

Immigration is an important aspect for not only those that come through the process but how we shape the lives of everyday New Zealanders. It has complex and interweaving impacts on a whole range of issues. In a world where Kiwi's options to overseas work is diminishing and where technology will change the paradigm of what is regarded as the new normal in terms of economic forecasts. This review is timely, as New Zealand refocuses in new environment that has fundamentally changed the status quo. The review of New Zealand's Immigration settings should take into account the following factors:

- Total population growth and the immigration rates impact on the availability and cost of housing for New Zealand citizens and recent migrants. Housing and homelessness is becoming a larger issue for New Zealand with the younger generation experiencing a massive decrease in their standard of living and facing significantly higher levels of debt. This is becoming more and more problematic for New Zealand. When businesses bring in additional people, when rents and housing is already increasing, this adds further pressure on housing and pushes people who were just marginally paying their bills down a rung on the spectrum of housing. This flows on to create more homeless where there wouldn't have been had there been less level of population. This often-unseen impact is a direct result of population growth and immigration rates out stripping the construction of new dwellings. Immigration is often portrayed as a neutral in terms of economic benefit, however this over simplification and mudding of the waters by those in big business or immigration industry is flowing on to the standards of living their children, and the next generation experience. Particularly when housing and infrastructure is not keeping pace.

- Cost on healthcare, superannuation, and education (including the gain of tertiary study government subsidies) from principal applicants and their dependents. Some government programmes assume that an applicant's sole purpose for immigration is the desire to work in their stated employment however it is also all too common for the real reason to be that of New Zealand's generous social welfare system that other countries do not provide. Cumulatively if taxes aren't being paid at a high enough level all the benefits that they and their dependants accrue can result in a net loss to the tax paying public, than if they had not been granted residency in the first instance. For example, an age residential care worker that comes through SMC that brings 2 to 5 dependants and then sponsor their parents can outweigh any marginal economic benefit that the employer gains. And resulting in very minimal taxes. For example, assume an age care worker on \$55,000 has a 28% effective tax rate, this only results in a \$15.k tax benefit to the Crown however their dependants might all attend subsidised tertiary study which would have cost \$24k each in international fees but now only costs them \$6k. With the government subsidizing their fees of \$18k each. Resulting a net loss to Crown and tax payers. Likewise, the superannuation rate for the parents once qualifying would result in \$34,955 cost to the Crown for the parents where they are only required to stay 10 years and not contribute any fixed some or salary to the domestic economy. We would also gain the partner who may have low skills and just complete with low skilled New Zealanders. There is also no guarantee that the Children that benefited from subsidized study will stay in their newly acquired country as they can still retain their overseas citizenship or move to Australia. Likewise once residency is gained there is no grantee that once the parents have gained residency here that the principal applicant then doesn't move to Australia, leaving NZ with the burden of superannuation and healthcare costs for the parents. All for low skilled migration that is lobbied from industry that bears no responsibility after the people arrive, and holds no one accountable.

-Chain migration from industry and business. Not all migrants approach jobs in in demand areas as a long-term career prospect. A large number of new migrants just using their job role to gain residency and then move on to another higher paid profession or adjust their standards to that of a domestic citizen once they have achieved residency. This causes the employer to simply go through the process with another migrant which doesn't address the shortage in the area and just creates a migration industry with the government adding to its population with no real knowledge of if those people and where they ultimately end up have been beneficial for New Zealand. Ultimately it is not the job and conditions that is the incentive but rather the promise of residency. These industries do not benefit New Zealand society long term and distort the domestic labour market.

- Industry and ministerial lobbying. Everyday New Zealanders are seldom heard from with respect to migration with opposition or concerns raised by population growth and migration often dismissed by those claiming to be in the know, either and Immigration Advisors/lawyers or as Economists from organisations that are funded by and represent the special interests of business. Industry and the immigration industry use lobbying to stifle resetting policies that benefit everyday New Zealanders. As the current system allows them and applicants to complain to the media but where Immigration New Zealand or the IPT cannot respond as it would breach their privacy. This allows them to try go around the law and place undue media influence on the political party in at the time. The current system does not allow INZ to refute claims made in the media and allows for politicians to do what is politically expedient for their own electorates without considering the cumulative impacts on New Zealand. Likewise paid industry lobby groups and immigration advisers who have a clear vested interest get consulted with, and only propose options that are favourable to them, the rest of New Zealand very really gets to decide on matters that govern our immigration policies. This state of affairs should be made more transparent with more consideration as to how the whole system functions.

- The substitution impact of employers not needing to train Kiwis for positions that are being filled by migrants. NZ employees have a higher degree of generally knowing their employment rights, there can be an incentive for employers to hire well trained migrants to fill gaps, rather than train NZ employees for this reason. It may also come down to cost, why invest in a New Zealander when you can get the skills already acquired and pay the new migrant employee less as they have an additional incentive of residency rather than pay and conditions. Migrant workers are generally fearful towards their employers until they gain residency, as they do not want to jeopardise their employment pathway to residence by asking for better conditions.

- The impact of future automation technology, this will cause significant job and opportunity loss and how having a smaller population may be beneficial. Electric cars, AI and more automation will have big impacts on the number of well-paid jobs within all economies. Historically when one innovation has arrived it has provided a higher or at least equal number of opportunities as it replaced. This is not necessarily going to be the case in what has been called the next industrial revolution, with for example a few hundred employees in Silicon Valley being able to replace whole industries. Even historical professions such as law and accounting can be replicated to a higher standard with emerging AI, with those professions only protections being sign-off required a human in law. This will have a massive impact on social cohesion with some commentators forecasting that it will be up to the state to implement extremely costly universal basic income protections for their

citizens. Having a lower population could mean that the social disruption would be limited along with the impact to the Crown finances.

- **The impact on wages, unions and the labour market from having a larger population.** Typically, migrant workers are not unionised. As they are employed by the employer typically on that understanding and the employee is too scared to negotiate due to them being at the mercy of the employer for their residency pathway provided by their employment. General supply and demand economics show that when there are more available employees' wages will drop. Likewise, if demand grows but so does supply at the same or greater rate wages will still not raise. NZ is positioned as an easier place to enter into than Australia and our wage rates reflect this. Australia witnessing the move from our domestic population and recent migrants to Australia, have come to view us as more like a backdoor into their country, and have hence moved to restrict our rights in their country. This is also a broader question of why does NZ need position itself as a low wage economy relative to Australia.

- **The impact on social mobility of the domestic population.** A lot of our immigration places are allotted to the very wealthy (Investor category) or very capable workers and students, this can cause our own domestic population to miss out on opportunities when real places for opportunity are limited. For example, government funded scholarships. Likewise, the impact of offshore investors may only help to inflate assets prices if there is no added benefit over and above what a New Zealander purchaser would have brought, which can stratify social class as we are in effect just importing higher social classes and reducing the purchasing power of New Zealanders.

- **The impact of population growth on our natural environment and our productive farm land.** As our society grows, and immigration is used to do this, it creates more pressure on our local councils to expand and for developers to grow into land traditionally zoned for agricultural and horticultural food and export production. It also places more pressure on natural reserves, town belts and marginal areas. Additionally, the pressure on farm land becomes more from the value increasing and the need for its intensity in terms of crop, fertilizer and land use to change.

- **Population growth impacts on climate change and our international carbon emissions targets,** the impact that the total NZRP yearly target has on population growth in light of the recommendations from the Climate Change Commission's advice to government. The Commission and broader society is making more and more efforts to reduce our carbon footprint however this can all be undone by simply increasing our population as if we grow as a country our carbon footprint will expand. Population modelling should be built into these forecasts however there is no public information on this just yet.

- **Impacts on families and natural population growth,** as housing costs increase from in part more competition, along with more competitive market for jobs more pressure is put on wages and families. This is evident in the younger generation as more and more kiwis are reluctantly giving up on having a family and children because their real living standards compared to previous generations (in terms of things that matter like having a home) are decreasing. This results in people not having children because the cost and competition is making children become cost prohibitive. This impacts on our natural population growth and our standards of living as New Zealanders. High immigration population growth can be reasonably said to be a factor in fuelling this phenomenon.

- **Commercialisation and utilisation of new technology.** The rate at which capital can be employed to improve productivity in menial occupations should be considered as an alternative to low skilled immigration. For example, Callaghan Innovation and Scott technology have developed a better fully automated meat cutting machine but these are not fully utilized in our freezing works as there is a disincentive for industry not to take risk, than move to more efficient processes as they can rely on migrant labour. There needs to be a concerted effort by government to commercialise our technology sector not just the development of the technology. Having wider implementation and less low skilled migrant employees will help lift our average labour productivity rates and also help free up domestic workers from menial work allowing for their talents and efforts to be deployed more productive.

Other considerations

- Statistics New Zealand should be forecasting the number of new dwellings and homes needed in each region based on immigration numbers and population growth, so that this can be feedback into policy setting for; Immigration New Zealand, Kāinga Ora – Homes and Communities, the New Zealand Infrastructure Commission, along with local councils.

-A government programme should not bring in more people than it can house. For example, 10,170 people have been brought in under the CISSL (Kiwibuild) work visas category however there are only 1965 homes forecast to be constructed under the Kiwibuild programme in the next 5 years, with employers likely to bring in more. This programme doesn't even house those brought in let alone try fit the housing problem.

-All residency categories should be capped with an invitation to apply (ITA) needed, with an ITA only issued where INZ knows it has the capacity to process those visas and the flow on within 2 months.

-Residence numbers should be dramatically reduced. With work visa holders on low skilled visas either very limited or not under the pretence that their visa type will lead to residence. This needs to be clear from the outset.

-Any business or investor class visa should have the requirement to have additional settlement funds equal to the average house price in the area, where they wish to settle, with them being required to purchase of a plan or a new development rather than pre-existing housing stock.

-Partnership visas should require more than just living together for 12 months to be granted residency. This should be extended to either 2 or 3 years.

-New Zealand residents should be required to become permanent residents and hold this status for 5 at least five years before being able to gain access to subsidised tuition.

- All self-employed visas, such as the Global Impact Visa should have the requirement where they need to generate at least the minimum wage before they are granted residency.

- Tax exempt status or stand down periods should not apply to New Zealand resident visa holders. Along with any investment funds that are invested in New Zealand needing to be subject to their own personal tax rate, rather than allowing the investment to be held via overseas companies and trusts.

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