
Consultation on: Immigration (Fiscal Sustainability and System Integrity) Amendment Bill

From: Wood Processors and Manufacturers Association of NZ

To: Education and Workforce Select Committee

Contact: Mark Ross, Chief Executive – mark@wpma.org.nz

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1. Executive Summary

- 1.1 The Wood Processors and Manufacturers Association of New Zealand (WPMA) is appreciative of the opportunity to provide feedback on the Immigration (Fiscal Sustainability and System Integrity) Amendment Bill (the Bill).
- 1.2 WPMA recognises the critical contribution migrants make to New Zealand’s economy and communities, acknowledging that our sector simply could not operate without migrant workers. We support a high-performing immigration system that delivers timely, transparent, and consistent service, upholds the rule of law, and maintains the confidence of employers, migrants, and the wider public.
- 1.3 As a core statement, we oppose the provisions within the Bill enabling levies to be charged to employers, education providers, and other persons.
- 1.4 The levy proposal does not meet the specified government principles of equity, justifiability, transparency and efficiency. Further, employers have already been contributing over and above the cost recovery requirement via the existing fees regime.
- 1.5 Hence, we recommend that amended section 399 is removed from the Bill.
- 1.6 Given our reliance on migrant workers within our sector, WPMA broadly supports the System Integrity proposals provisions within the Bill.

2. Discussion - Key points

- 2.1 Due to difficulties in recruiting suitable staff within regional New Zealand, immigrant workers have become a critical component of many operators within our industry. As large employers throughout regional New Zealand, wood processing and manufacturing is essential to on-going community support and regional growth.

- 2.2 The migrant staff that our members employ provide a very stable environment for their workforce, with the result of less employee turnover. At the same time we agree that we need to work harder as a country to bring and retain New Zealanders into the workforce, but until this happens we must maintain an effective entry pathway for migrant workers to fill the critical vacancies within our industry.
- 2.3 The System Integrity proposals outlined within this Bill to improve the immigration system's integrity and responsiveness by tightening settings in response to risk is supported by WPMA. This includes increased prosecution for migrant exploitation and stronger consequences for resident class visa holders who commit criminal offences or who pose significant risk.

WPMA is opposed to the introduction of a Levy:

- 2.4 However, WPMA opposes the enabling provisions enabling levies to be charged to employers, education providers, and any other persons to pay for broader public goods such as health, education and training. The levy proposal does not meet the specified government principles of equity, justifiability, transparency and efficiency. Further, employers have already been contributing over and above the cost recovery requirement via the existing fees regime and WPMA lacks confidence that there has been an accurate assessment of the beneficiaries of the immigration system.
- 2.5 Employers currently pay fees for accreditation under the Accredited Employer Work Visa (AEWV) scheme, which were introduced to support cost recovery for immigration services. As part of the AEWV reforms, all employers wishing to hire migrant workers on this visa are required to be accredited by Immigration New Zealand. This mandatory accreditation process already imposes a direct cost on employers engaging with the system and reflects their compliance obligations under the new regime.
- 2.6 Beyond mandatory accreditation and application fees, the additional compliance obligations introduced under the AEWV regime represent a significant cost burden for businesses. These costs can flow through to the wider economy, contributing to inflationary pressure and distorting market wage signals. These unintended consequences ultimately disadvantage all New Zealanders.
- 2.7 In our opposition to an added levy we support the BusinessNZ thoughts, these being that the fundamental premise for the levy scheme being necessary due to immigration adding pressure and cost to public services is incorrect. Population growth needs to be co-ordinated with infrastructure and other public spends, however working-age migrants contribute more to the tax base and consume fewer public services. Migration helps reduce per capita medical and retirement costs, particularly in countries with ageing populations. The International Monetary Fund (IMF) has found that immigration tends to improve fiscal balances by expanding the labour force, boosting productivity, and supporting the financing of public pensions and healthcare systems. In high income countries, these effects are particularly significant, as migrants often arrive during their working years and delay the onset of age-related public spending.
- 2.8 The introduction of a levy would shift costs from the government to employers with no reasonable justification.

3. Conclusion

3.1 WPMA is in support of the System Integrity provisions within this Bill, but is opposed to the provisions within the Bill enabling levies to be charged to employers, education providers, and other persons. We encourage the Government to remove amended section 399 from the Bill as there is no reasonable justification for this proposed levy to be introduced.

The Wood Processors and Manufacturers Association

About us:

The Wood Processors and Manufacturers Association (WPMA) was established in 2014 through a merger of the Wood Processors Association and the Pine Manufacturer's Association. We are a voluntary funded industry association with a strong focus on promoting wood as the heart of a future zero-carbon economy.

Our members are leaders in the New Zealand wood industry converting harvested logs into a wide range of products including sawn lumber, pulp, paperboard, panels, laminated products, mouldings, and engineered wood, through to the development of bioenergy solutions.

Total sales of industry products both domestically and globally in 2024 were approximately \$5 billion. The industry employs close to 30,000 staff, mostly in the New Zealand regions.

<https://www.wpma.org.nz/>

Contact for correspondence:

Mark Ross
Chief Executive, Wood Processors and Manufacturers Association
mark@wpma.org.nz
027 442 9965