

**To: New Zealand Productivity Commission**

**Chair: Dr. Ganesh Nana**

**Commissioners: Andrew Sweet, Prof. Gail Pacheco, Dr. Bill Rosenberg**

**Re: Immigration setting inquiry**

Thank you for the opportunity to respond to whether New Zealand's immigration system is fit for the future. As an immigrant with dependants and with no family as secondary support and currently undertaking studies, I wanted to contribute to this inquiry.

I make this submission as part of my social policy analysis course as a Masters of Applied Social Work student, and I will make my recommendations according to what I see as best upholding the wellbeing of New Zealanders.

Immigration is an important part of the economic growth of a country but with New Zealand's fast population growth and recent Covid 19 pandemic outbreak, there have been questions about not only the country's reliance on the global economy but also the nation's economic and wellbeing position. This submission on the Immigration setting inquiry by the New Zealand productivity commission will focus on four of the twelve main areas of interest such as the Treaty of Waitangi and Immigration Policy. An analysis of the proposed Living Standards Framework using the areas of the four Capitals; Social, Natural, Physical/Financial and Human Capital, immigration policy and wellbeing and how immigration policy should consider population changes. This submission will respond with an analysis and recommendations in broader terms under each category.

### **How might the Treaty of Waitangi be reflected in immigration policy?**

**Question:** *In what ways should the Crown honour the Treaty of Waitangi in developing and applying immigration policy? What changes are needed to policy or implementation?*

The issue of the imbalance of power relations between indigenous Māori and Pakeha is not new, neither is the conflict and treatment of Māori or the lasting effects of colonisation where Māori transitioned from 'sovereign majority to disempowered minority' (Kukutai & Rata, pp 28 in Hall, 2017). Even after the signing of the treaty, it became apparent that two different cultures competing for the same land and resources was going to be difficult (Walker, pp 269, 1984). The replacement of traditional Māori principles (Tikanga) to the English philosophies and values (Kukutai & Rata, pp 28 in Hall, 2017) remains with long standing issues. Despite treaty negotiations also including immigration policy, this has been contested under the suggestion that Māori input has largely been ignored and

governments have predominately favoured Pakeha descendants (Ward & Lui in Landis & Albert, 2012).

However, the present day demonstrates a much broader mix of ethnic groups who have migrated to New Zealand. Given the historical context, concerns over Māori input and Māori contributions needs to be considered, the relevant Māori governing bodies such as the Tribunal and Maori party should be consulted, and their voices heard. The Treaty of Waitangi principles should continue to be upheld and existing historical grievances should be also considered if the policy is to cover the effect on its citizens. Future land ownership and use will need to be treated with caution, to protect Maori owned land but also determine the capacity of New Zealand to house and accommodate current and prospective residents. In a feedback report, amongst the positive outcomes from tourism, the negative impacts on the environment such as physical damage, inadequate wastewater infrastructure from high usage, environmental contamination and depletion of natural resources were a concern to Māori. Alongside this was also questions of lack of respect for cultural boundaries and customs such as te reo use, land access, respect for maori land and values (Parliamentary Commissioner for the Environment, 2018). I acknowledge this submission will not be covering tourism however the above issues are still relevant to the impact of not only Maori land but also New Zealand in general. The opportunities and challenges of immigration on tangata whenua who have such strong connections to the land and upholding culture, language, and traditions must remain an important part of New Zealand.

Another aspect to consider is regarding the harmony and balance of indigenous New Zealand with growing multiculturalism, how it can exist so there is a fair and just society for all. It's not about ethnic conflict but rather about ethnic equality so there is both full acceptance of indigenous rights but also cultural diversity (de Bres cited in Ward & Liu, pp 46, 2012). I believe that the wellbeing of New Zealanders should be priority, indigenous and local citizens should not feel they are competing or losing their own opportunities.

According to the MBIE statistics for Dec 2020 Quarter, the number of Maori in the labour market remained steady despite COVID 19 decrease in overall labour force participation with unemployment falling predominantly for those in the 15-24 and 35-54 years. Importantly, there were more Maori in the ages 15-24 years classified as NEET (Not in Education, Employment or Training), more than any other ethnic groups. Although Maori employment didn't fall significantly during Covid due to predominately being employed in areas less impacted by the pandemic, there are still structural issues such as cyclical stimulus (ANZ NZ Ltd, 2021) that need to be addressed. Although this data falls outside the scope of the inquiry, it demonstrates an area that deserves consideration.

## **How can the immigration system's contribution be assessed?**

**Question:** *Is the commission's proposed framework useful way of thinking about the immigration system for this inquiry? What changes would you make?*

*What should the overall objectives for the immigration system be?*

When looking at the GDP and productivity of New Zealand, it is important to acknowledge that New Zealand has a low population and is geographically isolated, which effects many areas of the economy (Conway, pp 41, 2018) and this is where immigration can have both positive and negative consequences. Although GDP has historically been an indicator of the economic health of a country, it doesn't consider other factors, particularly in immigration regarding wellbeing (Wilson & Fry, pp2, 2020) and there are several considerations at the forefront of policy required to address these. Immigration is as much a political apparatus as it is about attracting and retaining the best talent (Skilling, 2012). The future of New Zealand's immigration system must reflect what is important to its people.

The proposed framework of the four capitals is a useful guide to understanding which areas are impacted the most and which are short term or long term since the primary goal of immigration is to have longer term gains. Furthermore, it needs to carefully address the issue of whether New Zealand has the capacity to absorb the influx of new migrants in terms of infrastructure and on the growing demands of the public service in a wide range of sectors. Nonetheless, the Covid-19 pandemic leaves immigration outcomes uncertain with the trans-tasman bubble and restrictive border control to other parts of the world, hence, the ideal time to review policy settings.

In relation to labour force, a lower skilled labour-intensive investment in favour of highly skilled capital-intensive investment isn't a beneficial long term productive decision (NZIER, 2020). Currently the criteria for applying for the skilled migrant visa is explicit in making sure the skill is one which will benefit and be of greater use to New Zealand (IMZ, 2021). However, questions remain with temporary work visas and the implications for the local market and their opportunities, this could be a deterrent for attracting and retaining those best fit in the labour market (NZIER, 2020).

A longer-term policy can benefit the nation provided this is assessed annually to review the proposed indicators against the agreed outcomes. Prospective migrants could also be asked during the applications process their expectations, hopes, or wants upon settlement and measured against actual experience.

## **How can immigration policy support and promote wellbeing?**

**Question:** *What factors matter most of assessing the impact of immigration on wellbeing? How can they be measured?*

As discussed, immigration needs to contribute significantly to overall economical productivity, however, this should not detract from the wellbeing of New Zealanders. A focus on a localised labour market acquiring high quality education and training helps the concerns with the demand of more skilled migrants to fill the roles. However, this doesn't solve the answer to lower skilled in lower paid jobs that have been heavily filled by migrants. An ongoing issue with migrants is job matching with the requirements of what the work force needs and whether they can fulfil these roles, particularly if training is in another country and if regulations are different. As highlighted in the Issues Paper, migrants and those on temporary working visas are not just an economic value but a real person(s) with their own hopes and aspirations that can offer much more to the overall New Zealand society. However, it raises questions on the implications this has on untrained or currently training New Zealanders, what incentive is there to finish school or find work? (NZIER, 2020).

The factors that matter the most for assessing wellbeing is access to entitlements and services available to migrants as these have such an impact on wellbeing, things such as medical treatments and access to government and community health services is imperative to families, particularly those with dependants. Furthermore, a review on immigration policy for the cost/benefit ratio of allowing additional dependants such as older family members to relocate, to ease the burden on childcare costs but also for mental wellbeing on new immigrants (NZIER, 2020).

Moreover, access to education, especially for the opportunity to advance from low skill to higher skill qualifications or conversion to NZ regulatory bodies required for employment and entrepreneurial business opportunities that potentially bring innovation and international connection. A review of the current timelines and criteria of entitlements and services to migrants is also crucial, to bridge the gap between barriers to wellbeing of migrants to that of permanent residents.

### **How should immigration policy consider population changes?**

**Question:** *Which costs and benefits of population growth are most important? Why?*

*What policy changes could help increase the benefits and reduce the costs of population growth?*

The base population for New Zealand in 2020 was just over 5 million and projected with high probability that it will reach 5-6+ million in 2033, albeit slowly as the population ages and the gap

between births and deaths narrow (Crothers, pp 5, 2021). Additionally, there is projected spatial distribution for continual growth in the North and major urban areas (Crowthers, pp 7, 2021). Population growth is a positive outcome for the overall economy as it brings skills, knowledge, and cultural diversity. This has many benefits to understanding the world and cultural knowledge, notable areas for example are work ethic, science and technology, food and hospitality industry and greater international connection.

Immigration policy for the future needs to have New Zealand ready for the increase in population and needs to consider the current issue in infrastructure particularly in housing. The other areas include the education sector having enough schools and teachers available, MOE forecast teachers in the future as meeting demand at least until 2023 and anticipated that for secondary there will be demand for teachers for te reo and STEM (Science, technology, engineering, and mathematics) (MOE, 2020). For primary it is predicted there will be a higher need in certain parts of the country and Māori medium sector. However, if more non-English speaking or English not first language migrants reside in New Zealand then there will need to be more bilingual educators.

In the health sector there is already problems with adequate beds in hospitals and there are widespread shortages of nurses in many parts of the country, with an aging workforce and demand for support for new nurses to take on the demands. There is a general shortfall of staff in all areas of the health sector (RNZ, 2021).

The community sector will also need capacity to provide support and services, such as for resettlement and integration into New Zealand life which puts pressure on resources and supply of goods and services on community organisations. Every sector within society needs to be accounted for the growing demands and pressures of the increase in population and what this will mean for the wellbeing of the people. If economical productivity does not meet the level of demand on resources, current immigration policy is not working.

There are also implications for businesses, the sectors hardest hit by COVID 19 and border closure responded, positives were new business models and new working arrangements created (NZIER, 2020), global trade replaced with a focus on local trade and new appreciation for the lower skilled workforce. Social wellbeing emerged as a focal area in both politics and personal fronts, local and international residents felt the emotional impact of isolation and departure from normal social behaviour. What can be learned from the pre COVID era to now? Policy needs to be for long term benefits, funding needs to be channelled to securing and building better infrastructure, improving health, education, and social services, and developing business and labour markets to better adapt and survive in unpredictable circumstances.

In conclusion, Immigration brings richness and diversity to New Zealand society and has many benefits including filling skill shortages and bringing new knowledge and innovation to business and labour markets. The Immigration Productivity Commission should recommend that government look at longer term strategies with a clear immigration objective in mind; uphold the rights of Māori and the Treaty of Waitangi and the implications of immigration on Māori opportunities and employment. The proposed framework should be used to gauge areas effected by immigration and consider what parts of policy need to factor in issues that are current such as demands on business, education, infrastructure, health and reflect the ways these affect the wellbeing of the people of New Zealand. The decisions of future immigration policies need to be able to create a productive, stable economy and equitable New Zealand society.

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