

- Information, education and advice
- Collaboration between agencies is crucial
- Build on work of Labour Inspectorate
- Provide guidelines and standardised employment agreements



# Summary

- Rapid growth in temporary migrants in the Canterbury rebuild
  - Filipino workers are the top group of essential skills workers
- Essential skills construction workers are well paid
  - Few are earning less than the minimum full-time wage
- But interviews show some migrants are experiencing exploitative situations
- Particularly vulnerable migrants. Those:
  - with low English levels
  - with financial commitments
  - working for small businesses and labour hire companies.

# Migrant Exploitation Action Plan

- Education & Empowerment
  - Eg Migrant and employer guides
- Increasing the likelihood of employers getting caught
  - Immigration Amendment Act 2015
- Making the consequences of getting caught real
  - Employment Standards Review
- Improving knowledge about the problem and effective responses



# Accessing the reports

## Literature review

Yuan, Cain & Spoonley (2014). *Temporary Migrants as Vulnerable Workers: A literature review*

<http://employment.govt.nz/research/migration/working-papers.asp>

## Construction report

Vulnerable Temporary Migrant Workers: Canterbury construction industry

<http://employment.govt.nz/research/migration/working-papers.asp>

## Email address

[wendy.searle@mbie.govt.nz](mailto:wendy.searle@mbie.govt.nz)

