

28 July 2025
Committee Secretariat
Education and Workforce Committee
Parliament Buildings
Wellington
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Retail NZ submission: Immigration (Fiscal Sustainability and System Integrity) Amendment Bill

Overview

1. Retail NZ is a membership organisation that represents the views and interests of New Zealand's retail sector. We are the peak body representing retailers across Aotearoa, with our membership accounting for nearly 70% of all domestic retail turnover. New Zealand's retail sector comprises approximately 30,000 businesses and employs around 227,000 Kiwis.
2. Retail NZ consulted our membership in the preparation of this submission and have prepared our feedback on the aspects of the Bill which are most relevant to employers in the retail sector.
3. Retail NZ is in support the overall purpose of the Bill, particularly its focus on improving system integrity, protecting migrant workers, and ensuring fiscal sustainability.
4. However, we oppose the proposed expansion of immigration levies to employers, as this could impose an undue financial burden on retailers, especially small and medium-sized enterprises (SMEs). Additionally, we urge further consideration of the proposed new offences related to migrant exploitation. It is essential that businesses are provided with clear guidance and support to ensure compliance and to avoid unintentional breaches of the Immigration Act, and that all parties who may engage in conduct which could be considered migrant exploitation are held accountable, and subject to consequences.

Expansion of Immigration Levies

5. Retailers acknowledge that expanding the immigration levy base could help fund education, health, and skills training, potentially benefiting the sector in the long term. However, applying these levies to employers, particularly small retailers, would impose additional financial strain on businesses already facing significant compliance costs.
6. Retailers are already required to cover the costs of accreditation, job checks, and ongoing compliance. They also bear risks when visa applications are declined, when migrant workers resign shortly after employment begins, or when unforeseen events disrupt the employment relationship, often without any ability to recover incurred costs.

7. Introducing an immigration levy on top of existing obligations could undermine the viability of retail businesses and discourage them from hiring migrant workers, potentially worsening labour shortages in the sector. At a time when record numbers of New Zealanders are moving overseas, it is more important than ever to support local employers by facilitating workforce growth and encouraging the inflow of skilled migrant labour.
8. We recommend that the Government consider removing the expansion of immigration levies from the Bill, or implement mechanisms to avoid disadvantaging SMEs, such as excluding small retailers from the expanded levy base or implementing tiered levy structures that reflect business size and capacity.

Additional offences related to migrant exploitation

9. Retail NZ supports initiatives aimed at better protecting migrant workers from exploitation. However, we are concerned that the introduction of additional offences related to migrant exploitation may unintentionally place further pressure on employers who are genuinely committed to compliance. In particular, small retailers who engage third-party recruiters or agencies may be required to undertake more rigorous vetting processes to ensure those parties meet all legal obligations.
10. Retail NZ is aligned with the recommendation by BusinessNZ in their submission on this Bill, to amend section 351A to broaden the scope beyond employers to ensure any third parties engaged in this conduct are subject to criminal charges or fines.
11. Retail NZ agrees with BusinessNZ that penalties for immigration-related offences should be expanded beyond employers and visa holders to include suitable sanctions for third parties who charge unlawful premiums.
12. We further recommend that the Government clearly outlines how employer compliance will be assessed in relation to these new offences. Without clear guidance and proportionate enforcement mechanisms, there is a risk that well-intentioned businesses will face increased administrative and bureaucratic burdens.

Conclusion

Thank you for the opportunity to make a submission. Retail NZ supports the intent of the Bill, though we believe further clarification is needed to update the Bill so that it is fit for purpose, and supports a fair and sustainable immigration system for all parties.

In summary, we recommend that further consideration be given to proposed changes which could disadvantage a large proportion of NZ businesses that are already struggling under financial and bureaucratic pressures.

Retail NZ is happy to discuss any aspect of this submission further. Retail NZ would like the opportunity to make an oral submission to the committee.

No part of this submission should be withheld under the OIA.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Carolyn Young'.

Carolyn Young
Chief Executive
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